



Note: A stipulated court order resulting from Blue Shield's lawsuit over my whistleblowing prohibits me from mentioning certain public information about Blue Shield. As a result, I have had to redact certain information from this article before presenting it.

Blue Shield of California sued a former employee who has criticized the nonprofit insurer. (Bob Chamberlin/Los Angeles Times)

By CHAD TERHUNE
WRITER

NOV. 9, 2015
7:12 AM



Health insurance giant Blue Shield of California sued its former public policy director and accused him of disclosing confidential company information.

The nonprofit insurer filed the breach of contract complaint against Michael Johnson in Los Angeles County Superior Court on Friday, eight months after he resigned from the company.

Johnson worked at Blue Shield for 12 years and left in March. Soon after, he launched a public campaign against Blue Shield and criticized the nonprofit for shortchanging

the public and operating too much like its for-profit competitors.



Some of the issues Johnson raised about Blue Shield's corporate conduct and obligations to the public also became key issues during the state's review of the insurer's \$1.2-billion acquisition of Care1st, a Medicaid health plan. The state approved the deal last month after imposing a number of conditions on the San Francisco company.

Johnson said the litigation is without merit and designed to burden him with big legal bills. "I won't back down. I'm going to keep speaking out, louder than ever, about Blue Shield's misconduct as a nonprofit," he said.

His [online petition](#), which has attracted more than 13,000 supporters, calls on Blue Shield to provide at least \$500 million a year in community benefits or return to the public the  in assets it holds.

Blue Shield said it's not seeking damages from Johnson at this point. Rather, the company said it wants the former official to return any confidential information he took and to stop disclosing any protected information.

ADVERTISEMENT

The company said it recognizes that Johnson has a right to share his opinions about his former employer.

“Johnson is not entitled, however, to publicly disclose the details of highly confidential or attorney-client privileged matters that he learned by virtue of his employment as an executive at the company, in violation of California law and the agreements he signed while employed,” the company said in its lawsuit.

Due to his senior role, the company said, Johnson worked on highly sensitive issues involving legislation, lobbying, pending litigation and regulatory actions.

Blue Shield also said he was privy to confidential communications with the Franchise Tax Board and nonpublic details on executive compensation.

California’s insurance commissioner is investigating the insurer’s disclosures on executive pay.

In its lawsuit, Blue Shield said a forensic analysis of Johnson’s company-issued laptop found that shortly before resigning he accessed confidential documents.

“We sued Mr. Johnson because he violated his legal duties to Blue Shield by taking and disclosing the company’s confidential information,” said company spokesman Steve Shivinsky. “We simply want him to return the company’s property, and to stop using it in violation of his legal obligations.”

Twitter: [@chadterhune](#)

ADVERTISEMENT