

Breaking News: NJPA's Privacy Suit against SHBP, Horizon BCBS and Magellan is Dismissed – For Now.

Feb. 3, 2011 - The New Jersey Psychological Association (NJPA) and the APA Practice Organization (APAPO) learned yesterday that NJPA's privacy lawsuit against the New Jersey State Health Benefits Plan and the companies that manage those benefits, Horizon BCBS and Magellan, has been dismissed by the trial court judge based on her finding that NJPA lacks "standing" to assert privacy claims on behalf of its members' patients. Whether an association has such standing is a cutting-edge issue: no New Jersey appellate court has decided an associational standing issue in the context of privacy claims.

NJPA, its outside attorneys and APAPO will be reviewing the transcript of the hour long conference call in which the judge explained her reasoning in granting Horizon and Magellan's motion to dismiss. However, they believe that there is strong legal precedent for NJPA to demonstrate standing in its own right and on behalf of its members to assert these privacy claims and they are evaluating options for pressing forward on these issues, including filing an appeal with the New Jersey Appellate Division. We will keep you apprised of NJPA's decisions and actions going forward.

In the lawsuit, filed in December 2009, NJPA seeks a declaration that defendants' intrusive requests for patient information violate state privacy laws by asking for far more information than is necessary to make benefit determinations. NJPA also alleges that Horizon and Magellan must comply with HIPAA and its "minimum necessary" standard because defendants agreed to abide by these requirements in the plan documents. APA and the APA Practice Organization have provided technical and financial support for the lawsuit, while hundreds of NJPA members have contributed toward the cost of the litigation. NJPA thanks all for their past and future support in this important endeavor.