Blue Cross Blue Shield to Pay Record $2.8 Billion in Proposed Antitrust Settlement with Healthcare Providers

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On October 14, 2024, a class of thousands of hospitals, physician groups and other healthcare providers filed a proposed settlement in a twelve-year antitrust lawsuit against the Blue Cross Blue Shield (BCBS) network. BCBS has agreed to pay $2.8 billion into a settlement fund, making this the largest-ever payment in a healthcare antitrust case.

In addition to the historic monetary compensation to class members, the settlement requires BCBS to invest hundreds of millions of dollars in “never-before-available changes” to its system. These changes are designed to end decades of frustration providers have faced dealing with BCBS and will bring transparency, efficiency and accountability to the system. The changes will be monitored for five years by a specially appointed committee and the court.

If the court approves the settlement, class members—defined as providers of healthcare, equipment and supplies, to patients covered by a plan administered by a BCBS network member between July 2008 and October 2024—will receive notice and more information about potential recovery and participation in the settlement fund. Providers will need to evaluate their potential recovery from the settlement fund compared to what they might recover if they choose to opt out of the class settlement. The timeline for finalizing approval of the settlement is not fully defined, but is expected to take several months, likely extending into mid-to-late 2025.

The lawsuit alleged that the BCBS Association and independent Blue Cross operating companies conspired to reduce competition in violation of antitrust laws. The “provider plaintiffs” alleged they were underpaid because of these violations, e.g., by restricting the providers' ability to negotiate reimbursement rates. *In re Blue Cross Blue Shield Antitrust Litigation*, N.D. Ala., No. 2:13-cv-20000.

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