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**DMHC declares May 1 Anthem Blue Cross rate increase unreasonable**

(Sacramento) – The California Department of Managed Health Care (DMHC) has determined that a May 1 rate increase for 120,000 Anthem Blue Cross members is unreasonable under the spirit of a new state law which allows regulators to review rate increases. The law allows regulators to post rate increase data on their Web sites and provide comment in order to give the public more transparent information when choosing health coverage in the individual or small group markets. However, it does not allow the DMHC to stop the rate increase.

On April 7, the DMHC sent a letter to Anthem Blue Cross asking the plan to explain why it is moving forward with a May 1 rate increase for individual PPO products under the jurisdiction of the DMHC when rates for similar benefit level products under the jurisdiction of the California Department of Insurance were recently decreased. A review of the increase showed that rates for similar PPO products filed with the DMHC are 3 to 4 percent higher. A response filed by the plan indicated that it was proceeding with the increase, despite DMHC objections that the plan was not treating its members fairly.

The DMHC has released the following statement:

“This is the first time that either California regulator has declared a rate increase as unreasonable under the standards set by the new rate review law,” said Lynne Randolph, spokesperson for the DMHC. “In the spirit of providing maximum transparency to consumers about rate increases, we have little choice but to publicly express our disappointment that Anthem Blue Cross didn’t lower the rates as we requested.”

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