



POWER

through Partnership

BCBS ASSOCIATION CLASS ACTION ANTITRUST PROPOSED SETTLEMENT

The Blue Cross Blue Shield insurance group has negotiated a possible settlement to the antitrust lawsuits which alleged the association benefited from anticompetitive measures including carving up markets between the association's partners and companies. The \$2.7 billion settlement still requires approval from the 36 member companies before it is signed off on by the courts.

The preliminary approval means the final settlement may be subject to changes by the courts. The proposed settlement and the order granting preliminary approval provides an idea of what the final terms of the settlement may be, once finalized.

Summary:

Employers and employees will qualify for a portion of the settlement funds. The qualifying settlement class period for fully insured employers and individuals is February 7, 2008, through October 16, 2020. For self-insured plans, the class period is September 1, 2015, through October 16, 2020. Taft-Hartley plans, Government accounts, and stand-alone vision and dental plans are not eligible to participate in the settlement.

It is likely the proposed settlement will not be approved by the courts until the Spring of 2021 at the earliest. Once approved, settlement distributions will only proceed once the very lengthy notice process concludes; ensuring all potential claimants have been notified and had the opportunity to opt-in for a portion of the settlement proceeds.

Although this will be a prolonged process, clients can register early to receive email notification of when the program will begin at www.bcbsettlemnt.com.

What is the case about?

- The case alleges that Blue Cross Blue Shield companies throughout the US colluded to carve up the United States into territories in which only one “Blue” can sell insurance and/or contract with healthcare providers and subscribers in violation of antitrust laws resulting in subscribers and providers paying more than they would have in a competitive market.

Who are the defendants?

- The defendants include all thirty-six (36) Blue Cross and Blue Shield insurers in the United States and its territories

Who is eligible to collect under the settlement?

All individual members (excluding dependents and beneficiaries), insured groups (including employees, but excluding non-employee members), and self-funded accounts (including employees but excluding non-employee members) that purchased, were covered by, or were enrolled in a Blue-Branded Commercial Health Benefit Product sold, underwritten, insured, or administered by any Settling Individual Blue Plan from **February 7, 2008 through the execution date**, except for **Self-Funded Accounts for whom the class period is September 1, 2015 through the execution date**.

Individual member: A person covered by individual commercial health insurance.

Insured group: A health benefit plan, group account, or employer, including all individual members, sponsors, administrators, and fiduciaries thereof, that purchased, ascribe to, or is covered by commercial health insurance.

Self-Funded account: Any account, employer, health benefit plan, ERISA plan, non-ERISA plan, or group, including all sponsors, administrators, fiduciaries, and individual members thereof, that purchase, are covered by, participate in, or are enrolled in a Self-Funded Health Benefit Plan.

What does the proposed settlement provide?

- The proposed settlement provides \$2,670,000,000 (\$2.67B) that is expected to be distributed pro rata amongst all qualified claimants. **The claims process has not started but is expected to begin after the settlement has received final approval.**

If you have questions, please contact your AssuredPartners Account Executive.