

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

MDL NO.: 1334

IN RE: MANAGED CARE LITIGATION

THIS DOCUMENT RELATES ONLY TO
PROVIDER TRACK CASES

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AMONG CIGNA HEALTHCARE AND PHYSICIANS, OF
FAIRNESS HEARING TO CONSIDER THE PROPOSED SETTLEMENT AND OF YOUR RIGHTS CONCERNING
THE PROPOSED SETTLEMENT

IF YOU ARE A PHYSICIAN, PHYSICIAN GROUP OR PHYSICIAN ORGANIZATION (OR PERSON OR ENTITY CLAIMING BY OR THROUGH THEM, SUCH AS A PHYSICIANS' ASSISTANT OR ADVANCED PRACTICE REGISTERED NURSE), WHO OR WHICH PROVIDED COVERED SERVICES TO ANY INDIVIDUAL ENROLLED IN OR COVERED BY CIGNA HEALTHCARE OR HEALTH BENEFIT PLANS INSURED OR ADMINISTERED BY OTHER MANAGED CARE COMPANIES NAMED AS DEFENDANTS IN *SHANE, ET AL. V. HUMANA, INC., ET AL.* AT ANY TIME BETWEEN AUGUST 4, 1990 AND SEPTEMBER 5, 2003, PLEASE READ THIS NOTICE CAREFULLY. THIS CLASS ACTION AND THE PROPOSED SETTLEMENT MAY AFFECT YOUR RIGHTS.

I. WHY SHOULD YOU READ THIS NOTICE?

If you are or have been a physician, physician group, or physician organization (or a person or entity claiming by or through them, such as a physicians' assistant or advanced practice registered nurse) who practiced in the United States since August 4, 1990, your rights may be affected by a proposed settlement with CIGNA Corporation, CIGNA HealthCare of St. Louis, Inc., and CIGNA HealthCare of Texas, Inc. (collectively, "CIGNA HealthCare Defendants") in the class action lawsuits known as *Shane, et al. v. Humana, Inc., et al.*, Master File No. 00-1334-MD-MORENO, which is part of a federal multi-district litigation that is pending in the U.S. District Court for the Southern District of Florida (the "Court") called *In re Managed Care Litigation*, MDL Docket No. 1334, and *Kaiser, et al. v. CIGNA Corporation, CIGNA HealthCare of St. Louis, Inc. and CIGNA HealthCare of Texas, Inc.*, transferred to the Court to become part of the multi-district litigation (referred to collectively as the "Litigation"). The Litigation also involves all of the direct and indirect subsidiaries of CIGNA Corporation involved in the health care business, for example, Connecticut General Life Insurance Company, CIGNA HealthCare of North Carolina, Inc., Arizona Health Plan, Inc., Healthsource New Hampshire, Inc., and many others (collectively "CIGNA HealthCare") and the settlement encompasses all of these entities. You may be a member of the CIGNA HealthCare settlement class in this Litigation if you have submitted claims to any of these CIGNA HealthCare entities or other managed care companies. You can view and download a list of the CIGNA HealthCare entities involved in the Litigation at www.CIGNAPhysicianSettlement.com.

The class representatives and certain medical societies have agreed to settle all claims against CIGNA HealthCare in the Litigation in exchange for CIGNA HealthCare's adoption of a number of commitments and initiatives regarding its business practices, the creation of a not-for-profit medical foundation and the establishment of alternate settlement funds against which individuals who are members of the Class (as defined below) can make claims for a settlement payment. The Court has scheduled a hearing to consider the fairness, reasonableness and adequacy of the proposed settlement with CIGNA HealthCare, together with certain other matters, to be held on December 18, 2003 at 10:00 A.M. at the United States Courthouse, Courtroom IV, Tenth Floor, Federal Justice Building, 99 Northeast 4th Street, Miami, Florida 33132 (the "Fairness Hearing").

You may be a member of the Class who therefore would be entitled to receive the benefits of the proposed settlement. As a member of the Class, however, you will also be bound by the release and other provisions of the settlement if it is approved by the Court. You may elect to opt out of the Class and the settlement, as explained below. You also have a right to object to the settlement or to the applications for attorneys' fees and representative plaintiffs' incentive awards that counsel for the settlement Class intend to make to the Court, but only if you have not elected to exclude yourself from the Class and only if you comply with the procedures described in this notice. **BECAUSE YOUR RIGHT TO PURSUE CERTAIN TYPES OF CLAIMS AGAINST CIGNA HEALTHCARE AND CERTAIN OTHERS AFFILIATED WITH CIGNA HEALTHCARE BASED ON CIGNA HEALTHCARE'S CONDUCT MAY BE AFFECTED BY THE SETTLEMENT, YOU SHOULD READ THIS NOTICE CAREFULLY.**

II. WHAT IS THIS LITIGATION ABOUT?

The Litigation has been brought by the representative plaintiffs from around the United States, on behalf of a class of physicians who practiced at any time from and after August 4, 1990 against a number of managed care companies, including Aetna, Inc., Aetna-USHC, Inc., Anthem, Inc., CIGNA HealthCare Defendants, Coventry Health Care, Inc., Health Net, Inc., Humana Health Plan, Inc., Humana, Inc., PacifiCare Health Systems, Inc., Prudential Insurance Company of America, United Health Care, United Health Group and Wellpoint Health Networks, Inc. (collectively, "defendants"). The complaints in the Litigation allege that in various time periods from 1990 to the present, these companies engaged in a conspiracy to improperly deny, delay and/or reduce payment to physicians (and other non-physician health care providers in *Kaiser*) by engaging in several types of allegedly improper conduct, including:

- Misrepresenting and/or failing to disclose the use of edits to unilaterally "bundle," "downcode" and/or reject claims for medically necessary covered services;
- Failing and/or refusing to recognize CPT® modifiers;

- Concealing and/or misrepresenting the use of improper guidelines and criteria to deny, delay, and/or reduce payment for medically necessary covered services;
- Misrepresenting and/or refusing to disclose applicable fee schedules;
- Failing to pay claims for medically necessary covered services within the required statutory and/or contractual time periods; and
- Misrepresenting and/or failing to disclose the use of inappropriate or unsound criteria to calculate payments due to physicians compensated under a “capitation” system.

Plaintiffs in both the *Kaiser* and *Shane* lawsuits claim that the conduct generally described above violated various state and federal statutes. Plaintiffs also seek recovery on various common law theories, including breach of contract. If you would like further information about the claims asserted in the Litigation, you can review copies of the *Shane* complaint and the *Kaiser* complaint at the office of the Clerk of the Court, United States Courthouse, U.S. District Court for the Southern District of Florida, 301 North Miami Avenue, Miami, Florida during regular business hours.

The *Shane* lawsuit is one significant component of litigation asserting these claims and certain others against managed care companies which began in early 2000 and ultimately was transferred to the federal court in Miami to become part of a multi-district litigation, as was the *Kaiser* lawsuit. Since the initial complaints were filed, substantial proceedings have occurred in the Litigation, including the production of a significant number of documents by defendants, as well as claims data, and the depositions of various of the representative plaintiffs, and witnesses employed by defendants, including CIGNA HealthCare, and third parties. In an order dated September 26, 2002, the Court certified a class and two subclasses of physicians in the *Shane* lawsuit. The defendants in the *Shane* lawsuit, including CIGNA Corporation, appealed that ruling to the federal court of appeals, and proceedings on the appeal are still ongoing. As part of the settlement, CIGNA Corporation would no longer actively participate in that appeal, but expects other defendants, who are not parties to this or any other proposed settlement, to continue to pursue that appeal and to defend the claims asserted in the Litigation on various grounds.

III. WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

In a settlement agreement dated September 4, 2003 (the “Agreement”), the representative plaintiffs and signatory medical societies have agreed to settle all Released Claims (as defined in the Agreement) that were or could have been asserted against CIGNA HealthCare in exchange for CIGNA HealthCare’s agreement regarding its business practices and for certain monetary consideration. The terms of the Agreement are summarized in this notice, but a copy of the entire Agreement can be reviewed at www.CIGNAPhysicianSettlement.com. **It is also available at www.hmocrisis.com, www.WhatleyDrake.com, www.ArchieLamb.com, www.milberg.com, www.kttlaw.com, and www.wcqp.com.**

None of the defendants in the Litigation other than the CIGNA HealthCare Defendants are parties to the CIGNA HealthCare proposed settlement, and even if the settlement is approved by the Court, the representative plaintiffs and signatory medical societies intend to continue to prosecute their claims against other defendants in the Litigation who are not parties to this or any other proposed settlement.

A. The Settlement Class

The proposed CIGNA HealthCare settlement will be on behalf of the following Class, which has been certified for settlement purposes:

Any and all Physicians, Physician Groups and Physician Organizations (and all Persons claiming by or through them, such as Physicians’ Assistants and Advanced Practice Registered Nurses), who or which provided Covered Services to any CIGNA HealthCare member or any individual enrolled in or covered by a plan offered or administered by any Person named as a defendant in the *Shane* complaint or by any of their respective current or former Subsidiaries from August 4, 1990 through the date of the entry of the Preliminary Approval Order; provided, however, that the Class shall not include any Physician who is or was an employee of a CIGNA HealthCare staff-model HMO at the time of providing such Covered Services.

The CIGNA HealthCare settlement Class is different than the class and subclasses certified by the Court in *Shane*, which are the subject of an appeal by the defendants, and the class certified by the Madison County Circuit Court in *Kaiser*. CIGNA HealthCare believes that there are significant aspects of the settlement Class that distinguish it from the classes that have been certified by the Court and the Madison County Circuit Court, including, for example, that if the proposed settlement is approved and becomes effective, CIGNA HealthCare will waive any right it has to require arbitration as a condition to any monetary recovery and all members of the settlement Class will be deemed to have waived their rights to arbitration under the applicable contracts. In addition, the settlement Class does not raise the problems of manageability that CIGNA HealthCare believes affect the classes as certified by the Court and the Madison County Circuit Court.

B. The Settlement Consideration

If the settlement is approved by the Court, the Agreement provides for both monetary and other benefits to be provided by CIGNA HealthCare to members of the settlement Class.

The parties have entered into a proposed settlement of the Litigation. The following section briefly describes the benefits you are eligible for as a member of the settlement Class if the settlement is approved. The complete terms of the proposed settlement are in the Agreement, which can be viewed and downloaded at www.CIGNAPhysicianSettlement.com. **It is also available at www.hmocrisis.com, www.WhatleyDrake.com, www.ArchieLamb.com, www.milberg.com, www.kttlaw.com, and www.wcqp.com.**

1. Prospective Relief: Additional Disclosures; Changes in Business Practices

As a part of the settlement, CIGNA HealthCare has agreed to certain commitments regarding its disclosures and business practices. For example, CIGNA HealthCare has agreed to: (a) include in its contracts with Physicians a definition of medical necessity that bases medical necessity determinations on generally accepted standards of medical practice; (b) use clinical guidelines that are based on credible scientific evidence published in peer-reviewed medical literature (taking into account Physician Specialty Society recommendations, the views of Physicians practicing in the relevant clinical areas, and other relevant factors); (c) provide members of the Class access to CIGNA HealthCare's medical necessity external review process; (d) establish an independent, external billing dispute review process for resolving disputes with members of the Class concerning many common billing disputes; (e) continue to pursue initiatives designed to facilitate the automated adjudication of claims submitted by Physicians and thereby the average time taken by CIGNA HealthCare to pay valid claims; (f) fund initiatives to reduce the percentage of resubmitted claims; (g) not automatically reduce the intensity coding of evaluation and management codes billed for certain covered services; (h) disclose payment rules and conform its bundling and other computerized editing rules as specified in the Agreement; (i) not include in its contracts with members of the Class "all products clauses," "all affiliates clauses," or "gag clauses"; (j) devote resources to improve accuracy of information about eligibility of plan members; (k) where all necessary information is available to CIGNA HealthCare, ensure the payment of valid claims within 15 business days for electronically-submitted claims and 30 calendar days for paper claims; (l) provide members of the Class with the ability to view applicable fee schedule amounts for billing codes related to their practice; (m) establish a compliance dispute resolution mechanism to address disputes regarding CIGNA HealthCare's compliance with the Agreement. In addition, CIGNA HealthCare will disclose additional information about its claim administration policies and procedures on its existing internet website. These changes, as well as others, are more fully described in the Agreement.

2. Foundation

CIGNA HealthCare has also agreed to provide Fifteen Million Dollars (\$15,000,000.00) in initial funding to a medical foundation to be established if the settlement is approved. The foundation will be dedicated to promoting high quality health care and will give particular emphasis to initiatives that assist Physicians to improve/enhance the quality of care received by patients and to enhance the delivery of care to the disadvantaged members of the public.

In addition to the initial funding to be provided by CIGNA HealthCare directly to the foundation, members of the Class may elect to have the amount of their settlement payment from the Category A Settlement Fund (discussed in the next section) contributed to the foundation, or to a foundation established by a signatory medical society, on their behalf. Additional amounts may be contributed to the foundation from the Category A Settlement Fund and the Claim Distribution Fund (also discussed in the next section) established by CIGNA HealthCare, pursuant to the terms of the Settlement Agreement.

3. Monetary Compensation

Under the proposed settlement, CIGNA HealthCare will pay two separate types of compensation to members of the Class: 1) "Category A Settlement Fund"; and 2) "Claim Distribution Fund" which includes compensation related to claim coding and bundling edits and denials of claims on medical necessity grounds. To be eligible for compensation, you must submit Proofs of Claim, as described in Section 8 of the Agreement. Additional information regarding submission of Proofs of Claim will be provided to Class Members when the Settlement receives Final Approval.

Category A Settlement Fund: A component of the consideration to be provided to members of the Class under the proposed settlement is the establishment of a settlement fund in the aggregate amount of Thirty Million Dollars (\$30,000,000.00). If the settlement is approved by the Court, each member of the Class will be entitled to payments from this settlement fund in accordance with the formula set forth in the Agreement. Each member of the Class desiring to file a Category A Claim may elect either to receive the payment from the Category A Settlement Fund or to direct that such amount be contributed to the foundation on his, her or its behalf, or to a foundation established by a state medical society. Any member of the Class filing a Category A Claim shall not be eligible to seek Category One Compensation, Category Two Compensation or Medical Necessity Denial Compensation, described generally below.

Claim Distribution Fund: CIGNA HealthCare will establish a Claim Distribution Fund to pay three categories of compensation to members of the Class affected by claim coding and bundling edits or medical necessity denials. CIGNA HealthCare will replenish this fund as often as necessary to pay all Valid Proofs of Claim. For Category One Compensation, Valid Proofs of Claim will be paid at the amount stated in the Category One Code list. All other Valid Proofs of Claim for Medical Necessity Denial Compensation and Category Two Compensation will be paid at 100% of the National Medicare Fee Schedule, as defined by the Agreement.

Category One Compensation: The parties have negotiated a list of specific code combinations which qualify for Category One Compensation. This list can be viewed and downloaded at www.CIGNAPhysicianSettlement.com. It is also available at www.hmocrisis.com, www.WhatleyDrake.com, www.ArchieLamb.com, www.milberg.com, www.ktlaw.com, and www.wcqp.com. A copy of this list is also attached to the Agreement as Exhibit 1. Upon submission of Valid Proofs of Claim, members of the Class will receive reimbursement for the denial of payment for Category One Codes in the specific circumstances and within the date of service limitations set forth in Exhibit 1 to the Agreement. CIGNA HealthCare has agreed to pay all Valid Category One Proofs of Claim.

Category Two Compensation: Category Two Proofs of Claim are not limited to specific codes and/or code combinations. You may resubmit claims to CIGNA HealthCare that you believe were improperly denied and/or reduced (including those involving the code combinations on the Category One Code list that are outside the time periods on that list). If CIGNA HealthCare denies the Proof of Claim, it will automatically be sent to an external reviewer for a final decision. You may, under Category Two, receive reimbursement for the code(s) which were originally denied or paid at a reduced amount. In addition, to help you identify certain Fee for Service Claims that are eligible for Category Two Compensation, CIGNA HealthCare will use its best efforts to make available a Facilitation List to assist members of the Class in identifying some types of claims that may be eligible for Category Two Compensation. You can obtain your Facilitation List, in paper or electronic form, from the Settlement Administrator.

Compensation for Erroneous Denials of Claims on Medical Necessity Grounds: You may resubmit claims that you believe were improperly denied as not medically necessary or as experimental or investigational. If CIGNA HealthCare denies the Proof of Claim, it will automatically be sent to an external reviewer for a final decision. You may receive payment for the code(s) which were originally denied. CIGNA HealthCare has agreed to pay all Valid Proofs of Claim for Medical Necessity Denial Compensation.

4. Arbitration Waiver

With regard to this Litigation only, CIGNA HealthCare will waive its right to require those members of the Class with valid and enforceable arbitration provisions to arbitrate their Fee for Service Claims during the Class Period against CIGNA HealthCare. This waiver will permit all members of the Class to participate in the settlement compensation funds, even if they have valid and enforceable arbitration provisions in their contracts with CIGNA HealthCare.

C. The Release and Dismissal with Prejudice

If the proposed settlement is approved by the Court and you do not exclude yourself from the settlement Class, certain legal claims you may have against CIGNA HealthCare and other Released Persons, regardless of legal theory, including without limitation any aspect of fee for service claims adjudicated by CIGNA HealthCare 30 days before Final Approval, will be dismissed on the merits and with prejudice. None of those claims may be asserted in any other lawsuit and your only remedies will be those set forth in the Agreement, unless you exclude yourself from the settlement Class. **Because the release is a critical element of the proposed settlement, it has been included here verbatim. The definitions of the terms “Released Claims,” “Released Person,” and “Releasing Parties” are also set forth below. Language defining what has been excluded from the release and defined as “Retained Claims” is set forth in full in Section 13.4 of the Agreement. You should read this section very carefully because it will affect your rights if you remain in the settlement Class.**

1. Release and Covenant Not To Sue

Upon Final Approval, the Releasing Parties and each of them shall hereby be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever, remised, released, relinquished, compromised and discharged all Released Claims against each Released Person, whether or not any such Releasing Party submits any Proofs of Claim or otherwise seeks any payment under the terms of the Agreement.

The Releasing Parties and each of them agree and covenant not to sue or prosecute, institute or cooperate in the institution, commencement, filing, or prosecution of any suit on the basis of any Released Claim against any Released Person.

With respect to all Released Claims, the Releasing Parties and each of them agree that they are expressly waiving and relinquishing to the fullest extent permitted by law (a) the provisions, rights, and benefits conferred by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.

and (b) any law of any state or territory of the United States, federal law or principle of common law, or of international or foreign law, which is similar, comparable or equivalent to Section 1542 of the California Civil Code.

2. Definitions

“**Released Claims**” means and includes any and all claims that have been or could have been asserted by or on behalf of any or all Class Members against the Released Persons, or any of them, and which arise prior to Final Approval by reason of, arising out of, or in any way related to any of the facts, acts, events, transactions, occurrences, courses of conduct, representations, omissions, circumstances or other matters referred to in the Litigation, except as otherwise provided for by this Agreement. This includes, without limitation and as to Released Persons only, any aspect of any Fee for Service Claim submitted by any Class Member to CIGNA HealthCare, and claims based upon a capitation agreement with CIGNA HealthCare, and any allegation that Defendants and/or CIGNA HealthCare have conspired with, aided and abetted, or otherwise acted in concert with other managed care organizations, other health insurance companies, and/or other third parties with regard to any of the facts, acts, events, transactions, occurrences, courses of conduct, representations, omissions, circumstances or other matters referred to in the Litigation or with regard to CIGNA HealthCare’s liability for any other demands for payment submitted by any Class Member to such other managed care organizations, health insurance companies, and/or other third parties. Notwithstanding this definition, Released Claims do not include any and all claims of any kind whatever arising out of the alleged nonpayment or payment at inappropriate rates or amounts of fee for service claims submitted to CIGNA HealthCare for services or supplies not represented by CPT® Codes or HCPCS Level II Codes or codes specially created by CIGNA HealthCare (such as its “well woman” code, code 90769).

“**Releasing Parties**” (each a “Releasing Party”) means Class Members and, to the extent they have claims against CIGNA HealthCare derived by contract or operation of law from the claims of Class Members, any and all Subsidiaries, affiliates, shareholders, parents, directors, officers, employees, professional corporations, agents, administrators, executors, legal representatives, partners and partnerships, heirs, predecessors, successors and assigns of Class Members.

“**Released Persons**” means:

- a. CIGNA HealthCare and CIGNA HealthCare’s insurers and counsel, including Defendants’ Counsel as defined herein.
- b. Persons who provided claim processing services, software, proprietary guidelines or technology to CIGNA HealthCare, those contracted agents processing claims on CIGNA HealthCare’s behalf, together with each such Person’s predecessors or successors, but only to the extent of such Person’s services and work done pursuant to contract with CIGNA HealthCare. Such Persons are expressly not

“Released Persons” as to services provided to any Person other than CIGNA HealthCare. Nothing herein is intended to release Delegated Entities.

c. “Released Persons” shall not include any defendant in MDL No. 1334 other than CIGNA HealthCare or any Subsidiary of CIGNA Corporation.

IV. WHAT WILL HAPPEN AT THE FAIRNESS HEARING?

The Fairness Hearing will be held on December 18, 2003 at 10:00 A.M. at the United States Courthouse, Courtroom IV, Tenth Floor, Federal Justice Building, 99 Northeast 4th Street, Miami, Florida 33132. However, the order scheduling that hearing also provides that it may be adjourned by the Court and that no additional notice will be provided to potential members of the settlement Class other than an announcement in open court.

At the Fairness Hearing, the Court will consider several different issues.

First, the Court will consider whether the proposed settlement of the Litigation with CIGNA HealthCare that is reflected in the Agreement is fair, reasonable and adequate to the members of the settlement Class.

Second, the Court will consider whether it should certify the settlement Class pursuant to Rules 23(a), (b)(2) and (b)(3) of the Federal Rules of Civil Procedure. Among other things, this will require the Court to determine (i) whether questions of law or fact common to the members of the settlement class predominate over questions affecting only individual members of the settlement class, and (ii) whether a class action is superior to other available methods for fair and efficient adjudication of the controversy. If the Court certifies the settlement Class, potential members of the Class who have timely elected to opt out from the settlement Class by following procedures described below will be excluded from it.

Third, the Court will consider the application for a payment of incentive awards to the representative plaintiffs by CIGNA HealthCare, which is discussed in more detail below.

Fourth, the Court will consider an application by Class Counsel and Kaiser Counsel for attorneys’ fees, costs and expenses to be paid by CIGNA HealthCare, which is also discussed in more detail below.

V. MAY I PARTICIPATE IN THE FAIRNESS HEARING?

Any member of the Class, or other interested person or entity, who or which objects to the proposed settlement with CIGNA HealthCare, the Agreement, the application for plaintiffs’ attorneys’ fees or the other matters to be considered at the Fairness Hearing may appear and present such objections, provided, however, that no member of the Class who or which has elected to opt out from the Class will be entitled to object. In order to be permitted to object to the proposed settlement, however, you must, on or before November 20, 2003, comply fully with the following requirements:

- File with the Court a personally signed notice of your intention to appear (or a notice of intention signed by an authorized representative of a Physicians’ Group or Physicians’ Organization), together with a statement setting forth your objections, if any, to the matters to be considered and the basis for those objections, together with any documentation that you intend to rely upon at the Fairness Hearing; and
- Serve copies of all such materials either by hand delivery or by first-class mail, postage prepaid, upon the following counsel:

Archie C. Lamb, Jr.
Law Offices of Archie C. Lamb, LLC
2017 Second Avenue North
Birmingham, AL 35203

Harley S. Tropin
Kozyak Tropin & Throckmorton, PA
200 S. Biscayne Boulevard, Suite 2800
Miami, FL 33131

Edith M. Kallas
Milberg Weiss Bershad Hynes & Lerach LLP
One Pennsylvania Plaza
New York, NY 10119

John G. Harkins, Jr.
Eleanor Morris Illoyay
Harkins Cunningham LLP
2800 One Commerce Square
2005 Market Street
Philadelphia, PA 19103-7042

Marty L. Steinberg
Hunton & Williams
Mellon Financial Center
1111 Brickell Avenue
Suite 2500
Miami, FL 33131-3136

- If the Settling Parties file any response to your filing, you may supplement your filing by December 8, 2003. Any supplemental filing must be served in the manner and upon the Counsel described above.

If you do not comply with the foregoing procedures and deadlines for submitting written objections and/or appearing at the Fairness Hearing, you may lose substantial legal rights, including but not limited to, the right to appear and be heard at the Fairness Hearing; the right to contest approval of the proposed settlement or the application for an award of attorneys’ fees, costs and expenses to plaintiffs’ counsel; the right to contest approval of the application for incentive awards to representative plaintiffs; or the right to contest any other orders or judgments of the Court entered in connection with the proposed settlement.

If the Court does not approve the proposed settlement, the Agreement will be null and void. If there are further actions taken in the Litigation that affect your rights, you will receive such notice, if any, as may be determined by the Court.

VI. HOW DO I MAKE A CLAIM FOR COMPENSATION?

If the Court approves the proposed settlement, you will receive another notice indicating when the period for submission of claims (the "Claims Period") will begin. This second notice will include detailed instructions on how to submit Proofs of Claim and on how to obtain copies of the Proof of Claim Forms directly from the Settlement Administrator or from the Settlement Administrator's website.

The procedure for submitting Proofs of Claim will vary according to the type of compensation requested. To request Category A Compensation, you will be required to fill out a Category A Claim Form. To request Category One Compensation, you will be required to fill out a Proof of Claim Form and to submit certain records establishing that Category One Codes were billed to CIGNA HealthCare under certain circumstances, but not paid. To request Category Two Compensation, you will be required to fill out a similar Proof of Claim Form and submit documentation establishing that the codes at issue were billed to CIGNA HealthCare and were not paid, in whole or in part. In addition, for many Category Two Proofs, you will be required to submit your clinical/operative notes describing the services or supplies provided. To request Medical Necessity Denial Compensation, you will similarly be required to fill out a Proof of Claim Form and to submit documentation concerning the Proof of Claim, including the medical records relevant to the request for compensation.

The precise procedures for requesting compensation under the proposed settlement are contained in the Agreement, which you can view and download at www.CIGNAPhysicianSettlement.com. It is also available at www.hmocrisis.com, www.WhatleyDrake.com, www.ArchieLamb.com, www.milberg.com, www.kttlaw.com, and www.wcqp.com. These procedures will also be explained in the second notice, if the Court approves the proposed settlement.

VII. DO I NEED TO DO ANYTHING NOW?

TO REMAIN IN THE CLASS AND PARTICIPATE IN THE SETTLEMENT: If you want to remain a member of the settlement Class and participate in the proposed settlement, **YOU DO NOT HAVE TO DO ANYTHING AT THIS TIME.** Notice of the pendency of the *Kaiser* lawsuit, originally filed in the Circuit Court of Madison County, Illinois, was previously provided to the members of the class certified by the Madison County Circuit Court in 2001. Members of the litigation class certified by that court had the opportunity to exclude themselves from that class. *You are a member of the settlement Class in this Litigation as defined by the settlement Class definition above even if you previously submitted a request for exclusion when the litigation class was certified in the Kaiser action by the Madison County Circuit Court.* You will be bound by all proceedings, orders, and judgments entered in connection with the proposed settlement, whether favorable or unfavorable, and will be represented by representative plaintiffs and Class Counsel for purposes of the proposed settlement. If you do not exclude yourself from the settlement Class, and the proposed settlement is granted final approval, entry of the Judgment will dismiss, release, and forever bar you from pursuing any of the Released Claims you may have against the Releasing Parties, as set forth above, even if those claims are already pending in another forum. If you are a member of the Class and do not exclude yourself, you may, if you wish, appear in this Litigation through your own attorney, at your own expense. However, you need not do so to participate in the proposed settlement.

PARTICIPATING IN THIS SETTLEMENT WILL NOT TERMINATE OR AFFECT ANY MANAGED CARE AGREEMENTS YOU HAVE WITH CIGNA HEALTHCARE.

EXCLUDING YOURSELF FROM THE CLASS: If you do not want to be a member of the settlement Class and participate in the proposed settlement, then **BY NO LATER THAN NOVEMBER 20, 2003**, you must send a signed statement to that effect that includes your name, business address, telephone number and Federal Tax Identification Number to the following:

CIGNA Physicians Settlement
Settlement Administrator
P.O. Box 3170
Portland, OR 97208-3170

TO BE CONSIDERED TIMELY AND TO EFFECTIVELY OPT OUT OF THE SETTLEMENT, YOUR COMPLETED AND SIGNED OPT OUT NOTICE MUST BE POSTMARKED BY NO LATER THAN NOVEMBER 20, 2003. IF IT IS NOT POSTMARKED BY THAT DATE, YOUR RIGHT TO OPT OUT WILL BE DEEMED WAIVED AND YOU WILL BE BOUND BY ALL ORDERS AND JUDGMENTS ENTERED IN CONNECTION WITH THE SETTLEMENT.

If you choose to opt out of the settlement, and the settlement Class, you will not be entitled to receive the benefits of the proposed settlement with CIGNA HealthCare, including any payment from the settlement fund. Your claims against CIGNA HealthCare will not be released and you will be free to pursue any claims you believe you have by filing a separate action or request for arbitration if you are subject to an arbitration agreement.

Any member of the Class who or which timely submits a request to opt out of the settlement will have until the Fairness Hearing to deliver to the Settlement Administrator a written revocation of the request to opt out and shall thereby become a member of the Class.

VIII. WHAT ABOUT ATTORNEYS' FEES, COSTS AND EXPENSES?

Since the beginning of this Litigation, plaintiffs' counsel in the Litigation have not received any payment for their services in prosecuting the Litigation, nor have they been reimbursed for any out-of-pocket expenses. If the Court approves the proposed settlement, counsel in *Shane* and *Kaiser* will apply to the Court for an award of attorneys' fees, including costs and expenses. In the Agreement, CIGNA HealthCare agreed not to oppose such an application in the aggregate amount of up to Fifty-Five Million Dollars (\$55,000,000.00). If the Court awards plaintiffs' attorneys' fees, costs and expenses in an amount no greater than that amount, CIGNA HealthCare will pay the amount awarded by the Court to plaintiffs' counsel. This payment is in addition to the consideration to the members of the Class that is described above and will not reduce the amount available to members of the Class if the proposed settlement is approved.

IX. WHAT ARE THE REPRESENTATIVE PLAINTIFFS' INCENTIVE AWARDS?

In addition to the application for attorneys' fees, costs and expenses described in the preceding section, in connection with the Court's consideration of the proposed settlement, the representative plaintiffs intend to seek incentive awards from the Court in the amount of Seven Thousand Five Hundred Dollars (\$7,500.00) for each representative plaintiff, which if awarded would be in addition to the settlement consideration that will be available to members of the Class generally. In the Agreement, CIGNA HealthCare agreed not to oppose such an application of up to Seven Thousand Five Hundred Dollars (\$7,500.00) for each representative plaintiff. If the Court awards representative plaintiffs a fee up to that amount, CIGNA HealthCare will pay such amount to the representative plaintiffs.

X. WHO CAN I CONTACT WITH QUESTIONS?

If you have questions regarding this Notice, the proposed settlement with CIGNA HealthCare or the Litigation generally, you can obtain additional information from the following sources:

On the Internet, at any of these sites:

www.CIGNAPhysicianSettlement.com www.WhatleyDrake.com www.kttlaw.com
www.ArchieLamb.com www.wcqp.com www.milberg.com

By Telephone:

1-877-683-9363 The Settlement Administrator

By Mail:

Archie C. Lamb, Jr.
Law Offices of Archie C. Lamb, LLC
2017 Second Avenue North
Birmingham, AL 35203

Harley S. Tropin
Kozyak Tropin & Throckmorton, PA
200 S. Biscayne Boulevard, Suite 2800
Miami, FL 33131

Edith M. Kallas
Milberg Weiss Bershad Hynes & Lerach LLP
One Pennsylvania Plaza
New York, NY 10119

Nicholas B. Roth
Eyster Key Tubb Weaver & Roth, LLC
402 East Moulton Street, SE
Eyster Building
Decatur, AL 35602

By E-Mail:

ClaimsAdmin@CIGNAPhysicianSettlement.com

PLEASE DO NOT CALL CIGNA HEALTHCARE, YOUR CIGNA HEALTHCARE PROVIDER RELATIONS REPRESENTATIVE, THE COURT OR THE CLERK'S OFFICE.

XI. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all details of the proposed settlement with CIGNA HealthCare, the Agreement or the proceedings in the Litigation generally. Complete copies of the Agreement and certain pleadings and papers filed in the Litigation can be found for review on the following websites:

www.CIGNAPhysicianSettlement.com www.WhatleyDrake.com www.kttlaw.com
www.ArchieLamb.com www.wcqp.com www.milberg.com

In addition, you may review the complete files of papers submitted in the Litigation in the office of the Clerk of the Court, United States Courthouse, U.S. District Court for the Southern District of Florida, 301 North Miami Avenue, Miami, Florida during regular business hours.

XII. REQUEST TO FORWARD THIS NOTICE

If you would be a member of the Class described above in this notice but you have assigned any claim that might be covered by the proposed settlement or the release described above, please forward this notice to the appropriate person as soon as possible.

Dated: October 6, 2003

BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

You may benefit from the Class Action Settlement discussed in this notice. You are not being sued and will not have to pay attorneys' fees, costs or expenses. After you read this notice, please keep it for your records.

John Q. Sample
12345 America Avenue
Anytown, US 99999-9999

IMPORTANT NOTICE-PLEASE KEEP FOR YOUR RECORDS

CIGNA Physicians Settlement
Settlement Administrator
P.O. Box 3170
Portland, OR 97208-3170