

News Release

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Economists Find Blue Cross Blue Shield Antitrust Settlement Means More Than \$17.3 Billion of Value for Providers

Birmingham, Al. – Healthcare economist experts working on the Blue Cross Blue Shield antitrust case for the past decade have calculated a value for the settlement’s injunctive relief **in excess of \$17.3 billion** over the first ten years of its implementation. In addition to a \$2.8 billion monetary payment, the significant benefits of the settlement’s injunctive relief include specific commitments relating to transparency, efficiency, and Blue Plan accountability that will directly benefits providers and the patients they serve.

The valuation comes at a critical time, as some attorneys are encouraging hospitals, health systems, and individual providers to opt out of the settlement and reject its benefits. Providers that choose to opt out will not be entitled to any benefits from the settlement, including the significant changes Blue Cross and Blue Shield plans will implement for Class members. Deciding whether to remain in the settlement is especially important because a providers’ patients will also gain from these benefits unless the provider opts out.

“Providers should be focused on the long-term value of the Settlement. Staying in the settlement means your organization will see a tremendous return when Blue Cross and Blue Shield plans make claims submission and payment quicker and more efficient for class members,” said Brian Tabor, former President of the Indiana Hospital Association and Principal, Cotinga Consulting, LLC. “The initial payout is great, but the injunctive relief is invaluable. It’s really important that providers understand what they are giving up if they don’t stay in the settlement.”

Notable changes include:

- Enhanced accountability and communication to ensure settlement class members receive up-to-date, accurate information about BlueCard claims. Using information about the administrative costs associated with the BlueCard program, expert

economists have estimated that the value of this relief to providers alone for the first ten years will be more than \$16.3 billion.

- This value comes from saving millions of hours of time that would be spent trying to resolve issues with BlueCard claims that will now be handled far more easily.
- A five-year commitment by the Blues to pay interest on fully insured BlueCard claims that are submitted correctly and not paid within a certain period, typically 30 days for electronic claims. Experts have estimated the value of this relief at more than \$1 billion.
- Other aspects, including expanded opportunities for contiguous-area contracts and value-based care, provide significant value to providers but were not valued as part of this project.

Only providers who remain in the settlement class will be entitled to benefit from the transformational improvements.

“The \$17.3 billion value of the Blues’ agreement to transform the BlueCard program and pay interest on BlueCard claims, which is only a part of the injunctive relief in the settlement, demonstrates the true value to providers who remain in the settlement,” said Co-Lead Counsel Edith Kallas. Co-Lead Counsel Joe Whatley added, “When red tape is cut and providers are paid promptly, providers—and importantly, their patients—benefit from timely care. Any provider who is considering opting out of the settlement and giving up all the injunctive relief should consider not only the effect on its own finances, but also the effect on its patients of rejecting relief that transforms the way care is provided to Blue Cross members.”

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About

Whatley Kallas has litigated against some of the largest defense firms in the world and across the country in both federal and state courts, and arbitrated in arbitral forums from coast to coast. The firm has extensive experience representing all types of healthcare providers including health systems facing a health insurer in individual or class action lawsuits. Whatley Kallas has some of the few lawyers who have tried a class action to a billion-dollar-plus verdict for plaintiffs and successful verdict for defendants. Whatley Kallas is known for committing substantial resources of the firm to achieve meaningful change to society, with longstanding and ongoing representation of medical providers and national, state and county medical societies, litigating against and negotiating settlements with the largest health insurers in the country.

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