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CAHP STATEMENT ON FILING OF BALANCE BILLING REGULATIONS

New Regulations First Step in Important Consumer Protections

The California Association of Health Plans CEO Christopher Ohman issued the following statement following today's California Department of Managed Health Care final filing of new regulations banning health care providers from balance billing – an abusive practice that places insured patients in the middle of health care disputes that ought to be handled between health plans and medical providers.

“The California Association of Health Plans has long supported protecting consumers from the predatory practice called balance billing,” said CAHP CEO Christopher Ohman. “Insured patients who are playing by the rules should not be used as leverage in billing disputes between health care providers and insurers.”

“The health plan industry sees the DMHC regulations banning balance billing as a good first step toward an outright ban on balance billing,” Ohman said. “We also need to take the next step of establishing a fair process in which health plans and providers can resolve billing disputes through an independent party.

“That’s just not fair,” added Ohman. “Balance Billing adds hundreds of millions of dollars in excess costs at a time when health care costs are already growing 2-to-3 times faster than economy. We need to work on lowering costs, not adding to them.”

Balance Billing is the practice where a medical provider unfairly places a financial burden on the patient by billing them for all charges not paid for by the patient’s insurance plan, even if those charges are above the plan's usual and customary rate or are considered medically unnecessary.

According to a 2007 study commissioned by CAHP, more than 1.76 million insured Californians who visited Emergency Rooms in the last two years received Balance Bills on top of their co-pays and deductibles.

The average bill was \$300, meaning Balance Billing is a \$528 million burden on insured patients.

The California Association of Health Plans is a statewide trade association representing 40 health plans that provide health coverage to more than 21 million Californians. The

Association's mission is to improve the health of California's communities by promoting the growth of health plans dedicated to providing high-quality, affordable, accessible health care to their members.

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