

Subscribe

Log In

Like

531k

Member Center

Alerts & Newsletters

Jobs

Cars

Real Estate

Rentals

Weekly Circulars

Local Directory

Place Ad

Los Angeles Times | BUSINESS

LOCAL U.S. WORLD BUSINESS SPORTS ENTERTAINMENT HEALTH LIVING TRAVEL OPINION SHOP

BREAKING PHOTOS VIDEO CRIME OBITUARIES WEATHER TRAFFIC CROSSWORDS SUDOKU HOROSCOPES APPS

TRENDING NOW ▲ HOLLYWOOD SKYSCRAPERS | ANTHONY WEINER | SPAIN TRAIN DERAILMENT | POPE IN BRAZIL | DODGERS

Search

MONEY & CO.

TRACKING THE MARKET AND ECONOMIC TRENDS THAT SHAPE YOUR FINANCES

WellPoint's Anthem Blue Cross spurns Calif. small-business exchange

Comments 176 +1 5



Anthem Blue Cross, a unit of WellPoint Inc., won't sell policies next year in California's new exchange for small employers. (David McNew/Getty Images)

By Chad Terhune

This post has been updated. See note below for details.

July 19, 2013 | 6:38 a.m.

Health insurance giant Anthem Blue Cross said it won't participate in California's new insurance market for small businesses.

Anthem, a unit of WellPoint Inc., is California's largest insurer for small employers. This surprising move could hamper the state's ability to enroll businesses in its new exchange called Covered California that opens Jan. 1 as part of the federal healthcare law.

Instead, Anthem said it will keep selling coverage to small firms outside the exchange in direct competition with the state-run market. Anthem also remains one of 13 health insurers that will offer policies to individuals in Covered California.

Nonetheless, Anthem's decision stunned many observers.

"That's really surprising and not a good thing for the exchange," said Micah Weinberg, a senior policy advisor at the Bay Area Council, an employer-backed San Francisco group.

"Anthem is a very major player in the small-group market and you want a broad range of insurers,

Connect

Recommended on Facebook Like 531k

Sign Up Create an account or Log In to see what your friends recommend.

NRA's black commentator becomes Web sensation 29,521 people recommend this.

In Case You Missed It...



Raunchy, racist jokes at sheriff's gathering



Heiress' anti-immigration efforts live on



L.A. council OKs Hollywood skyscrapers



Photos: How the best smartphones stack up



Photos of the Day

More »

Most Viewed

Latest News

Comcast CEO Brian Roberts extends contract through June 2014 07/25/2013, 6:30 a.m.

Driver shot after allegedly biting deputy and

particularly the most compelling brand names," Weinberg said.

[Story gallery: Healthcare law comes to California](#)

[Updated, 12:24 p.m., July 19: Covered California said small-business customers should still have plenty of choice and see competitive rates without Anthem's involvement.

"We don't think it will have a huge impact," said exchange spokesman Dana Howard. "There are other companies that are just as big. This will be a competitive market."]

The state had required health insurers wanting to sell in the individual exchange to also submit a bid for the small-business market, which is limited to employers with 50 or fewer workers.

Darrel Ng, a spokesman for Anthem, said Covered California lifted the requirement last month so the company opted to leave what's known as the SHOP, or small-business health options program.

"Because Anthem is no longer required to participate in SHOP as a condition of being on the individual exchange," Ng said, "Anthem has withdrawn its SHOP application. Anthem will continue to participate in the individual exchange."

Anthem also said it will remain part of a private exchange for small firms called California Choice.

Covered California is expected to announce the health insurers and their proposed rates for the small-business exchange in about two weeks. In the first few years, the state estimates up to 200,000 small-business workers and their dependents may get coverage through the state's market.

Last month, California Insurance Commissioner Dave Jones asked the exchange to bar Anthem from its small-group market because of what he viewed as unreasonable rate hikes in recent months.

At the time, Covered California said it would consider the commissioner's request alongside other factors. Some business groups opposed the exclusion, out of concern that Anthem's absence would limit competition and employee choice.

The insurer said the recommendation by Jones had no bearing on its decision.

Anthem led California with 31% of the small-employer market in 2011, according to the most recent Citigroup data. Kaiser Permanente was a close second with a 28% share, followed by Blue Shield of California with 18% of small firms.

Several major insurers have already spurned California ahead of the health law rollout. In May, UnitedHealth Group Inc., Aetna Inc. and Cigna Corp. opted not to participate in the state's individual exchange.

Last month, both UnitedHealth and Aetna went a step further and announced they were leaving the state's individual market entirely at year end, leaving nearly 60,000 customers to find new coverage.

ALSO:

[Insurers limit doctors, hospitals in state-run exchange plans](#)

[Regulator wants to bar Anthem from small-business health exchange](#)

[UnitedHealth, Aetna and Cigna opt out of California insurance exchange](#)

Copyright © 2013, Los Angeles Times

Comments 176 +1 5

« Previous Story **More Money & Company - business, economy, stock market, investing, automotive, finance - latimes.com** Next Story »



Moody's upgrades U.S. credit rating outlook as budget deficit falls



Boeing 787 Dreamliner makes unscheduled landing at Boston airport

MORE FROM THE TIMES

'Two and a Half Men' swaps Angus T. Jones with lesbian character

Hawaii: Famous military aircraft joins Pearl Harbor museum

L.A. council OKs Hollywood skyscrapers

reaching for gun 07/25/2013, 6:12 a.m.

How a one-of-a-crowd tabloid site became Anthony Weiner's problem 07/25/2013, 6:00 a.m.

Spain derailment: Two official investigations launched 07/25/2013, 5:06 a.m.

Tired of blockbusters: Moviegoers want Adam Sandler, not 'Pacific Rim' 07/25/2013, 5:00 a.m.

Video

Raw: Dramatic Video Shows Mo... AP Jul 25, 2013

Business staff

Tweets from a list by L.A. Times Biz News
Breaking business, tech and financial news from Los Angeles Times staff reporters.

Tiffany Hsu @tiffhsulatimes 3m
Dunkin' Donuts signs agreements for 45 stores in OC and LA. One in Barstow may open by the end of the year: [lat.ms/11gmhLr](#)
Show Summary


Daniel Miller @DanielNMiller 5m
That perfect LA moment where you realize you live next door to your barista. (You discuss a recent stabbing that went down one street over.)

Summer Vacation Photos »

despite concerns over quake fault line

Donor of rabies-infected liver kept raccoons for bait

Shirley Jones candidly discusses her sex life in autobiography



Share your summer travel photos. We'll publish the best online and in print. [2012 highlights](#)

Comments (176)

[Add / View comments](#) | [Discussion FAQ](#)

Anne Kelly at 11:36 AM July 22, 2013

California Legislators are trying to pass a bill SB639, for the Individual Market. This bill says ONLY EXCHANGE METALLIC PLANS CAN BE SOLD in the Individual Market. Wondering what's the REAL motive behind that? If the purpose of Obama care is to insure the uninsured, then YOU "Covered California" has NO BUSINESS in small group Market. Keep your Metallic Plans, as the current small Group market plans are better. Most do not have % on Specialty RX which is Costly and treats most Chronic Illnesses. The monthly Tab for these RX is usually \$1,000-\$10,000 but most people don't realize that as their Healthnet SILVER HMO Covers it for a Small \$50 Co Pay. YES \$50 Not 20%-30% of the Monthly \$1,000-\$10,000 Drug Cost, which is EXACTLY WHAT COVERED CALIFORNIA SILVER & BRONZE has everyone paying that earns above 200% Federal Poverty. Not to mention another 30% -40% plus DEDUCTIBLES on COVERED CALIFORNIA SILVER PLAN if we have Outpatient Surgery or Hospital bills. So, THANKS BUT NO THANKS, Small Group can do without your Idea of Quality & Affordable Care. We were better off without you.

WinManCan at 7:00 AM July 21, 2013

My last Kaiser bill was for over 800.00/mth. After moving back to Canada (45 years Perm Res. of the USA) 5 years ago, my monthly is now 67.50 for pretty much the same coverage. I'm healthy, happy and I go South (not the USA) for a month in the winter and spoil my Grandkids rotten with the thousands I save. GL America!

KaywinnitLeeFrye at 5:40 PM July 20, 2013

Should healthcare be a for-profit industry?

Comments are filtered for language and registration is required. The Times makes no guarantee of comments' factual accuracy. Readers may report inappropriate comments by clicking the Report Abuse link next to a comment. Here are the full [legal terms](#) you agree to by using this comment form.

Premium content. Unique experiences. Exclusive offers. Only with Membership [Start now](#)

In Case You Missed It...



Photos: Train derailment kills dozens in Spain



Photos: An eating tour of the San Gabriel Valley



Photos: Vans U.S. Open of Surfing 2013



Photos: Destinations on National Geographic's tour



Photos: Political wives standing by their men

[Corrections](#)

[Digital Services](#)

[Media Kit](#)

[About Us](#)

[Contact Us](#)

[Site Map](#)

Los Angeles Times

Burbank Leader | Coastline Pilot | Daily Pilot | Huntington Beach Independent | News Press | Valley Sun | KTLA | Hoy
 Baltimore Sun | Chicago Tribune | Daily Press | Hartford Courant | Los Angeles Times | Orlando Sentinel | Sun Sentinel | The Morning Call
 Terms of Service | Privacy Policy | About Our Ads | Copyright 2013

A Tribune Newspaper website