

## **Notice of Class Action Settlement in BCBS Antitrust Lawsuit**

Since approximately 2013, Blue Cross Blue Shield Association (BCBSA) has been defending claims in a class action antitrust lawsuit alleging that BCBSA engaged in anti-competitive activities that resulted in, among other things, increased premiums for policyholders and insureds.

In late 2020, BCBSA and the class representatives (the plaintiffs) reached an agreement to settle the lawsuit for approximately \$2.7 billion as well as certain injunctive relief that, among other things, requires BCBSA to change their policies and practices. The settlement was subsequently preliminarily approved by a federal district court in Alabama. The roughly \$2.7 billion will be placed into a settlement fund, which will be used to pay claims once the settlement is finally approved by the court. It has been reported that of the \$2.7 billion settlement, \$0.7 billion is reserved for legal fees, \$1.78 billion is allocated to fully insured plans, and \$.12 billion (\$120 million) is allocated to self-insured plans. A fairness hearing where the court determines whether the settlement is fair, reasonable, and adequate is scheduled for October 20, 2021.

### ***Why are you telling me about this lawsuit?***

Your company and your employees may be part of the settlement class. Notification to potentially impacted parties, including employers and their employees is currently in progress. The settlement impacts many employers sponsoring insured and self-funded group health plans as well employees who elected coverage under the plans. Therefore, we wanted to apprise you of the settlement and briefly explain how this may impact you or your employees.

### ***How will I know if my company is impacted by the settlement?***

If you contracted with a BCBSA, or one of its members, to provide insured group health plan coverage between February 7, 2008 and October 16, 2020 or administrative services (for self-funded plans) between September 1, 2015 and October 16, 2020, your employees and you may have a claim and should receive notice of the settlement.

### ***What do I need to do in order to file a claim?***

If you fall within the applicable class and receive a notice, you need to file a claim form online or via U.S. Mail by the November 5, 2021. If you intend to file the claim online, you will need to retain the unique ID provided to you in either an email or postcard sent to you along with notification of the settlement. There is a Proposed Plan of Distribution agreed to by the parties which addressed how settlement funds may be allocated. If you don't file a claim, you will not receive any of the settlement proceeds; however, whether or not you file a claim will not impact any potential recovery for your employees. They can file and recover independently of your company.

### ***Do I need to provide any data to the court/parties?***

You don't have to, but you can provide historical premium or administrative services fee data to the claims administrator if you prefer to provide data other than what was provided by BCBS to the court/plaintiffs. You will also have an opportunity to review the information already provided to the claims administrator for accuracy and provide additional information if you disagree with the amount.

### ***Do I have to help my employees with their claims or provide them historical premium data?***

No. The parties notify all employees about the settlement, the potential impact of the settlement on the employees, and provide a notice and claims administrator hotline – (888) 681-1142. We are informing you about this so that you know where to point employees – either to the FAQs or the hotline – if they have further questions. Further, employees are not required to provide historical premium data to make a claim and, therefore, you are under no obligation to provide them with this information.

***Who can I talk to at Alera Group to learn more?***

Please understand, we are not lawyers or legal counsel and we have not been party to, or directly engaged in, the litigation. Therefore, we cannot answer detailed questions about the lawsuit or specifically advise you how to proceed, but the settlement site specific to the lawsuit has excellent FAQs that can help guide your employees and you, and you can always contact the lawsuit claims administrator at (888) 681-1142. Neither your employees nor you need your own legal counsel to file a claim, as the court appointed attorneys to act on behalf of the named plaintiffs and settlement class, though you would need your own legal counsel if you intend to object to the settlement.

This is a summary of information provided on the website <https://www.bcbssettlement.com/>

### ***Background***

This settlement, arising from a class action antitrust lawsuit called In re: Blue Cross Blue Shield Antitrust Litigation MDL 2406, N.D. Ala. Master File No. 2:13-cv-20000-RDP (the "Settlement"), was reached on behalf of individuals and companies that purchased or received health insurance provided or administered by a Blue Cross Blue Shield company. Class Representatives ("Plaintiffs") reached a Settlement on October 16, 2020 with the Blue Cross Blue Shield Association ("BCBSA") and Settling Individual Blue Plans. BCBSA and Settling Individual Blue Plans are called "Settling Defendants."

Plaintiffs allege that Settling Defendants violated antitrust laws by entering into an agreement not to compete with each other and to limit competition among themselves in selling health insurance and administrative services for health insurance. Settling Defendants deny all allegations of wrongdoing and assert that their conduct results in lower healthcare costs and greater access to care for their customers. The Court has not decided who is right or wrong. Instead, Plaintiffs and Settling Defendants have agreed to a Settlement to avoid the risk and cost of further litigation.

If approved by the Court, the Settlement will establish a \$2.67 billion Settlement Fund. Settling Defendants will also agree to make changes in the way they do business that Plaintiffs believe will increase the opportunities for competition in the market for health insurance.

### ***Settlement Classes***

If you were covered by certain Blue Cross Blue Shield health insurance or administrative services plans between February 2008 and October 2020, you may be a Class Member. You may be eligible to receive payment if you are an Individual, Insured Group<sup>1</sup> (and their employees) or Self-Funded Account<sup>2</sup> (and their employees) that purchased or were enrolled in a Blue Cross or Blue Shield health insurance or administrative services plan during one of the two Settlement Class Periods. Government accounts are excluded from the Class. Dependents, beneficiaries (including minors), and non-employees are NOT eligible to receive payment.

### ***Participating in the Settlement***

To make a claim and receive a payment, you must file a claim form online or by mail postmarked by November 5, 2021. Claims may be submitted online at:

<https://www.bcbssettlement.com/>

or by mail to:

Blue Cross Blue Shield Settlement  
c/o JND Legal Administration  
PO Box 91390  
Seattle, WA 98111

### ***The Settlement Provides***

Class Members who submit valid claims may receive a cash payment from the Net Settlement Fund. For more detailed information, please see the Proposed Plan of Distribution, Question 7 of the Long Form Notice, and Section D of the Settlement Agreement, available on the Important Documents page.

(<https://www.bcbssettlement.com/documents>)

Damages Class Members who submit valid and timely claims will receive payment from the Settlement Fund if the Settlement is approved. Individual payment amounts depend on several factors including, among other things,

the number of valid claims that are filed, the premiums you paid to one or more of the Settling Defendants during the class period, and whether your insurance was fully insured (FI) or self-funded.

***Members Filing a Claim will Need:***

Subscriber Information – Name, Address, Phone & Email

Health Plan Details – Health Plan Name (insurer), Group #, Employer Name, Address, Member ID & Coverage Dates. Employer Name is the only required field.

Allocation of Premiums - The Settlement provides default formulas for the Claims Administrator to use when determining what percentage of the premium was paid by an employer/entity and what percentage was contributed by its employees/members. Claimants can accept the default or proceed with the alternative option in which case they must provide data or evidence to support the alternative contribution percentages.

Payment Election - Method to receive your settlement payment if your claim is deemed valid. Final determinations of claim amounts will not be made until after processing by the Claims Administrator is complete. Claims will not be paid if the value is equal to or less than \$5.00.

Review & Signature

***Businesses Filing a Claim will Need:***

Business Information – Company, Primary Mailing Address, Company Contact, Phone & Email

Health Plan Details – Health Plan Name/insurer (required), Group #, & Coverage Dates.

Allocation of Premiums - The Settlement provides default formulas for the Claims Administrator to use when determining what percentage of the premium was paid by an employer/entity and what percentage was contributed by its employees/members. Claimants can accept the default or proceed with the alternative option in which case they must provide data or evidence to support the alternative contribution percentages.

Payment Election - Method to receive your settlement payment if your claim is deemed valid. Final determinations of claim amounts will not be made until after processing by the Claims Administrator is complete. Claims will not be paid if the value is equal to or less than \$5.00.

Review & Signature

***What happens if I do nothing at all?***

If you do nothing, you will remain a member of the Settlement Classes and be bound by the Settlement. However, if you had been entitled to share in the Settlement proceeds, you will not get a payment.

***Minimum Value of Distributions***

If the total, combined total of the Claim Payment for any Authorized Claimant across the entire Settlement Class Period is equal to or less than \$5.00, then no distribution shall be made to that claimant and the claimant will be notified that there will be no distribution given the de minimis value. To the extent the Authorized Claimant is an Individual Policyholder or a Group, the amount of the Claim Payment for that Authorized Claimant shall remain in the Net Settlement Fund for distribution to Authorized Claimants who have Claim Payments in excess of \$5.00.

***To Contact Support***

Website <https://www.bcbssettlement.com/>

Telephone (888) 681-1142

Email [info@BCBSsettlement.com](mailto:info@BCBSsettlement.com)

Mail Blue Cross Blue Shield Settlement  
c/o JND Legal Administration  
PO Box 91390  
Seattle, WA 98111

***Additional Information:***

***Settlement Allocation Process - Fully Insured (FI) Groups / Employees***

- A. *Group Only* - If a FI Group submits a claim, but none of the FI Employees for that FI Group during the FI Class Period submits any claims, then the full premium paid by that FI Group shall be allocated entirely to that FI Group and shall constitute the "Total Premiums Paid" for that FI Group for purposes of the FI Claim Payment Calculation set forth above.
- B. *Group & Employees* - If an FI Group submits a claim and one or more of its FI Employees also submits a claim, then there shall be an allocation of the FI Group premium between the FI Group and each FI Employee who submits a claim.
- C. *Employees Only* - If an FI Employee submits a claim for a particular FI Group, and that FI Group does not submit a claim, then the amounts that would have been allocated to that FI Group shall remain in the balance of the FI Net Settlement Fund for distribution to all other FI Authorized Claimants in accordance with this Plan

***Settlement Allocation Process – Self-Funded Groups / Employees***

The "Administrative Fees" to be used in the calculation will include fees paid for any Commercial Health Benefit Product, including the administration of medical, pharmaceutical, vision and dental plans as well as any amounts paid to the Settling Defendants for stop-loss insurance.

The Self-Funded Group/Employee Allocation Process shall be conducted in the same manner and according to the same mechanics and principles as set forth above in the description of the FI Group/Employee Allocation Process.