



For Immediate Release
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**Department of Managed Care Orders Blue Cross of California to
continue sending patients to Pomona Valley Medical Center**
Hospital contract terminated by health plan effective Feb. 15

(Sacramento) – More than 17,000 HMO patients covered through Blue Cross of California will continue to have access to Pomona Valley Medical Center (PVMC) through an order issued by the Department of Managed Health Care (DMHC), despite the plan terminating its contract with the hospital effective Feb. 15. The DMHC’s enforcement action is due to Blue Cross’ failure to demonstrate that it can smoothly transition patients to other hospitals, as required by law.

“We’re taking this failure by Blue Cross very seriously as it threatens the health and safety of a large number of consumers who are currently served by PVMC, the only large medical center in these sections of Los Angeles and San Bernardino counties,” said Cindy Ehnes, director of the Department of Managed Health Care. “Because Blue Cross has just completed a multi-billion merger, we are diligently ensuring that they hold up their agreements with the DMHC as a condition of the transaction and its commitment to improve patient care.”

The DMHC Order for Discontinuance of Unsafe Practices means that doctors treating Blue Cross HMO patients will continue to be able to admit patients to PVMC. The plan has 15 days to request a hearing and provide further evidence of an adequate alternate hospital plan.

Several deficiencies by Blue Cross were cited by the DMHC in its cease and desist order including:

- Blue Cross failed to give doctors adequate notice to stop admitting patients to PVMC prior to the contract termination. A short time frame is insufficient for doctors to make alternate hospital admitting arrangements, which can sometimes take up to six months.

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- Blue Cross failed to negotiate an agreement with PVMC by the termination date of Feb. 15, to complete care for up to 400 patients that may be currently authorized for services through June.
- The transition plan submitted by Blue Cross was inadequate and incomplete. One significant deficiency is that the plan could not provide an accurate number of enrollees who could be affected by the contract termination with PVMC, especially those enrolled in its PPO plans.
- Blue Cross failed to give the DMHC adequate advance warning of its intent to terminate the contract with PVMC, as other health plans have done in order to ensure a smooth transition of care for patients.
- Blue Cross informed the DMHC that there were six alternate local hospitals available to admit patients. However, the DMHC found that the alternate hospitals are either too full or do not provide the full range of services available at PVMC.
- Sixteen cancer patients currently scheduled for radiation treatment at PVMC may not be covered for their treatment under the current Blue Cross transition plan, as the doctors do not have admitting privileges to the alternate hospital offered.

“If this action is allowed to proceed, it will be a real blow to 2,700 children in my practice who will lose access to services at Pomona Valley Medical Center,” said Carrie Knoll, M.D., chief of pediatrics at PVMC. “My partners and I have chosen to admit all of our young patients to this hospital exclusively, because of the high quality of care they receive.”

Under current law, health plans are required to maintain adequate provider networks, including doctors and hospitals, to ensure the continuity of care for enrollees. This includes the termination of a hospital contract in order to ensure that patients have seamless access to comparable providers and facilities.

The California Department of Managed Health Care is the only stand-alone HMO watchdog agency in the nation, touching the lives of more than 21 million enrollees. The Department has assisted more than 633,000 Californians through its 24-hour Help Center to resolve their HMO problems, educates consumers on health care rights and responsibilities, and works closely with HMO plans to ensure a better, more solvent and stable managed health care system.

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