

FOR IMMEDIATE RELEASE:

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Contact: Media@dmhc.ca.gov

(916) 445-7442

DMHC Fines Anthem Blue Cross \$5 Million for Systemic Grievance System Violations

(Sacramento) – The California Department of Managed Health Care (DMHC) has taken enforcement action including a \$5 million fine against Blue Cross of California (Anthem Blue Cross) for systemic grievance system violations. Anthem Blue Cross has demonstrated a pattern and practice of failing to identify, timely process and resolve enrollees' grievances. Anthem Blue Cross has also failed to fully and timely provide information to the Department during the investigation of member complaints.

“The grievance process is fundamental to protecting consumers' health care rights and ensuring consumers receive the care they need,” said DMHC Director Shelley Rouillard. “Anthem Blue Cross' failures to comply with the law surrounding grievance and appeals rights are longstanding, ongoing and unacceptable. The plan must correct the deficiencies in their grievance and appeals system and comply with the law.”

This enforcement action is the result of deficiencies identified in DMHC surveys and 245 specific grievance system violations identified by the DMHC Help Center during the investigation of consumer complaints from 2013 through 2016. Including this fine, the DMHC has fined Anthem Blue Cross \$11.66 million for grievance system violations since 2002.

One example of the numerous failures of the Anthem Blue Cross grievance system involved an enrollee who was diagnosed with a serious condition. Anthem Blue Cross provided pre-authorization for extensive surgical intervention and reconstruction to treat the enrollee. Anthem Blue Cross denied the claim when it was submitted by the provider. In an effort to resolve the issue, the enrollee, as well as the enrollee's provider, broker, and spouse made 22 calls to the plan. Even after the 22 calls Anthem Blue Cross failed to recognize or resolve the enrollee's complaint.

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Under California law plans are required to recognize an expression of dissatisfaction as a grievance, or complaint. Instead, calls to Anthem Blue Cross' customer service system resulted in repeated transfers, as well as unfulfilled promises that the plan's representatives would return calls. It was not until the enrollee sought assistance from the DMHC, more than half a year after the treatment, that Anthem Blue Cross finally paid the claim.

For additional information on this enforcement action visit:

<http://wps0.dmhc.ca.gov/enfactions/docs/2990/1510765385688.pdf>

Health plans are required to have grievance and appeals systems to assist consumers in resolving issues with their health plans. A health plan's grievance program informs enrollees of their full grievance and appeal rights and protections afforded to them under the law, such as the right to pursue an Independent Medical Review or file a complaint with the DMHC if they are dissatisfied with the health plan's decision.

A robust grievance program also allows health plans to track and trend grievances for the purpose of uncovering systemic problems, thereby providing the opportunity for quality improvement.

In California, health plan members have many health care rights including the right to know why a plan denies a service or treatment, and the right to file a grievance if they disagree.

If a consumer is experiencing an issue with their health plan or is having difficulty accessing care, they can file a grievance with their plan. If they are not satisfied with their health plan's resolution of the grievance or have been in their plan's grievance system for 30 days, they should contact the DMHC Help Center for assistance at 1-888-466-2219 or online at www.HealthHelp.ca.gov.

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About DMHC:

The DMHC protects the health care rights of approximately 26 million Californians and ensures a stable health care delivery system. The Department has helped more than 2 million Californians resolve health plan problems through the Help Center. Information and assistance are available at www.HealthHelp.ca.gov or by calling 1-888-466-2219.



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