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April 20, 1994.

BCBSF STATEMENT ON THE MEDICARE LAWSUIT SETTLEMENT HEARING

In August 1993, Blue Cross and Blue Shield of Florida (BCBSF) reached a resolution of all outstanding issues arising from the 1988 Medicare Part B computer system conversion, subject to court approval.

BCBSF steadfastly denies any wrongdoing, but decided to settle the case to avoid the considerable business disruption and expense associated with continued litigation. We believe the cost of pursuing the matter in court would have far exceeded expenses associated with a settlement.

Because this matter is under court review, we cannot comment publicly on specific aspects of the case. However, we remain confident the court will approve the settlement.