

June 14, 1994

BCBSF STATEMENT ON THE MEDICARE LAWSUIT SETTLEMENT

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.

We will not comment publicly on specific aspects of the case while this matter is under court review.