

**IN THE COURT OF COMMON PLEAS
FOR PHILADELPHIA COUNTY**

PENNSYLVANIA ORTHOPAEDIC SOCIETY,
on behalf of its members and all others similarly
situated individuals,

Plaintiffs

v.

INDEPENDENCE BLUE CROSS, et al.

Defendants.

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

DECEMBER TERM, 2002
NO. 0002

ASSIGNED TO COMMERCE
PROGRAM

ROBERT P. GOOD, M.D., on behalf of himself
and all others similarly situated,

Plaintiffs

v.

INDEPENDENCE BLUE CROSS, QCC
INSURANCE COMPANY, KEYSTONE
HEALTH PLAN EAST, INC., AMERIHEALTH
HMO, INC., and AMERIHEALTH, INC.

Defendants.

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

DECEMBER TERM, 2002
NO. 0005

ASSIGNED TO COMMERCE
PROGRAM

JOHN R. GREGG, M.D.

and

VINCENT J. DISTEFANO, M.D., on behalf of
themselves and all others similarly situated,

Plaintiffs

v.

INDEPENDENCE BLUE CROSS, QCC
INSURANCE COMPANY, KEYSTONE
HEALTH PLAN EAST, INC., AMERIHEALTH
HMO, INC. and AMERIHEALTH, INC.

Defendants.

COURT OF COMMON PLEAS
PHILADELPHIA COUNTY

JURY TRIAL DEMANDED

DECEMBER TERM, 2000

NO.: 03482

ASSIGNED TO COMMERCE
PROGRAM

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

TO: ALL PROVIDERS WHO SUBMITTED CLAIMS FOR REIMBURSEMENT TO INDEPENDENCE BLUE CROSS, QCC INSURANCE COMPANY, KEYSTONE HEALTH PLAN EAST, INC., AMERIHEALTH HMO, INC., AMERIHEALTH, INC., AMERIHEALTH HMO, INC. NEW JERSEY OR AMERIHEALTH INSURANCE COMPANY OF NEW JERSEY (collectively “INDEPENDENCE BLUE CROSS”) BETWEEN JANUARY 1, 1993 AND THE DATE OF FINAL JUDICIAL APPROVAL OF THE CLASS ACTION SETTLEMENT.

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY THE PROPOSED SETTLEMENT OF THIS CLASS ACTION.

This Notice is given pursuant to Pennsylvania Rule of Civil Procedure 1712(c). The purpose of this Notice is to inform you that a proposed settlement between the Pennsylvania Orthopaedic Society, Provider Class Representatives and Independence Blue Cross, its subsidiaries, affiliates and related entities (“Independence Blue Cross”) has been reached.

NATURE OF THE CLAIMS

This court has preliminarily approved a Settlement between Independence Blue Cross and a class of all Providers (e.g., all physicians, health care providers, group practices and/or any individual or group) who submitted claims for payment or reimbursement for medical services, procedures and/or products to Independence Blue Cross at any time during the period January 1, 1993 to the date of Final Judicial Approval, and who have been, claim to have been, and/or may have been denied payment or reimbursement or have, claim to have, and/or may have received reduced payment or reimbursement, including but not limited to, all claims for downcoding and/or bundling. The term “Providers” does not include hospitals. This litigation challenged certain Independence Blue Cross policies and procedures in the areas of payment, reimbursement, fee disclosure, claims processing and dispute resolution.

RELIEF PROVIDED UNDER THE PROPOSED SETTLEMENT

As part of this Settlement, Independence Blue Cross has agreed to address providers' concerns, simplify and streamline the reimbursement process for providers, and will result in additional reimbursement to providers, with an estimated financial impact of \$40 million in additional claims payments to providers over the next two years following Final Judicial Approval. Under the agreement, IBC will:

- Disclose to providers the standard fee schedules, and changes in fee schedules, that are applicable to the provider's specialty,
- Disclose policies or procedures that may impact the payment or reimbursement that a provider receives for services rendered,
- Process claims in accordance with established standards in various areas, including multiple surgery, radiologic guidance during a procedure, and certain claim specific modifiers used in billing,
- Replace the independent procedure designation with the separate procedure designation of the Current Procedural Terminology, and
- Establish a formal resolution process for provider payment disputes.

The changes in payment processing and dispute resolution will be continued for a period of two years from the date of Final Judicial Approval, with a phase in over that time period. IBC shall not be required to continue to provide disclosure after two years to the extent the Court finds that doing so would be inconsistent with IBC's business requirements or any controlling authority or requirement, including administrative, governmental or judicial authorities or requirements.

You may access information about the settlement at www.ibx.com/provider_settlement or www.paorthosociety.org/notice.html or use the resources described below. **IF YOU WISH TO PARTICIPATE IN THE PROPOSED SETTLEMENT, YOU ARE NOT REQUIRED TO DO ANYTHING.**

RELEASE, OPT-OUT PROCEDURE AND EFFECT OF FAILURE TO OPT-OUT

Class members will have the opportunity to opt-out of the Settlement, to object, or to be heard prior to Final Judicial Approval of this Settlement. Absent taking such actions, **ALL CLASS MEMBERS SHALL BE BOUND BY THE SETTLEMENT AND ALL ORDERS OF THE COURT RELATING TO THE SETTLEMENT. IF THE SETTLEMENT IS APPROVED, YOU SHALL BE DEEMED CONCLUSIVELY TO HAVE SETTLED, RESOLVED AND RELEASED ANY AND ALL CLAIMS YOU MAY HAVE AGAINST INDEPENDENCE BLUE CROSS, TO HAVE COVENANTED NOT TO FILE SUIT AGAINST INDEPENDENCE BLUE CROSS ON ANY AND ALL SUCH CLAIMS, AND TO BE BARRED AND PERMANENTLY ENJOINED FROM ASSERTING ANY AND ALL CLAIMS THAT SUCH CLASS MEMBERS HAD, HAVE OR MAY HAVE IN THE FUTURE IN ANY COURT.**

Should anyone wish to opt-out, the class member must sign and return to Class Counsel a letter requesting your exclusion from the class in accordance with the Opt-Out Procedures mailed with this notice and also available from the resources described below. This request to opt-out must be **POSTMARKED NO LATER THAN AUGUST 1, 2003** (the expiration of the Opt-Out Period). The opt-out request must be signed by you and include: your name, current office address, provider number, telephone number, statement that you wish to be excluded from the settlement.

This Notice is not the Class Action Settlement Agreement and merely provides information regarding the settlement. The Class Action Settlement Agreement controls the rights, interests and obligations of the parties. If you have any questions regarding this Notice, the Opt-Out Procedure or the Class Action Settlement Agreement, you may contact Class

Counsel, as described below. If you do not follow the procedures and deadlines that are described in this notice, you may lose significant legal rights, including, but not limited to, the right to have your objections considered by the Court.

Class members may object to the Settlement in writing. All objections to the Settlement shall be submitted in writing to the Court, Class Counsel and Independence Blue Cross not later than August 1, 2003. Anyone wishing to appear at the formal fairness hearing to object to the Settlement shall so specify in his or her written objections. Objections shall be submitted to:

Independence Blue Cross
c/o Edward F. Mannino
Akin Gump Strauss Hauer & Feld
2005 Market Street
Suite 2200
One Commerce Square
Philadelphia, PA 19103
Fax: (215) 965-1210
Attorneys for Defendants

Jerome M. Marcus
Jonathan Auerbach
Berger & Montague, PC
1622 Locust Street
Philadelphia, PA 19103-6365
Fax: (215) 875-4604
Fax: (215) 875-5707
Class Counsel

and

and

Prothonotary
Philadelphia County Court of Common Pleas
Room 278 City Hall
Philadelphia, PA 19107

David S. Senoff, Esquire
Billet & Connor, P.C.
2000 Market Street, Suite 2803
Philadelphia, PA 19103
Fax: (215) 496-7505
Class Counsel

The Court has scheduled a hearing to consider the fairness, reasonableness and adequacy of this Settlement, which will be held on August 21, 2003 at 9:30 a.m. in courtroom 513 at City Hall, Philadelphia, PA 19107. At that hearing, the Court will determine, among other things, whether the proposed settlement with Independence Blue Cross should be approved as fair, reasonable and adequate, whether the proposed settlement class should be certified, whether the

Court should award attorneys' fees and expenses to plaintiffs' counsel or to the representative plaintiffs, and certain other matters.

ATTORNEYS' FEES, COSTS AND REPRESENTATIVE PLAINTIFFS' FEES

The total amount to be paid for attorneys' fees and costs for all plaintiffs' counsel will be capped at \$5 million, which will be subject to the Court's discretion to approve or reject some or all of the fee petitions in the normal course. Any fees as approved by the Court would be funded by a reduction in the duration of the phased in changes identified above. The amount of attorneys' fees shall not be increased even if the total value of this Settlement exceeds the estimate of \$40 million set forth above or for any other reason. In addition, Class Representatives may be awarded a fee not to exceed \$20,000 each, the amount of such payments to be subject to court review and approval. Such payments as approved by the Court will be funded from a reduction in the duration of the phased-in changes.

EXAMINATION OF PAPERS

This notice is a summary and does not describe all details of the proposed settlement with Independence Blue Cross, the Settlement Agreement or the proceedings in the action generally.

For complete information or if you wish to discuss this action or have any questions concerning this Notice or rights or interests with respect to these matters, please contact Class Counsel:

By Telephone: **1-866-462-4120**

Or, Write to:

**Jerome M. Marcus, Esq.
Jonathan Auerbach, Esq.
Berger & Montague, PC
1622 Locust Street
Philadelphia, PA 19103-6365**

or

**David S. Senoff, Esq.
Billet & Connor, P.C.
2000 Market Street, Suite 2803
Philadelphia, PA 19103**

Or, Visit:

**www.ibx.com
www.paorthosociety.org**

In addition, you may review complete files of papers submitted in this case at the Office of the Prothonotary, Philadelphia County Court of Common Pleas, Room 278 City Hall, Philadelphia, PA 19107.

Dated: June 19, 2003

CLASS MEMBER OPT OUT PROCEDURE

If you are a member of the Class and wish to remain in the Class, YOU NEED NOT DO ANYTHING. You are not being sued and you do not need to appear in court. If you do nothing, you will be included in the proposed settlement and be entitled to pursue its benefits, but will be giving up your individual right to pursue any and all claims against Independence Blue Cross, its subsidiaries, affiliates and related entities.

If you do not wish to remain in the Class, or accept the proposed settlement, you can opt out by mailing a letter, postage prepaid, to Class Counsel at the addresses listed below:

	Jerome M. Marcus Jonathan Auerbach Berger & Montague, PC 1622 Locust Street Philadelphia, PA 19103-6365 Class Counsel
	and
	David S. Senoff, Esquire Billet & Connor, P.C. 2000 Market Street, Suite 2803 Philadelphia, PA 19103 Class Counsel

Your letter must include the following information:

- Full name
- Current Office Address
- Provider Number
- Telephone Number
- Statement that you wish to be excluded from the class action lawsuits
- Your signature

You must save a copy of the completed letter for your records. **YOUR REQUEST MUST BE POSTMARKED NO LATER THAN AUGUST 1, 2003.**

If you have any questions or concerns regarding this procedure and how it affects your rights you should contact Class Counsel.