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Regence BlueShield to Cover Therapies for Individuals with Autism and Developmental Disabilities, and Establish \$6,000,000 Settlement Fund

October 14, 2014, Seattle, WA - Regence BlueShield and Cambia Health Solutions, Inc. (Regence) have reached a final settlement agreement to resolve two class action lawsuits. More than a dozen class action lawsuits have been filed against insurers in Washington and Oregon over exclusions and limitations of neurodevelopmental and behavioral therapies in health insurance, Medicaid and employer-related health benefit plans. Regence is among the health plans involved in the lawsuits. The settlement agreement, if approved by the state and federal courts, involves coverage for neurodevelopmental (speech, occupational and physical therapies) and applied behavior analysis (ABA) therapies when medically necessary to treat certain mental health conditions, such as autism.

The Settlement Agreement was filed on October 14, 2014 in federal district court in Seattle before Judge Richard A. Jones, *K.M. v. Regence BlueShield, et al*, No. C13-1214-RAJ and in King County Superior Court with Judge John P. Erlick who presided over *O.S.T. v. Regence BlueShield*, No. 11-2-34187-9 SEA.

The Settlement Agreement addresses changes to treatment limitations or caps on medically necessary neurodevelopmental therapy services to treat conditions listed in the DSM. The Agreement also includes specific terms and conditions for how Regence will provide coverage for medically necessary ABA therapy to treat insureds with autism. The coverage changes in the Agreement apply to all insured plans issued by Regence in the State of Washington.

The Agreement establishes a Settlement Fund of \$6,000,000. This fund will be used to reimburse class members for uncovered out-of-pocket expenses for neurodevelopmental therapy and ABA services, and to pay attorney's fees and litigation costs, the costs of settlement administration and case contribution awards to the class representatives

Before the settlement can become effective, it must be preliminarily approved by both judges in state and federal court. After that, final hearings on the settlement

agreement will be scheduled in each court and a notice will be sent to all class members about the settlement, the final hearings, and the process for submitting claims for reimbursement of out-of-pocket neurodevelopmental therapy costs. If the final settlement agreement is approved, Class counsel estimates that the funds could be disbursed to affected families by April or May of 2015.

“With this settlement and the recent Supreme Court decision, the standard for coverage in Washington state is clearly established,” said Eleanor Hamburger of Sirianni Youtz Spoonemore Hamburger. “All other Washington health insurers should change their policies now to ensure that children with developmental disabilities get the insurance coverage to which they are entitled.”

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