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Health Insurance Companies Working the System

Many Californians are familiar with health insurance companies like Anthem Blue Cross, Blue Shield, Healthnet, Cigna or Aetna. We pay them a premium each month and expect that when we have a claim, they would do their part and cover us by paying our physicians and medical facilities. Although these are large companies, with many subscribers, COAST Surgery Center discovers that when they pay out their claims, they pay peanuts. How do they get away with that? Coast Surgery Center reveals their inside secret.

Since California law allows health insurers 40 days to accept or deny a claim, then allows them to notify patients every additional 30 days if they need more time, this allows for a loophole with no real deadline. So these insurers create a special department, which some call PPR (Pre-payment Plan Review), to intentionally delay payments by sending out general denial letters. These letters provide auto-generated reasons like "incorrectly billed, missing signatures, missing documentation, or missing medical records," in order to buy them time. They would give patients, doctors, and facilities the run-around and give excuses that may not even be relevant to the claim.

These large insurance companies pay lobbyists to help create laws that allow them loopholes to be able to get away with cheating their customers. Customers then purchase insurance policies that don't even cover them when they need it. When customers get frustrated and demand the insurance to pay or want to ring the alarm, the insurance company then pays, but pays Medicare rate, instead of paying the Usual Customary Reasonable (UCR) or (RC) rates as they really should be. So medical providers and facilities get nearly nothing. This doesn't make any sense when insurance premiums increase annually, and coverage keep decreasing.

California tax payers including patients, doctors, and facilities fund the Department of Insurance and the Department of Managed Healthcare (DMHC) so that they can ensure consumers of their healthcare rights and to protect consumers from being cheated. Yet these departments have either turned a blind eye towards these insurance companies or are not aware of their tactics. These Departments should be protecting consumers and investigate these insurance payout processes because they are working the system and using the loophole to scam customers of millions of dollars in premiums and paying out next to nothing or not at all. So instead of protecting the health insurance companies and letting them work the system, the Dept of Insurance and DMHC should be protecting patients.

If you are a patient, doctor or facility that have received notices from your insurance company or from a Pre-payment Plan Review department and have been struggling to get your claims paid, call COAST Surgery Center at 855-263-9968 and share with us your struggles.