

**FOR IMMEDIATE RELEASE:**

October 1, 2018

**CONTACT:**

Mary Ellen Grant

[mgrant@calhealthplans.org](mailto:mgrant@calhealthplans.org)

(916) 552-2914

**SB 1156 SUPPORTERS UNDETERRED BY GOVERNOR'S DECISION TO VETO BILL**  
*Will Continue Their Work To Stop Third Party Payers From Gaming The Health Care System*

**Sacramento, CA** – A broad coalition of concerned consumer, labor, and health care groups today expressed their disappointment in Governor Brown's decision to veto SB 1156 -- a bill that would have discouraged certain dialysis providers and loosely regulated residential treatment centers throughout California from inappropriately shifting patients into commercial coverage in order to receive higher reimbursements for inflated and unnecessary medical claims. This practice has been particularly harmful to vulnerable individuals suffering from opioid addiction and kidney disease.

The coalition is committed to continuing their efforts to stop third party payers from gaming the system, harming patients, and driving up health care costs.

Following is a statement from the coalition:

“Although we are disappointed in the Governor's decision to veto SB 1156, the problem this bill aimed to address must still be solved. Third party payer abuse continues to put patients in jeopardy and drive up health care costs for all. Our coalition of consumer, labor, and health care groups will continue to work with the Legislature and the Administration to find a workable solution for rooting out the bad actors who are taking advantage of the system by submitting unnecessarily inflated medical claims for their own financial gain, while putting vulnerable individuals suffering from opioid addiction and kidney disease in jeopardy.”

The bill, authored by Senator Connie Leyva and passed by a bipartisan vote of 50 to 21, would have increased consumer protection and removed the financial incentive for third party-payers to bill health plans for unnecessarily inflated medical claims.

These schemes happen when certain third party payers steer patients into high cost health plans with a strings attached promised to pay their premiums – only to stop payment as soon as the patient's benefit runs out or no longer serves as a source of income for the third party provider. This practice especially puts individuals with substance use disorder or dialysis at risk and drives up overall health care costs, which results in higher premiums for all Californians.

[Supporters](#) of SB 1156 included the California Association of Health Plans, SEIU California, and the Association of California Life and Health Insurance Companies, among many others.

# # #