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**PRESS RELEASE**

**IMMEDIATE RELEASE**  
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## **CITY ATTORNEY'S OFFICE SECURES \$40 MILLION SETTLEMENT AGAINST HEALTH NET FOR FALSE PROVIDER DIRECTORIES**

*Settlement Includes \$12 Million Payment and \$28.5 Million in Programs to Ensure Accurate Provider Directories*

**SAN DIEGO** — The City Attorney's Office has reached a settlement in its civil enforcement action under the Unfair Competition Law (UCL) and False Advertising Law (FAL) against Health Net LLC and its subsidiaries for maintaining inaccurate provider directories that misled consumers and blocked access to care. This action was brought by the San Diego City Attorney's Office on behalf of the People of the State of California, which has resolved the matter with the California Attorney General's Office as co-counsel.

The lawsuit, filed in 2021, alleged that Health Net inflated the size and availability of its provider networks by publishing inaccurate directories, creating so-called "ghost networks." The complaint detailed error rates exceeding 18 percent overall and more than 35 percent for psychiatrists, leaving patients unable to find in-network providers, delaying treatment, or forcing them into costly out-of-network care.

As part of the settlement, Health Net has agreed to pay \$12 million towards further enforcement of California consumer protection laws and invest approximately \$28.5 million in compliance programs to improve and maintain the accuracy of its provider directory. The settlement also requires Health Net to follow California's strict directory laws, including weekly updates to online listings and quarterly updates to printed directories.

"Accurate provider directories are critical for patients seeking care," said **San Diego City Attorney Heather Ferbert**. "When insurance companies misrepresent their networks, they create barriers that leave families scrambling and vulnerable patients without access to doctors they were promised. This settlement ensures accountability and puts protections in place to stop Health Net's misleading practices and give patients access to the care they expect from their health insurance."

**Ferbert added**, "Access to care should not be a guessing game. This case marks the first in a series of enforcement actions by our office, and we will remain vigilant in ensuring compliance across the health care industry to better protect consumers."

“Under state law, all health insurance companies that do business in California must provide accurate provider directories, and Health Net is no exception. Today's settlement will result in industry-leading changes — changes that are long overdue and that stand to benefit Californians,” said **Attorney General Bonta**. “My office became involved because we were deeply concerned about Health Net's provider directories. Those directories are a critical resource — they tell consumers which doctors and mental health practitioners will accept a particular health plan. If the directories are inaccurate, as Health Net's were, consumers may suffer delays in finding care, or in some cases, may be unable to get vital care altogether. My office will continue to raise the bar for consumers and hold companies to the high standards of service their customers deserve. I want to thank San Diego City Attorney Heather Ferbert for her partnership in this matter.”

The case against Health Net LLC and its California subsidiaries is one of three public enforcement actions, on behalf of the People of the State of California, brought by the San Diego City Attorney's Office. The cases against Kaiser and Molina are ongoing.

The Affirmative Civil Enforcement (ACE) Unit of the City Attorney's Office pursues public interest actions on behalf of the People of the State of California. This case is being prosecuted by Senior Chief Deputy City Attorney Mark Ankorn and Deputy City Attorney Kevin King, with the assistance of outside counsel Bradley, Bernstein, Sands and Grant & Eisenhofer P.A.

For more information, please refer to the [stipulated judgment](#) and the [Complaint](#).

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