

FOR IMMEDIATE RELEASE
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Department of Managed Health Care Director Brent Barnhart issues statement on preliminary injunction granted in People v. Martello

(Sacramento) - Department of Managed Health Care (DMHC) Director Brent Barnhart today released a statement regarding the Los Angeles Superior Court ruling granting a preliminary injunction against Dr. Martello to immediately stop her from illegally billing health plan enrollees for the difference between what their health plan paid and her billed charges. The ruling came in the case of the People v. Martello.

“The court’s ruling prevents Dr. Martello from harming health plan enrollees by illegally attempting to collect money from them that they don’t owe,” said Brent Barnhart, Director of the Department of Managed Health Care. “The California Supreme Court has made it clear that patients cannot be placed in the middle of disputes between health plans and providers over payments for emergency care.”

In California, health plans are responsible for the cost of enrollees’ emergency health care services. Occasionally, disputes arise between health plans and emergency providers about the reasonable cost of those services. Under California law, emergency health care providers are prohibited from attempting to collect disputed balances from health plan enrollees - a practice known as balance billing. The California Supreme Court has made it clear that any such dispute is between the health plan and provider; a health plan enrollee cannot be placed in the middle (Prospect v. Northridge).

The order can be found here: <http://healthhelp.ca.gov/library/reports/news/orderpi052912.pdf>

People v. Martello Background

On December 30, 2010, the DMHC issued a Cease and Desist Order against Jeannette Martello, M.D., a South Pasadena board certified plastic surgeon, to stop her from illegally collecting or attempting to collect payments from health plan enrollees for emergency services. A DMHC investigation found that Dr. Martello had balance-billed multiple health plan enrollees for emergency room services provided at Huntington Memorial Hospital in Pasadena and Providence St. Joseph Medical Center in Burbank. In defiance of the order, Dr. Martello allegedly continued the practice and filed multiple complaints in court against her patients.

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In August 2011, DMHC filed an action in the Superior Court, People v. Jeannette Martello, seeking three things: 1), to stop Dr. Martello from illegally balance-billing health plan enrollees; 2) restitution for her patients who were illegally balance-billed; and, 3) dismissal of any and all legal actions against her patients who may have been balance-billed. The injunction granted prevents Dr. Martello from collecting or attempting to collect payments from health plan enrollees while the case is pending.

The DMHC regulates managed care health plans in California, protects the rights of approximately 20 million health plan enrollees, educates consumers on their health care rights and responsibilities, and preserves the financial stability of the managed health care system. Since 2000, the department has helped more than 1 million Californians resolve health plan problems through its Help Center.

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