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ATTORNEY GENERAL MADIGAN REACHES \$25 MILLION SETTLEMENT WITH BLUE CROSS BLUE SHIELD***Agreement Resolves Fraud Claims That Cost Illinois, Federal Government Millions***

Chicago — Attorney General Lisa Madigan today announced a \$25 million agreement with Blue Cross Blue Shield of Illinois settling allegations the company denied coverage of nursing care needed for sick children and other fragile patients and fraudulently shifted the cost of this expensive care to the state and federal Medicaid program.

The settlement reached by Madigan and U.S. Attorney Patrick Fitzgerald resolves their investigation into Blue Cross Blue Shield, a division of Health Care Service Corporation, denying patient claims for in-home, skilled nursing care for complex medical needs.

The Attorney General and Fitzgerald alleged BCBS denied patient claims based on internal, undisclosed guidelines that were more restrictive than the language provided to patients in plan policy materials. As the result of the denials, the cost of the care that should have been covered was shifted to the state and federal Medicaid program, costing it nearly \$12 million.

“Blue Cross Blue Shield’s inappropriate denial of legitimate claims placed an undue burden on the state’s finances,” Attorney General Madigan said. “My office is committed to holding health care insurers accountable on behalf of the people of Illinois for this type of deception and fraud.”

Madigan and Fitzgerald also alleged instances where BCBS fraudulently contended patients weren’t covered for this care during claims review processes sought after patient denials.

Under the agreement, BCBS will pay \$14.25 million to Illinois and \$9.5 million to the U.S. Treasury to help fund and reimburse Medicaid programs. The company will also pay \$1.25 million that will go to Illinois consumers who were denied by BCBS but did not receive Medicaid coverage.

Handling this case for Madigan’s Office were Public Interest Division Chief Paul Gaynor, Special Litigation Bureau Chief Carl Bergetz, Health Care Bureau Chief Raymond Threlkeld and Assistant Attorneys General Dalila Bentley and Judith Parker.

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