

IN THE CIRCUIT COURT THIRD JUDICIAL CIRCUIT
MADISON COUNTY, ILLINOIS

If You Treated an Illinois Workers' Compensation Patient or Illinois Automobile Accident Policy Patient and Your Bill Was Reduced by a First Health/CCN PPO Discount, Please Read This Notice Carefully, As It Affects Your Legal Rights

*The Circuit Court of the Third Judicial District, Madison County, Illinois,
authorized this notice. This is not a solicitation from a lawyer.*

- This Settlement concerns a purported class action lawsuit captioned *Richard C. Coy, D. C. d/b/a Coy Chiropractic Health Center, PC., and Lawrence Shipley, D.C., v. CCN Managed Care, Inc. (f/k/a Community Care Network, Inc.) and First Health Group Corp.*, Case No. 04-L-1055, filed in 2004 in the Circuit Court of Madison County, Illinois.
- In their lawsuit, Plaintiffs alleged that First Health and CCN operated PPO networks through which healthcare payors improperly discounted the bills of Illinois healthcare providers who treated workers' compensation claimants and Illinois automobile accident policy claimants. First Health and CCN have denied these allegations.
- Plaintiffs and First Health/CCN have agreed to settle their dispute, without conceding the propriety of the other side's positions, in order to avoid the costs and risks of continued litigation.
- Your legal rights are affected whether you act or don't act. Please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
PARTICIPATE IN THE SETTLEMENT	If you wish to participate in the Settlement, you do not need to do anything. If the Court grants final approval to the Settlement, you will be bound by the Court's orders in the case and give up your right to be part of any lawsuit concerning the claims in this case. (If you do nothing and the Court grants final approval of the Settlement, you also will automatically be included in the Settlement Class.)
EXCLUDE YOURSELF	If you exclude yourself from the Settlement, you will not be bound by the terms of the Settlement. You also will not be entitled to participate in the Settlement if you choose this option.
OBJECT OR COMMENT WHILE REMAINING IN THE CLASS	Write the Court about why you do, or do not, like the Settlement. You must remain in the class and Settlement to object or comment.
ATTEND THE HEARING	Ask to speak to the Court about the fairness of the Settlement.

- These rights and obligations - 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. First Health's obligation to provide benefits to the Settlement Class are contingent on the Court's approval of the Settlement and after any appeals are resolved. Please be patient.

1. **PLAINTIFFS' CLAIMS IN THE LITIGATION:** The lawsuit was filed on September 24, 2004, and concerns PPO discounts taken by healthcare payors pursuant to First Health PPO networks on the class members' bills.

The lawsuit alleges that payments to Illinois healthcare providers who participated in First Health PPO Network were improperly reduced in connection with workers' compensation programs or automobile insurance policies. The lawsuit alleges that First Health's PPO workers' compensation and automobile insurance policy networks were not legitimate PPO networks and/or were operated in breach of the contracts between First Health and providers because there were no financial incentives paid to Illinois workers' compensation claimants or automobile insurance policy claimants to motivate them to seek treatment from healthcare providers who participated in the First Health PPO networks.

2. **DEFENDANTS' POSITION:** First Health denies any and all wrongdoing and liability of any kind whatsoever. Without limitation, First Health affirms that it has performed and is performing the obligations owed to the healthcare providers who participated in its PPO networks. First Health specifically denies that its PPO networks are not legitimate PPO networks or that financial incentives are required to be paid to Illinois workers' compensation claimants or Illinois automobile accident policy claimants to encourage such claimants to seek treatment from healthcare providers who participate in First Health PPO Networks.

3. **PURPOSE OF THIS NOTICE:** This notice is designed to inform members of the class defined below of the pendency of this litigation and of the proposed Settlement and to describe class members' rights and options.

4. **SETTLEMENT CLASS:** The Court has certified for settlement purposes a class (hereinafter, the "Class") consisting of: All Illinois healthcare providers who were members of or otherwise participated in a First Health PPO Network at any time since September 24, 1994, that included services or products to persons covered by a workers' compensation program and/or an automobile accident policy.

To represent the above Class for purposes of the Settlement, the Court has appointed the named plaintiffs in this lawsuit as the class representatives and has appointed the following attorneys to serve as Class Counsel: LakinChapman LLC, 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095 (Lead Class Counsel).

5. **SETTLEMENT BENEFITS.** The following description of the settlement benefits is qualified in its entirety by reference to the Class Action Settlement Agreement, a copy of which is on file with the Court.

- (a) **Charitable Payment.** First Health agrees to pay a total of \$1,250,000.00 after the Effective Date to charitable or other non-profit organizations selected by First Health and Class Counsel that in the estimation of First Health and Class Counsel will be reasonably likely to benefit the Settlement Class Members as a whole, e.g., 501(c)(3) organizations that provide continuing medical education to Illinois healthcare providers including in areas appropriate to workers' compensation injuries and/or similar organizations that address issues of workplace injuries in Illinois.
- (b) **Contract Amendment.** Upon the Effective Date, all existing and future Provider Agreements with Illinois participating providers shall be amended to include the following language (either by addendum for existing contracts or by inclusion in its own section in new contracts):

“As part of the Settlement, dated January 12, 2009, of a purported class action lawsuit captioned *Richard C. Coy, D. C. d/b/a Coy Chiropractic Health Center, PC., and Lawrence Shipley, D.C., v. CCN Managed Care, Inc. and First Health Group Corp.*, Circuit Court of Madison County, Illinois, Case No. 04-L-1055, First Health agreed to include the following language in its Illinois provider agreements, without concession:

Nothing in this contract or any payor contract requires or provides that there must be a financial incentive to patients in Illinois to encourage such patients who are covered by a workers' compensation program or automobile accident policy to seek treatment from participating providers. The foregoing neither implies nor negates obligations, if any, by payors to provide financial incentives with respect to other insurance coverages.”

- (c) **Additional Disclosures to Participating Providers.** Upon the Effective Date, First Health agrees to include a clear and conspicuous disclosure of the substance of the contract addendum described in the foregoing section on its website wherever it mentions channeling, steering, or directing in connection with Illinois healthcare providers. Through a letter and its website, First Health also agrees to describe (as it shall determine in its sole discretion) to its current and prospective Illinois participating providers channeling efforts with respect to workers' compensation programs and automobile accident policies under Illinois law.
- (d) **Increase Payor and Patient Awareness.** For a period of 4 years after the Effective Date, First Health agrees to increase its efforts to educate: healthcare payors who contract directly or indirectly with First Health to access First Health PPO Networks in Illinois, and, to the extent allowed, such payor's insureds and such insureds' claimants or beneficiaries (i.e., patients) about Illinois participating providers in the First Health PPO Networks in Illinois and the benefits of using those providers for treatments covered by workers' compensation programs and/or automobile accident policies.
- (e) **Expedited Membership Termination.** For the first three months after the Effective Date, upon written notice to First Health, Class Members may terminate their Provider Agreement(s) with First Health, regardless of the time for termination otherwise provided pursuant to such Class Members' Provider Agreements (which shall remain in force and effect). Unless otherwise agreed by the provider and First Health, such termination will be effective no later than 45 days after First Health receives written notice from the provider. This additional termination option shall be available only during the first three months following the Effective Date, regardless of any other terms of the provider's Provider Agreement regarding the timing requirements of termination. Notwithstanding any of the foregoing, any Class Member who elects to terminate his/her/its Provider Agreement(s) shall comport with all other terms of his, her or its Provider Agreement(s), specifically including any terms involving patient notification and/or continuing care which may have the effect of extending a provider's obligations pursuant to the Provider Agreement.
- (f) **Expedited Membership Reinstatement.** For the first three months after the Effective Date, upon written request to First Health, Class Members who terminated membership or whose membership was terminated in a First Health PPO Network during the Class Period and prior to the publication of the Publication Notice may seek expedited reinstatement as a First Health participating provider. To be eligible, a Class Member (i) may not have been terminated for reasons listed in an applicable Provider Agreement for Immediate Termination, (ii) must meet all current licensing and credentialing requirements, and (iii) must negotiate and sign a new Provider Agreement. This option shall be available only during the three months following the Effective Date. This option applies to networks that are otherwise “closed”.

6. **ATTORNEYS' FEES AND EXPENSES:** From the filing of the litigation in 2004 to the present, Class Counsel have not received any payment for their services in prosecuting the case, nor have they been reimbursed for any out-of-pocket costs. If the Court approves the proposed Settlement, Class Counsel will apply to the Court for an award of attorneys' fees and reimbursement of expenses totaling \$650,000. Class Counsel will also apply for the following incentive award of \$5,000 to each of the named plaintiffs in this lawsuit for their initiative and effort in pursuing the litigation on behalf of the class. Any award of attorneys' fees and expenses and any incentive award will be paid by Defendants, separately from and without reducing the Settlement benefits to class members. Under no circumstances will you be personally liable for Class Counsel's attorneys' fees or expenses or any incentive award.
7. **RESULT IF COURT APPROVES SETTLEMENT:** If you fall within the Class definition and remain in the Class, and the Settlement is approved, the Court will enter a judgment dismissing the lawsuit with prejudice, and releasing any and all claims that you may have against First Health (including, without limitation, those companies and networks First Health acquired, such as CCN), whether known or unknown, arising from PPO discounts taken pursuant to First Health PPO networks.
8. **YOUR OPTIONS:** If you are a member of the Class, you have the following options.
 - (a) **PARTICIPATE IN THE SETTLEMENT:** If you wish to participate in the proposed Settlement regarding the Expedited Membership Termination or Expedited Membership Reinstatement, you need to submit your written request within three months of the Effective Date. Otherwise, you need do nothing.

- (b) **REQUEST TO BE EXCLUDED:** If you do not want to stay in the Class, then you must send a written notice of your request to exclude yourself from the Class, so that it is received no later than **April 24, 2009**, to First Health Settlement, P.O. Box 1979, Faribault, MN 55021-6175. Your exclusion request must include (i) your full name, address, telephone number, and the tax payer identification number with which you participate/participated in any First Health PPO network; (ii) a statement that you request exclusion from the Class and Settlement in *Shipley v. CCN*, Case No. 04-L-1055; and (iii) your signature. If you validly and timely request exclusion from the Class, (1) you will be excluded from the Class; (2) you will not be bound by the terms of the Settlement, the judgment dismissing the lawsuit, or the release of claims provided by the Settlement; and (3) you will not be entitled to comment on the proposed Settlement or be heard at the fairness hearing described in Paragraph 9 below. If a certain number of providers exclude themselves from the Class, First Health has the option to terminate the Settlement and be relieved of any obligation to make the payments to sponsor medical education and workplace safety and from providing the other benefits of the Settlement.
- (c) **OBJECT OR COMMENT:** If you are a member of the Class and you do not request to be excluded, you may object to or offer comment in favor of the terms of the Settlement or to Class Counsel's request for attorneys' fees and expenses. You may, but need not, enter an appearance through counsel of your choice. If you do, you will be responsible for your own attorneys' fees and costs.

If you object to the Settlement, you must, on or before **April 24, 2009**: (1) file with the Clerk of the Circuit Court, Third Judicial Circuit, Madison County, Illinois, located at the Madison County Courthouse, 155 North Main Street, Edwardsville, Illinois 62025, and (2) serve on Robert W. Schmieder II of LakinChapman LLC, 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095-0229 (Class Counsel); and Eric D. Brandfonbrener of Perkins Coie LLP, 131 S. Dearborn St., Suite 1700, Chicago, IL 60603 (Counsel for Defendants), a written objection, verified by sworn affidavit which includes: (a) the objector's name, address and telephone number; (b) the name of the case and the case number; (c) a statement of each objection; and (d) a written brief detailing the specific reasons, if any, for each objection, including any legal and factual support the objector wishes to bring to the Court's attention and any evidence the objector wishes to introduce in support of the objection. (If the objection is presented through an attorney, then the written objection must also include: (i) the identity and number of Class Members represented by objector's counsel; (ii) the number of such represented Class Members who have opted out of the settlement; (iii) the number of such represented Class Members who have remained in the settlement and have not objected; (iv) the date the objector's counsel assumed representation for the objector, and (v) a list of the names of all cases where the objector's counsel has objected to a class action settlement in the last three years. Objecting Class Members who intend to testify in support of their objection either in person or by affidavit must also make themselves available for deposition by Class Counsel or Defendants' counsel in their county of residence, between the time the objection is filed and fourteen (14) days before the date of the Fairness Hearing. Any Class Member who files and serves a written objection may appear at the Fairness Hearing, either in person or through personal counsel hired at the Class Member's expense, but must deliver a Notice of Intention to Appear to Class Counsel and Defendants' counsel, and have it file-marked by the Court no later than **April 24, 2009**. The Notice of Intention to Appear must: (1) state how much time the Class Member and/or their attorney anticipates needing to present the objection; (2) identify, by name, address, telephone number and detailed summary of testimony any witnesses the Class Member and/or their attorney intends to present any testimony from; and (3) identify all exhibits the class member and/or their attorney intends to offer in support of the objection and attach complete copies of all such exhibits. Class members who do not timely make their objections in this manner will be deemed to have waived all objections and shall not be heard at the fairness hearing or have the right to appeal from approval of the Settlement.

9. **FAIRNESS HEARING:** On May 26, 2009, at 1:30 p.m., in the courtroom of the Honorable Daniel J. Stack, Circuit Judge of the Circuit Court, Third Judicial Circuit, Madison County, Illinois, located at the Madison County Courthouse, 155 North Main Street, Edwardsville, Illinois 62025, Judge Stack will hold a fairness hearing for the purpose of deciding (a) whether the Settlement should be approved as fair, reasonable, and adequate for the class; (b) whether a judgment granting approval of the Settlement and dismissing the lawsuit with prejudice should be entered; and (c) whether Class Counsel's application for attorneys' fees and expenses should be granted. The hearing may be postponed, adjourned, or rescheduled by the Court without further notice to the class. You do not need to attend this hearing to remain a class member or participate in the Settlement.
10. **EXAMINATION OF PAPERS FILED IN THE CASE:** This Notice is a summary and does not describe all details of the Settlement. For full details of the matters discussed in this Notice, you may wish to review the Class Action Settlement Agreement dated January 12, 2009, available online at www.pposettlements.com. A complete copy of the Class Action Settlement Agreement and all other pleadings and papers filed in the lawsuit are also available for inspection and copying during regular business hours at the Office of the Clerk of the Circuit Court, Third Judicial Circuit, Madison County, Illinois, located at the Madison County Courthouse, 155 North Main Street, Edwardsville, Illinois 62025.
11. **ADDITIONAL INFORMATION:** You can view and print the Class Action Settlement Agreement and this Notice at www.pposettlements.com. You can also direct inquiries to Class Counsel at ppo.classaction@lakinchapman.com or by mail to 300 Evans Avenue, P.O. Box 229, Wood River, Illinois 62095. Please include the reference *Shipley v. CCN*, Case No. 04-L-1055.

PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS NOTICE.

DATED: March 23, 2009

BY ORDER OF THE CIRCUIT COURT THIRD
JUDICIAL DISTRICT MADISON COUNTY, ILLINOIS

FIRST HEALTH SETTLEMENT
PO BOX 1979
FARIBAULT, MN 55021-6175

PRESORT
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