

Reuters  
July 21, 2004  
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## **California Patients Sue Insurers for 'Balance Billing'**

### **ABSTRACT:**

LOS ANGELES (Reuters) - The practice of "balance billing," in which hospitals bill patients to boost low insurance reimbursement rates, has come under an attack in a proposed class action filed on behalf of California consumers.

The Los Angeles Superior Court lawsuit, filed on Monday, says the practice is fraud and a breach of the state's unfair business practices law, and it seeks a court order to stop it.

In balance billing, insurers allow contracting hospitals to bill patients for the difference between what the insurer paid them and what they believe the services are worth, even if they agreed to take the lower fee, the lawsuit said.

The amounts sought by hospitals are sometimes the discounts that the hospital granted to the patient's insurance company in exchange for the patient's business, lawyers said.

The plaintiffs also demanded that consumers be allowed to see their files for the last four years to determine whether they were subjected to balance billing, the lawsuit said.

WellPoint Health Networks Inc., its subsidiaries Blue Cross of California and Blue Shield of California Life & Health Insurance Co.; Cigna Health Care of California Inc., PacifiCare of California, a unit of PacifiCare Health Systems Inc. ; Prudential Health Care of California and Aetna Health Management Inc, units of Aetna Inc, were named in the suit.

California law requires insurers to ensure that hospitals do not charge patients for services that are fully covered under their health plans.

Michael Chee, spokesman for WellPoint and Blue Cross of California, declined to comment on the lawsuit but said the companies' contracts do not allow hospitals to bill patients for the balance of services that are fully covered.

The remaining insurers could not be reached for comment.

Balance billing often occurs when a patient wins a jury award for injuries that put him in the hospital, lawyers said.

California law prohibits insurers from recovering their costs for healthcare in such cases until the patient is "made whole," and the insurer must then discount the billed amount owed to account for lawyers fees, but hospitals don't have those legal constraints, attorney Michael Cohen said; Cohen, who represents lead plaintiff Ronald Allen Gass.

The plaintiff, Gass, suffered a spinal cord injury in a 1997 rollover accident in which his car's roof collapsed, resulting in a hospital stay and physical therapy.

He sued the car maker and won a \$2.3 million judgment but the hospital placed a \$53,000 lien on the jury

award. Gass paid the hospital \$36,000 to release the lien, the lawsuit said.