	1		
		F! L E D	
1		Clerk of the Superior Court	
2		MAY 2 3 2013	
3		By: PATRICIA F. LEGLER, Depu	
4			
5			
6			
7			
8	IN THE SUPERIOR COUR	T OF THE STATE OF CALIFORNIA	
9		COUNTY OF SAN DIEGO	
10	JOHN DOE, et al., on behalf of themselves		
11	and all others similarly situated,	Case No. 37-2013-00031442-CU-CR-CTL	
12	Plaintiffs,	CLASS ACTION	
13	v.	[PROPOSED] CONSENT ORDER AND DISMISSAL OF ACTION PURSUANT TO	
14	BLUE CROSS OF CALIFORNIA d/b/a ANTHEM BLUE CROSS, et al.	CAL. R. CT. 3.770	
15	Defendants.	Date: May 23, 2013 Time: 8:45 a.m.	
16	Defendants.	Courtroom: 68 I/C Judge: Hon. Judith F. Hayes	
17		Complaint Filed: January 11, 2013	
18	1. Based on and nursuant to the		
19	appearing therefor, the Court hereby orters	parties' Joint Ex Parte Application, and good cau	
20	and adopting the terms of the Sottlament A	in Order in this matter ("Consent Order"), approvi	
20	and adopting the terms of the Settlement Agreement attached hereto as Ex. 1. 2. All costs and expenses under the terms of terms of the terms of the terms of terms		
21	and expenses under the terms of the Agreement and the administration o		
	any Claims, the payment to Plaintiffs and Plaintiffs' Counsel, shall be paid or borne by Anthem		
23	as set forth under the terms of the Settlement. 3. The terms of this Consent		
24	continuing invisit the Continuing	Order are to be directly enforceable under th	
25		ant to Code of Civil Procedure section 664.6	
26	Order are intended by this Court. All Perso	ons provided an Opt-Out Right under this Conser	
27	Order are intended third party beneficiaries of this Order. Except as otherwise provided for i Section III.3.m.2 and Exhibit 3 of the Settlement Agreement, the Court shall retain continuin		
28	Section III.3.m.2 and Exhibit 3 of the Settle	ment Agreement the Court of 11	

CONSENT ORDER & DISMISSAL OF ACTION

and exclusive jurisdiction over the Parties	and over the administration and enforcement of th			
Agreement.				
4. The Court appoints Martin Quinn, Esq. as the Compliance Dispute Officer for				
purposes of enforcing the provisions of the Compliance Protocol as set forth in Exhibit 3 to the				
Settlement Agreement. Any disputes or controversies arising with respect to the interpretation,				
enforcement or implementation of this Consent Order or the Agreement are to be submitted by				
any affected Person by motion or ex parte application to the Court, or to the Compliance Dispute				
Officer pursuant to the terms of the Compliance Protocol, as applicable.				
5. This Lawsuit may be dismissed pursuant to Cal. R. of Court 3.770. The Clerk is				
directed to enter this Order forthwith.				
IT IS SO ORDERED DATED this Baday of May, 2013				
	JUDITH F. HAYES			
	Hon. Judith F. Hayes Judge of the Superior Court			
STIPULATED AS TO FORM.				
DATED: May 21, 2013	WHATLEY KALLAS, LLC			
	By: <u>S/Alan M. Mansfield</u>			
	Alan M. Mansfield (SBN 125998) (Of Counsel)			
	10200 Willow Creek Road, Suite 160 San Diego, CA 92131			
	Tel: (619) 308-5034 Fax: (855) 274-1888			
	amansfield@whatleykallas.com			
	Edith M. Kallas			
8	380 Madison Avenue, 23 rd Floor New York, NY 10017			
9	Tel: (212) 447-7060 Fax: (800) 922-4851			
	ekallas@whatleykallas.com			
	Kristin Libby (SBN 284292)			
	355 So. Grand Avenue, Suite 2450 Los Angeles, CA 90071			
	Tel: (310) 684-2504 Fax: (888) 331-9633			
	klibby@whatleykallas.com			
	Attorneys for Plaintiffs			
	Agreement. 4. The Court appoints Martin purposes of enforcing the provisions of the Settlement Agreement. Any disputes or co enforcement or implementation of this Com any affected Person by motion or <i>ex parte</i> a Officer pursuant to the terms of the Complia 5. This Lawsuit may be dismiss directed to enter this Order forthwith. IT IS SO ORDERED DATED this <u>A</u> STIPULATED AS TO FORM.			

1	DATED: May 21, 2013	CONSUMER WATCHDOG
2		By: <u>S/Harvey Rosenfield</u> Harvey Rosenfield (SBN: 123082)
3		Pamela Pressley (SBN: 180362) Jerry Flanagan (SBN: 271272)
4		2701 Ocean Park Blvd., Suite 112 Santa Monica, CA 90405
5		Tel: (310) 392-0522 harvey@consumerwatchdog.org
6 7		pam@consumerwatchdog.org jerry@consumerwatchdog.org
7 8		Attorneys for Plaintiffs
9	DATED: May 21, 2013	REED SMITH, LLP
10		By: <u>S/Kurt C. Peterson</u>
11		Kurt C. Peterson 1901 Avenue of the Stars, Suite 700
12		Los Angeles, CA 90067-6708 Tel: (310) 734-5200
13		Fax: (310) 734-5299 kpeterson@reedsmith.com
14		Attorneys for Defendants
15		
16		
17		
18		
19 20		
20		
21 22		
22		
24		
25		
26		
27		
28		
		3
	CONSENT OR	RDER & DISMISSAL OF ACTION

EXHIBIT 1

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made and entered into this <u>15th</u> day of May, 2013, by and between defendant BLUE CROSS OF CALIFORNIA d/b/a ANTHEM BLUE CROSS and ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY (collectively "Anthem") and the Plaintiffs listed below ("Plaintiffs") (collectively defined below as "Parties").

I. <u>BACKGROUND</u>

WHEREAS, on January 11, 2013, Plaintiff JOHN DOE (whose identity has been revealed to Anthem pursuant to an agreement of confidentiality), individually and on behalf of a putative class, filed a Complaint captioned JOHN DOE, on behalf of himself and all others similarly situated, Plaintiff v. BLUE CROSS OF CALIFORNIA d/b/a ANTHEM BLUE CROSS; ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY; and DOES 1-10, inclusive, San Diego County Superior Court Case No. 37-2013-00031442-CU-CR-CTL, alleging, inter alia, that Anthem's initial mandatory mail service program for certain specialty medications prescribed to persons diagnosed with HIV/AIDS violated state statutes, regulations and rights of privacy (the "Lawsuit"). JOHN DOE alleges claims against Anthem in the Lawsuit for: (1) Violation of Unfair Competition Law, Business and Professions Code section 17200, et seq.; (2) Common Counts and Assumpsit/Common Law Restitution; (3) Breach of the Implied Covenant of Good Faith and Fair Dealing; (4) Declaratory Relief; and (5) Violation of Unruh Civil Rights Act, Cal. Civil Code section 51, et seq.;

WHEREAS, two additional Plaintiffs, JOHN DOE 2 and JOHN DOE 3, whose identities have been revealed to Anthem under agreements of confidentiality, agreed to be named in the

Lawsuit, and have been added in a First Amended Complaint. Plaintiffs JOE DOE, JOHN DOE 2 and JOHN DOE 3 are collectively referred to herein as "Plaintiffs";

WHEREAS, Anthem denies any wrongdoing or liability of any kind whatsoever with respect to the Lawsuit and any and all allegations made therein;

WHEREAS, without admitting any wrongdoing or liability whatsoever, Anthem nevertheless has agreed to enter into this Agreement to avoid further litigation expense and the uncertainties of litigation;

WHEREAS, Plaintiffs have been fully advised by their counsel Whatley Kallas, LLC and Consumer Watchdog (collectively, "Plaintiffs' Counsel") as to the terms and effects of this Agreement, including the nature of the claims released, the potential for success if the Lawsuit was to be litigated to its conclusion, and the relief obtained by the settlement;

WHEREAS, in evaluating the settlement set forth in this Agreement, Plaintiffs' Counsel have concluded that the substantial benefits provided under this Agreement make a settlement with Anthem pursuant to such terms and conditions reasonable when weighed against the uncertainties and complexities of such litigation and overcoming the legal and factual defenses that have been asserted by Anthem, and the expense and length of time necessary to prosecute this action through trial;

WHEREAS, the Parties desire to settle all issues that either were or could have been asserted arising out of the claims asserted in the Complaint in the Lawsuit by or on behalf of the Plaintiffs but not releasing any claims of any other persons;

WHEREAS, the Parties, through their respective counsel, have engaged in extensive arm's length negotiations in reaching this Agreement, including an all-day private mediation session and follow-up sessions among the parties to the Lawsuit overseen by Martin Quinn, Esq.,

extensive negotiations between counsel for all parties in the Lawsuit and the informal exchange of relevant information;

WHEREAS, the Parties, and their respective counsel, believe that the terms of the settlement set forth in this Agreement are fair, reasonable and adequate; and

WHEREAS, the Parties desire and intend to seek Court approval of the dismissal of the Lawsuit as set forth in this Agreement;

NOW, THEREFORE, it is agreed that, in consideration of the promises and mutual covenants set forth in this Agreement and the entry by the Court of a Consent Order substantially in the form attached hereto as Ex. 2, the Lawsuit shall be settled on the terms and conditions set forth below.

The recitals stated above are true and accurate and are hereby made a part of this Agreement.

II. <u>DEFINITIONS</u>

In addition to any definitions set forth above or elsewhere in this Agreement, the following terms, as used in the Agreement, shall have the meanings set forth below:

A. The term "Agreement" means this Settlement Agreement and Release, including its recitals and Exhibits.

B. The phrase "Best Efforts" means the efforts that a reasonable person in the position of the Party would use so as to fulfill an obligation as diligently and expeditiously as possible.

C. The term "Consent Order" means a consent judgment and order of dismissal entered by the Court in the Lawsuit according to the terms set forth in this Agreement substantially in the form attached hereto as Ex. 2, which is incorporated by reference.

D. The term "Affiliate" when used with respect to Anthem means Anthem's predecessors and successors-in-interest, including, but not limited to, all of its respective past and present parents, subsidiaries, joint ventures, partnerships, related companies, controlled entities, entities with common control or ownership, unincorporated entities, divisions, groups, present or former directors, officers, members, agents, employees, representatives, administrators, and attorneys.

E. The term "Complaint" shall refer to the First Amended Complaint filed in the Lawsuit.

F. The term "Court" shall refer to the San Diego County Superior Court.

G. The terms "Party" and "Parties" means Plaintiffs and Anthem.

H. The term "Persons" means persons and entities, including, without limitation, any individuals, sole proprietorships, associations, companies, partnerships, joint ventures, corporations, trusts, estates, or any other persons or entities.

I. The term "Plaintiffs" shall refer to the individuals identified in the First Amended Complaint, all of whom have been previously identified to Anthem pursuant to an Agreement of Non-Disclosure.

J. The term "Released Claims" means any and all known and unknown claims for relief, causes of action, suits, rights of action, or demands, whether sounding in contract, tort, equity, or any violation of law or regulation, including, without limitation, claims for injunctive or other equitable relief, damages, debts, indemnity, contribution, or for costs, expenses and attorney's fees, arising from the claims asserted in the Complaint filed in the Lawsuit. All claims under California Civil Code section 1542 are waived with regard to the Released Claims.

This Release expressly does not extend to any Person other than the Released Parties, nor does it apply to any other person other than Plaintiffs.

K. The phrase "Released Parties" shall refer individually and collectively, as appropriate, to Anthem and to all of its Affiliates, solely as to the claims that either were or could have been asserted arising out of the claims asserted in the Complaint filed in the Lawsuit and subject to the limitations set forth in Paragraph J, above.

L. The phrase "Settlement Effective Date" shall mean the date upon which the Consent Order has been entered by the Court.

M. The phrase "Compliance Dispute Officer" shall refer to Martin Quinn, Esq., of JAMS or any alternative arbitrator the parties may agree upon in writing to hear and decide various issues identified in this Agreement pursuant to the Compliance Protocol (Ex. 3).

N. The phrase "Specialty Pharmacy" shall refer to CuraScript or any other entity designated by Anthem as the exclusive provider of specialty HIV or AIDS medications through a mandatory mail service program ("the Program", as defined herein).

O. The phrase "Anthem's Mandated Specialty Drug List" means the list attached as Ex. 4, or any updated, revised or future Anthem list that describes which specialty medication must be filled by the Specialty Pharmacy.

P. The term "Member" means any Anthem enrollee who has been or who is ever prescribed a specialty medication for the treatment of HIV or AIDS on Anthem's Mandated Specialty Drug List, or an authorized caregiver that is acknowledged by Anthem and acting on behalf of such Anthem enrollee.

Q. The term "Opt Out" means the unconditional right of any Member to decline to have his/her HIV or AIDS medication prescription(s) on Anthem's Mandated Specialty Drug

List filled by Anthem's specified special drug pharmacy by calling into the Specialty Pharmacy's designated toll-free telephone number and doing so, as set forth in greater detail in Paragraph III.3.a.

III. TERMS OF AGREEMENT

1. <u>Non-Admission of Liability</u>. This Agreement is for settlement purposes only, and neither the fact of, nor any specific provision contained in, this Agreement nor any action taken hereunder shall constitute, or be construed as, any admission of the validity of any claim or any fact alleged by Plaintiffs or by any other Person of any wrongdoing, fault, violation of law, or liability of any kind on the part of the Released Parties. This Agreement constitutes a compromise pursuant to Cal. Evidence Code section 1152 and all similar state or federal laws, rights, rules, or legal principles of any other jurisdiction that may be applicable. It shall not be offered or be admissible in any proceeding, either in whole or in part, as evidence against the Released Parties, except in any action or proceeding to enforce its terms.

2. Entry of Consent Order.

a. The Parties shall jointly request that the Court enter the Consent Order and enter an order dismissing the Lawsuit pursuant to Cal. Rules of Court, Rule 3.770. The actual form of the Consent Order entered by the Court may include additional provisions as to which the Parties may subsequently agree in writing, or as the Court may direct, so long as such provisions are not inconsistent with any of the express terms or conditions of this Agreement.

b. Following entry by the Court of the Consent Order, no default by any Person in the performance of any covenant or any obligation arising under this Agreement, or any order of judgment entered in connection therewith, shall affect the dismissal of the Lawsuit, the discharge and release of the Released Parties, or any other provision of this Agreement. The

above notwithstanding, nothing in this Subsection shall prevent a Party from seeking enforcement of or compliance with the terms of this Agreement, or the intervention of the Court to compel any such default to be cured, based on the continuing jurisdiction of the Court to enforce the Consent Order and as otherwise provided herein.

3. <u>Settlement Consideration</u>. In consideration for the dismissal of the Lawsuit under the terms of this Agreement, Anthem shall, in accordance with the terms of this Agreement and the Consent Order, unless otherwise specifically modified below, implement procedures to provide the following:

a. **Opt Out Right**. Any Member (i) enrolled in an Anthem health plan or health insurance policy and subject to the Program mandate that HIV/AIDS specialty medications on Anthem's Mandated Specialty Drug List be filled through Anthem's Specialty Pharmacy, which Program was originally scheduled to begin December 1, 2012, but was postponed on or about February 15, 2013; or, (ii) a Member who is prescribed HIV/AIDS specialty medication on Anthem's Mandated Specialty Drug List after entry of the Consent Order; or (iii) a Person who subsequently becomes a Member of an Anthem health plan or health insurance policy and is prescribed HIV/AIDS specialty medication on Anthem's Mandated Specialty Drug List and is subject to the Program after entry of the Consent Order, can Opt Out of the Program at any time after June 1, 2013. Anthem shall not require or request, and the Member need not provide, a reason for exercising his or her Opt Out of the Program.

b. **Implementation of Notice Program**. No later than May 30, 2013, Anthem shall send by regular U.S. mail a letter to all Members currently subject to the Program substantially in the form of Ex. 1 hereto (the "Notice Letter") and cause to be activated a unique

and designated toll-free telephone number set up exclusively to provide a method for any Member to Opt Out of the Program.

c. **Opt Out Process**. Anthem and its Specialty Pharmacy will establish and implement the following communications, procedures and processes to support any Member's request to Opt Out (the "Opt Out Process"), and will do so by no later than May 30, 2013:

1. Anthem will establish a unique and designated toll-free telephone number exclusively for the purpose of accepting phone calls from Members regarding the Program. The dedicated line will be open Monday - Friday, 5 a.m. -7 p.m., Pacific Time.

2. The dedicated phone line will be staffed by customer service representatives ("Patient Care Advocates" or "PCAs") who have completed at least two hours of training in communicating with and assisting Members, including training with respect to HIV/AIDs issues and concerns. Each PCA will be specifically trained to answer questions about the Program and such Member's ability to transfer their specialty drug prescriptions to the Specialty Pharmacy/CuraScript or Opt Out. The Specialty Pharmacy shall internally monitor on a daily basis and Anthem shall receive feedback, on at least a semi-weekly basis up to September 30, 2013 and weekly thereafter, on the volume of calls and performance.

3. A reasonably sufficient number of PCAs will be made available to assure that incoming calls are answered by a PCA within approximately 45 seconds on average, and that no calls are placed on hold upon initial answering of the call. After the initial greeting, no calls will be placed on hold for any

unreasonable time period during the call. The number of PCAs dedicated to the Opt Out Process shall be adjusted, as needed, to meet CuraScript's needs based on call volume.

4. Such PCAs shall use a script that the Parties will agree to prior to the implementation of the Program on June 1, 2013, and for which agreement will not be unreasonably withheld, to answer such Member calls and respond to such inquiries ("Script").

5. Members who Opt Out will be provided by the PCA during their telephone call a confirmation number for their Opt Out (the "Confirmation Code"). Members who Opt Out also will be sent a letter shortly after their phone call with the PCA confirming their Opt Out in writing. A Member will not need the confirmation letter in order to obtain an HIV/AIDS prescription medication at an in-network retail pharmacy.

6. Once a Member exercises his or her Opt Out, he or she will be able to fill such prescription(s) at an in-network retail pharmacy immediately, assuming that retail pharmacy has sufficient stock to do so.

7. For those Members who do not call and transfer to, or Opt Out of, the Program by July, 1, 2013, the Specialty Pharmacy will attempt to contact those Members at least once via outbound calls so that those Members can make their choice prior to August 1, 2013.

d. **Notice after Program Initiation**. For any Person who, after entry of the Consent Order, either subsequently becomes a Member of any Anthem health plan or health insurance policy or is a Member who is prescribed any HIV/AIDS specialty medication subject

to the Program, Anthem shall send a modified version of the Notice Letter within five business days of Anthem's systems recognizing that such Member has become subject to the specialty drug mandates of the Program, who can thereafter transfer to the Specialty Pharmacy or Opt Out as set forth in this Agreement

e. **Time to Exercise Opt Out – Prior to Entry in Program**. Any Member who is prescribed HIV/AIDS specialty medications and to whom the Program shall apply shall initially have 60 days from the mailing of the Notice Letter to Opt Out prior to being required to participate in the Program for such HIV/AIDS specialty medications.

f. **Two Courtesy Re-Fills**. Members who do not call in to the designated telephone number to transfer to, or Opt-Out of, the Program by August 1, 2013, will be permitted two courtesy re-fills, or two months' worth of the medications, whichever is longer, at an innetwork retail pharmacy after August 1, 2013. Anthem will provide such Member with a reminder letter to choose to promptly transfer to the Specialty Pharmacy or Opt Out. For any Member who either subsequently becomes a Member of any Anthem health plan or health insurance policy and who is prescribed HIV/AIDS specialty medication subject to the Program mandates after entry of the Consent Order, that Member will also be provided two courtesy refills, including a reminder letter to promptly either transfer to or Opt Out of the Program.

g. **Opting Out After Entry into Program**. Any Member who is enrolled and participating in the Program may thereafter Opt Out at any time.

h. **Opt Out is Perpetual**. Once a Member exercises his or her Opt Out and has been provided the required confirmation number, that Opt-Out shall be immediately valid and shall be recognized as valid for as long as the Member is enrolled in any Anthem health plan or Anthem health insurance policy, unless the Member decides to revoke his or her Opt Out.

i. Individual Request for Reimbursement. Any Member may submit a claim for reimbursement of any Out-of-Pocket Costs, which shall be considered by Anthem on a case-by-case basis. For purposes of this Section, "Out-of-Pocket Costs" include: (a) money paid or foregone, by Members who enrolled in the Program between December 1, 2012 and prior to May 31, 2013, due to lost rebates and discounts that would have been available to the Member for their HIV/AIDS specialty medications had they obtained them at an in-network retail pharmacy but that the Specialty Pharmacy failed to provide such Member; (b) any money paid or foregone by Members due to being charged full or non-network price for their HIV/AIDS specialty medications at an in-network retail pharmacy; and (c) any other money paid or foregone by any Members incurred as a result of the notice of the implementation of the Program, except that "Out-of-Pocket Costs" shall not include any Member's co-pay or co-insurance requirements.

j. **No Loss of or Decrease in Benefits for Opting Out**. A Member who properly Opts Out shall not suffer any additional personal expense or decrease in benefits solely because of Opting Out of the Program under the terms of this Settlement Agreement.

k. **Filling Prescriptions**. Anthem will not cause the altering of the "innetwork" status and will not penalize an in-network retail pharmacy because such pharmacy dispenses HIV/AIDS specialty medications to any Member that Opts Out pursuant to this Settlement Agreement.

1. **Costs and Expenses of Agreement**. All costs and expenses under the terms of the Agreement and the administration of any Claims shall be paid or borne by Anthem.

m. Enforceability of Consent Order.

1. All Members who can Opt Out under the terms of the Agreement are intended third-party beneficiaries of the Consent Order. The terms of this Consent Order are to be directly enforceable by such Members under the continuing jurisdiction of the Court pursuant to Code of Civil Procedure section 664.6 as expressly retained by the Court.

2. If Plaintiffs believe there is evidence there has been material and systematic non-compliance with the terms of this Agreement, they shall present that issue to the Compliance Dispute Officer for binding resolution pursuant to the provisions of a compliance protocol, the terms of which are set forth in Ex. 3 hereto (the "Compliance Protocol"). The Compliance Dispute Officer shall be appointed by the Court and empowered to issue various orders and provide such relief as set forth in the Compliance Protocol without the need for separate Court approval or Court order. As set forth in the Compliance Protocol, one of the remedies that may specifically be ordered by the Compliance Dispute Officer as part of the Compliance Protocol is that Anthem must provide Members an alternative mechanism for exercising their Opt Out in addition to the Opt Out Process set forth herein, and notice of that option to all affected Members.

4. <u>Best Efforts of Parties</u>. The Parties agree to undertake their Best Efforts to expeditiously effectuate the settlement described in this Agreement. The Parties shall jointly move the Court by *ex parte* application to enter the Consent Order. The Parties further represent, agree and acknowledge that the settlement is a fair resolution of these claims for the Parties.

Neither the Parties nor their respective counsel shall make any statements suggesting the contrary, either before or after the Court's entry of the Consent Order and this Agreement.

5. Failure of Court to Enter the Consent Order. If the Court fails to enter the Consent Order, and Anthem or Plaintiffs provide written notice to the other Parties within five days of notice of the Court's failure to do so, then this Agreement shall be null and void, shall have no further force and effect with respect to any Party, and shall not be offered in evidence or used in the Lawsuit (or in any other matter or proceeding) for any purpose. In such event, this Agreement and all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Released Parties or Plaintiffs, shall not be deemed or construed to be an admission or confession by any Party of any fact, matter or proposition of law, and shall not be used in any matter or proceeding for any purpose, and all Parties shall stand in the same position as if this Agreement had not been negotiated, made, or filed with the Court. To the extent feasible, the Parties shall be returned to their respective positions in the Lawsuit as the date of this Agreement. The Lawsuit shall then proceed in all material respects as if this Agreement and any related orders had never been executed.

6. <u>Payments to Plaintiffs and Attorneys' Fees and Expenses</u>.

a. In consideration for entering into the terms of the Agreement and the releases provided for herein, Anthem agrees to collectively pay Plaintiffs' Counsel \$700,000.00. Plaintiffs' Counsel agree that they will not seek additional attorneys' fees, expenses or incentive awards or any other form of compensation from the Released Parties as to the Released Claims or the resolution of the Lawsuit. Plaintiffs' Counsel shall allocate such attorneys' fees and expenses among themselves in a manner that, in their sole discretion, reflects the respective contributions of Plaintiffs' Counsel to the results achieved in this matter. The Parties represent

that their negotiation of and agreement to the foregoing amounts did not occur until after the substantive terms of the Agreement had been negotiated and agreed.

b. All such amounts shall be payable within 20 business days after the Settlement Effective Date to the client trust account of Whatley Kallas, LLC or as separately agreed to in writing by the Parties.

c. Other than as set forth in this Section, the Released Parties shall have no responsibility or liability whatsoever regarding the payment of attorneys' fees, costs, expenses or incentive awards or compensation of any other kind to Plaintiffs' Counsel or other attorneys representing Plaintiffs or any other Persons as to the Released Claims.

7. <u>Compensation to Plaintiffs</u>. Anthem agrees to pay Plaintiff John DOE 1 \$10,000.00, Plaintiff John DOE 2 \$5,000.00, and Plaintiff John DOE 3 \$5,000.00, for a total payment to Plaintiffs of \$20,000.00. The Parties represent that their negotiation of and agreement to this amount did not occur until after the substantive terms of the Agreement had been negotiated and agreed. This amount shall be payable within 20 business days after the Settlement Effective Date to the client trust account of Whatley Kallas, LLC or as separately agreed to in writing by the Parties, and distributed as agreed to with Plaintiffs by their legal counsel.

8. <u>Releases, Waiver and Covenant Not to Sue</u>.

a. Effective as of the Settlement Effective Date, and in consideration of this Agreement, Plaintiffs, on behalf of themselves and his or her respective successors, assigns, past, present, and future parents, subsidiaries, joint ventures, partnerships, related companies, affiliates, unincorporated entities, divisions, groups, directors, officers, shareholders, employees, agents, representatives, attorneys, servants, partners, executors, administrators, assigns,

predecessors, successors, descendants, dependents, and heirs do fully release and forever discharge the Released Parties from the Released Claims and forever discharge the Released Parties and their counsel from any claims arising out of the investigation, filing, defense or resolution of the Lawsuit, and hereby covenant they shall not take any adverse action against the Released Parties or the Released Parties counsel in response to or in retaliation to settling or dismissal of the Lawsuit or any publicity in connection therewith, or as a result of entering into this Agreement.

The Released Parties, on behalf of themselves and their respective b. successors, assigns, past, present, and future parents, subsidiaries, joint venturers, partnerships, related companies, affiliates, unincorporated entities, divisions, groups, directors, officers, shareholders, employees, agents, representatives, servants, partners, executors, administrators, assigns, predecessors, successors, descendants, dependents, and heirs, do fully release and forever discharge Plaintiffs and Plaintiffs' Counsel, on behalf of themselves and his or her respective successors, assigns, past, present, and future parents, subsidiaries, joint ventures, partnerships, related companies, affiliates, unincorporated entities, divisions, groups, directors, officers, shareholders, employees, agents, representatives, servants, partners, executors, administrators, assigns, predecessors, successors, descendants, dependents, and heirs, from any claims arising out of the investigation, publication, filing, prosecution or resolution of the original or amended Complaint filed in the Lawsuit and hereby covenant they shall not take any adverse action against Plaintiffs or Plaintiffs' Counsel in response to or in retaliation to the filing of the Lawsuit or any publicity in connection therewith, or as a result of entering into this Agreement.

c. The Parties understand that if any fact relating to any matter covered by this Agreement is later found to be other than or different from the facts now believed by them to be true, they expressly accept and assume the risk of such possible differences in fact and agree and acknowledge that this Agreement shall nevertheless remain fully binding and effective.

d. The Parties expressly understand and acknowledge that certain state statutes and principles of common law provide that a "general" release does not extend to claims that a creditor does not know or suspect to exist in his, her, or its favor. For example, Cal. Civil Code section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HER OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

To the extent that it could be argued that such statutes or principles of common law are applicable here, the Parties agree that any such statutes, principles of common law or other sources of legal authority of any and all jurisdictions that may be applicable are hereby knowingly and voluntarily waived and relinquished, and further agree and acknowledge that this is an essential term of this Agreement. The Parties understand the statutory language of Section 1542 of the California Civil Code and nevertheless elect to Release the Released Parties from the Released Claims, whether known or unknown, and specifically waive any rights that each may have under said Civil Code section, and by executing below fully understand that if the facts with respect to this Agreement are found hereafter to be other than or different from the facts now believed to be true, each expressly accepts and assumes the risk of such possible difference in fact and agrees that this Agreement shall be and remain effective, notwithstanding any such difference. The Parties declare that prior to and in connection with the execution of this Agreement, they have been apprised of sufficient relevant data from sources selected by them so as to exercise their judgment intelligently in deciding whether to execute this document and further declare that their decision is not predicated on or influenced by any declarations or representations of any other party. The Parties state that this Agreement is executed voluntarily by them with full knowledge of its significance and legal effect.

e. Upon the Settlement Effective Date, Plaintiffs and the Released Parties shall have agreed to forever refrain from instituting, maintaining, or proceeding in any action against the Plaintiffs, Plaintiffs' Counsel or the Released Parties, or counsel for the Released Parties, as applicable, with respect to any of the claims set forth in this Section 8. The Parties hereby represent they are not aware of any related action pending that asserts any of the claims set forth in this Section 8.

f. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for a temporary restraining order or preliminary or permanent injunction against, any action, suit or other proceeding, which has been or may be instituted, prosecuted, continued to be prosecuted, or attempted, asserting any claim released by this Agreement.

9. <u>Entire Agreement</u>. This Agreement shall constitute the entire agreement between the Parties, and supersedes and replaces any prior agreements and understandings, whether oral or written, between and among them, with respect to such matters. This Agreement shall not be subject to any change, modification, amendment, or addition, without the express written consent of the Parties, and may be amended or modified only by a written instrument signed by or on behalf of a Party or their representative or their respective successors-in-interest.

10. <u>**Binding Agreement**</u>. This Agreement shall benefit and bind the Parties, as well as their representatives, Affiliates, heirs and successors.

11. <u>Continuing Jurisdiction</u>. Except as provided herein and as set forth in the Compliance Protocol, the Court shall retain continuing and exclusive jurisdiction over the Parties, and over the administration and enforcement of the Agreement. Any disputes or controversies arising with respect to the interpretation, enforcement or implementation of this Agreement or the Consent Order are to be submitted by any affected Person by motion or *ex parte* application to the Court or to the Designated Arbitrator as provided herein and in the Compliance Protocol, as may be applicable.

12. <u>No Assignment</u>. The Parties each represent and warrant that they have not assigned, transferred or purported to assign or transfer, in whole or in part, any interest in any of the rights and claims that are the subject of this Agreement.

13. <u>Choice of Law</u>. The validity, construction, interpretation, performance, and enforcement of this Agreement shall be governed by the internal, substantive laws of the State of California without giving effect to applicable choice of law principles.

14. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, either manually or by facsimile. All executed counterparts, and each of them, shall be deemed to be one and the same original instrument. This Agreement shall be deemed executed as of the date set forth on the first page of this Agreement. The Parties shall exchange among themselves original, signed counterparts.

15. <u>Advice of Counsel</u>. Each of the Parties has had the benefit of the advice of counsel in the negotiation, drafting and execution of this Agreement, and the language in all parts of this Agreement is the product of the efforts of such counsel. Accordingly, neither this

entire Agreement, nor any specific provision within the Agreement, shall be deemed to have been proposed or drafted by any Party or construed against any Party on that alleged basis. This Agreement shall be construed as a whole, according to its plain meaning.

16. <u>Authority</u>. The Parties each represent and warrant that they have authority to enter into this Agreement either directly or through their counsel.

17. <u>No Party is Drafter</u>. None of the Parties to this Agreement shall be considered to be the primary drafter of this Agreement or any provision hereof for the purpose of any rule of interpretation or construction that might cause any provision to be construed against the drafter.

18. <u>Notification</u>. All notices and other communications between the Parties referenced in this Agreement shall be in writing and shall be served by overnight mail or by registered or certified mail, return receipt requested, addressed to the Parties' counsel at their respective addresses as set forth below:

Notices to Plaintiffs

WHATLEY KALLAS, LLC Alan M. Mansfield, Esq. 10200 Willow Creek Rd., Suite 160 San Diego, CA 92131

Notices to Anthem

Kurt C. Peterson, Esq. REED SMITH LLP 1901 Avenue of the Stars, Suite 700 Los Angeles, CA, 90067-6708

19. <u>Time for Compliance</u>. If the date for performance of any act required by or under this Agreement to be performed on a particular day or within a specified period of time falls on a Saturday, Sunday or legal or Court holiday, such act may be performed upon the next business day, with the same effect as if it had been performed on the day or within the period of

time specified by or under this Agreement. If an act is to be performed on a particular day, it must be completed no later than 4:30 p.m. Pacific Standard or Daylight Time on that day.

IN WITNESS WHEREOF, the Parties hereto have caused this Settlement Agreement and Release to be executed effective as of this 15th day of May, 2013.

> BLUE CROSS OF CALIFORNIA d/b/a **ANTHEM BLUE CROSS and ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY ANTHEM**

By: MARK MOREAN Title: UP & GONDAN MANSACOR

Dated: MAY 21, 2013

JOHN DOE (ACTUAL SIGNATURE TO BE SEPARATELY SUPPLIED IN CONFIDENCE PURSUANT TO NON-DISCLOSURE AGREEMENT)

By: JOHN DOE Dated:_____, 2013

JOHN DOE TWO (ACTUAL SIGNATURE TO **BE SEPARATELY SUPPLIED IN CONFIDENCE PURSUANT TO NON-DISCLOSURE AGREEMENT**)

By: JOHN DOE TWO Dated:_____, 2013

BLUE CROSS OF CALIFORNIA d/b/a ANTHEM BLUE CROSS and ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY ANTHEM

By: Title: Dated:

JOHN DOE (ACTUAL SIGNATURE TO BE SEPARATELY SUPPLIED IN CONFIDENCE PURSUANT TO NON-DISCLOSURE AGREEMENT)

By: JOHN DOE 5/16/2013 Dated:

JOHN DOE TWO (ACTUAL SIGNATURE TO BE SEPARATELY SUPPLIED IN CONFIDENCE PURSUANT TO NON-DISCLOSURE AGREEMENT)

By: JOHN DOE TWO Dated:

BLUE CROSS OF CALIFORNIA d/b/a ANTHEM BLUE CROSS and ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY ANTHEM

By: Title: Dated:

JOHN DOE (ACTUAL SIGNATURE TO BE SEPARATELY SUPPLIED IN CONFIDENCE PURSUANT TO NON-DISCLOSURE AGREEMENT)

By: JOHN DOE Dated:

JOHN DOE TWO (ACTUAL SIGNATURE TO BE SEPARATELY SUPPLIED IN CONFIDENCE PURSUANT TO NON-DISCLOSURE AGREEMENT)

By: JOHN DOE TWO Dated: 5/8/2013

By: JOHN DOE THREE Dated: 5-9-13

PLAINTIFFS' COUNSEL:

WHATLEY KALLAS, LLC

By:Edith M. KallasDated:______, 2013

CONSUMER WATCHDOG

By: Harvey Rosenfield, Esq. Date: _____, 2013

DEFENDANTS' COUNSEL:

REED SMITH LLP

By: Kurt C. Peterson, Esq. Dated: _____, 2013

By: JOHN DOE THREE Dated: _____, 2013

PLAINTIFFS' COUNSEL:

WHATLEY KALLAS, LLC

Eletter Callas

By: Edith M. Kallas Dated: May 21, 2013

CONSUMER WATCHDOG

By: Harvey Rosenfield, Esq. Date: _____, 2013

DEFENDANTS' COUNSEL:

REED SMITH LLP

By: Kurt C. Peterson, Esq. Dated: _____, 2013

By: JOHN DOE THREE Dated: _____, 2013

PLAINTIFFS' COUNSEL:

WHATLEY KALLAS, LLC

By: Edith M. Kallas Dated: _____, 2013

CONŞUMER WATCHDOG

By: Harvey Rosenfield, Esq.

By: Harvey/Rosenfield, Esq. Date: <u>June 21</u>, 2013

DEFENDANTS' COUNSEL:

REED SMITH LLP

By: Kurt C. Peterson, Esq. Dated: _____, 2013

By: JOHN DOE THREE Dated: _____, 2013

PLAINTIFFS' COUNSEL:

WHATLEY KALLAS, LLC

By: Edith M. Kallas Dated: _____, 2013

CONSUMER WATCHDOG

By: Harvey Rosenfield, Esq. Date: , 2013

DEFENDANTS' COUNSEL: REED SMITH LLP Kurt/C. Peterson, Esq. Bv: , 2013 Ż **Dated:**

EXHIBIT 1

<language cover letter>

<Logo>

<Member Name> <Member Address 1> <Member Address 2> <City, State, Zip>

Dear < Member Name>,

NOTE: This letter calls on you to take action prior to 8/1/13 regarding which pharmacy will fill your specialty drug prescription(s) specified below. You can choose to transfer to or opt out of CuraScript. Choose by making one easy toll-free call to 1-888-310-4043, as outlined below. before 8/1/13.

Carefully review this entire letter, as it is an important update to previous letters we have sent to you regarding CuraScript's specialty drug prescription program/services.

Our records show you are currently taking a specialty drug(s) with Rx number(s)<number>.¹ Beginning August 1, 2013, your health plan will require our designated specialty pharmacy, CuraScript, to fill your prescription for such specialty drug in order to maximize your benefits. You can either: 1) <u>transition</u> to using CuraScript; or 2) opt out of using CuraScript by simply calling (888) 310-4043, Monday - Friday, 5 a.m. - 7 p.m., Pacific Time. Make your choice before August 1, 2013.

If you choose CuraScript, CuraScript will provide your specialty drug(s) to you by convenient and discrete mail or express mail services to an appropriate location of your choice. As you may know, if you fill your specialty drug prescription through CuraScript, you receive the following services:

- One-on-one service from a Pharmacy Care Advocate
- A special medication therapy program to help manage your health condition
- Discrete delivery to your home or an address of your choosing
- Phone calls that remind you when it's time for a refill
- Special packaging that keeps medicines cool, when needed

Accordingly, **you can transition your specialty drug prescription to CuraScript**, like thousands of other members around the country have already done. CuraScript's pharmacy care advocates can answer your questions and help you with this easy transition by you simply calling CuraScript at **(888) 310-4043**, Monday - Friday, 5 a.m. - 7 p.m., Pacific Time.

As highlighted above, **you also can choose to opt out of utilizing CuraScript** *for any reason*, and continue filling your referenced specialty drug prescription at a retail pharmacy and still maximize your benefits. To opt out from utilizing CuraScript for your referenced specialty drug prescription(s), just call CuraScript at **(888) 310-4043**, Monday - Friday, 5 a.m. - 7 p.m., Pacific Time, and indicate you want to opt out. It is that easy. Plus, CuraScript will provide you a confirmation number during your call, and send you a letter, confirming for you and your pharmacist that you have been opted out of CuraScript.

¹ The Rx or Prescription Number can be found on the label of your medication, generally on the left hand corner that is specific to the drug that was dispensed at the pharmacy.

As further peace of mind, if you would like to try using CuraScript for your noted specialty drug prescription(s), you can simply transition to CuraScript as set forth above. However, if for any reason you later do not want to continue using CuraScript, you can always opt out by calling **(888) 310-4043**, Monday - Friday, 5 a.m. - 7 p.m., Pacific Time, and still maximize your benefits.

<u>Bottom Line</u>: You need only make one simple call to CuraScript before August 1, 2013 to either: 1) transfer your referenced specialty prescription(s) to CuraScript, which CuraScript will help you do over the phone; or 2) just say you want to opt out of using CuraScript. <u>Note</u>: *If you do not call CuraScript at all before August 1, 2013, you may have no coverage, or reduced coverage, if you continue to fill your specialty drug prescription at your current retail pharmacy.*

Again, if you have questions, including as to why you need to act *prior to August 1, 2013*, please call CuraScript at **(888) 310-4043**, Monday - Friday, 5 a.m. - 7 p.m., Pacific Time.

Best wishes,

<Health Plan Name>

<tags, disclaimers>

EXHIBIT 2

1						
2						
3						
4						
5						
6						
7						
8	IN THE SUPERIOR COURT					
9	IN AND FOR THE	COUNTY OF S	AN DIEGO			
10	JOHN DOE, et al., on behalf of themselves and all others similarly situated,	Case No. 37-2	2013-00031442-CU-CR-CTL			
11	Plaintiffs,	CLASS ACT	ION			
12	v.	DISMISSAL] CONSENT ORDER AND OF ACTION PURSUANT TO			
13	BLUE CROSS OF CALIFORNIA d/b/a	CAL. R. CT.	3.770			
14	ANTHEM BLUE CROSS, et al.	Date: Time:	May _, 2013 8:45 a.m.			
15	Defendants.	Courtroom: I/C Judge:	68 Hon. Judith F. Hayes			
16		Complaint Fi	led: January 11, 2013			
17 18	1. Based on and pursuant to the	parties' Joint E	x Parte Application, and good cause			
18 19	in the set of the Court has been set on the in this wetter ("Course of Order") and a "					
20	and adopting the terms of the Settlement Agreement attached hereto as Ex. 1.					
20	2. All costs and expenses under the terms of the Agreement and the administration of					
22	any Claims, the payment to Plaintiffs and Plaintiffs' Counsel, shall be paid or borne by Anthem					
23	as set forth under the terms of the Settlement Agreement.					
24	3. The terms of this Consent	Order are to	be directly enforceable under the			
25	continuing jurisdiction of this Court pursuant to Code of Civil Procedure section 664.6 as					
26	expressly retained by this Court. All Perso	ons provided an	Opt-Out Right under this Consent			
27	Order are intended third party beneficiaries	of this Order.	Except as otherwise provided for in			
28	Section III.3.m.2 and Exhibit 3 of the Settle	ement Agreemen	nt, the Court shall retain continuing			
	CONSENT ORDER	& DISMISSAL OF	ACTION			

1	and exclusive jurisdiction over the Parties and over the administration and enforcement of the		
2	Agreement.		
3	4. The Court appoints Martin Quinn, Esq. as the Compliance Dispute Officer for		
4	purposes of enforcing the provisions of the Compliance Protocol as set forth in Exhibit 3 to the		
5	Settlement Agreement. Any disputes or controversies arising with respect to the interpretation,		
6	enforcement or implementation of this Consent Order or the Agreement are to be submitted by		
7	any affected Person by motion or <i>ex parte</i> application to the Court, or to the Compliance Dispute		
8	Officer pursuant to the terms of the Compliance Protocol, as applicable.		
9	5. This Lawsuit may be dismissed pursuant to Cal. R. of Court 3.770. The Clerk is		
10	directed to enter this Order forthwith.		
11	IT IS SO ORDERED DATED this day of May, 2013		
12			
13	Hon. Judith F. Hayes Judge of the Superior Court		
14			
15	STIPULATED AS TO FORM.		
16	DATED: May, 2013 WHATLEY KALLAS, LLC		
17	By: <u>S/Alan M. Mansfield</u>		
18	Alan M. Mansfield (SBN 125998) (Of Counsel)		
19	10200 Willow Creek Road, Suite 160 San Diego, CA 92131		
20	Tel: (619) 308-5034 Fax: (855) 274-1888		
21	amansfield@whatleykallas.com		
22	Edith M. Kallas 380 Madison Avenue, 23 rd Floor		
23	New York, NY 10017 Tel: (212) 447-7060		
24	Fax: (800) 922-4851 ekallas@whatleykallas.com		
25	Kristin Libby (SBN 284292)		
26	355 So. Grand Avenue, Suite 2450 Los Angeles, CA 90071		
27	Tel: (310) 684-2504 Fax: (888) 331-9633		
28	klibby@whatleykallas.com		
_~	Attorneys for Plaintiffs 2		
	CONSENT ORDER & DISMISSAL OF ACTION		

1 DATED: May, 2013 CONSUMER WATCHDO 2 By:	eld d (SBN: 123082)
3 Harvey Rosenfield 4 Pamela Pressley (SBN: 18 4 2701 Ocean Park Blvd., S 5 Santa Monica, CA 90405 5 Tel: (310) 392-0522 harvey@consumerwatchdog pam@consumerwatchdog 6 pam@consumerwatchdog 7 Attorneys for Plaintiffs 8 PDATED: May, 2013 REED SMITH, LLP 10 By:S/Kurt C. Peterson 11 Songles, CA 90067-6 12 Tel: (310) 734-5200 13 Kpeterson@reedsmith.cor 14 Attorneys for Defendants	d (SBN: 123082)
3 Pamela Pressley (SBN: 18 4 Jerry Flanagan (SBN: 271 5 2701 Ocean Park Blvd., S 5 Santa Monica, CA 90405 6 pam@consumerwatchdog 6 pam@consumerwatchdog 7 Attorneys for Plaintiffs 8 Attorneys for Plaintiffs 9 DATED: May, 2013 REED SMITH, LLP 10 By:S/Kurt C. Peterson 11 1901 Avenue of the Stars, Los Angeles, CA 90067-6 12 Tel: (310) 734-5200 13 Attorneys for Defendants	
 2701 Ocean Park Blvd., S Santa Monica, CA 90405 Tel: (310) 392-0522 harvey@consumerwatchdog jerry@consumerwatchdog DATED: May, 2013 REED SMITH, LLP By: <u>S/Kurt C. Peterson</u> Kurt C. Peterson 1901 Avenue of the Stars, Los Angeles, CA 90067-6 Tel: (310) 734-5200 Fax: (310) 734-5299 kpeterson@reedsmith.com Attorneys for Defendants 	1272)
5 Tel: (310) 392-0522 6 pam@consumerwatchdog 7 Attorneys for Plaintiffs 8 Attorneys for Plaintiffs 9 DATED: May, 2013 REED SMITH, LLP 10 By:	Suite 112
6 pam@consumerwatchdog 7 Attorneys for Plaintiffs 8 Attorneys for Plaintiffs 9 DATED: May, 2013 REED SMITH, LLP 10 By: S/Kurt C. Peterson 11 1901 Avenue of the Stars, 12 Tel: (310) 734-5200 13 Kpeterson@reedsmith.com 14 Attorneys for Defendants	
7Attorneys for Plaintiffs89DATED: May, 2013REED SMITH, LLP10By: S/Kurt C. Peterson Kurt C. Peterson111901 Avenue of the Stars, Los Angeles, CA 90067-612Tel: (310) 734-5200 Fax: (310) 734-529913Attorneys for Defendants	g.org
8 9 DATED: May, 2013 REED SMITH, LLP 10 By: S/Kurt C. Peterson Kurt C. Peterson 11 1901 Avenue of the Stars, Los Angeles, CA 90067-6 12 Tel: (310) 734-5200 Fax: (310) 734-5299 13 Attorneys for Defendants	3.01g
10By:S/Kurt C. Peterson Kurt C. Peterson111901 Avenue of the Stars, Los Angeles, CA 90067-612Tel: (310) 734-5200 Fax: (310) 734-529913kpeterson@reedsmith.com14Attorneys for Defendants	
111901 Avenue of the Stars, Los Angeles, CA 90067-612Tel: (310) 734-5200 Fax: (310) 734-529913kpeterson@reedsmith.com14Attorneys for Defendants	
111901 Avenue of the Stars, Los Angeles, CA 90067-612Tel: (310) 734-5200 Fax: (310) 734-529913kpeterson@reedsmith.com14Attorneys for Defendants	<u>1</u>
12 Tel: (310) 734-5200 13 Fax: (310) 734-5299 14 Attorneys for Defendants	, Suite 700
13 kpeterson@reedsmith.com 14 Attorneys for Defendants	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	n
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
3	
CONSENT ORDER & DISMISSAL OF ACTION	

EXHIBIT 3

Compliance Disputes Arising Under This Agreement

1.1 Jurisdiction, Coordination and Costs

(a) Compliance Dispute Officer.

Martin Quinn shall serve as the Compliance Dispute Officer (the "**Compliance Dispute Officer**"). In the event that Mr. Quinn is unable to serve in this role, the parties will jointly select a new Compliance Dispute Officer within ten (10) days of such notification. If the parties are unable to jointly select a new Compliance Dispute Officer in that time frame, the parties will jointly request the Court to select a new Compliance Dispute Officer.

Compliance Disputes relate only to issues concerning systemic noncompliance with the terms of the Agreement as described in Section 3.n (2) of the Agreement. All other disputes are to be resolved by application to the Court under Section 3.n (1) of the Agreement. All Compliance Disputes shall be directed to the Compliance Dispute Officer. Compliance Disputes shall not be directed to the Court nor to any other state court, federal court, arbitration panel or any other binding or nonbinding dispute resolution mechanism, except as provided in the Agreement.

(b) Fees and Costs

Anthem shall pay the reasonable fees and expenses of the Compliance Dispute Officer.

1.2 Who May Petition the Compliance Dispute Officer

Plaintiffs' Counsel may petition the Compliance Dispute Officer if there is evidence of systemic noncompliance with the terms of the Agreement.

1.3 Procedure for Initiating Compliance Disputes

To initiate a Compliance Dispute, Plaintiffs' Counsel shall provide a brief description of the dispute to Anthem's Counsel, Kurt C. Peterson, Esq. of Reed Smith, or any other attorney designated by Anthem to serve in this role for purposes of the Agreement ("Anthem's Counsel").

1.4 Dispute Resolution Without Full Review

(a) If Plaintiffs' Counsel, in its sole judgment, determines a dispute requires full review (without any other attempt at resolution), it shall immediately refer the dispute to the Compliance Dispute Officer for full review and shall notify Anthem's Counsel.

(b) If Plaintiffs' Counsel, in its sole judgment, determines a dispute may be resolved without full review, Plaintiffs' Counsel and Anthem's Counsel shall attempt to achieve a resolution of the dispute. If such efforts do not achieve resolution of the dispute within five (5) days after Anthem is notified by Plaintiffs' counsel of the Compliance Dispute, Plaintiffs' Counsel shall refer the dispute to the Compliance Dispute Officer for full review and shall notify Anthem's Counsel of this referral.

1.5 Dispute Resolution With Full Review

(a) **Requirements for a Compliance Dispute With Full Review.**

Following the procedure set forth in § 1.4, to receive full review, a Compliance Dispute must meet the following requirements:

- (i) Plaintiffs' Counsel shall submit a Summary to the Compliance Dispute Officer describing the basis for its belief that there has been systemic noncompliance with the Agreement; and
- (ii) The Compliance Dispute Officer, in his sole judgment, determines that the Compliance Dispute alleges a failure by Anthem to comply with an obligation under the Agreement.

(b) Memoranda to Compliance Dispute Officer.

The Compliance Dispute Officer shall in writing request memoranda from the parties to the Compliance Dispute regarding the merits of the dispute and appropriate remedies. Plaintiffs' Counsel shall have ten (10) days from the date of such request to submit its memorandum, and Anthem shall submit its memorandum in response within ten (10) days after receipt of the complaining Class Member's memorandum.

(c) Oral Argument of Compliance Dispute.

The Compliance Dispute Officer, at its sole option, may request the parties to the Compliance Dispute to present oral argument of the Compliance Dispute at a time and place agreed to by the parties to the Compliance Dispute and the Compliance Dispute Officer.

(d) Decisions by the Compliance Dispute Officer.

In resolving a Compliance Dispute, the Compliance Dispute Officer shall provide a written decision, made in its sole judgment and based only on the Summary, supporting documents and testimony by affidavit, memoranda, and any oral argument, determining whether Anthem has failed to comply with its obligations under this Agreement, and if so, directing what actions are to be taken by Anthem to fulfill its obligations under this Agreement.

(e) Systemic Remedy

If the Compliance Dispute Officer determines, after adequate notice and a reasonable opportunity to respond consistent with this paragraph, that Anthem has not fulfilled its obligations under this Agreement, the Compliance Dispute Officer shall order appropriate remedies to effectuate the terms of the Agreement, including but not limited to sanctions and other appropriate relief. For example, one of the remedies that may be ordered by the Compliance Dispute Officer under appropriate circumstances is for Blue Cross to provide all affected persons with an alternative mechanism to opt out of the Specialty Pharmacy program, in addition to the telephone method set forth in the Agreement, and notice of that alternative mechanism.

1.6 Awarding of Fees and Costs

The Compliance Dispute Officer shall be empowered to also award Plaintiffs' Counsel attorneys' fees and expenses associated with pursing such remedies under this Agreement, to be paid by Anthem.

1.7 Finality of the Compliance Dispute Officer's Decision.

The Parties agree that the decision of the Compliance Dispute Officer shall be final.

1.8 Enforcement by the Court.

If the Compliance Dispute Officer determines that Anthem has not complied with its final decision, it shall provide written notice of such noncompliance to Anthem. If Anthem does not comply within five (5) days from the date of such notice, the Compliance Dispute Officer shall provide written notice to Plaintiffs' Counsel, and Plaintiffs' Counsel may petition the Court for enforcement.

EXHIBIT 4

Exclusive Specialty Drug List



Blood Cell Deficiency

Aranesp Epogen Leukine Mozobil Neulasta Neumega Neupogen Nplate Procrit Promacta

Cancer

Abraxane Adcetris adriamycin adrucil Afinitor Alferon N Alimta Alkeran amifostine Aredia Arranon Avastin BCG (Tice Strain) BICNU bleomycin sulfate Bosulif **Busulfex** Campath Camptosar carboplatin Cerubidine cisplatin cladribine Clolar Cosmegen cyclophosphamide cvtarabine dacarbazine Dacogen dactinomycin daunorubicin HCL Daunoxome Depocyt dexrazoxane Docefrez docetaxel Doxil doxorubicin HCL Eligard Elitek Ellence Eloxatin Elspar epirubicin HCL Erbitux Erivedge Erwinaze Ethyol Etopophos etoposide Faslodex Firmagon

floxuridine Fludara fludarabine phosphate fluorouracil Folotyn gemcitabine HCL Gemzar Gleevec Halaven Herceptin Hycamtin Iclusig Idamvcin PFS idarubicin HCL lfex ifosfamide ifosfamide-mesna Inlvta Intron A Iressa irinotecan HCL Istodax Ixempra Jakafi Jevtana Kepivance Kyprolis Leustatin Lipodox/50 melphalan HCL mitomycin mitoxantrone HCL Mustargen Mylotarg Navelbine Nexavar Nipent Novantrone Oforta Oncaspar Ontak oxaliplatin paclitaxel pamidronate disodium pentostatin Perjeta Photofrin Plenaxis Pomalvst Proleukin Revlimid Rituxan Sprycel Stivarga Sutent Sylatron Synribo Tarceva Targretin Tasigna Taxotere Temodar Thalomid Theracys thiotepa

Thyrogen toposar topotecan HCL Torisel Totect Treanda Trelstar/LA/Depot Trisenox Tykerb Valstar Vantas Vectibix Velcade Vidaza vinblastine sulfate Vincasar PFS vincristine sulfate vinorelbine tartrate Votrient Vumon Xalkori Xeloda Xgeva Zaltrap Zanosar Sterile Powder Zelboraf Zinecard Zoladex 7olinza Zometa Zytiga

Contraceptive

Implanon Mirena Nexplanon

Cytomegalovirus

cidofovir Cytogam Cytovene ganciclovir Valcyte Vistide

Endocrine Disorders

Egrifta Korlym Kuvan Ieuprolide acetate Lupron/Depot octreotide acetate Sandostatin/LAR Somatuline Depot Somavert

Enzyme Deficiency

Adagen Aldurazyme Ceredase Cerezyme Fabrazyme Lumizyme Myozyme Naglazyme Orfadin

Sucraid VPRIV Zavesca

Eye Conditions

Eylea Lucentis Macugen Visudyne

GI Disorders Gattex

Growth Hormones

Genotropin Humatrope Increlex Norditropin/Nordiflex Nutropin/AQ Omnitrope Saizen Serostim Tev-Tropin Zorbtive

Hemophilia

Advate Alphanate Alphanine SD Bebulin Bebulin VH Immuno Benefix Corifact Feiba VH/NF Genarc Helixate FS Hemofil M Humate-P Koate-DVI Kogenate FS Monoclate-P Mononine Novoseven RT Profilnine SD Recombinate Wilate Xyntha

Hepatitis B

Baraclude Epivir HBV Hepagam B Hepsera Hyperhep B S-D Nabi-HB Tyzeka

Hepatitis C

Copegus Incivek Infergen Pegasys Pegintron Rebetol Ribapak ribasphere Ribatab ribavirin Victrelis

Hereditary Angioedema Cinryze Firazyr

HIV/AIDS

Abacavir Aptivus Atripla Combivir Complera Crixivan didanosine Edurant Emtriva Epivir Epzicom Fuzeon Intelence Invirase Isentress Kaletra lamivudine lamivudine-zidovudine Lexiva nevirapine Norvir Prezista Rescriptor Retrovir Reyataz Selzentry stavudine Stribild Sustiva Trizivir Truvada Videx/EC Viracept Viramune Viramune XR Viread Zerit Ziagen zidovudine

Immunodeficiency

Actimmune Bivigam Carimune NF Flebogamma Gamastan Gammagard S-D Gammaked Gammaplex Gamunex Gamunex-C Hizentra Hyperrab S-D Hyperrho S-D immune globulin

Exclusive Specialty Drug List



Imogam Rabies-HT Micrhogam Plus Octagam Privigen Rhogam Plus Rhophylac Venoglobulin-S Vivaglobin Winrho SDF

Immunosuppressants

Atgam Benlysta Cellcept cyclosporine Gengraf Hecoria mycophenolate mofetil Myfortic Neoral Nulojix Orthoclone Okt-3 Prograf Rapamune Sandimmune Simulect tacrolimus Thymoglobulin Zortress

Infertility

Bravelle Cetrotide chorionic gonadotropin Crinone Follistim Ganirelix Acetate Gonal-F RFF Luveris Menopur Novarel Ovidrel Pregnyl Prochieve Repronex

Inflammatory Conditions

Actemra Amevive Cimzia Enbrel Humira Ilaris Kineret Krystexxa Orencia Remicade Simponi Stelara Xeljanz

Iron Toxicity deferoxamine mesylate Desferal Exjade

Miscellaneous Specialty

Conditions 8-Mop Apokyn Arcalyst Arestin Botox Ceprotin Cystadane Dysport Makena Myobloc Onsolis Panretin Prialt Qutenza Rilutek Sabril Solesta Soliris Supprelin Synarel Syprine Tikosyn Vivitrol Xenazine Xeomin Xiaflex Xyrem

Multiple Sclerosis

Ampyra Aubagio Avonex Betaseron Copaxone Extavia Gilenya H.P. Acthar Rebif

Tysabri

Osteoarthritis Euflexxa Gel-One Hyalgan Orthovisc Supartz

Synvisc/One

Osteoporosis Forteo

Prolia

Reclast **Pulmonary Hypertension** Adcirca epoprostenol sodium Flolan Letairis Remodulin Revatio Tracleer Tyvaso Veletri Ventavis

Respiratory Conditions

Aralast/NP Glassia Kalydeco Pulmozyme TOBI Xolair Zemaira

RSV Prevention Synagis

Generic drugs are lowercase and brand name drugs are uppercase.

This list may change without notice which may affect your benefit coverage.

To be sure the specialty drug is covered, call the specialty pharmacy at 800-870-6419, Monday-Friday 8 a.m.-10 p.m., Eastern time.

Anthem Blue Cross is the trade name of Blue Cross of California. Independent licensee of the Blue Cross Association. ®ANTHEM is a registered trademark of Anthem Insurance Companies, Inc. The Blue Cross name and symbol are registered marks of the Blue Cross Association