

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
Miami Division

**IN RE:
MANAGED CARE LITIGATION**

MDL NO.: 1334

**THIS DOCUMENT RELATES TO
PROVIDER TRACK CASES ONLY**

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION WITH HEALTH NET, OF
SETTLEMENT HEARING TO CONSIDER THE PROPOSED SETTLEMENT AND OF YOUR
RIGHTS CONCERNING THE PROPOSED SETTLEMENT**

<p>IF YOU ARE A PHYSICIAN WHO PROVIDED COVERED SERVICES TO ANY INDIVIDUAL ENROLLED IN OR COVERED BY CERTAIN HEALTH CARE PLANS AT ANY TIME BETWEEN AUGUST 4, 1990 AND MAY 10, 2005, OR A PHYSICIAN GROUP OR A PHYSICIAN ORGANIZATION THAT INCLUDES SUCH PHYSICIANS, PLEASE READ THIS NOTICE CAREFULLY. THIS CLASS ACTION AND THE PROPOSED SETTLEMENT MAY AFFECT YOUR RIGHTS.</p>
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WHY SHOULD YOU READ THIS NOTICE?

If you are or have been a physician, physician group, or physician organization who or which practiced in the United States since August 1990, your rights may be affected by a proposed settlement with Health Net, Inc. in the class action lawsuit known as *Shane v. Humana, Inc., et al.*, Master File No. 00-1334-MD-MORENO (the "Action"), which is part of a federal multi-district litigation that is pending in the U.S. District Court for the Southern District of Florida (the "Court") called *In re Managed Care Litigation*, MDL Docket No. 1334 (Provider Track Cases). In addition to Health Net, Inc., the Action involves all of the direct and indirect subsidiaries and affiliates of Health Net, Inc. involved in the health care business, including Health Net of California, Inc., Health Net of Arizona, Inc., Health Net of Oregon, Inc., Health Net of the Northwest, Inc., Health Net of Connecticut, Inc., Health Net of New York, Inc., Health Net of New Jersey, Inc., Health Net of Pennsylvania, Inc., plans that were formerly associated with Foundation Health Corporation, Inc., such as Intergroup Prepaid Health Services of Arizona, Inc., Intergroup of Utah, Inc., CareFlorida Health Systems, Inc., Community Medical Plan, Inc., S. Colorado Health Plan, Foundation Health, A California Health Plan, Inc., Foundation Health, A Florida Health Plan, Inc., Foundation Health, A Colorado Health Plan, Inc., Foundation Health, A Louisiana Health Plan, Inc., Foundation Health, A Texas Health Plan, Inc., and Foundation Health, A Oklahoma Health Plan, Inc., plans that were formerly associated with QualMed, Inc., such as QualMed Plans for Health, Inc., QualMed Plans for Health of Ohio and W. Virginia, Inc., QualMed Plans for Health of Pennsylvania, Inc., QualMed Colorado Health Plan, Inc., QualMed Oregon Health Plan, Inc., QualMed Plans for Health New Mexico, QualMed Washington Health Plan, and Preferred Health Network, Inc., plans that were formerly associated with Health Systems International, Inc., such as MD Health Plan, Greater Atlantic Health Services, Inc., Advantage Health, and Pennsylvania Health Care Plan, Inc., plans that were formerly associated with Foundation Health Systems, Inc. such as First Option Health Plan of New Jersey, Inc., First Option Health Plan of Pennsylvania, Inc., PACC HMO/PACC Health Plans, Physicians Health Services ("PHS"), Inc., PHS of New York, Inc., PHS of New Jersey, Inc., and PHS of Connecticut, Inc., and others (collectively "Health Net"). The settlement encompasses all of these entities. You may be a member of the Health Net settlement class in this Action if you have submitted claims to any of these Health Net entities or to other managed care companies.

The class representatives and certain medical societies have agreed to settle all claims against Health Net in the Action in exchange for Health Net's adoption of a number of commitments and initiatives regarding its business practices and the establishment of settlement funds against which individuals who are members of the Class (as defined below) can make claims for a settlement payment. The Court has scheduled a hearing to consider the fairness, reasonableness and adequacy of the proposed settlement with Health Net, together with certain other matters, to be held on September 19, 2005, at 9:00 A.M., at the United States Courthouse, Courtroom IV, Tenth Floor, Federal Justice Building, 99 Northeast Fourth Street, Miami, Florida, 33132. (the "Settlement Hearing").

You may be a member of the Class who therefore would be entitled to receive the benefits of the proposed settlement. As a member of the Class, however, you will also be bound by the release and other provisions of the settlement if it is approved by the Court. You may elect to opt-out of the Class and the settlement, as explained below. You also have a right to object to the settlement or to the applications for attorneys' fees and representative plaintiffs' fees that counsel for the Class intend to make to the Court, but only if you comply with the procedures described in this notice. **BECAUSE YOUR RIGHT TO PURSUE CERTAIN TYPES OF CLAIMS AGAINST HEALTH NET, AND CERTAIN OTHERS AFFILIATED WITH HEALTH NET, MAY BE AFFECTED BY THE SETTLEMENT, YOU SHOULD READ THIS NOTICE CAREFULLY.**

WHAT IS THIS LITIGATION ABOUT?

The Action has been brought by the representative plaintiffs, who are practicing or retired physicians from around the United States, on behalf of a class of physicians, and by certain medical societies, against a number of health care insurance companies, including Aetna, Anthem, Inc., Cigna, Coventry Health Care, Inc., Health Net, Inc., Humana Health Plan, Inc., Humana, Inc., Pacificare Health Systems, Inc., Prudential Insurance Company of America, United Health Care, United Health Group and Wellpoint Health Networks, Inc. (collectively the "Defendants"). The complaint in the Action alleges that between 1990 and present, these companies engaged in a conspiracy to improperly deny, delay and/or reduce payment to physicians, physician groups and physician organizations by engaging in several types of allegedly improper conduct, including:

- Misrepresenting and/or failing to disclose the use of edits to unilaterally "bundle," "downcode" and/or reject claims for medically necessary covered services;
- Failing to pay for "medically necessary" services in accordance with member plan documents;
- Failing and/or refusing to recognize CPT® modifiers;
- Concealing and/or misrepresenting the use of improper guidelines and criteria to deny, delay, and/or reduce payment for medically necessary covered services;
- Misrepresenting and/or refusing to disclose applicable fee schedules;
- Failing to pay claims for medically necessary covered services within the required statutory and/or contractual time periods;
- Misrepresenting and/or failing to disclose the use of inappropriate or unsound criteria to determine payments due to physicians, physician groups and physician organizations compensated under "capitation" systems;
- Failing to pay "actuarially sound" capitation rates;
- Failing to timely assign members to physicians, physician groups and physician organizations compensated under capitation systems.

The complaint claims that this conduct violated various state and federal statutes. The named plaintiffs in the complaint also seek recovery on various common law theories, including breach of contract, based on practices such as those summarized above. If you would like further information about the claims asserted in the Action, you can review a copy of the complaint at www.healthnetphysicianssettlement.com. It is also available at www.hmocrisis.com, www.WhatleyDrake.com, www.ArchieLamb.com, www.milberg.com, www.kttlaw.com and www.wcqp.com.

The Action is one significant component of litigation asserting these claims and certain others against managed care companies which began in early 2000 and ultimately were transferred to the federal court in Miami to become part of a multi-district litigation. Since the initial complaints were filed, substantial proceedings have occurred in the Action, including the production of a significant number of documents by the Defendants, as well as claims and payment data, and the depositions of various of the representative plaintiffs, and witnesses employed by defendants, including Health Net, and third parties. In an order dated September 26, 2002, the Court certified a class and two subclasses of physicians in the Action. As part of the settlement, Health Net would no longer actively participate in the Action, but expects other defendants, who are not parties to the proposed settlement, to continue to defend the claims asserted in the Action on various grounds.

WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

In a settlement agreement dated May 2, 2005 (the "Settlement Agreement"), the representative plaintiffs and the signatory medical societies have agreed to settle all claims that were or could have been asserted against Health Net and its affiliates and subsidiaries in the Action in exchange for Health Net's agreement regarding its business practices and for certain monetary consideration. The terms of the Settlement Agreement are summarized in this notice, but a copy of the entire Settlement Agreement can be reviewed at www.healthnetphysicianssettlement.com. It is also available at www.hmocrisis.com, www.WhatleyDrake.com, www.ArchieLamb.com, www.milberg.com, www.kttlaw.com and www.wcqp.com.

None of the Defendants in the Action other than Health Net are parties to the Health Net proposed settlement, and even if the settlement is approved by the Court, the representative plaintiffs and the signatory medical societies intend to continue to prosecute their claims against other defendants in the Action who are not parties to this settlement or any other settlement.

The Settlement Class

The proposed Health Net settlement will be on behalf of the following Class, which has been certified for settlement proposes:

Any and all physicians, physician groups and physician organizations who provided covered services to any plan member or any other individual enrolled in or covered by a plan offered or administered by any person or entity named as a defendant in the Action or by any of their respective current or former subsidiaries or affiliates, in each case from August 4, 1990 through and including May 10, 2005 (the date that the Court entered its order preliminarily approving the proposed settlement and directing that this notice be provided to you).

The Health Net settlement Class is different than the class and subclasses certified by the Court in the Action. Health Net believes that there are significant aspects of the settlement Class that distinguish it from the class and subclasses that have been certified by the Court, including, for example, the fact that the settlement Class includes physician groups and physician organizations, while the class and subclasses that have been certified by the Court are limited to physicians alone, and the fact that if the proposed settlement is approved and becomes effective, both Health Net and all members of the settlement Class will be deemed to have waived their rights to arbitration under the applicable contracts. In addition, the settlement Class does not raise the problems of manageability that Health Net believes affect the class and subclasses as certified by the Court in the Action.

The Settlement Consideration

If the settlement is approved by the Court, the Settlement Agreement provides for both monetary and other benefits to be provided by Health Net to members of the Class.

Business Practice Initiatives

As a part of the settlement, Health Net has agreed to certain commitments regarding its policies and procedures. For example, Health Net has agreed to: (a) include in its contracts with physicians a definition of medical necessity that bases medical necessity determinations on generally accepted standards of medical practice; (b) use clinical guidelines that are based on credible scientific evidence published in peer reviewed medical literature (taking into account physician specialty society recommendations, the views of physicians practicing in the relevant clinical areas, and other relevant factors) when making medical necessity determinations; (c) provide members of the Class access to Health Net's medical necessity external review process; (d) establish an independent external review board for resolving disputes with members of the Class concerning many common billing disputes; (e) make investments designed to facilitate the automated adjudication of claims submitted by physicians and thereby reduce the average time taken by Health Net to pay valid claims; (f) fund initiatives to reduce the percentage of resubmitted claims; (g) not automatically reduce the intensity coding of evaluation and management codes billed for certain covered services; (h) disclose payment rules and conform its bundling and other computerized editing rules as specified in the Settlement Agreement; (i) not include in its contracts with members of the class "all products clauses," or "gag clauses"; (j) devote resources to improve accuracy of information about eligibility of plan members; (k) where all necessary information is available to Health Net, ensure the payment of valid clean claims within 15 days for electronically-submitted claims and 30 days for paper claims; (l) provide members of the Class with the ability to view applicable fee schedule amounts for billing codes related to their practice; and (m) give physicians the opportunity to opt-out of rental networks; (n) where rental networks are used to price claims, provide information about the right to use that rate; (o) for capitated members, auto-assign members as of the date of eligibility and pay capitation from that date; (p) provide, upon entering into a capitation contract, certain information about the allocation of risk and projections regarding utilization rates and costs and factors used to adjust the capitation payments; (q) provide certain monthly reporting for capitation contracts; (r) follow protocols for the reimbursement of physicians providing mental health care services as specified in the agreement; and (s) establish a compliance dispute resolution mechanism to address disputes regarding Health Net's compliance with the Settlement Agreement. In addition, Health Net will disclose additional information about its claim administration policies and procedures on its existing website. These changes, as well as others, are more fully described in the Settlement Agreement.

The Settlement Fund

In addition Health Net will make a settlement payment of Forty Million Dollars (\$40,000,000) which, together with accrued interest from the date of Preliminary Approval, will be distributed as follows. One Million Dollars (\$1,000,000) will be set aside to fund settlement compliance activities. The remaining Thirty-Nine Million Dollars (\$39,000,000) will be distributed to physicians who are members of the Class under the proposed settlement and who file a Proof of Claim. If the settlement is approved by the Court, these members of the Class will be entitled to payments from the settlement fund in accordance with formulas that are set forth in the Settlement Agreement.

- A Physician who provided any covered services reimbursed by any Defendant or its affiliates since 1990 but who has since become inactive, has retired from the practice of, or has otherwise ceased to practice, medicine, or has died, will receive a pro rata portion of the amount of the settlement fund that has been allocated to such inactive, retired or deceased physicians.
- An Actively Practicing Physician whose gross receipts for the calendar years 2002, 2003, and 2004 for providing covered services to health benefit plan members of a Health Net affiliate were in the aggregate zero or less than \$5,000, will receive a single "base amount" (determined pro rata according to the proofs of claims that are filed) from the amount of the settlement fund that is allocated to active physicians;

- An Actively Practicing Physician whose gross receipts for the calendar years 2002, 2003, and 2004 for providing covered services to health benefit plan members of a Health Net affiliate were in the aggregate at least \$5,000 but less than \$50,000, will receive a pro rata portion of five times the “base amount” from the amount of the settlement fund that is allocated to active physicians; and
- An Actively Practicing Physician whose gross receipts for the calendar years 2002, 2003, and 2004 for providing covered services to health benefit plan members of a Health Net affiliate were in the aggregate \$50,000 or greater, will receive a pro rata portion of ten times the “base amount” from the amount of the settlement fund that is allocated to active physicians.
- Alternatively, an Actively Practicing Physician may establish, through the submission of billing records or similar information, that he or she should fall into a category entitled to a higher payment from the settlement fund based on aggregate payments received for providing covered services to health benefit plan members of Health Net affiliates over any consecutive three-year period from January 1, 1996 through December 31, 2004.
- In determining gross receipts, Physicians should include amounts paid by a Health Net affiliate directly or by intermediaries for providing covered services to Health Net members. For example, a Physician may have provided services through an intermediary that contracted with a Health Net affiliate to provide the services, for example, an IPA, medical group, organized delivery system, physician hospital organization, etc. In determining gross receipts for providing covered services to Health Net members, Physicians should also include amounts they received from such intermediaries for treating Health Net members.
- Physician Groups and Physician Organizations may submit claims on behalf of Physicians employed by or otherwise working with them without the necessity of individual signatures from the individual physician, if authorized to do so by such Physicians.
- The settlement fund is described in detail at Section 8 of the Settlement Agreement.

If you are an individual physician, or the heir of a deceased individual physician, who is eligible to participate in the settlement fund, you may submit a claim using the claim form attached to this notice, to the Settlement Administrator at the following address:

Health Net Physician Settlement Administrator
PO Box 1018
Minneapolis, MN 55440-1018
1-866-254-8048

Charitable Foundations

Members of the Class may elect to have the amount of their settlement payment from the settlement fund (discussed in the prior section) contributed to a charitable foundation that is dedicated to promoting high quality healthcare on their behalf. In the event that there are unclaimed funds in the settlement fund after payment of all claims, those funds will be contributed to the Physicians’ Foundation for Health Systems Innovations, a foundation dedicated to promoting high quality healthcare with a particular emphasis on initiatives that assist physicians to improve and enhance the quality of care received by patients.

The Release and Dismissal with Prejudice

Upon final approval, the Action will be dismissed with prejudice as to Health Net. In addition, Health Net, and certain others affiliated with Health Net, will receive a release and discharge from the Class (which would not include members of the Class who timely elect to opt-out of the settlement, as discussed below) of any and all causes of action, judgments, liens, indebtedness, costs, damages, obligations, attorneys’ fees, losses, claims, liabilities and demands of whatever kind or character (each a “Claim”), arising on or before May 10, 2005 (the date that the Court’s order preliminary approving the settlement

was entered), that are, were or could have been asserted against any of the released parties based on or arising from the factual allegations of the complaint in the Action, whether any such Claim was or could have been asserted by any releasing party on its own behalf or on behalf of other persons. With respect to any released claims as described above, Class Members also release Health Net Plan Members (i.e., patients, subscribers) for any amounts due for Covered Services that Class Members claim Health Net should have paid.

Excluded from the release are claims for certain covered services that are or were in the process of being submitted to, adjudicated or paid by Health Net at or around the time that the Settlement Agreement was entered into and the Court approval process was begun. This provision is discussed in more detail in section 13.4 of the Settlement Agreement, to which you should refer if you have any questions as to its applicability.

Nothing in the Settlement Agreement is intended to relieve any person or entity that is not a released party from responsibility for its own conduct or the conduct of other persons or entities who are not released parties, or to preclude any plaintiff from introducing any competent and admissible evidence to the extent consistent with the Settlement. Moreover, nothing in the Settlement Agreement prevents the plaintiffs and the Class from pursuing claims to hold any person or entity that is not a released party liable for damages caused by any released party.

Finally, the Settlement Agreement includes a covenant not to sue Health Net or the other released parties for Claims that are generally subject to the release, subject to certain limited exceptions which are described in detail in section 13.6 of the Settlement Agreement.

The release provided for in the Settlement Agreement applies to Claims whether they are known or unknown. In this regard, each member of the Class that has not timely elected to opt-out of the settlement and the Class shall be deemed expressly to have waived and released any and all provisions, rights and benefits conferred either (a) by California Civil Code § 1542, which reads:

“Section 1542. General Release – Claims Extinguished. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

or (b) by federal law, by any law of any state or territory of the United States, or principle of common law, which is similar to § 1542 of the California Civil Code.

WHAT WILL HAPPEN AT THE SETTLEMENT HEARING?

As mentioned above, the Settlement Hearing will be held on September 19, 2005, at 9:00 A.M., at the United States Courthouse, Courtroom IV, Tenth Floor, Federal Justice Building, 99 Northeast Fourth Street, Miami, Florida, 33132. However, the order scheduling that hearing also provides that it may be adjourned by the Court and that no additional notice will be provided to potential members of the Class other than an announcement in open court.

At the Settlement Hearing, the Court will consider several different issues.

First, the Court will consider whether the proposed settlement of the Action with Health Net that is reflected in the Settlement Agreement is fair, reasonable and adequate to members of the Class.

Second, the Court will consider whether it should certify the Class pursuant to Rules 23(a), (b)(2) and (b)(3) of the Federal Rules of Civil Procedure. Among other things, this will require the Court to determine (i) whether questions of law or fact common to the members of the Class predominate over questions affecting only individual members of the Class, and (ii) whether a class action is superior to other available methods for fair and efficient adjudication of the controversy. If the Court certifies the Class, potential Class members who have timely elected to opt-out from the Class by following the procedures described below will be excluded from it.

Third, the Court will consider whether to enter orders that would prevent members of the Class and certain other persons, including the Defendants in the Action other than Health Net, from asserting certain claims against Health Net in the future.

Fourth, the Court will consider the application for a payment of fees to the representative plaintiffs by Health Net, which is discussed in more detail below.

Finally, the Court will consider an application by counsel to the Class for attorneys' fees and expenses to be paid by Health Net, which is also discussed in more detail below.

CAN I PARTICIPATE IN THE SETTLEMENT HEARING?

Any member of the Class, or other interested person or entity, who or which objects to the proposed settlement with Health Net, the Settlement Agreement, the application for plaintiffs' attorneys' fees or the other matters to be considered at the Settlement Hearing may appear and present such objections, provided, however, that no member of the Class who or which has elected to opt out from the Class will be entitled to object. In order to be permitted to object to the proposed settlement, however, you must, **on or before August 22, 2005 ["Objection Date"]** comply fully with the following requirements:

- File with the Court a notice of your intention to appear, together with a statement setting forth your objections, if any, to the matters to be considered and the basis for those objections, together with any documentation that you intend to rely upon at the Settlement Hearing, and
- Serve copies of all such materials either by hand delivery or by first-class mail, postage prepaid, upon the following counsel:

Harley S. Tropin, Esq.
Kozyak Tropin & Throckmorton, P.A.
2525 Ponce de Leon, Suite 900
Coral Gables, Florida 33134

Ed Crane, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates
333 West Wacker Drive, Suite 2100
Chicago, IL 60606

If you do not comply with the foregoing procedures and deadlines for submitting written objections and/or appearing at the Settlement Hearing, you may lose substantial legal rights, including but not limited to, the right to appear and be heard at the Settlement Hearing; the right to contest approval of the proposed settlement or the application for an award of attorneys' fees and expenses to plaintiffs' counsel; the right to contest approval of the application for an award of a fee to representative plaintiffs; or the right to contest any other orders or judgments of the Court entered in connection with the proposed settlement.

If the Court does not approve the proposed settlement, the Settlement Agreement will be null and void. If there are further actions taken in the Action that affect your rights, you will receive notice as determined by the Court.

HOW DO I FILE A CLAIM?

As discussed above, the proposed settlement contemplates certain settlement payments to members of the Class who timely submit claim forms to the settlement administrator. In order to qualify for a settlement payment, you must complete the enclosed claim form, sign the form, and mail the completed and signed form by **NO LATER THAN SEPTEMBER 21, 2005** to:

Health Net Physician Settlement Administrator
PO Box 1018
Minneapolis, MN 55440-1018
1-866-254-8048

IN ORDER TO BE ENTITLED TO RECEIVE ANY PAYMENT FROM THE SETTLEMENT FUND, YOU MUST COMPLETE AND SIGN A CLAIM FORM AND THE ENVELOPE RETURNING YOUR CLAIM FORM MUST BE POSTMARKED BY NO LATER THAN SEPTEMBER 21, 2005. IF YOU DO NOT MAIL YOUR SIGNED CLAIM FORM BY THIS DEADLINE, YOU WILL BE DEEMED TO HAVE WAIVED YOUR RIGHT TO RECEIVE ANY PAYMENT FROM THE SETTLEMENT FUND.

If you file a claim, you will be electing to be a member of the Class and will be bound by all proceedings, orders, and judgments entered in connection with the proposed settlement and the Settlement Agreement, including the release, covenant not to sue and dismissal with prejudice described above.

WHAT IF I DO NOT WANT TO BE PART OF THE SETTLEMENT?

If you do not want to be a member of the Class and participate in the proposed Settlement, then BY NO LATER THAN AUGUST 22, 2005, you must send a signed statement to that effect that includes your name, business address, telephone number and Federal Tax Identification Number to the following:

Health Net Physician Settlement Administrator
PO Box 1018
Minneapolis, MN 55440-1018
1-866-254-8048

TO BE CONSIDERED TIMELY AND TO EFFECTIVELY OPT-OUT OF THE SETTLEMENT, YOUR COMPLETED AND SIGNED OPT-OUT NOTICE MUST BE POSTMARKED BY NO LATER THAN AUGUST 22, 2005. IF IT IS NOT POSTMARKED BY THAT DATE, YOUR RIGHT TO OPT-OUT WILL BE DEEMED WAIVED AND YOU WILL BE BOUND BY ALL ORDERS AND JUDGMENTS ENTERED IN CONNECTION WITH THE SETTLEMENT.

If you choose to opt-out of the settlement and the settlement Class, you will not be entitled to receive the benefits of the proposed settlement with Health Net, including any payment from the settlement fund. Your claims against Health Net will not be released and you will be free to pursue any claims you believe you have by filing a separate action or request for arbitration if you are subject to an arbitration agreement.

Any member of the Class who or which timely submits a request to opt out of the settlement will have until the Settlement Hearing to deliver to the Settlement Administrator a written revocation of the request to opt out and shall thereby become a member of the Class.

WHAT ABOUT ATTORNEYS' FEES, COSTS AND EXPENSES?

Since the beginning of this litigation, plaintiffs' counsel in the Action have not received any payment for their services in prosecuting the Action, nor have they been reimbursed for any out-of-pocket expenses. If the Court approves the proposed settlement, counsel to the plaintiff class will apply to the Court for an award of attorneys' fees, including costs and expenses. In the Settlement Agreement, Health Net agreed not to oppose such an application in the aggregate amount of up to Twenty Million Dollars (\$20,000,000). If the Court awards plaintiffs' attorneys' fees and expenses in an amount no greater than that amount, Health Net will pay the amount awarded by the Court to plaintiffs' counsel. This payment is in addition to the consideration to the members of the Class that is described above and will not reduce the amount available to members of the Class if the proposed settlement is approved.

WHAT ARE THE REPRESENTATIVE PLAINTIFFS' FEES?

In addition to the application for attorneys' fees and expenses described in the preceding section, in connection with the Court's consideration of the proposed settlement, the representative plaintiffs intend to seek an award from the Court of fees in the amount of up to \$7,500 for each representative plaintiff which if awarded would be in addition to the settlement consideration that will be available to members

of the Class generally. In the Settlement Agreement, Health Net agreed not to oppose such an application up to \$7,500 for each representative plaintiff. If the Court awards representative plaintiffs a fee up to that amount, Health Net will pay such amount to the representative plaintiffs.

WHO CAN I CONTACT WITH QUESTIONS?

If you have questions regarding this notice, the proposed settlement with Health Net or the Action generally, you can obtain additional information from the following sources:

On the Internet, at any of these sites:

www.healthnetphysicianssettlement.com
www.ArchieLamb.com
www.kttlaw.com

www.WhatleyDrake.com
www.milberg.com

By Telephone:

1-866-254-8048

By Mail:

Law Offices of Archie Lamb, LLC
2017 2nd Avenue
Birmingham, Alabama 35203
Attention: Archie Lamb, Esq.

Kozyak Tropin & Throckmorton
2525 Ponce de Leon, Suite 900
Coral Gables, Florida 33134
Attention: Harley Tropin, Esq.

Milberg Weiss Bershad Hynes & Lerach LLP
One Pennsylvania Plaza
New York, New York 10119-0165
Attention: Edith Kallas, Esq.

PLEASE DO NOT CALL HEALTH NET, YOUR HEALTH NET PROVIDER RELATIONS REPRESENTATIVE, THE COURT OR THE CLERK'S OFFICE.

EXAMINATION OF PAPERS

This notice is a summary and does not describe all details of the proposed settlement with Health Net, the Settlement Agreement or the proceedings in the Action generally. Complete copies of the Settlement Agreement and certain pleadings and papers filed in the Action can be found for review on the following websites:

www.healthnetphysicianssettlement.com
www.ArchieLamb.com
www.kttlaw.com

www.WhatleyDrake.com
www.milberg.com

In addition, you may review the complete files of papers submitted in the Action at the office of the Clerk of the Court, United States Courthouse, U.S. District Court for the Southern District of Florida, 301 North Miami Avenue, Miami, Florida during regular business hours.

REQUEST TO FORWARD THIS NOTICE

If you would be a member of the Class described in this notice but you have assigned any claim that might be covered by the proposed settlement or the release described above, please forward this notice to the appropriate person as soon as possible.

Dated: June 23, 2005 **BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**