

**FOR IMMEDIATE RELEASE**  
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**CONTACT: Rodger Butler**  
**(916) 324-9947**

## **DMHC Orders Anthem Blue Cross to Pay Health Care Providers for Services**

### ***Dating Back to 2007 Action Taken as a Result of Anthem's Refusal to Remediate Violations from Previous Audit***

**(Sacramento)** – The California Department of Managed Health Care (DMHC) today ordered Anthem Blue Cross to pay health care providers money owed to them, with interest, for services provided dating back to 2007, DMHC director Brent A. Barnhart announced today. The action is a result of Anthem's refusal to remediate providers following a financial claims audit that identified errors in payment of medical claims.

“Under California law, health plans must pay health care providers, including doctors and hospitals, accurately, fairly, and on-time,” said director Barnhart. “Anthem's refusal to pay providers for errors caused by the plan's own claims process places an unjust burden on health care professionals and organizations that provide critical health care to millions of people across Californian.”

In 2008, the DMHC launched provider claims audits of the seven largest health plans in California due to a growing pattern of complaints from providers regarding late and inaccurate payments and inappropriate claim denials. These audits found claims payment violations above the threshold allowed under California law at all seven health plans.

In response to the audits, the DMHC required the plans to pay providers the money they were owed and to demonstrate improvements to the plans' claims processes to prevent future errors. In addition, each plan entered into settlement agreements to pay administrative fines. To date, six of the seven plans have undertaken provider remediation efforts.

**STATE OF CALIFORNIA**  
**EDMUND G. BROWN JR.**  
**GOVERNOR**

**HEALTH AND HUMAN**  
**SERVICES AGENCY**

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980 9th Street  
Suite 500  
Sacramento, CA 95814-2724  
916-324-8176 Voice  
916-322-9430

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320 West 4th Street  
Suite 880  
Los Angeles, CA 90013-2353  
213-620-2744 Voice  
Fax213-576-7183 Fax

**Department of Managed Health Care**

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However, after lengthy discussions with the DMHC regarding the scope of remediation, Anthem has refused to pay providers for the claims violations uncovered in the audit. Anthem Blue Cross has 30 days to submit to the DMHC a corrective action plan to identify the claims that were not correctly paid and pay the providers as prescribed by law.

“The DMHC is taking this action to ensure Anthem complies with the law and pays providers the money they are owed,” said Barnhart.

To view the order visit: <http://healthhelp.ca.gov/library/reports/news/order011212.pdf>

The California Department of Managed Health Care regulates Health Maintenance Organizations, touching the lives of more than 21 million enrollees. The department has assisted more than one million Californians to resolve their health plan problems through its Help Center, educates consumers on their health care rights and responsibilities, and works with health plans to ensure a solvent and stable managed health care system.

Follow the DMHC on Twitter at: <http://twitter.com/CADMHC>

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Sacramento, CA 95814-2724  
916-324-8176 Voice  
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213-620-2744 Voice  
Fax213-576-7183 Fax