

FOR IMMEDIATE RELEASE

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DMHC Issues Cease and Desist Orders Against Health Net, Anthem Blue Cross, and Blue Shield for the Unlawful Denial of Medically Necessary Therapies

\$300,000 Fine Issued to Health Net

(Sacramento) – The California Department of Managed Health Care (DMHC) today ordered Health Net, Anthem Blue Cross, and Blue Shield of California to cease and desist from denying their members access to medically necessary speech therapy and/or occupational therapy. Complaints to the department show the plans denied coverage for these services without determining whether the services were medically necessary. Additionally, a \$300,000 fine was issued against Health Net for repeatedly and unlawfully mischaracterizing requests for services as coverage issues rather than medical necessity issues.

“Medically necessary speech and occupational therapy are basic health care services that health plans must cover,” said DMHC Director Brent Barnhart. “Today’s actions will ensure that members receive the care required by law.”

Additionally, the plans will be required to identify and reimburse members who paid out-of-pocket for medically necessary therapy after those services were inappropriately denied.

Full orders and accusations:

Health Net

Order: <http://wps0.dmhc.ca.gov/enfactions/docs/2041/1384793223665.pdf>

Accusation: <http://wps0.dmhc.ca.gov/enfactions/docs/2041/1384791642571.pdf>

Anthem Blue Cross

Order: <http://wps0.dmhc.ca.gov/enfactions/docs/2039/1384793022072.pdf>

Accusation: <http://wps0.dmhc.ca.gov/enfactions/docs/2039/1384791148603.pdf>

Blue Shield

Order: <http://wps0.dmhc.ca.gov/enfactions/docs/2040/1384793131979.pdf>

Accusation: <http://wps0.dmhc.ca.gov/enfactions/docs/2040/1384791390868.pdf>

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Department of Managed Health Care Press Release

Brent A. Barnhart
Director

California state law, known as the Knox-Keene Act, requires health plans to arrange for and cover basic health care services whenever those services are medically necessary. If a health plan denies a consumer's request for a health care service, consumers have the right to appeal. The DMHC acts as a final arbiter of such appeals and administers its Independent Medical Review program to review denials based on medical necessity.

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The DMHC regulates managed care health plans in California, protects the rights of approximately 20 million health plan enrollees, educates consumers on their health care rights and responsibilities, and preserves the financial stability of the managed health care system. Since 2000, the department has helped more than 1 million Californians resolve health plan problems through its Help Center. Information and assistance is available 24/7 at www.HealthHelp.ca.gov or by calling 1-888-466-2219.

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