



California Fines Anthem \$1.1 Million, Requires Corrective Actions

The California Department of Managed Health Care (DMHC) has taken enforcement actions totaling \$1,110,000 in fines against Anthem Blue Cross (Anthem). DMHC's enforcement actions include a fine of \$750,000 for incorrectly applying office visit costs to enrollee deductibles impacting 6,561 enrollees from 2015 through 2020, and a fine of \$360,000 for failing to mail Explanation of Benefits (EOBs) to 363,257 enrollees in 2019. Anthem reported both issues to DMHC, and has agreed to pay the fines and complete corrective actions including identifying and reimbursing enrollees impacted by the incorrect office visit costs.

"The DMHC's enforcement actions against Anthem are a strong reminder that DMHC will hold health plans accountable to the law, and protect consumer's health care rights," said DMHC Director Mary Watanabe. "These violations had financial impacts to enrollees, and

deprived enrollees of information on their rights to file a complaint or apply for an Independent Medical Review with the DMHC Help Center. Anthem has agreed to take corrective actions including reimbursing impacted enrollees and updating the plan's policies to make sure these issues do not happen again."

Anthem was in violation of the law when it failed to properly exclude certain office visits from enrollee deductibles. These office visits included those for primary care and behavioral health office visits. Anthem agreed to corrective actions including identifying and reimbursing impacted enrollees, which includes reimbursing nearly \$9.2 million to 6,561 enrollees.

In California, health plans and health insurance issuers are required to issue an EOB to an enrollee to provide information on the plan's processing of a claim for providing health care services, and to advise the enrollee of any amount the enrollee is responsible for paying. The EOB is an important document for enrollees. With health plans that have out-of-pocket maximums, enrollees can use the EOB to track amounts paid out-of-pocket for the year. The EOB also includes important information on enrollee rights including appeal rights and foreign language assistance.

[Full text of press release \(California Department of Managed Health Care, June 9, 2022\)](#)

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