

You Could Get Money from a Class Action Settlement if You Paid for Medical Services at a Michigan Hospital from January 1, 2006 to June 23, 2014.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- There is a Settlement with Blue Cross Blue Shield of Michigan (“BCBSM”) concerning its contracts with general acute care hospitals in Michigan. **Your legal rights are affected whether you act or do not act. Read this Notice carefully.**
- The lawsuit alleges that BCBSM had clauses in its contracts with some Michigan General Acute Care Hospitals that violated federal and state antitrust laws and inflated prices for medical care at certain Michigan hospitals. BCBSM denies all wrongdoing and liability but has concluded that it is in its best interests to settle the litigation to avoid the expense, inconvenience, and interference with ongoing business operations.
- Under the Settlement, BCBSM will pay \$29,990,000 into a Settlement Fund that will be used to make payments to individuals and entities that paid Michigan general acute care hospitals for healthcare services from January 1, 2006 to June 23, 2014.
- You do not need to be a BCBSM customer to be eligible.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	The only way to receive a cash payment from the Settlement.
EXCLUDE YOURSELF	Receive no benefits from the Settlement, but keep your rights to start or remain part of any other lawsuit against BCBSM about its conduct challenged in this case or related conduct.
OBJECT	Submit a written statement to the Court about why you don’t like the Settlement.
GO TO FAIRNESS HEARING	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	You will receive no payment from the Settlement and will give up your rights to start or remain part of any lawsuit against BCBSM about its conduct challenged in this case or related conduct.

****These rights — and the deadlines to exercise them — are explained in this Notice.****

- The Court in charge of this case still has to decide whether to approve the Settlement. If it does, and after any appeals are resolved, money will be distributed to those who qualify. Please be patient.

Questions?

Call Toll-Free (877) 846-0588 or Visit www.MichiganHospitalPaymentsLitigation.com

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION	3
1. Why is this Notice being provided?	
2. What is this lawsuit about?	
3. Why is this a class action?	
4. Why is there a Settlement?	
WHO IS INCLUDED IN THE SETTLEMENT.....	3
5. How do I know if I am part of the Settlement?	
THE SETTLEMENT – WHAT YOU GET AND GIVE UP IF YOU QUALIFY	4
6. What does the Settlement provide?	
7. How will payments be calculated?	
8. When will Settlement money be distributed to Claimants?	
9. What do I give up if the Settlement is given Final Approval?	
SUBMITTING A CLAIM FORM	5
10. How can I get a payment?	
11. What do I do if I have questions about the Claim Form?	
EXCLUDING YOURSELF FROM THE SETTLEMENT	5
12. If I exclude myself, can I get anything from this Settlement?	
13. If I do not exclude myself, can I sue later?	
14. How do I exclude myself from the Settlement?	
OBJECTING TO THE SETTLEMENT	6
15. How can I tell the Court I don't like the Settlement?	
16. What is the difference between objecting and asking to be excluded?	
17. What happens if I object and the Settlement is approved?	
THE LAWYERS WHO REPRESENT YOU	6
18. Do I have a lawyer in the case?	
19. How will the lawyers in the case be paid?	
THE COURT'S FAIRNESS HEARING	7
20. How will the Court decide whether to approve the Settlement?	
21. When and where will the Court decide whether to approve the Settlement?	
22. Do I need to come to the hearing?	
23. May I speak at the hearing?	
OTHER INFORMATION	7
24. What happens if I do nothing?	
25. How do I get more information?	

BASIC INFORMATION

1. WHY IS THIS NOTICE BEING PROVIDED?

Judge Denise Page Hood of the United States District Court for the Eastern District of Michigan authorized this Notice to inform you about a proposed Settlement of this class action lawsuit and about all of your rights and options before the Court decides whether to approve the Settlement. This Notice explains the lawsuit, the Settlement, your legal rights, what money is available, who is eligible to share in this money, and how to get your share if you are eligible.

The persons and entities who started the lawsuit are the “Plaintiffs.” The company they sued, Blue Cross Blue Shield of Michigan (“BCBSM”), is the “Defendant.” The case is known as *The Shane Group, Inc. v. Blue Cross Blue Shield of Michigan*, Case No. 2:10-cv-14360. This Notice summarizes the Settlement, but you can view the complete Settlement Agreement at www.MichiganHospitalPaymentsLitigation.com.

2. WHAT IS THIS LAWSUIT ABOUT?

Plaintiffs allege that BCBSM violated federal and state laws by using most favored nation clauses in contracts with 70 general acute care hospitals in Michigan. Plaintiffs claim that these clauses inflated prices for healthcare services at several Michigan hospitals. BCBSM denies Plaintiffs’ allegations, denies any wrongdoing, and contends that its actions caused lower, not higher, hospital prices.

3. WHY IS THIS A CLASS ACTION?

In a class action, one or more people (in this case, Michigan Regional Council of Carpenters Employee Benefits Fund, The Shane Group, Inc., Bradley A. Veneberg, Abatement Workers National Health and Welfare Fund, Monroe Plumbers & Pipefitter Local 671 Welfare Fund, Scott Steele, Anne Patrice Noah, and Susan Baynard) sue on behalf of businesses, other organizations, and people who have similar claims. If allowed by a court, all of these organizations and people become part of a “Class” or “Class Members.” One lawsuit resolves the claims of all Class Members, except for any who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiffs or BCBSM. Instead, both sides agreed to settle this case to avoid the burden, cost, and risk of further litigation. The Settlement does not mean that any law was broken or that BCBSM did anything wrong. By settling, BCBSM is not admitting any wrongdoing or liability. BCBSM continues to deny all legal claims in this case. The Plaintiffs and their lawyers think the Settlement is best for all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT

To see if you will be affected by this Settlement and if you are eligible to get money from it, you first have to determine if you are a Class Member.

5. HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?

The Settlement includes all direct purchasers of healthcare services from a Michigan General Acute Care Hospital between January 1, 2006 and June 23, 2014. The Class includes:

- Individuals who paid Michigan General Acute Care Hospitals in the form of co-pays, co-insurance, or otherwise;
- Insurers that paid Michigan General Acute Care Hospitals for their insureds; and
- Self-insured entities whose health plan participants received healthcare services at Michigan General Acute Care Hospitals.

There are over 130 general acute care hospitals in Michigan. A list of these hospitals is available at www.MichiganHospitalPaymentsLitigation.com. The Class does not include BCBSM and related individuals and entities.

If you received a Postcard Notice in the mail, you have been identified as a potential Class Member based on insurance records. If you did not receive a Postcard Notice in the mail, you still may be a Class Member if you paid a Michigan General Acute Care Hospital during the relevant time period. If you are not sure whether you are included in the Settlement, visit www.MichiganHospitalPaymentsLitigation.com for more information. You may also send an email to info@MichiganHospitalPaymentsLitigation.com, call (877) 846-0588, or write to: Settlement Administrator, PO Box 3240, Portland, OR 97208-3240.

THE SETTLEMENT – WHAT YOU GET AND GIVE UP IF YOU QUALIFY

6. WHAT DOES THE SETTLEMENT PROVIDE?

BCBSM will pay \$29,990,000 into a Settlement Fund. This money, plus interest, will be paid to:

- The lawyers representing the Class for their work and to reimburse the expenses they paid, in an amount approved by the Court;
- An incentive award for the Plaintiffs for their services on behalf of the Class, if approved by the Court;
- Expenses incurred in administering the Settlement, such as sending this Notice and the cost to process claims submitted by Class Members;
- Class Members who submit valid Claim Forms; and
- The non-profit organization Free Clinics of Michigan, in certain circumstances.

7. HOW WILL PAYMENTS BE CALCULATED?

Class Members with small purchases of hospital healthcare services may be eligible for minimum payments of up to \$40. Class Members with large purchases may be eligible for much higher payments, with the size of their payment depending on the factors described below. The maximum possible payment is 3.5% of the Class Member's total purchases of healthcare services from Michigan General Acute Care Hospitals from January 1, 2006 through June 23, 2014.

The size of the payment will be determined by:

- Which general acute care hospital(s) in Michigan the Class Member paid;
- The amounts paid to the hospital(s) from January 1, 2006 through June 23, 2014; and
- Which insurer paid the hospital, provided the insurance coverage, or administered the self-insured plan.

The Settlement Administrator will review each Claimant's reported purchases to determine how much money, if any, they will receive. For specifics on how payments will be determined, please contact the Settlement Administrator or see the Plan of Allocation available at www.MichiganHospitalPaymentsLitigation.com.

8. WHEN WILL SETTLEMENT MONEY BE DISTRIBUTED TO CLAIMANTS?

Settlement money will be mailed to Claimants after the Court approves the Settlement and after any appeals are resolved. It is uncertain when any appeals taken will be resolved, and resolving them can take time. Please be patient. Updates will be posted at www.MichiganHospitalPaymentsLitigation.com.

9. WHAT DO I GIVE UP IF THE SETTLEMENT IS GIVEN FINAL APPROVAL?

If the Settlement is given Final Approval, you and all other Class Members will release certain claims defined in the Settlement as "Released Claims." In general terms, Class Members who do not validly request to be excluded from the Settlement will each release all of their claims against BCBSM and its affiliated persons and entities arising out of — or in any way relating to — BCBSM's most favored nation clauses with Michigan General Acute Care Hospitals, or any matter or event arising out of the dispute being resolved in this Settlement. If the Settlement is given Final Approval, the claims that were asserted against BCBSM in the lawsuit will be dismissed, with prejudice. A complete copy of the Release is attached as Appendix A to this Notice.

SUBMITTING A CLAIM FORM

10. HOW CAN I GET A PAYMENT?

To ask for a payment, you must submit a Claim Form. Claim Forms are available at the Settlement website, upon request from the Settlement Administrator, or by calling the toll-free number.

After carefully reading the Claim Form instructions, fill out the Claim Form, attach the required documentation, sign it, and mail it postmarked no later than **November 16, 2014** to:

**Settlement Administrator
PO Box 3240
Portland, OR 97208-3240**

11. WHAT DO I DO IF I HAVE QUESTIONS ABOUT THE CLAIM FORM?

If you have questions about how to file a claim, call the toll-free number (877) 846-0588 or send an email to info@MichiganHospitalPaymentsLitigation.com or a letter to Settlement Administrator, PO Box 3240, Portland, OR 97208-3240.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to participate in this Settlement, and you want to keep the right to sue BCBSM about the dispute in this case, then you must take steps to get out of the Settlement. This is called asking to be excluded from — or sometimes called “opting out” of — the Settlement.

12. IF I EXCLUDE MYSELF, CAN I GET ANYTHING FROM THIS SETTLEMENT?

No. If you exclude yourself, you may not submit a claim for a payment from the Settlement, and you cannot object to the Settlement. However, if you ask to be excluded, you may sue BCBSM based on the dispute in this case.

13. IF I DO NOT EXCLUDE MYSELF, CAN I SUE LATER?

No. Unless you exclude yourself, you give up the right to sue BCBSM for any of the claims that this Settlement resolves. You must exclude yourself from the Class to start your own lawsuit, continue with a lawsuit, or be part of any other lawsuit against BCBSM relating to the “Released Claims” described in Section H of the Settlement Agreement.

14. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement with BCBSM, you must send a letter by mail clearly stating that you want to be excluded from the Settlement in *The Shane Group, Inc. v. Blue Cross Blue Shield of Michigan*, Case No. 2:10-cv-14360. Include your name, your business name (if applicable), address, telephone number, signature, and date. If applicable, your letter must also describe the position that authorizes you to request exclusion on behalf of your company.

You must mail your request for exclusion postmarked by **September 24, 2014** to:

**Settlement Administrator
PO Box 3240
Portland, OR 97208-3240**

You cannot ask to be excluded on the phone, by email, or at the website.

OBJECTING TO THE SETTLEMENT

15. HOW CAN I TELL THE COURT I DON'T LIKE THE SETTLEMENT?

You can object to the Settlement if you do not like some part or all of it. You must give reasons why you think the Court should not approve the Settlement. You may also object to Plaintiffs' Counsel's request for attorneys' fees, reimbursement of expenses, and Plaintiff incentive awards. To object, send a letter to the two addresses below, saying that you object to the Settlement in *The Shane Group, Inc., v. Blue Cross Blue Shield of Michigan*, Case No. 2:10-cv-14360, and file your objection with the Court. Be sure to include any papers or briefs that support your objections.

You must file your objection with the Court no later than **September 24, 2014** and mail your objection to these two addresses postmarked no later than **September 24, 2014**:

PLAINTIFFS' COUNSEL	COUNSEL FOR BCBSM
COHEN MILSTEIN SELLERS & TOLL PLLC Daniel A. Small Brent W. Johnson 1100 New York Avenue, NW Suite 500 Washington, DC 20005	HUNTON & WILLIAMS LLP Todd M. Stenerson D. Bruce Hoffman 2200 Pennsylvania Ave, NW Washington, DC 20037

16. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND ASKING TO BE EXCLUDED?

Objecting is telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you cannot object to the Settlement because the Settlement no longer affects you.

17. WHAT HAPPENS IF I OBJECT AND THE SETTLEMENT IS APPROVED?

If the Settlement is finally approved and you did not request to be excluded from the Settlement, you will remain a Class Member regardless of whether you objected. You will remain bound by the terms of the Settlement and will not be able to sue BCBSM about the claims in this case.

THE LAWYERS WHO REPRESENT YOU

18. DO I HAVE A LAWYER IN THE CASE?

The Court appointed four law firms to represent the Class: The Miller Law Firm, P.C.; Cohen Milstein Sellers & Toll PLLC; Gustafson Gluek PLLC; and Wolf, Haldenstein, Adler, Freeman & Herz LLC. These four law firms, together with other law firms that have assisted them, are called "Plaintiffs' Counsel." You will not be charged for these lawyers. If you want to be represented by your own lawyer in this case, you may hire one at your own expense.

19. HOW WILL THE LAWYERS IN THE CASE BE PAID?

Plaintiffs' Counsel will ask the Court for attorneys' fees of no more than one-third of the Settlement Fund and reimbursement of the expenses they had in this case of approximately \$3,500,000. Plaintiffs' Counsel will also ask the Court to reimburse the costs of administering this Settlement. Plaintiffs' Counsel's application for attorneys' fees and expenses will be filed with the Court by July 26, 2014 and posted on the Settlement website. Plaintiffs' Counsel will also ask for incentive awards of up to \$50,000 for each Plaintiff organization and up to \$10,000 for each Plaintiff individual, for their services on behalf of the Class.

The Court may award less than the amounts requested by Plaintiffs' Counsel. Payments approved by the Court will be made from the Settlement Fund.

THE COURT'S FAIRNESS HEARING

20. HOW WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider Plaintiffs' Counsel's request for attorney fees and expenses and Plaintiff incentive awards. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement and how much to award for fees, expenses, and incentive awards.

21. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold the Fairness Hearing on November 12, 2014, at the United States Courthouse, Theodore Levin U.S. Courthouse, 231 W. Lafayette Boulevard, Detroit, Michigan, 48226. A motion for Final Approval of the Settlement will be filed by Plaintiffs' Counsel by October 24, 2014. The motion will also be posted on the Settlement website.

The Fairness Hearing may be moved to a different date or time without additional notice, so it is recommended that you periodically check www.MichiganHospitalPaymentsLitigation.com for updated information.

22. DO I NEED TO COME TO THE HEARING?

No. Plaintiffs' Counsel will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. If you send in a written objection, you do not have to come to the Fairness Hearing to talk about it. As long as you mailed your written objection on time, the Court will consider it. You also may pay your own lawyer to attend the Fairness Hearing, but his or her attendance is not necessary.

23. MAY I SPEAK AT THE HEARING?

You may speak at the Fairness Hearing if you submitted an objection as described in the answer to Question 15 and stated in your objection that you wish to be heard at the Fairness Hearing. You cannot speak at the hearing if you exclude yourself from the Settlement.

If you choose to appear in person at the Fairness Hearing, you can appear yourself or by retaining an attorney at your own expense to appear on your behalf. If the attorney is appearing on behalf of more than one Class Member, he or she must identify each of those Class Members.

OTHER INFORMATION

24. WHAT HAPPENS IF I DO NOTHING?

If you are a Class Member and do nothing, you will not get a payment from this Settlement. And, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against BCBSM relating to claims being resolved by this Settlement, ever again.

25. HOW DO I GET MORE INFORMATION?

This Notice summarizes the Settlement. More details are in the Settlement Agreement available at www.MichiganHospitalPaymentsLitigation.com. If you still have questions, call the Settlement Administrator at (877) 846-0588, send an email to info@MichiganHospitalPaymentsLitigation.com, or write to Settlement Administrator, PO Box 3240, Portland, OR 97208-3240.

Please do not contact BCBSM, its counsel, the Court, or the Clerk's office.

RELEASE

(Excerpted from the Settlement Agreement)

58. In exchange for the relief included in this Agreement, upon Final Approval of the Agreement, and except as to such rights or claims as may be created by this Agreement, Releasers, jointly and severally, shall, and hereby do, fully release and discharge BCBSM and Released Parties from any and all claims, judgments, liens, losses, debts, liabilities, demands, obligations, guarantees, penalties, costs, expenses, attorneys' fees, damages, indemnities, actions, causes of action, and obligations of every kind and nature in law, equity or otherwise, known or unknown, suspected or unsuspected, disclosed or undisclosed, contingent or accrued, arising out of or in any way relating to Most Favored Nation Clauses, or any matter or event occurring up to the execution of this Agreement arising out of the dispute which is the subject of this Action, whether in contract, tort, local law, or violation of any state or federal statute, rule or regulation, including without limitation, claims under the Sherman Act, Clayton Act or any Michigan antitrust statute, from January 1, 2006, through the Execution Date ("Released Claims"). Released Claims include any unknown claims that Settlement Class Members do not know or suspect to exist in their favor, which if known by them, might have affected this Agreement with BCBSM and the release of Released Parties.

59. As used in Paragraph 58, "Most Favored Nation Clauses" means all agreements and arrangements between BCBSM and general acute care hospitals in Michigan that (a) Plaintiffs have alleged or contended in this Action are most favored nation clauses, (b) are within the definition of a most favored nation clause contained in Section 3405a(4) of 1956 PA 218, or (c) have the same purpose or effect as the agreements and arrangements described in clauses (a) and (b) of this Paragraph.

60. The Release described in Paragraph 58 is not intended to, and shall not, release any claims for medical malpractice, insurance coverage, product liability, personal injury, or similar claims.

61. The Parties intend that the Agreement shall be binding on all Settlement Class Members who do not timely and validly request exclusion, whether or not they actually receive a payment pursuant to the Agreement. This Agreement shall constitute, and may be pleaded as, a complete and total defense to any Released Claims if raised in any other action.

62. The failure of any Settlement Class Member to claim or obtain any relief made available under this Agreement shall not affect the validity, scope, or enforceability of the Release, herein, and all Settlement Class Members who do not timely and validly request exclusion shall remain bound by said releases. BCBSM shall not be required to remit any additional consideration to any Settlement Class Members following or on account of such forfeiture by any Settlement Class Member.

63. As part and parcel of this Agreement, all Settlement Class Members who do not timely and validly exclude themselves will be permanently barred and enjoined from filing, commencing, prosecuting, intervening in, participating in as class members or otherwise, or receiving any benefits or other relief from any other lawsuit in any state, territorial or federal court, or any arbitration or administrative or regulatory or other proceeding in any jurisdiction that asserts any of the Released Claims.

64. With respect to all Released Claims, Plaintiffs, on behalf of themselves and each of the other Settlement Class Members who do not validly request exclusion from this Settlement, agree that they are expressly waiving and relinquishing to the fullest extent permitted by law:

(a) the provisions, rights and benefits conferred by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor; and

(b) any law of any state or territory of the United States, federal law or principle of common law, or of international or foreign law, that is similar, comparable or equivalent to Section 1542 of the California Civil Code.

65. BCBSM and Plaintiffs, on behalf of themselves and the other Settlement Class Members, hereby expressly agree that all provisions of this Section H together and separately constitute essential and material terms of this Agreement.