

FOR IMMEDIATE RELEASE

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Department of Managed Health Care Director Shelley Rouillard issues statement on permanent injunction granted in People v. Martello

(Sacramento) - Department of Managed Health Care (DMHC) Director Shelley Rouillard today released a statement regarding Los Angeles Superior Court Judge David Milton's ruling granting a permanent injunction against Dr. Jeannette Martello to stop her from illegally balance billing health plan enrollees for emergency services. In addition to the permanent injunction, the ruling included a financial penalty of \$562,000 and directed Dr. Martello to dismiss all legal actions against DMHC patients she illegally billed. Furthermore, the court sentenced her to 5 days in jail.

"The court's ruling will finally put an end to Dr. Martello's illegal attempts to make patients pay her money they don't owe," said Director Rouillard. "The Department of Managed Health Care is pleased with the outcome in this case on behalf of the many enrollees who suffered as a result of Dr. Martello's actions."

The court decision regarding Dr. Martello can be found here: <http://wps0.dmhc.ca.gov/enfactions/docs/1869/1385148217324.pdf>

Background of the case, People v. Martello: In December 2010, the DMHC issued a Cease and Desist Order against Dr. Jeannette Martello, a plastic surgeon, to stop her from illegally collecting or attempting to collect payments from health plan enrollees for emergency services. A DMHC investigation found that Dr. Martello had balance-billed multiple health plan enrollees for emergency room services provided at Huntington Memorial Hospital in Pasadena and Providence St. Joseph Medical Center in Burbank. In defiance of the order, Dr. Martello continued the practice and sued additional patients. Therefore, in August 2011, the DMHC filed a civil action in Superior Court, People v. Jeannette Martello. The court granted a preliminary injunction to prevent Dr. Martello from collecting or attempting to collect payments from health plan enrollees while the case was pending. The DMHC prevailed in the case; the court granted a permanent injunction against Dr. Martello and assessed a \$562,000 financial penalty. Additionally, the court found Dr. Martello in contempt for violating the preliminary injunction and sentenced her to 5 days in jail. Dr. Martello has appealed the jail sentence.

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Background on balance billing: In California, health plans are responsible for the cost of enrollees' emergency health care services. Occasionally, disputes arise between health plans and emergency providers about the reasonable cost of those services. Under California law, emergency health care providers are prohibited from attempting to collect disputed balances from health plan enrollees - a practice known as balance billing. The California Supreme Court has made it clear that any such dispute is between the health plan and provider; a health plan enrollee cannot be placed in the middle (Prospect v. Northridge).

Californians with questions about balance billing can contact the DMHC Help Center at 1-888-466-2219 or visit www.HealthHelp.ca.gov.

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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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