

price theory, econometrics, industrial organization and antitrust economics. He is a Senior Advisor at Analysis Group, a global business advisory firm. Professor Slottje has provided consulting services to clients in various industries for over 30 years including in providing litigation consulting services to clients in the healthcare industry. He has consulted and testified on healthcare litigation matters on topics such as class certification issues, the statistical reliability of the health insurance claims adjudication process with respect to under-reimbursement issues, the statistical reliability of health insurance claims databases, and antitrust issues in the healthcare industry. Further, Professor Slottje has extensive experience working with some of the largest health claims data and has extraordinary expertise in health insurance systems. His multi-year work on that case, as well as others, has provided Professor Slottje with extraordinary insight into the world of healthcare claims data, edits and extrapolation.

Mr. Rogers has for the last 20 years worked on matters of calculation of valuation of damages and relief in all aspects of litigation including, antitrust, competition, contractual disputes and intellectual property. Mr. Rogers' litigation experience has included class actions in health care that involve analysis of large datasets related to class-wide liability and damages claims. Both Professor Slottje and Mr. Rogers have also worked on this case for more than 10 years and are intimately familiar with the Blues' system, the documents and data produced in this case, and with the relief provided by the Settlement.

Professor Slottje and Mr. Rogers' opinions are summarized below:

1. Professor Slottje and Mr. Rogers were asked to value two important aspects of the Settlement's injunctive relief – the expected cost savings to Providers from spending less time on BlueCard Program-related administrative tasks and the expected financial benefit from the

BlueCard Prompt Pay Commitment. As outlined in Table 1 below, the value of these aspects of the injunctive relief totals to **over \$17.3 billion** dollars over the next ten years.

Table 1
Providers' Expected Financial Benefit from Blue System Improvements¹

Financial Benefit (in \$ billions)	Value	Net Present Value
<i>Ten Year Administrative Cost Savings</i>	<i>\$16.31</i>	<i>\$11.64</i>
Fewer BlueCard Claims Require Follow Up	\$4.04	\$2.88
Less Time Spent on BlueCard Claim Follow Up	\$8.66	\$6.18
Less Time Spent on BlueCard Claim Pre-Submission Tasks	\$3.62	\$2.58
<i>Five Year BlueCard Prompt Pay Commitment</i>	<i>\$1.05</i>	<i>\$0.89</i>
Total	\$17.36	\$12.53

2. In determining the value of just the administrative savings from the BlueCard relief provided by the Settlement, Slottje and Rogers relied upon Blues' internal documents and studies, claims data produced in the litigation, and the opinions of expert Matthew Katz, to arrive at these figures.

3. Slottje and Rogers valued the following administrative savings that will be available to Providers through the BlueCard Transformation and related injunctive relief:

- a. Fewer BlueCard claims requiring follow-up;
- b. Less provider time spent on BlueCard Claim follow up on claims requiring follow up; and
- c. Less time Spent on BlueCard Claim Pre-Submission Tasks.

¹ See Exhibits 1-4.

4. Slottje and Rogers found an average administrative cost savings for Providers of **\$7.55 per BlueCard claim**. The actual administrative savings per BlueCard claim would differ by Provider claim. (¶29)

5. Slottje and Rogers found the BlueCard Prompt Pay Commitment would provide another **\$1.05 billion** in value to Providers over the next 10 years.

6. There is extraordinary value to other aspects of the Settlement (¶37-38) that Professor Slottje and Rogers were not asked to value as part of their assignment. For instance, while it was not part of their assignment, there is likely a significant revenue increase to healthcare providers available from the increased ability for Providers to identify, track, pursue (including through the new BlueCard appeal form) and collect on denied BlueCard claims. The total value of the injunctive relief in this Settlement is likely far more than \$17.3 billion dollars.

II. Katz Declaration

Matthew Katz is one of the leading experts in the country on issues related to healthcare practice management, billing, coding prompt payment and other issues. Mr. Katz is a Principal at MCK Health Strategies and MCK Consulting, LLC, where he advises state and national medical specialty societies, and works with hospitals, health systems, physician practices, and other clinicians on issues related to medical practice management, coding, claims processing, adjudication and payment dispute issues. Since 1994, Mr. Katz has worked in the healthcare industry, first for academic medical centers, health systems, and then with the American Academy of Pediatrics. For 8 years, he worked for the American Medical Association, including as the Director of the Practice Management Resource Center and Director of Private Payer Advocacy. From 2006-2019, he worked for the Connecticut State Medical Society, including as its CEO from 2012-2019. Mr. Katz is well held by his colleagues in the industry as one of the most

knowledgeable people regarding insurer-provider payment issues nationally and is routinely sought out for advice on these issues by state medical associations and other clients. Long before this litigation, Mr. Katz was an expert on issues related to the BlueCard program, the Blues system generally, and the administrative burdens related to the provision of care and services to Blue members.

Mr. Katz's opinions regarding the value and benefits of the Settlement are summarized below:

1. The BlueCard Transformation and other injunctive relief will result in significant administrative savings for Providers from less or quicker follow up on BlueCard claims. Mr. Katz also found significant value to Providers from quicker eligibility verification and pre-authorization built into the injunctive relief. If implemented as intended, the improvements to the BlueCard system should reduce the administrative burden associated with BlueCard claims to a level comparable with non-BlueCard claims. (¶¶10, 12-27). Mr. Katz specifically found:

a. Using the current BlueCard process often used considerable time for Providers and their staff. Reduction of the amount of time it takes to follow up and the number of follow ups can lead to significant cost savings for Providers. The relief here would reduce the amount of time needed by providers to follow up on these claims.

b. The current BlueCard process also requires that Providers follow up numerous times. Mr. Katz concludes that the injunctive relief in the Settlement would reduce the number of claims upon which Providers would be required to follow up.

c. There are significant administrative savings from the quicker eligibility and verification and preauthorization on BlueCard claims that the Injunctive relief provides. Currently, approximately 60-80 percent of BlueCard claims require the Provider to verify

the members' eligibility. This process is more time-consuming for BlueCard claims than for local claims. The relief in the settlement will provide tremendous value to provider if it reduces the time to a level comparable with local claims.

2. Beyond administrative savings, Mr. Katz found other sources of value to the Settlement Class Members including:

a. The Settlement Relief will cause Providers to collect more on BlueCard claims. Lack of timely payment, or no payment at all, costs Providers significant income and costs to pursue these dollars. ¶23

b. BlueCard Executive and the resolution mechanisms created by the Settlement reduce the need for costly legal and administrative interventions. ¶24

c. Real Time Messaging provides significant time saving and cost-benefits to Providers. ¶25

d. Beyond the improvements to pre-authorization due to BlueCard Transformation, the Blues commitment to provide guidance on pre-authorization to member plans to improve preauthorization is likely to reduce administrative burden Providers. ¶26

3. The Settlement's injunctive relief will not only benefit the members of the Settlement Class who do not opt-out, it will benefit their patients. If a Provider opts-out of this settlement, its patients obviously will not receive the benefits of the settlement. If Providers participate in the Settlement, their patients will benefit by significant improvements, including but not limited to:

a. The Settlement significantly improves pre-authorization for BlueCard claims. Pre-authorization processes resulting in a process that will streamline the pre-

authorization process, making it cleared for providers and patients, and insure that procedures and claims are less likely to be delayed or denied for administrative reasons.

b. More timely and accurate claims processing and adjudication, reducing the financial burden on patients.

c. Reduction of administrative burden on providers means they can devote more time to their patients and their treatment.

d. Increased access to telehealth is beneficial for many patients.

e. Real-time messaging reduces BlueCard related delays to access to necessary treatments and or other disputes and delays that affect patients.

f. New requirements with respect to prompt payment and third-party information also benefit patients as well.

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