

The Dept of Managed Health Care will conduct public hearings , regarding BLUE CROSS of California:

DATE: Tuesday, August 07, 2007 (10 a.m. -- 3 p.m.)

Location: 320 West 4th Street , Los Angeles 90013 (in the Junipero Serra Building 's Carmel Room Auditorium)

AGENDA:

I. DMHC overview: Undertakings and role/purpose

II. Key issues arising since the change in control at Blue Cross, that may include:

- Commitment to the California market
- Consumer/provider complaints

(Please submit your comments to the DMHC, even if you cannot attend)

III. Blue Cross of California response

The Department of Managed Health Care (DMHC), which regulates health care service plans in California, plans to examine the Undertakings and related issues regarding Blue Cross of California that have arisen since the 2004 Anthem-WellPoint change in control.

“Physician and consumer complaints about Blue Cross of California will be aired at a DMHC's hearing. In addition to physicians' complaints, regulators are expected to take testimony from the public about premium increases, retroactive cancellation of individual coverage after a serious illness, and the level of corporate profit (including a recent payment of \$950 million by Blue Cross of California, to its corporate parent WellPoint),” as quoted in the attached LA Times article.

DMHC invites the public to speak at the meeting.

Please file written comments preferably by August 2, even if you cannot attend. (Also, post conference comments will be accepted).

For more information on submitting comments to state regulators, please contact

Ms. Denise Schmidt
Department of Managed Health Care,
980 9th Street (Suite 500), Sacramento , CA 95814 .
W# (916) 322-2078 Fax (916) 322-2579.

e-mail comments to: publiccomments@dmhc.ca.gov

Source: DMHC website at www.dmhc.ca.gov , and click onto the Upcoming Meetings hyperlink.

July 17, 2007 : **CMA Statement on Blue Cross of California and Postponement of DMHC hearing**

The California Medical Association issued the following statement by CMA President Anmol S. Mahal today:

Today it was announced that the Department of Managed Health care will postpone its public hearing on the status of Blue Cross of California's compliance with the undertakings provisions related to the 2004 merger with Anthem Health Care.

The postponement is the cause of extreme concern to California 's physician community for a variety of reasons. It is our hope and expectation that DMHC will be vigilant and forceful in the demands required of Blue Cross in meeting its regulatory obligations. DMHC should not be deterred by the legal threats of a bad actor seeking to renege on its legal requirements. **Blue Cross has partaken in a number of egregious violations related to its legal commitments.**

These violations are very harmful to patients and their physicians. Since the merger, there has been a sharp increase in payment delays. Spending on medical care and treatment has dropped below pre-merger levels, and there is even less administrative capacity to meet the legal obligations under the Knox-Keene Act.

There is clearly a history of bad-faith actions on the part of Blue Cross that make this insurance company's motives suspect. It is clear that Blue Cross will continue any and all efforts to delay action by the DMHC in order to protect profits at the expense of consumers. Blue Cross should be forthright and timely in dealing with the public and its customers, and not engage in legal maneuvering to hide its failures to comply with law

CMA President Anmol S. Mahal

Source: <http://www.cmanet.org/publicdoc.cfm/2/1/pressection2/398>

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