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EXHIBIT A

Exhibit A

Class Counsel:

Edith M. Kallas
Joseph P. Guglielmo
MILBERG WEISS BERSHAD
& SCHULMAN LLP
One Pennsylvania Plaza, 49th Floor
New York, NY 10119-0165

James E. Hartley, Jr.
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500 Chase Parkway
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Gregory J. Pepe
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Stanley M. Grossman
D. Brian Hufford
POMERANTZ HAUDEK BLOCK
GROSSMAN & GROSS LLP
100 Park Avenue, 26th Floor
New York, NY 10017-5516

David R. Scott
SCOTT & SCOTT, LLC
108 Norwich Avenue
P.O. Box 192
Colchester, CT 06415

Christopher A. Seeger
Stephen A. Weiss
SEEGER WEISS LLP
One William Street
New York, NY 10004

Jeffrey L. Kodroff
SPECTOR, ROSEMAN & KODROFF, P.C.
1818 Market Street, Suite #2500
Philadelphia, PA 19103

EXHIBIT B

Exhibit B

Compliance Dispute Claim Form

The undersigned hereby declares that he or she is a Class Member who did not Opt-Out of the Settlement Agreement.

Name of Class Member

Address

City, State, and Zip Code

Tax Identification Number under which covered
physician services were provided, if applicable

Check one of the following:

I am bringing this Compliance Dispute on my own behalf.

I hereby authorize the Medical Society of the State of New York to bring this Compliance Dispute on my behalf.

Please set forth in detail below, using particularized facts, Company's conduct which you allege constitutes a material breach of Company's obligations under § 7 of the settlement Agreement. Please note, the specific provision of § 7 allegedly breached, and describe how the undersigned has been harmed by the alleged breach. Please also set forth the relief that you request. You may attach any supporting materials you wish.

In order to allege a valid Compliance Dispute you must complete and return this form by First Class mail no later than 30 days after the Compliance Dispute first arose to:

[Compliance Dispute Facilitator]
City, State, Zip

EXHIBIT C

STATE OF NEW YORK
SUPREME COURT COUNTY OF MONROE

WILLIAM A. DOLAN, M.D. and SYLVIA W.
NORTON, M.D., on behalf of themselves and all
others similarly situated,

Plaintiffs,

Index No. 9768-01

-against-

EXCELLUS, INC.; EXCELLUS HEALTH PLAN, INC.;;
and EXELLUS BENEFITS SERVICES, INC.,

Defendants.

STATE OF NEW YORK
SUPREME COURT COUNTY OF MONROE

MEDICAL SOCIETY OF THE STATE
OF NEW YORK,

Plaintiff,

Index No. 9769-01

-against-

EXCELLUS, INC.; EXCELLUS HEALTH PLAN, INC.;;
and EXELLUS BENEFITS SERVICES, INC.,

Defendants.

FINAL ORDER AND JUDGMENT

In accordance with, and for the reasons set forth in the Order Approving Settlement, Certifying Class and Directing Entry of Final Judgment entered on _____ (the "Order"), the above captioned action is dismissed with prejudice as to defendants Excellus, Inc. (Excellus Benefits Services, Inc.), Excellus Health Plan, Inc., and a New York not-for-profit corporation pursuant to CPLR Rule 905.

Dated:

_____, 2005

HAROLD L. GALLOWAY, J.S.C.

EXHIBIT D

IPA Listing

Catholic IPA (CIPA)

CIDS (Chautaugua Integrated Delivery System)

RIPA (Rochester IPA)

GRIPA (Greater Rochester IPA)

Monroe Plan

Crossbridge

SyracuseHealth IPA

CAP IPA (Cayuga Area Plan)

JPO IPA (Jefferson Physician Organization)

Health Alliance IPA

NNYIPA (Northern New York IPA)

STAP/TTAP (Southern Tier and Twin Tier Area Plan)

EXHIBIT E

STATE OF NEW YORK
SUPREME COURT COUNTY OF MONROE

WILLIAM A. DOLAN, M.D. and SYLVIA W.
NORTON, M.D., on behalf of themselves and all
others similarly situated,

Plaintiffs,

Index No. 9768-01

-against-

EXCELLUS, INC.; EXCELLUS HEALTH PLAN, INC.;
and EXCELLUS BENEFITS SERVICES, INC.,

Defendants.

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

IF YOU ARE A PHYSICIAN, PHYSICIAN GROUP OR PHYSICIAN ORGANIZATION WHO PROVIDED COVERED SERVICES IN THE STATE OF NEW YORK TO ANY EXCELLUS PLAN MEMBER OR ANY INDIVIDUAL ENROLLED IN OR COVERED BY AN INSURED PLAN IN THE STATE OF NEW YORK OFFERED OR ADMINISTERED BY EXCELLUS, INC., EXCELLUS HEALTH PLAN, INC. OR EXCELLUS BENEFITS SERVICES, INC. FROM AUGUST 15, 1996 THROUGH MAY __, 2005, PLEASE READ THIS NOTICE CAREFULLY. THIS CLASS ACTION AND THE PROPOSED SETTLEMENT MAY AFFECT YOUR RIGHTS.

I. WHY SHOULD YOU READ THIS NOTICE?

If you are or have been a physician who actively practiced in New York at any time since August 15, 1996, or a physician's group or physician organization, your rights may be affected by a proposed settlement with Excellus, Inc., Excellus Health Plan, Inc., and Excellus Benefits Services, Inc. (together, "Excellus" or "Defendants") in the class action lawsuit known as Dolan, et al. v. Excellus, et al., and a companion case, Medical Society of the State of New York v. Excellus, et al. which is not a class action, but is also the subject of the Settlement Agreement. Together, the Dolan and MSSNY actions against Excellus shall be referred to herein, collectively, as the "Actions." The class representatives and the Medical Society of the State of New York have agreed to settle all claims against Excellus in the Actions in exchange for Excellus' adoption of a number of commitments and initiatives regarding its business practices, provision of certain in-kind benefits to actively practicing physician Class Member claimants and

a per capita payment to retired Class Members who do not opt out of this Settlement. The Court has scheduled a hearing to consider the fairness, reasonableness and adequacy of the proposed settlement with Excellus, together with certain other matters, to be held on _____ (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 EXCELLUS AND CERTAIN OTHERS AFFILIATED WITH EXCELLUS BASED ON EXCELLUS' CONDUCT MAY BE AFFECTED BY THE SETTLEMENT, YOU SHOULD READ THIS NOTICE CAREFULLY.**

II. WHAT IS THIS LITIGATION ABOUT?

The Actions have been brought by, and on behalf of a class of physicians, and by the Medical Society of the State of New York against the Defendants. The complaints in both Actions, which are nearly identical, allege that Excellus denied, delayed and/or reduced payment to physicians by engaging in several types of allegedly improper conduct, including:

- Allegedly failing to disclose the use of edits to unilaterally "bundle," "downcode" and/or reject claims for medically necessary covered services;
- Allegedly failing and/or refusing to recognize CPT modifiers;
- Alleged use of improper guidelines and criteria to deny, delay, and/or reduce payment for medically necessary covered services;
- Allegedly failing to disclose applicable fee schedules; and
- Allegedly failing to pay claims for medically necessary covered services within the required statutory and/or contractual time periods.

The Complaints claim breach of contract and violation of various state statutes. If you would like further information about the claims asserted in the Actions, you can review a copy of the complaints on www.mssny.org, www.hspm.com or www.milbergweiss.com.

III. WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

In a settlement agreement dated May 23, 2005 (the "Settlement Agreement"), the representative plaintiffs and the Medical Society of the State of New York have agreed to settle all claims that were or could have been asserted against Excellus in the Actions in exchange for five hundred thousand dollars (\$500,000) for per capita payments to retired or deceased physicians, Excellus' agreement to materially alter a number of its business practices, and funding for agreed upon Community Health Initiatives and certain in-kind benefits to active,

practicing class members who have not opted out of the Settlement. The terms of the Settlement Agreement are summarized in this notice, but a copy of the entire Settlement Agreement can be reviewed on www.mssny.org, www.hspm.com or www.milbergweiss.com.

A. The Settlement Class

The proposed settlement will be on behalf of a settlement class (the "Class") consisting of all Participating and Non-Participating Physicians, Physicians Groups and Physician Organizations who provided Covered Services in the State of New York to any Plan Member or any individual enrolled in or covered by an insured plan in the State of New York offered or administered by any Person named as a defendant in the Actions or by any of their respective current or former subsidiaries or affiliates, in each case from August 15, 1996 through _____ (the date that the Court entered its order preliminarily approving the proposed settlement and directing that this notice be provided to you).

B. The Settlement Consideration

If the settlement is approved by the Court, the Settlement Agreement provides for monetary and in-kind benefits as well as other substantial operational benefits to be provided by Excellus to members of the Class and funding for certain Community Health Initiatives.

1. Business Practice Initiatives

As a part of the settlement, Excellus has agreed to certain commitments regarding its business practices. For example, Excellus has agreed to: (a) process and make eligible for payment all physician claims for covered services pursuant to and consistent with the current version of CPT codes; (b) include in its contracts with Physicians a definition of medical necessity which bases medical necessity determinations on generally accepted standards of medical practice, using 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 physicians access to Company's medical necessity external review process; (d) establish an independent external review process for resolving disputes with physicians 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 Excellus to pay valid claims; (f) fund initiatives to increase the percentage of claims issues resolved on initial review and thereby reduce the percentage of resubmitted claims; (g) unless otherwise permitted or required by individually negotiated contracts, will not automatically reduce the intensity coding of evaluation and management codes billed for covered services; (h) disclose payment rules and conform its bundling and other computerized editing rules as specified in the agreement; (i) confirm the elimination of "all product" and "gag clauses"; (j) improve accuracy of information about eligibility of plan members; (k) ensure over time payment of valid clean claims within 15 days for electronically submitted claims and 30 days for paper claims; (l) provide physicians with the ability to view their fee schedule and agree to maintain and update such fees on an annual basis, and (m) establish a compliance dispute resolution mechanism to address disputes regarding Excellus' compliance with the agreement. In addition, Excellus 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.

2. In Kind Benefits For Actively Participating Class Members

Excellus has agreed to provide an in-kind benefit to claiming, active, practicing class members who do not opt out of the Settlement. The aggregate value of all such in-kind benefits shall be five million dollars (\$5,000,000) to be distributed on a pro-rata basis to those non opting-out class member claimants.

3. Payments to Retired/Deceased Physicians

Excellus has agreed to establish a five hundred thousand dollars (\$500,000) fund for non-opting out individual physicians who have retired from the practice of medicine or have died and who are members of the Class under the proposed settlement. If the settlement is approved by the Court, these retired or deceased members of the Class will be entitled to a per capita payment from the settlement fund in accordance the Settlement Agreement.

4. Community Health Initiatives

Excellus shall pay one and one quarter million dollars (\$1,250,000), to be applied to certain Community Health Initiatives mutually agreed upon by the parties, and an additional two hundred and fifty thousand dollars (\$250,000) shall be paid by Excellus to MSSNY, for medical liability reform.

Those physicians entitled to an in-kind benefit or retiree/deceased payments may instead elect to donate the value of same to the Community Health Initiatives Fund by so indicating on the proof of claim form.

C. The Release and Dismissal with Prejudice

In exchange for this consideration, if the Settlement Agreement is approved, the Actions will be dismissed with prejudice as to Excellus. In addition, Excellus 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 _____ (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 Complaints in the Actions, whether any such claim was or could have been asserted by any releasing party on its own behalf or on behalf of other persons.

In addition to this release, members of the Class who have not opted-out of the Settlement will be deemed to have forever abandoned and discharged any and all claims that exist now or that might arise in the future against any other persons or entities, including the other Defendants in the Actions, which claims arise from, or are based on, conduct by Excellus or any of the other released parties that occurred on or before _____ and are, or could have been, alleged in the

complaints in the Actions, whether any such claim was or could have been asserted by any releasing party on its own behalf or, on behalf of other Persons. Nevertheless, the Settlement Agreement does not operate to relieve any person or entity other than Excellus from responsibility for its own conduct or conduct of other persons who are not released parties.

Excluded from the release are claims for certain medically necessary covered services that are or were in the process of being submitted to, adjudicated or paid by Excellus at the time that the Settlement Agreement was entered into and the Court approval process was begun. Moreover, the release does not include any claims that are alleged in the action Rochester Community Individual Practice Association, Inc. v. Finger Lake Health Insurance Company, State of New York, County of Monroe, Index No. 2975/98. This provision is discussed in more detail in section 13.5 of the Settlement Agreement, to which you should refer if you have any questions as to its applicability.

The Settlement Agreement includes a covenant not to sue Excellus 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 13.3 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 under law, as discussed in greater detail in Section 13 of the Settlement Agreement.

IV. WHAT WILL HAPPEN AT THE SETTLEMENT HEARING?

As mentioned above, the Settlement Hearing will be held on _____ at ____ :00 A.M. /P.M. at _____. 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 Actions with Excellus 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 Rule 901 of the New York 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 from asserting certain claims against Excellus in the future.

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

V. CAN I PARTICIPATE IN THE SETTLEMENT HEARING?

Anyone who objects to the proposed Settlement with Excellus, 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. In order to be permitted to do so, however, you must, on or before _____:

- 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:

Kimberly C. Lawrence, Esq.
HINMAN STRAUB P.C.
121 State Street
Albany, New York 12207

Edith M. Kallas, Esq.
Joseph P. Guglielmo, Esq.
MILBERG WEISS BERSHAD & SCHULMAN LLP
One Pennsylvania Plaza
New York, New York 10119-0165

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 Actions that affect your rights, you will receive notice as determined by the Court.

VI. HOW DO I FILE A CLAIM?

As discussed above, the proposed Settlement contemplates certain in-kind benefits for actively practicing physician members of the Class who timely submit claim forms to the settlement administrator and a per-capita payment to claiming retired/deceased Class members. In order to qualify for any in-kind benefits or the per-capita payment, you must complete the enclosed claim form and sign the form, then mail the completed and signed form by NO LATER THAN _____ to:

Rust Consulting
Excellus/Physician Settlement
501 Marquette Avenue
Suite 700
Minneapolis, MN 55402-1208

IN ORDER TO BE ENTITLED TO RECEIVE ANY CASH OR IN-KIND BENEFITS OR TO DONATE SAME TO THE COMMUNITY HEALTH INITIATIVES FUND, YOU MUST COMPLETE AND SIGN A CLAIM FORM AND THE ENVELOPE RETURNING YOUR CLAIM FORM MUST BE POSTMARKED BY NO LATER THAN _____. IF YOU DO NOT MAIL YOUR SIGNED CLAIM FORM BY THIS DEADLINE, YOU WILL BE DEEMED TO HAVE WAIVED YOUR RIGHT TO RECEIVE ANY CASH OR IN-KIND BENEFITS.

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.

VII. 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 _____ you must send a signed statement to that effect that includes your name, business address, telephone number and social security number and Provider Identification Number and Federal Tax Identification Number to the following:

Rust Consulting
Excellus/Physician Settlement
501 Marquette Avenue
Suite 700
Minneapolis, MN 55402-1208

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 _____. 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 Excellus, including any payment from the settlement fund or in-kind benefits. Your claims against Excellus will not be released and you will be free to pursue any claims you believe you have.

VIII. WHAT ABOUT ATTORNEYS' FEES AND EXPENSES?

Since the beginning of this litigation, plaintiffs' counsel in the Actions have not received any payment for their services in prosecuting the Actions, 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, Excellus agreed not to oppose such an application in the aggregate amount of up to three million dollars (\$3,000,000) and plaintiffs counsel agree to waive the amount of any award in excess of three million dollars (\$3,000,000). If the Court awards plaintiffs' attorneys' fees and expenses in an amount no greater than that amount, Excellus 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.

IX. 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 fourteen thousand dollars (\$14,000) 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, Excellus agreed not to oppose such an application up to fourteen thousand dollars (\$14,000) for each representative plaintiff. If the Court awards representative plaintiffs a fee up to that an amount, Excellus will pay such amount to the representative plaintiffs.

X. WHO CAN I CONTACT WITH QUESTIONS?

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

On the Internet, at any of these sites:

www.mssny.org, www.hspm.com or www.milbergweiss.com

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

XI. EXAMINATION OF PAPERS

This notice is a summary and does not describe all details of the proposed settlement with Excellus, the Settlement Agreement or the proceedings in the Actions generally. Complete copies of the Settlement Agreement and certain pleadings and papers filed in the Actions can be

found for review on the following websites: www.mssny.org, www.hspm.com or www.milbergweiss.com

In addition, you may review the complete files of papers submitted in the Actions at the office of the Clerk of the Court New York State Supreme Court, Monroe County, during regular business hours.

XI. 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 or persons as soon as possible.

DONE AND ORDERED in Chambers in Rochester, New York this ____ day of May, 2005.

HAROLD L. GALLOWAY, J.S.C.

EXHIBIT F

STATE OF NEW YORK
SUPREME COURT COUNTY OF MONROE

WILLIAM A. DOLAN, M.D. and SYLVIA W.
NORTON, M.D., on behalf of themselves and all
others similarly situated,

Plaintiffs,

Index No. 9768-01

- against -

EXCELLUS, INC.; EXCELLUS HEALTH PLAN, INC.;
and EXCELLUS BENEFITS SERVICES, INC.,

Defendants.

STATE OF NEW YORK
SUPREME COURT COUNTY OF MONROE

MEDICAL SOCIETY OF THE STATE
OF NEW YORK

Plaintiff,

Index No. 9769-01

- against -

EXCELLUS, INC.; EXCELLUS HEALTH PLAN, INC.;
and EXCELLUS BENEFITS SERVICES, INC.,

Defendants.

**ORDER CONDITIONALLY CERTIFYING THE CLASS, PRELIMINARILY
APPROVING PROPOSED SETTLEMENT, SETTING FORM AND CONTENT OF
NOTICE TO THE CLASS AND SCHEDULING FINAL SETTLEMENT HEARING**

The Court having reviewed and considered the Joint Motion for Preliminary Approval of Proposed Settlement with Excellus, Inc. (a corporation no longer in existence), Excellus Benefits Services, Inc., and Excellus Health Plan, Inc., a New York not-for-profit corporation, (hereinafter collectively “Excellus” or “Company”) dated May 23, 2005, and having been apprised of the terms and conditions of the proposed settlement (the “Settlement”) as set forth in the Settlement Agreement dated May 23, 2005 (the “Settlement Agreement”), a copy of which has been

submitted with the joint motion, and on the basis of such submissions, together with the other submissions by the parties in support of the joint motion, and all prior proceedings had in this litigation, good cause for this Order having been shown,

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The terms of the Settlement Agreement are hereby preliminarily approved, subject to further consideration at the Settlement Hearing provided for below. The Court concludes that the Settlement is sufficiently within the range of reasonableness to warrant the conditional certification of the Settlement Class, the scheduling of the Settlement Hearing and the circulation of notice to members of the Class, each as provided for in this Order.

Conditional Certification of the Class

2. For purposes of settlement only, pursuant to New York Civil Practice Laws and Rules 902, the action styled William Dolan, M.D. and Sylvia Norton, M.D., on behalf of themselves and all others similarly situated v. Excellus, Inc., et al., Index No. 9768-01 is conditionally certified as a class action on behalf of the following persons (the "Class"):

any and all Participating and Non-Participating Physicians, Physician Groups and Physician Organizations who provided Covered Services in the State of New York to any Excellus Plan Member or any individual enrolled in or covered by an insured plan in the State of New York offered or administered by any Person named as a defendant in the Actions or by any of their respective current or former subsidiaries or affiliates, in each case from August 15, 1996 through the Preliminary Approval Date.

Representative Plaintiffs are temporarily certified as representatives of the Class. In issuing this Order, the Court finds that the proposed class satisfies the requirements under CPLR 901 and 902, in that the numbers of the class are sufficiently numerous as to make joinder of all members of the class impracticable; there are issues of law and fact relating to the alleged uniform

practices of defendants which are common to the class; the claims of the class representatives are typical of those of the unnamed class members; and the class representatives have fairly and adequately represented the class and have retained qualified class counsel who have properly represented the class in the prosecution and settlement of this action. Moreover, the Court finds that the requirements of both CPLR 901 and 902 are satisfied, in that plaintiffs have alleged that defendants have acted in respects generally applicable to the class, thereby making appropriate final injunctive relief with regard to the class as a whole, and the questions of law and fact common to the class predominate over any questions affecting only individual members and a class action is superior to other available methods for the fair and efficient adjudication of this controversy. This conditional certification of the Settlement Class and class representatives is solely for purposes of effectuating the Settlement. If the Settlement Agreement is terminated or is not consummated for any reason, the foregoing conditional certification of the Class and appointment of class representatives shall be void and of no further effect and the parties to the Settlement shall be returned to the status each occupied before entry of this Order without prejudice to any legal argument that any of the parties to the Settlement Agreement might have asserted but for the Settlement Agreement.

Settlement Hearing; Right to Appear and Object

3. A hearing (the "Final Settlement Hearing") shall be held before the Court on _____, 2005, in the New York Supreme Court, Monroe County, 545 Hall of Justice, Rochester, New York 14614 to determine:

- (a) whether the Court should certify the Class and whether Representative Plaintiffs and their counsel have adequately represented the Class;

- (b) whether the Settlement, on the terms and conditions provided for in the Settlement Agreement, should be finally approved by the Court as fair, reasonable and adequate;
- (c) whether the Action should be dismissed on the merits and with prejudice;
- (d) whether the application for attorneys' fees and expenses to be submitted by Class Counsel in connection with the Settlement Hearing should be approved;
- (e) whether the application for a fee award to Representative Plaintiffs to be submitted in connection with the Settlement Hearing should be approved; and
- (f) such other matters as the Court may deem necessary or appropriate.

The Court may finally approve the Settlement at or after the Settlement Hearing with any modifications agreed to by the parties and without further notice to the Class.

4. Any member of the Class who has not timely provided notice of an election to opt-out of the Class and the Settlement in the manner set forth below, and any other interested person, may appear at the Settlement Hearing in person or by counsel and be heard, to the extent allowed by the Court, either in support of or in opposition to the matters to be considered at that hearing, provided, however, that no person shall be heard, and no papers, briefs or other submissions shall be considered by the Court in connection with its consideration of those matters, unless on or before _____, 2005, such person:

- (a) files with the Court a notice of such person's intention to appear, together with a statement setting forth such person's support or objections, if any, to the matters to be considered and the basis therefore, together with any

documentation that such person intends to rely upon at the Settlement Hearing; and

- (b) serves copies of all such materials either by hand delivery or by first-class mail, postage prepaid, upon the following counsel:

Kimberly C. Lawrence, Esq.
HINMAN STRAUB P.C.
121 State Street
Albany, NY 12207

Edith M. Kallas, Esq.
Joseph P. Guglielmo, Esq.
MILBERG WEISS BERSHAD & SCHULMAN LLP
One Pennsylvania Plaza
New York, NY 10119-0165

5. The Court may adjourn the Final Settlement Hearing, or any adjournment thereof, including the consideration of the application for attorneys' fees and expenses, without further notice of any kind other than an announcement of such adjournment in open court at the Settlement Hearing or any adjournment thereof.

Form and Timing of Notice

6. As soon as practicable after entry of this Order, but no later than 30 days after this Order is entered, Class Counsel or its designee shall cause copies of the Notice of Class Action and Proposed Settlement in the form attached as Exhibit "E" to the Settlement Agreement (the "Mailed Notice"), together with the proof of claim form substantially in the form attached to Exhibit "E" to the Settlement Agreement (the "Proof of Claim Form"), the forms of which is hereby approved, and attached hereto as Exhibits A and B respectively, to be mailed by first-class mail, postage pre-paid, to all potential members of the Class to the extent that such Class members can be identified with reasonable diligence from either (a) the Company's books and

records, at their last known address appearing in such books and records or (b) records maintained by the Medical Society of the State of New York (“MSSNY”), to the extent that such records can be obtained by Class Counsel for this purpose within the schedule for notice provided in this Order. No later than 20 days after entry of this Order, (i) the Company shall provide in machine readable format to Class Counsel or their designee the information available from its records concerning Class members that is necessary to comply with this provision and (ii) Class Counsel shall cause to be obtained from MSSNY, in machine readable form to the extent reasonably available, MSSNY records referred to in this paragraph.

7. As soon as practicable after the first mailing of the Mailed Notice, and in all events no later than 30 days prior to the Opt-Out Deadline that is set forth below, Class Counsel shall cause to be published in the legal notices sections of the *Buffalo News*, *Rochester Democrat & Chronicle*, *Syracuse Post Standard*, *Watertown Daily Times*, *Utica Observer Dispatch*, *Oneonta Daily Star*, *Plattsburgh Press Republican*, *Elmira Star Gazette*, *Binghamton Press and Sun Bulletin*, *Wall Street Journal* one day a week for two consecutive weeks, a summary notice substantially in the form of Exhibit “G” to the Settlement Agreement, the form of which is hereby approved (the “Summary Notice”) (attached hereto as Exhibit “C”). In addition, Class Counsel may cause the Summary Notice to be published on Excellus’s Public Website as well as the websites of the Medical Society of the State of New York, Hinman Straub and Milberg Weiss Bershad & Schulman (“Milberg Weiss”) and, to the extent feasible, in MSSNY’s publication and may be accompanied by a statement that “The full Notice will be mailed to members of the Class on _____, 2005. [date of mailing of Mailed Notice].”

8. Beginning on the earliest date that notice is provided pursuant to paragraphs 6 and 7 of this Order and continuing through the deadline for members of the Class to return a

completed Proof of Claim Form (as that date is specified in the Settlement Agreement), Company, MSSNY and Class Counsel shall make available to potential members of the Class printable versions of the Mailed Notice and the Proof of Claim Form on the public websites maintained by or on behalf of Excellus or Class Counsel.

9. No later than five days prior to the Final Settlement Hearing, (a) Class Counsel shall serve and file a sworn statement attesting to compliance with paragraphs 6 and 7 of this Order and (b) Class Counsel and Excellus shall file a sworn statement attesting to compliance with paragraph 8 of this Order. Costs of providing the notice to the Class that is specified in this Order shall be paid as set forth in the Settlement Agreement.

10. The notice to be provided as set forth in paragraphs 6, 7 and 8 of this Order is hereby found to be the best means of notice to members of the Class that is practicable under the circumstances and, when completed, shall constitute due and sufficient notice of the Settlement and the Final Settlement Hearing to all persons affected by and/or entitled to participate in the Settlement or the Final Settlement Hearing, in full compliance with the requirements of due process and the CPLR Rule 904.

Ability of Class Members to Opt-Out of Settlement Class

11. All members of the Class who wish to opt-out of the Class must do so by sending written notice of their election to opt-out to the settlement administrator at the address set forth in the notices to be provided pursuant to paragraphs 6 and 7 of this Order. To be considered timely, and thereby effectively exclude a person from the Class, the envelope delivering a completed opt-out request for such person must be postmarked by no later than _____, 2005 (the "Opt-Out Deadline"). No later than five days before the Final Settlement Hearing, Class Counsel

or their designee shall submit to the Court a sworn statement setting forth the names and addresses of each member of the Class who has timely elected to opt-out from the Class.

12. Any potential member of the Class who does not properly and timely request exclusion from the Class shall be included in such Class and, if the Settlement is approved and becomes effective, shall be bound by all the terms and provisions of the Settlement Agreement, including but not limited to the releases, waivers and covenants not to sue described therein, whether or not such person shall have objected to the Settlement and whether or not such person makes a claim upon, or participates in, the Settlement or the other benefits to the Class to be provided under the Settlement Agreement.

Other Provisions

13. Capitalized terms used in this Order that are not otherwise defined herein have the meaning assigned to them in the Settlement Agreement.

14. All proceedings in this Action and the companion, substantially similar, non-class action captioned Medical Society of the State of New York v. Excellus, Inc., et al., Index No. 9769-01,¹ other than proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of the Court. Pending final determination of whether the Settlement and the Settlement Agreement should be approved and the Class permanently certified, all members of the Class and MSSNY are hereby barred and enjoined from commencing or prosecuting any action asserting any claims that are or relate in any way to the Released Claims.

15. No discovery with regard to the Settlement or the Settlement Agreement shall be permitted as to any of the parties to the Settlement Agreement other than as may be directed by

¹ The companion Medical Society of the State of New York v. Excellus, Inc., et al., Index No. 9769-01, is also being settled in connection with and as part of the Settlement Agreement.

the Court upon a proper showing by the party seeking such discovery by motion properly noticed and served in accordance with the CPLR.

16. Neither the Settlement Agreement nor any provision therein, nor any negotiations, statements or proceedings in connection therewith, shall be construed as, or be deemed to be evidence of, an admission or concession on the part of any of the Representative Plaintiffs, MSSNY, Class Counsel, any members of the Class, Defendants or any other person of any liability or wrongdoing by them, or that the claims and defenses that have been, or could have been, asserted in the Action are, or are not meritorious, and neither the Settlement Agreement nor any such communications shall be offered or received in evidence in any action or proceeding, or be used in any way as an admission or concession or evidence of any liability or wrongdoing of any nature or that Representative Plaintiffs, MSSNY, any member of the Class or any other person has or has not suffered any damage.

17. In the event that the Settlement Agreement is terminated or is not consummated for any reason, the Settlement and all proceedings had in connection therewith shall be null and void, except to the extent expressly provided to the contrary in the Settlement Agreement, and without prejudice to the rights of the parties to the Settlement Agreement before it was executed.

DONE AND ORDERED in Chambers in Rochester, New York this ____ day of
May, 2005.

HAROLD L. GALLOWAY, J.S.C.

EXHIBIT G

STATE OF NEW YORK
SUPREME COURT COUNTY OF MONROE

WILLIAM A. DOLAN, M.D. and SYLVIA W.
NORTON, M.D., on behalf of themselves and all
others similarly situated,

Plaintiffs,

Index No. 9768-01

-against-

EXCELLUS, INC.; EXCELLUS HEALTH PLAN, INC.;
and EXCELLUS BENEFITS SERVICES, INC.,

Defendants.

**SUMMARY NOTICE OF PROPOSED SETTLEMENT OF A CLASS
ACTION WITH EXCELLUS**

IF YOU ARE A PHYSICIAN, PHYSICIAN GROUP OR PHYSICIAN ORGANIZATION WHO PROVIDED COVERED SERVICES IN THE STATE OF NEW YORK TO ANY EXCELLUS PLAN MEMBER OR ANY INDIVIDUAL ENROLLED IN OR COVERED BY AN INSURANCE PLAN IN THE STATE OF NEW YORK OFFERED OR ADMINISTERED BY EXCELLUS, INC., EXCELLUS HEALTH PLAN, INC. OR EXCELLUS BENEFITS SERVICES, INC. FROM AUGUST 15, 1996 THROUGH MAY __, 2005, PLEASE READ THIS NOTICE CAREFULLY. THIS CLASS ACTION AND THE PROPOSED SETTLEMENT MAY AFFECT YOUR RIGHTS.

If you are or have been a physician who actively practiced in New York at any time since August 15, 1996, or a physician's group or physician organization, your rights may be affected by a proposed Settlement with Excellus, Inc., Excellus Health Plan, Inc., and Excellus Benefits Services, Inc. (together, "Excellus" or "Defendants") in the class action lawsuit known as Dolan, et al. v. Excellus et al., ("Dolan") and a companion case, Medical Society of the State of New York v. Excellus et al. but which is not a class action and is also the subject of the Settlement Agreement. Together, the Dolan and Medical Society actions against Excellus shall be referred to herein,

collectively, as the "Actions." The class representatives and the Medical Society of the State of New York ("MSSNY") have agreed to settle all claims against Excellus in the Actions in exchange for Excellus' adoption of a number of substantial commitments and initiatives regarding its business practices, provision of certain in-kind benefits and a per capita payment to retired class members who do not opt out of this Settlement, and certain Community Health Initiatives. The Court has scheduled a hearing to consider the fairness, reasonableness and adequacy of the proposed Settlement with Excellus, together

with certain other matters, to be held

on _____ (the "Settlement Hearing").

THE LITIGATION

The Actions have been brought by, and on behalf of MSSNY and a class of physicians, against the Defendants. The complaints in both Actions allege that Excellus denied, delayed and/or reduced payment to physicians by engaging in several types of allegedly improper conduct. The Complaints claim breach of contract and violation of various state statutes. If you would like further information about the claims asserted in the Actions, you can review a copy of the complaints on www.mssny.org, www.hspm.com, or www.milbergweiss.com.

THE PROPOSED SETTLEMENT

In a Settlement Agreement dated May 23, 2005 (the "Settlement Agreement"), the representative plaintiffs and MSSNY have agreed to settle all claims that were or could have been asserted against Excellus in the Actions in exchange for in-kind benefits totaling five million dollars (\$5,000,000) to be distributed on a pro-rata basis to active, practicing Class Member claimants who do not opt out, pro-rata payments totaling five hundred thousand dollars (\$500,000) to non-opting out retired or deceased Class Member physicians, Excellus' agreement to materially alter a number of its business practices and one and one quarter million dollars (\$1,250,000) to fund certain Community Health Initiatives and a payment of two hundred and fifty thousand dollars (\$250,000) to MSSNY, to lobby for medical liability reform. The Settlement consideration is described more fully in a longer notice that has been mailed to the Class. If you have not received the mailed notice, you can access it and other information about the Settlement, including

the entire Settlement Agreement, at www.mssny.org, www.hspm.com or www.milbergweiss.com.

In exchange for this consideration, if the Settlement Agreement is approved, the Actions will be dismissed with prejudice. In addition, Excellus 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 _____ (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 Complaints in the Actions, whether any such claim was or could have been asserted by any releasing party on its own behalf or on behalf of other persons.

The release does not include any claims that are alleged in the action Rochester Community Individual Practice Association, Inc. v. Finger Lake Health Insurance Company, State of New York, County of Monroe, Index No. 2975/98. This provision is discussed in more detail in section 13.5 of the Settlement Agreement, to which you should refer if you have any questions as to its applicability.

The release is described more fully in the longer Notice that has been mailed to the Class.

CAN I PARTICIPATE IN THE SETTLEMENT HEARING?

Anyone who objects to the proposed Settlement with Excellus, 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. In order to be permitted to do so, however, you must, on or before _____ submit a written objection or request for appearance as set forth in the longer notice.

For Complete Information or a Copy of the Notice please contact:

Kimberly C. Lawrence, Esq.
HINMAN STRAUB P.C.
121 State Street
Albany, New York 12207
(518) 436-0751

Edith M. Kallas, Esq.
Joseph P. Guglielmo, Esq.
MILBERG WEISS BERSHAD &
SCHULMAN LLP
One Pennsylvania Plaza
New York, New York 10119-0165
(212) 594-5300

YOUR RIGHTS

If you do not want to be a member of the Class and participate in the proposed Settlement, then BY NO LATER THAN _____ you must send a signed statement to that effect that includes your

name, business address, telephone number and social security number, Federal Tax Identification Number and Provider Identification Number to the following:

Rust Consulting
Excellus/Physician Settlement
501 Marquette Avenue
Suite 700
Minneapolis, MN 55402-1208

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 _____. 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 Excellus, including any payment from the Settlement fund or in-kind benefits. Your claims against Excellus will not be released and you will be free to pursue any claims you believe you have.

PLEASE DO NOT CALL EXCELLUS, YOUR EXCELLUS PROVIDER RELATIONS REPRESENTATIVE, THE COURT OR THE CLERK'S OFFICE FOR INFORMATION REGARDING THIS SETTLEMENT.

EXHIBIT H

Exhibit H – Service and Supply Preauthorization List as may be supplemented or amended, from time to time

Procedures and Services

- Abdominoplasty
- Air Ambulance
- BRCA Testing
- Blepharoplasty
- Breast Implant Insertion, Removal, Reinsertion (except for breast cancer diagnosis)
- Breast Reduction Surgery
- Cardiac Rehabilitation
- Cochlear Device Implant
- CT Scans
- Dental Treatment Due to Accidental Injury
- Dermabrasion
- Durable Medical Equipment
- Enhanced External Counterpulsation (EECP)
- Gastric Bypass (Bariatric procedures)
- Home Care
- Home Infusion
- Inpatient Admissions (except emergency & routine maternity) to any facility including hospital, acute rehab, skilled nursing, behavioral health and substance abuse
- Keloid Scar Revision
- MRA
- MRI
- Neuropsychological Testing
- Non-Participating Providers
- Otoplasty
- Palatopharyngoplasty
- PET Scan (Positron Emission Tomography)
- Rhinoplasty
- Sclerosing Injection
- Transplants
- Urinary Incontinence Device
- Vagus Nerve Stimulation
- Vein Litigation
- Viscosupplementation
- Vision Therapy
- Inpatient Psychiatry
- Inpatient Chemical Dependency Rehabilitation
- Inpatient Detoxification
- Partial Hospital Program
- Outpatient Behavioral Health
- Outpatient Chemical Dependency

Physician Administered Drugs

- IVIG (intravenous immunoglobulin)
- Xolair
- Epogen
- Procrit
- Aranesp
- Remicade
- Synagis

EXHIBIT I

Exhibit I In Kind Options

As described in Section 8(a) of the Agreement, below is a list of in-kind options for Class Members to choose from. The Proof of Claim Form will fully describe the process to obtain such in-kind benefits:

1. Medical Equipment Purchase

Physicians can receive a voucher towards the purchase of products that relate to improving the quality of care provided to patients or increase the physician's efficiency of providing quality care to patients at a discount or at no cost, depending on the cost of the product.

2. Practice Management Consultation

Allows physicians to receive 1:1 on site and/or instructional consultation from independent consultants recommended by Excellus and agreed by MSSNY for areas such as Technology Assessment, Coding Evaluation Study, and Practice Management.

3. Internet Incentive/Support

Provides funding to support access to electronic connectivity by physician offices such as telephone to web functionality, high speed communications, cable, satellite, dsl or secure private networks.

4. Continuing Medical Education Support

Depending on the cost, a voucher will be provided to pay for in total or to subsidize the cost of attending a seminar or conference on topics that support coding practice, delivery of quality health care, the use of technology in physician offices and practice management. Any seminar or educational activity that is sponsored by an Accreditation Council for Continuing Medical Education (ACCME) accredited provider and designated for Category 1 credit will qualify.

5. Practice Management Vendor Report Interface Development

Excellus would work with physicians and their vendors to enable data access from their practice management system in real time, provide technical assistance and upgrades.