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## **Anthem Blue Cross is ordered to repay customer \$7,300**

**Herbert Greenberg wins a small-claims case against Anthem for overcharging him for safety-net plan.**

By Lisa Girion

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A Small Claims Court judge ruled Thursday that healthcare giant Anthem Blue Cross of California overcharged a Culver City man more than \$5,700 for safety-net medical insurance, and he ordered the company to pay him back with interest.

"This is one for the people," said plaintiff Herbert "Les" Greenberg. The judge "could not understand what Blue Cross did not understand about the law, which is clear on its face."

The award might be small change for Anthem, whose corporate parent, WellPoint Inc., netted \$2.5 billion last year.

According to a Times analysis published Feb. 18, Anthem sold thousands of policies that were intended to be safety nets for the sick, jobless and uninsurable at premiums that exceeded state-issued rates.

At the time, Anthem said it had erred and pledged to make amends. And Anthem did mail out refund checks.

But Greenberg, an investment lawyer, said the \$12 check he got fell far short of what he believed he was owed.

It all began in February when Greenberg's wife, Paulette, a paralegal, noticed the Times story. She said, "Hey, this is applicable to us," Greenberg said. " 'Get on it.' So I did."

Greenberg began by filing a public records request to obtain the rate caps for the safety-net coverage that are calculated each year by the state Managed Risk Medical Insurance Board. Then he compared those rates with the premiums Anthem had been charging him and concluded he had overpaid by \$5,750.24 over several years.

Greenberg complained to Anthem as well as the state Department of Managed Health Care. But that didn't seem to go anywhere, he said.

So, he went to Small Claims Court. At a brief hearing Thursday, Greenberg showed Judge Rex Minter the law, the state-issued rate sheets and his calculations. Minter awarded him everything he said he was owed, plus \$1,475.73 in interest and \$85 in court costs.

Anthem said afterward that it disagreed with the decision. "The company feels that the reimbursement made to the member was appropriate," spokeswoman Peggy Hinz said. "We will consider the next steps when we receive the written order from the court."

For Greenberg, there was a principle at stake.

"From an economic standpoint, it doesn't make sense to invest the time it took to bring this case," he said. But, he said, it was worth it. "It just isn't right that they should take monies to which they are not entitled."

The insurance at issue was established in 1996 by the Health Insurance Portability and Accountability Act for people who, because of for medical conditions , would be unable to buy coverage on the open market.

A 2001 state law tried to limit how much insurers could charge for such coverage in order to keep it affordable. And regulators agreed that the state's Managed Risk Board would calculate and issue rate caps annually. But Blue Cross, as well as its competitor Blue Shield, charged premiums that exceeded those rates.

Blue Shield defended its rates, saying it had been open with regulators about how it was calculating them. It also said the state-issued rates were not legally binding caps.

Aetna and Health Net uniformly adhered to the state-issued rates.

Regulators said they were investigating but have issued no findings. They also are considering establishing a new rate formula.

For now, Greenberg said he feels a bit like David to Anthem's Goliath. But, he said, "I'm not pouring the champagne at this time because there is still a potential of appeal."

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