



STATE OF MINNESOTA

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KEY PROVISIONS OF SETTLEMENT AGREEMENT BETWEEN MINNESOTA ATTORNEY GENERAL MIKE HATCH & BLUE CROSS BLUE SHIELD OF MINNESOTA

June 19, 2001

The following are key provisions of the settlement agreement between The State of Minnesota and Blue Cross and Blue Shield of Minnesota, which resolves the State's October 2000 lawsuit over the company's processing of mental health, eating disorder and chemical dependency claims.

Review Committee

A three person Review Committee, acting under court jurisdiction, will be implemented within 90 days. One member of the Committee will be appointed by the Attorney General, one by the Chief Judge of Hennepin County District Court (Judge Kevin Burke), and one by Blue Cross.

The Committee will operate in the following way. Under the settlement agreement, Blue Cross must process urgent claims as soon as possible, but in no event more than 24 hours and non-urgent claims within two business days. If Blue Cross denies a claim or does not follow these deadlines, the claim will be referred within 24 hours to the Committee for review. If a denial for chemical dependency or eating disorder treatment is made because of lack of medical necessity, Blue Cross will forward the denial to the Committee within six hours.

The Committee, within one business day, may vote to overturn or uphold a claim upon the vote of any two members. The Committee's decision will be binding on Blue Cross but not the patient. Blue Cross will pay the Committee's expenses.

Health Care Auditor

Under the settlement, the Attorney General may appoint an auditor to enter Blue Cross's premises every six months for up to two weeks (except for the first audit, which may last up to 60 days) and obtain full, timely, complete and unrestricted access to its books, records and personnel to assess the information and processing flow with respect to benefits. The Attorney General's auditor may make recommendations that Blue Cross must accept or have arbitrated before Former Federal Magistrate Judge Brian Short. Blue Cross will pay for the costs of the auditor.

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- Blue Cross will ensure that its networks offer reasonable access and coverage for treatment for eating disorders and chemical dependency, and the company recognizes the medical necessity of treatment for these conditions, including 28 day inpatient treatment for chemical dependency as well as inpatient and partial inpatient treatment for eating disorders.
- Blue Cross will not sanction any health care provider for providing medically necessary benefits and will not provide any financial or other incentive to its claim reviewers to deny coverage.
- Blue Cross will not compensate its affiliate, Behavioral Health Services, Inc. (BHSI), through capitation payments.

If an individual has an outstanding or current mental health claim they may call the Minnesota Attorney General's consumer assistance line @ (651) 296-3353 or 1-800-657-3787.