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**COMPUTER GLITCH LEAVES CALIFORNIA'S NEEDIEST
MEDICARE RECIPIENTS WITHOUT BENEFITS IN 18 COUNTIES**

Class action petition filed on behalf of thousands of beneficiaries vulnerable to losing health insurance due to mismanagement by State Department of Health Services

SAN MATEO COUNTY, CA – When Juan Ledezma opened his mailbox in March 2006 he was shocked to find a medical bill for \$786. With a fixed income of \$830, Mr. Ledezma is a “Qualified Medicare Beneficiary” (QMB), which means that the State of California is required to pay his Medicare premiums. Yet, until Mr. Ledezma received that medical bill, he was never notified that the State Department of Health Services (DHS) had stopped paying his premiums, which led Medicare to drop his coverage.

A new computer system that is in use in 18 counties throughout California disenrolled Mr. Ledezma from the QMB program. Mr. Ledezma is just one of thousands of low income seniors and people with disabilities who have lost or will lose their Medicare coverage due to this faulty computer program. Staff members in San Mateo and Alameda counties have blamed this system for inadvertently disenrolling QMBs with no cause.

A class action suit was filed today in San Francisco Superior Court of California against DHS and DHS' Director, Sandra Shewry, and on behalf of all QMBs in counties that use the CalWIN computer system to manage their Medicare rolls. Mr. Ledezma is one of the petitioners in the case. According to the lawsuit, DHS has not only stopped paying the Medicare premiums for all these class members for no legitimate reason, but it has also terminated their benefits without giving them notice and an opportunity to pursue administrative review.

“This is a situation in which a computer error has serious health consequences,” said Melissa Rodgers, Directing Attorney of the Legal Aid Society of San Mateo County. “Qualified Medicare Beneficiaries are among the state’s poorest and most vulnerable residents. Many of them do not speak English and struggle to navigate our complicated healthcare system,” she continued. “For DHS not to pay their Medicare premiums is both unlawful and inhumane.”

Petitioners seek to ensure that DHS fulfill its legal obligation to QMBs through a number of steps, including: immediately ceasing to discontinue QMB coverage in the 18 CalWIN counties; reinstating coverage for any QMB beneficiaries who were erroneously discontinued from the program, including retroactive premium payments to Medicare if necessary; and directing DHS to pay all overdue premiums and to reimburse any out-of-pocket expenses beneficiaries were forced to pay when without coverage due to DHS mismanagement.