

Blue Cross/Anthem Anti-Trust Class Action Settlement

Background-Status of Settlement-Deadline for Filing Settlement Claims

The Settlement arises out of an anti-trust case against Blue Cross and its member plans (such as Anthem) where it was alleged that the various Blue Cross member plans agreed not to compete among themselves, thereby increasing the cost of coverage. The case settled for \$2.67 billion in March 2021 with preliminary court approval. Members who had coverage with Anthem Blue Cross between February 7, 2008 and October 16, 2020 are eligible to apply for a settlement. **Claims must be filed with the Settlement Administrator (JND Legal Administration) by November 5, 2021.**

Settlement Claims-Member Options for Allocation Between LAPRA and Members

The Settlement, as approved by the Court, provides the following options for allocating a Settlement distribution:

1. “Default Option” - Simple

The “Default” Option consists of the following allocation of the amount payable to LAPRA: (1) 15% of a member’s premium for single coverage and 34% of a member’s premium for family coverage is deemed to have been paid by the member (with the remainder to the employer). The member does not have to submit information on the actual percent of premium contributed by the member. Rather, the member only has to indicate the period of Anthem coverage between February 7, 2008 and October 16, 2020 to receive the applicable 15% or 34% share of the employer’s distribution.

2. “Alternative Option” - Complicated

Under the Alternative Option, the allocation is based on the information that the member must provide on the actual percentage of the premium the member contributed from 2008-2020 on a yearly basis.

Why the Default Option is Better for Most LAPRA Members

Because about 98 % of LAPRA’s members contribute less than 15% for single coverage and 34% for family coverage, those members will actually receive more under the Default Option than an actual Allocation. Thus, the Allocation Option should only be used by members who contribute more than 15% for single coverage and 34% for family coverage.

With respect to the approximately 2% of LAPRA members contributing more than 15% or 34% and who do not want to use the simple Default Option, LAPRA can provide these members with administrative support in seeking the required information. A separate communication will be sent to those who currently pay more the 15% for single coverage and 34% for family coverage.

Tax Issues

The Settlement Agreement does not address whether distributions received by members will be taxable income. While the IRS has not addressed this issue specifically regarding the Settlement, prior IRS guidance suggests it may be taxable to Members.

Questions

If you have questions about filing a claim contact JND Legal Administration at info@BCBSsettlement.com or (888) 681-1142 or visit www.BCBSsettlement.com where there is a sample Claim Form. (“Important Documents”). If you have questions regarding your LAPRA medical coverage, contact LAPRA at benefits@lapra.org or call (213) 674-3701.