

NOTICE TO ILLINOIS PARTICIPATING PROVIDERS REGARDING WC/AUTO SETTLEMENT AND RELATED CONTRACT ADDENDUM AND NEW ILLINOIS WC LAW

In 2008, First Health Group Corp. settled a class action lawsuit, without admitting fault, pending in the Circuit Court of Madison County, Illinois. Notice of the settlement was provided by mail and newspaper to Illinois participating providers in March 2009. The Circuit Court conducted hearings on the settlement starting in May 2009 and issued an order approving the settlement on January 4, 2010. The Illinois Appellate Court affirmed the lower court's approval of the settlement on August 23, 2011. The settlement thus became effective on September 27, 2011.

As part of the settlement, as provided by the notice sent to participating providers in March 2009, all existing Illinois participating provider agreements were deemed amended pursuant to the Court's order as of the settlement's effective date with the following:

“As part of the Class Action Settlement Agreement, dated January 12, 2009, of a purported class action lawsuit captioned Richard C. Coy, D.C. d/b/a Coy Chiropractic Health Center, P.C., 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.”

Effective June 28, 2011, the Illinois Workers' Compensation Act was significantly reformed. Among other things, pursuant to House Bill 1698, employers may now utilize preferred provider programs approved by the Illinois Department of Insurance to satisfy their obligations under the Act for the provision of medical treatment. Coventry Workers' Comp Services, which includes but is not limited to the First Health PPO networks, is seeking approval from the Illinois Department of Insurance. Upon the DOI's approval of these networks, the company will work with its Illinois payors to encourage utilization of a PPP and to encourage channeling efforts of workers' compensation patients to participating providers, consistent with Illinois law.