

FOR IMMEDIATE RELEASE

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Department of Managed Health Care Orders Southwest Trauma Medical Associates to Stop Illegal Balance Billing

(Sacramento) – The California Department of Managed Health Care (DMHC) ordered Southwest Trauma Medical Associates, Inc. (“Southwest Trauma”) and its providers, Dr. Festus B. Dada and Dr. Bolaji Nafiu, to cease and desist from illegally collecting or attempting to collect payments from health plan enrollees for emergency services, DMHC Director Shelley Rouillard announced today.

“Balance billing health plan enrollees for emergency services is not permitted under California law,” said Director Rouillard. “The DMHC will continue to take aggressive action against health care providers that illegally balance bill health plan enrollees.”

A DMHC investigation found that Southwest Trauma repeatedly balance-billed multiple health plan enrollees for emergency room services provided at Inland Valley Medical Center in Wildomar, California. When the health plan enrollees did not pay the illegally billed sums, Southwest Trauma hired a collection agency to pursue payment or sued the enrollees in small claims court. Despite multiple letters from the DMHC instructing Southwest Trauma to stop, the organization has continued the illegal practice.

“The investigation into Southwest Trauma Medical Associates is ongoing and the DMHC will take appropriate action to protect enrollees in the plans we regulate,” said Rouillard.

The full order can be found here:

<http://wps0.dmhc.ca.gov/enfactions/docs/2052/1387845458128.pdf>

In California, health plans are responsible for the cost of enrollees’ emergency health care 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).

-More-

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Department of Managed Health Care

Press Release

Shelley Rouillard
Director

Californians with questions about balance billing can contact the DMHC Help Center at 1-888-466-2219 or by visiting www.HealthHelp.ca.gov.

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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. Information and assistance is available 24/7 at www.HealthHelp.ca.gov or by calling 1-888-466-2219.

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