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PRESS RELEASE

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CITY ATTORNEY'S OFFICE SECURES \$5.25 MILLION JUDGMENT AGAINST MOLINA HEALTHCARE FOR INACCURATE PROVIDER DIRECTORIES AND GHOST NETWORKS

SAN DIEGO — The City Attorney's Office has secured a final judgment and permanent injunction against Molina Healthcare of California for maintaining ghost networks and inaccurate provider directories that misled consumers and obstructed access to care. The action was brought on behalf of the People of the State of California under the Unfair Competition Law and False Advertising Law.

The lawsuit, filed in June 2021, alleged that Molina violated California Business and Professions Code by publishing provider directories riddled with inaccuracies, such as wrong addresses, wrong phone numbers, and including primary care physicians, psychiatrists, and mental health providers that were not in network, retired or deceased. Such inaccuracies leave patients unable to reliably find in-network care, risking treatment delays and pushing families toward costly out-of-network options.

Under the judgment, Molina will pay \$5.25 million and is bound by a four-year permanent injunction requiring comprehensive reforms. The company must implement automated processes to remove duplicate entries, flag telehealth-only providers, and purge inactive, unlicensed, deceased, or out-of-network providers using data sources such as the National Practitioner Data Bank and the Federal Social Security Death Master File. Molina must validate directory accuracy to at least 90 percent, display when each entry was last updated, and address flagged inaccuracies within 60 days.

The judgment also strengthens protections for members directly. Molina must operate a phone line staffed 24 hours a day, seven days a week with multilingual support to help members find providers, streamline its online system for reporting directory errors, and post a clear notice informing members of their right to coverage if they inadvertently receive out-of-network care because they relied on inaccurate directory information.

"Molina's directories had so many errors that patients couldn't count on them," said **City Attorney Heather Ferbert**. "People were calling their insurance thinking they had a doctor in network, only to find out too late that they didn't. This judgment makes sure Molina fixes the problem and keeps it fixed. Members deserve directories they can actually trust."

The case against Molina Healthcare of California is one of several public enforcement actions brought by the San Diego City Attorney's Office to address ghost networks in the health insurance industry.

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 was prosecuted by Chief Deputy City Attorney Kevin King, with the assistance of outside counsel Bradley Bernstein Sands LLP and Grant & Eisenhofer P.A.

For more information, please refer to the final [judgment](#).

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