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ANTHEM BLUECROSS FINED \$415,000 FOR LACK OF RESPONSIVENESS TO CALIFORNIA CONSUMERS

- California Department of Managed Health Care Fines Anthem For Not Resolving Consumer Greivances, Ignoring Regulators
- These 83 Violations Raise Serious Questions About Pending Anthem-Cigna Merger, As Anthem Seeks to Get Even Bigger
- Patient Groups & Public Demand Strong and Enforceable Consumer Protections and Improvements If Merger Approved

SACRAMENTO, CA – On Tuesday, California Department of Managed Health Care (DMHC) fined Anthem Blue Cross \$415,000 for failing to identify, process, and resolve consumers' complaints in a timely manner, and for its nonresponsiveness to the regulator's investigation when consumers sought help from DMHC.

Consumer and patient groups have significant concerns about the 83 violations found by DMHC, especially in light of Anthem's proposed merger with Cigna. Health Access California and others have asked DMHC to scrutinize the merger and ensure it is in the best interest of consumers.

"The \$415,000 in fines announced today is the latest example of Anthem's failure to abide by basic consumer protections. Just last year, Anthem was fined for its notoriously inaccurate provider directories, which made it hard for consumers to find in-network doctors. They should not be allowed to get bigger until they get better and fix all of these problems," said Tam Ma, policy counsel, Health Access California, the statewide health care consumer advocacy coalition.

Anthem Blue Cross is one of the largest health insurance companies in California and operates in both the commercial and public market. Consumer advocates argue that Anthem's troubling record of not meeting its obligations to its customers raises questions about whether those problems will only grow as the company grows. This is yet another example of Anthem not complying with existing consumer protections. State regulators also fined Anthem \$1.5 million for not paying for an important prenatal test, exposing 27,000 patients to unnecessary costs. Health Access and other consumer groups raised these concerns at DMHC public meeting earlier this year.

“This latest round of enforcement actions should give DMHC significant pause as it considers the Anthem-Cigna merger. The Department has repeatedly found Anthem failed to follow the law. As one of the largest insurance companies in California, Anthem provides coverage for millions of consumers yet has a record of not meeting basic consumer protection laws," said Ma.

Consumer advocates are urging state regulators to scrutinize the Anthem-Cigna deal and others that are pending, and impose conditions to ensure protections for individual policyholders and for California's health system as a whole.

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