



Workers' Compensation eALERT

Current Law Developments and Legal Issues

That May Affect You Or Your Business

Lafayette Shreveport

December 5, 2008

[Louisiana Supreme Court Ruling in PPO Litigation](#)

[OWC Lacks Subject Matter Jurisdiction Over Thirty Party Claims](#)

In reference to the various health care provider claims against us alleging violations of the fee schedule by using PPO agreements to pay the bills, the Louisiana Supreme Court has recently rendered a decision that while not affecting our cases directly, it does affect peripheral parts of the claim. In *Broussard Physical Therapy versus Family Dollars Stores*, 08-1013 (La. 12/2/08), the Louisiana Supreme Court has ruled definitively on the issue of whether or not the OWC has jurisdiction over third party demands by the employer against the companies administering the claims and/or providing the PPO contracts. In short, the Supreme Court has ruled that the OWC does not have jurisdiction over those claims.

While the Court specifically stated that the OWC has jurisdiction over the claims by the health care providers against the employer, as those disputes do arise out of the Workers' Compensation Act, it held that the claims against the PPO providers or the companies providing the discounts to the employers are purely contract claims and therefore must be brought in district court. What this does is streamline and simplify the hearing of the various PPO disputes as this now makes those straightforward disputes simply between the health care provider and the employer and removes the various issues arising out of the contracts to other proceedings.

What makes this really interesting though is that the exception of subject matter jurisdiction was brought by one of the third parties in the claim and they now run the risk of the OWC holding their contracts to be illegal, without these entities being allowed to participate in the suit, since the court lacks subject matter jurisdiction over them.

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