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COMMITTEE ON
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Congress of the United States
House of Representatives

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April 23, 2014

Paul Markovich
President and Chief Executive Officer
Blue Shield of California
50 Beale Street
San Francisco, CA 94105-1808

Mark Morgan
President
Anthem Blue Cross California
1 WellPoint Way
Thousand Oaks, CA 91362

Dear Mr. Markovich and Mr. Morgan,

Nearly 1.4 million Californians have signed up for private health insurance through Covered California, the state's health insurance marketplace. I thank you for your commitment to providing a range of health insurance products for consumers to choose from and for your willingness to work with Covered California to overcome technical problems in the marketplace's inaugural year. Californians who have been under or uninsured for years are finding themselves with the peace of mind that comes with being able to seek care when in need.

However as you are well aware, many Californians—including many in my congressional district on the Central Coast—have found that their health care providers are not accepting health plans sold through Covered California. This is particularly troubling since these providers were often listed as in-network when consumers chose and purchased the plan. While I understand that insurance companies are continually negotiating with providers to join or leave their networks, in many situations individuals only purchased the plans they did because their health care provider were listed as in-network for those plans. Individuals purchased the plans, paid their premiums, and then showed up at their doctors' offices only to find out that their insurance plans would not be accepted.

These individuals feel like they were misled. As frustrations mount, my constituents are not looking for excuses about why they were given incorrect information when they signed up. Instead they need action to ensure that they can see the health care providers they signed up to access.

In a separate but related issue, I have heard from an increasing number of California physicians that they would be happy to join the network for a Covered California-sold plan, but have never been contacted to set up a contract. And others have said that they thought they were already included as in-network for certain plans, only to send in an insurance claim and find out that they were not. In these cases the provider is not out-of-network due to an inability to come to an agreement with the insurance company on reimbursement rates. Instead they never had the opportunity to negotiate or join the network at all.

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Together, these concerns indicate a clear need for additional action to strengthen insurance networks. Consumers who bought plans based on a flawed provider directory need access to the providers they signed up to see, and health care providers need a pathway to join existing health care networks if they want to – networks they might have thought they were included in from the start.

In light of these problems, I write to ask what your company has done to date—and what your future plans are—to address this issue for your customers who joined their plans based on inaccurate information? What processes can your company put in place to develop better relationships with the health care provider community to improve network adequacy and accuracy? And what are you doing to address these issues now so that Californians will have accurate information and improved choices during the next open enrollment period?

My constituents faced with this problem do not care why the network lists were inaccurate, they need a solution.

Thank you for your hard work to help bring health insurance access to millions of Californians. I look forward to your response.

Sincerely,

LOIS CAPPS
Member of Congress

cc: Peter V. Lee, Executive Director, Covered California