

PacifiCare®



CALIFORNIA

University of California
2005 Combined Evidence of Coverage and Disclosure Form

Introducing PacifiCare's HMO Plan

Since 1978, we've been providing health care coverage in the state. This publication will help you become more familiar with your health care benefits. It will also introduce you to our health care community.

PacifiCare provides health care coverage to Members who have properly enrolled in our plan and meet our eligibility requirements. To learn more about these requirements, see **Section Seven: Member Eligibility**.

What is this publication?

This publication is called a *Combined Evidence of Coverage and Disclosure Form*. It is a legal document that explains your health care plan and should answer many important questions about your benefits. Many of the words and terms are capitalized because they have special meanings. To better understand these terms, please see **Section Ten: Definitions**.

Whether you are the Subscriber of this coverage or enrolled as a Family Member, your *Combined Evidence of Coverage and Disclosure Form* is key to making the most of your membership. You'll learn about important topics like how to select a Primary Care Physician and what to do if you need hospitalization.

What else should I read to understand my benefits?

Along with reading this publication, be sure to review your *Schedule of Benefits* and any benefit materials. Your *Schedule of Benefits* provides the details of your particular Health Plan, including any Copayments that you may have to pay when using a health care service. Together, these documents explain your coverage.

What if I still need help?

After you become familiar with your benefits, you may still need assistance. Please don't hesitate to call our Customer Service department at **1-800-624-8822** or **1-800-442-8833 (TDHI)**. **NOTE:** Your *Combined Evidence of Coverage and Disclosure Form* and *Schedule of Benefits* provides the terms and conditions of your coverage with PacifiCare, and all applicants have a right to view these documents prior to enrollment. The *Combined Evidence of Coverage and Disclosure Form* should be read completely and carefully. Individuals with special health needs should pay special attention to those sections that apply to them.

You may correspond with PacifiCare at the following address:

PacifiCare of California
5701 Katella Avenue
P.O. Box 6006
Cypress, California 90630
www.pacificare.com

Note: This *Combined Evidence of Coverage and Disclosure Form* discloses the terms and conditions of coverage with PacifiCare and all applicants have a right to view this document prior to enrollment. This Form should be read completely and carefully. Individuals with special health needs should carefully read those sections that apply to them. You may receive additional information about the benefits of the PacifiCare Health Plan by calling 1-800-624-8822 or 1-800-442-8833 (TDHI).

PLEASE READ THE FOLLOWING INFORMATION SO YOU WILL KNOW FROM WHOM OR WHAT GROUP OF PROVIDERS HEALTH CARE COVERAGE MAY BE OBTAINED.

Questions? Call the Customer Service Department at 1-800-624-8822.

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Getting Started: Your Primary Care Physician

Section One: Getting Started: Your Primary Care Physician

- What is a Primary Care Physician?
- What is a Subscriber?
- What is a Participating Medical Group?
- Your *Provider Directory*
- Choosing Your Primary Care Physician
- Continuity of Care

One of the first things you do when joining PacifiCare is to select a Primary Care Physician. This is the doctor in charge of overseeing your care through PacifiCare. This section explains the role of the Primary Care Physician, as well as how to make your choice. You'll also learn about your Participating Medical Group and how to use your *Provider Directory*.

PLEASE READ THE FOLLOWING INFORMATION SO YOU WILL KNOW FROM WHOM OR WHAT GROUP OF PROVIDERS HEALTH CARE MAY BE OBTAINED.

Introduction

Now that you're a PacifiCare Member, it's important to become familiar with the details of your coverage. Reading this publication will help you go a long way toward understanding your coverage and health care benefits. It's written for all our Members receiving this plan, whether you're the Subscriber or an enrolled Family Member.

Please read this *Combined Evidence of Coverage and Disclosure Form* along with any supplements you may have with this coverage. You should also read and become familiar with your *Schedule of Benefits*, which lists the benefits and costs unique to your plan.

What is a Primary Care Physician?

When you become a Member of PacifiCare, one of the first things you do is choose a doctor to be your Primary Care Physician. This is a doctor who is contracted with PacifiCare and who is primarily responsible for the coordination of your health care services. A Primary Care Physician is trained in internal medicine, general practice, family practice, pediatrics or obstetrics/gynecology.

Unless you need Emergency or Urgently Needed care, your Primary Care Physician is your first stop for using these medical benefits. Your Primary Care Physician

will also seek authorization for any referrals, as well as initiate and coordinate any necessary Hospital Services. All Members of PacifiCare are required to have a Primary Care Physician. If you don't select one when you enroll, PacifiCare will choose one for you. Except in an urgent or emergency situation, if you see another health care Provider without the approval of either your Primary Care Physician, Participating Medical Group or PacifiCare, the costs for these services will not be covered.

What is the difference between a Subscriber and an enrolled Family Member?

While both are Members of PacifiCare, there's a difference between a Subscriber and an enrolled Family Member. A Subscriber is the Member who enrolls through his or her employment after meeting the eligibility requirements of the University of California and PacifiCare. A Subscriber may also contribute toward a portion of the Premiums paid to PacifiCare for his or her health care coverage for him or herself and any enrolled Family Members. An enrolled Family Member is someone such as a Spouse or child whose dependent status with the Subscriber allows him or her to be a Member of PacifiCare. Why point out the difference? Because Subscribers often have special responsibilities, including sharing benefit updates with any enrolled Family Members. Subscribers also have special responsibilities that are noted throughout this publication. If you're a Subscriber, please pay attention to any instructions given specifically for you.

For a more detailed explanation of any terms, see the "Definitions" section of this publication.

A STATEMENT DESCRIBING PACIFICARE'S POLICIES AND PROCEDURES FOR PRESERVING THE CONFIDENTIALITY OF MEDICAL RECORDS IS AVAILABLE AND WILL BE FURNISHED TO YOU UPON REQUEST.

Choosing a Primary Care Physician

When choosing a Primary Care Physician, you should always make certain your doctor meets the following criteria:

- Your doctor is selected from the list of Primary Care Physicians in PacifiCare's *Provider Directory*.
- Your doctor is located within 30-miles of either your Primary Residence or Primary Workplace.

Getting Started: Your Primary Care Physician

You'll find a list of our participating Primary Care Physicians in the *Provider Directory*. It's also a source for other valuable information. (NOTE: If you are pregnant, please read the section below, "If You Are Pregnant," to learn how to choose a Primary Care Physician for your newborn.)

What is a Participating Medical Group?

When you select a Primary Care Physician, you are also selecting a Participating Medical Group. This is the group that's affiliated with both your doctor and PacifiCare. If you need a referral to a specialist, you will generally be referred to a doctor or service within this group. Only if a specialist or service is unavailable will you be referred to a health care Provider outside your medical group.

To learn more about a particular Participating Medical Group, look in your *Provider Directory*. Along with addresses and phone numbers, you'll find other important information, including Hospital affiliations, additional services and any restrictions about the availability of Providers.

Your *Provider Directory* – Choice of Physicians and Hospitals (Facilities)

Along with listing our participating Physicians, your *Provider Directory* has detailed information about our Participating Medical Groups and other Providers. This includes a quality index for helping you become familiar with our Participating Medical Groups. Every Subscriber should receive a *Provider Directory*. If you need a copy or would like assistance picking your Primary Care Physician, please call our Customer Service department. You can also find an online version of the *Provider Directory* at www.pacificare.com.

NOTE: If you are seeing a Participating Provider who is not a part of a Medical Group, your doctor will coordinate services directly with PacifiCare.

Choosing a Primary Care Physician for Each Enrolled Family Member

Every PacifiCare Member must have a Primary Care Physician; however, the Subscriber and any enrolled Family Members don't need to choose the same doctor. Each PacifiCare Member can choose his or her own Primary Care Physician, so long as the doctor is selected from PacifiCare's list of Primary Care

Physicians and the doctor is located within 30 miles of either the Member's Primary Residence or Primary Workplace.

If a Family Member doesn't make a selection during enrollment, PacifiCare will choose the Member's Primary Care Physician. (NOTE: If an enrolled Family Member is pregnant, please read below to learn how to choose a Primary Care Physician for the newborn.)

What is Continuity of Care?

Under certain circumstances, new Members of PacifiCare may be able to temporarily continue receiving services from a Non-Participating Provider. This short-term transition assistance is intended for new Members who are experiencing an acute episode of care while making the transition to PacifiCare. Typically, this condition requires prompt medical attention and is of limited duration. (Examples include: pregnancy in the third trimester; being in an acute Hospital or scheduled to be in the Hospital immediately after your PacifiCare coverage becomes effective; undergoing a course of chemotherapy, radiation therapy, or psychiatric counseling; being on a transplant list.) If you're a new Member and believe you qualify for Continuity of Care, please call the Customer Service department and request the form "Continuity of Care for New Enrollees Request." Complete and return this form to PacifiCare as soon as possible. Upon receiving the completed form, a medical review will be completed in 3 business days. If you qualify, you will be notified by telephone of the decision and provided with the plan for your care. If you don't qualify, attempts will be made to notify you by telephone of the decision. You will be notified in writing within 3 business days of the completed review, and alternatives will be offered.

PLEASE NOTE: It's not enough to simply prefer receiving treatment from a former Physician or other Non-Participating Provider, even for a Chronic Condition. You should not continue care with a Non-Participating Provider without our formal approval. If you do not receive preauthorization by PacifiCare or your Participating Medical Group, payment for services performed by a Non-Participating Provider will be your responsibility.

Getting Started: Your Primary Care Physician

If You Are Pregnant

Every Member of PacifiCare needs a Primary Care Physician, including your newborn. If you are pregnant, we encourage you to plan ahead and pick a Primary Care Physician for your baby. Newborns remain enrolled with the mother's Participating Medical Group from birth until discharge from the Hospital. You may enroll your newborn with a different Primary Care Physician or Participating Medical Group following the newborn's discharge by calling PacifiCare's Customer Service department. If a Primary Care Physician isn't chosen for your child, the newborn will remain with the mother's Primary Care Physician or Participating Medical Group. If you call the Customer Service department by the 15th of the current month, your newborn's transfer will be effective on the first day of the following month. If the request for transfer is received after the 15th of the current month, your newborn's transfer will be effective the first day of the second succeeding month. For example, if you call PacifiCare on June 12th to request a new doctor for your newborn, the transfer will be effective on July 1st. If you call PacifiCare on June 16th, the transfer will be effective August 1st.

If your newborn has not been discharged from the Hospital, is being followed by the Case Management or is receiving acute institutional or non-institutional care at the time of your request, a change in your newborn's Primary Care Physician or Participating Medical Group will not be effective until the first day of the second month following the newborn's discharge from the institution or termination of treatment. When PacifiCare's Case Management is involved, the Case Manager is also consulted about the effective date of your requested Physician change for your newborn.

You can learn more about changing Primary Care Physicians in **Section Four: Changing Your Doctor or Medical Group**. (For more about adding a newborn to your coverage, see **Section Seven: Member Eligibility**.)

Does your group or Hospital restrict any reproductive services?

Some Hospitals and other Providers do not provide one or more of the following services that may be covered under your plan contract that you or your Family Member might need: family planning, contraceptive services, including emergency contraception; sterilization, including tubal ligation at the time of labor and delivery; Infertility treatments; or abortion. You should obtain more information before you enroll. Call your prospective doctor, medical group, independent practice association, clinic or call the PacifiCare Health Plan Customer Service department at 1-800-624-8822 or 1-800-442-8833 (TDHI) to ensure that you can obtain the health care services that you need.

If you have chosen a Participating Medical Group that does not provide the family planning benefits you need, and these benefits have been purchased by the University of California, please call our Customer Service department.

Section Two: Seeing the Doctor

- Scheduling Appointments
- Referrals to Specialists
- PacifiCare Express Referrals®
- Seeing the OB/GYN
- Second Medical Opinions
- Prearranging Hospital Stays

Now that you've chosen a Primary Care Physician, you have a doctor for your routine health care. Your Primary Care Physician will determine when you need a specialist, arrange any necessary Hospital care and oversee your health care needs. This section will help you begin taking advantage of your health care coverage. It will also answer common questions about seeing a specialist and receiving medical services that are not Emergency Services or Urgently Needed Services. (For information on "Emergency Services or Urgently Needed Services," please turn to Section Three.)

Seeing the Doctor: Scheduling Appointments

To visit your Primary Care Physician, simply make an appointment by calling your doctor's office. Your Primary Care Physician is your first stop for accessing care except when you need Emergency Services, or when you require Urgently Needed Services and you are outside of the area served by your Participating Medical Group, or when your Participating Medical Group is unavailable. Without an authorized referral from your Primary Care Physician or PacifiCare, no Physician or other health care services will be covered except for Emergency Services and Urgently Needed Services. (There is an exception if you wish to visit an obstetrical and gynecological Physician. See below, "OB/GYN: Getting Care Without a Referral.")

When you see your Primary Care Physician or use one of your health care benefits, you may be required to pay a charge for the visit. This charge is called a Copayment. The amount of a Copayment depends upon the health care service. Your Copayments are outlined in your *Schedule of Benefits*. More detailed information can also be found in **Section Six: Payment Responsibility**.

Referrals to Specialists and Nonphysician Health Care Practitioners

The Primary Care Physician you have selected will coordinate your health care needs. If your Primary Care Physician determines you need to see a specialist or Nonphysician Health Care Practitioner, he or she will make an appropriate referral. (There is an exception for visits to obstetrical and gynecological (OB/GYN) Physicians. This is explained in "OB/GYN: Getting Care without a Referral.")

(Your plan may not cover services provided by all Nonphysician Health Care Practitioners. Please refer to the "Medical Benefits" and "Exclusions and Limitations" sections in this *Combined Evidence of Coverage and Disclosure Form* for further information regarding Nonphysician Health Care Practitioner services excluded from coverage or limited under this Health Plan.)

Your Primary Care Physician will determine the number of specialist or Nonphysician Health Care Practitioner visits that you require and will provide you with any other special instructions.

This referral may also be reviewed by the Primary Care Physician's Utilization Review Committee. For more information regarding the role of the Utilization Review Committee, please refer to the definition of "Utilization Review Committee." A Utilization Review Committee meets on a regular basis as determined by membership needs, special requests or issues and the number of authorization or referral requests to be addressed. Decisions may be made outside of a formal committee meeting to assure a timely response to emergency or urgent requests.

PacifiCare Express Referrals®

PacifiCare's Express Referrals® program is available through a select network of Participating Medical Groups. With Express Referrals®, your Primary Care Physician decides when a specialist or Nonphysician Health Care Practitioner should be consulted – no further authorization is required. For a list of Participating Medical Groups offering Express Referrals®, please contact PacifiCare's Customer Service department or refer to your PacifiCare HMO *Provider Directory* or visit our Web site at www.pacificare.com.

Seeing the Doctor

Standing Referrals to Specialists

A standing referral is a referral by your Primary Care Physician that authorizes more than 1 visit to a participating specialist. A standing referral may be provided if your Primary Care Physician, in consultation with you, the specialist and your Participating Medical Group's Medical Director (or a PacifiCare Medical Director), determines that as part of a treatment plan you need continuing care from a specialist. You may request a standing referral from your Primary Care Physician or PacifiCare. **PLEASE NOTE:** A standing referral and treatment plan is only allowed if approved by your Participating Medical Group or PacifiCare. Your Primary Care Physician will specify how many specialist visits are authorized. The treatment plan may limit your number of visits to the specialist and the period for which visits are authorized. It may also require the specialist to provide your Primary Care Physician with regular reports on your treatment and condition.

Extended Referral for Care by a Specialist

If you have a life-threatening, degenerative or disabling condition or disease that requires specialized medical care over a prolonged period, you may receive an "extended specialty referral." This is a referral to a participating specialist or specialty care center, so the specialist can oversee your health care. The Physician or center will have the necessary experience and skills for treating the condition or disease.

You may request an extended specialty referral by asking your Primary Care Physician or PacifiCare. Your Primary Care Physician must then determine if it is Medically Necessary. Your Primary Care Physician will do this in consultation with the specialist or specialty care center, as well as your Participating Medical Group's Medical Director or a PacifiCare Medical Director.

If you require an extended specialty referral, the referral will be made according to a treatment plan approved by your Participating Medical Group's Medical Director or a PacifiCare Medical Director. This is done in consultation with your Primary Care Physician, the specialist and you. Once the extended specialty referral begins, the specialist begins serving as the main coordinator of your care. The specialist does this in accordance with your treatment plan.

OB/GYN: Getting Care Without a Referral

Women may receive obstetrical and gynecological (OB/GYN) Physician services directly from a Participating OB/GYN, family practice Physician, or surgeon identified by your Participating Medical Group as providing OB/GYN Physician services. This means you may receive these services without preauthorization or a referral from your Primary Care Physician. In all cases, however, the doctor must be affiliated with your Participating Medical Group.

PLEASE REMEMBER: If you visit an OB/GYN or family practice Physician not affiliated with your Participating Medical Group without preauthorization or a referral, you will be financially responsible for these services. All OB/GYN inpatient or Hospital Services, except Emergency or Urgently Needed Services, need to be authorized in advance by your Participating Medical Group or PacifiCare.

If you would like to receive OB/GYN Physician services, simply do the following:

- Call the telephone number on the front of your ID Card and request the names and telephone numbers of the OB/GYNs affiliated with your Participating Medical Group;
- Telephone and schedule an appointment with your selected Participating OB/GYN.

After your appointment, your OB/GYN will contact your Primary Care Physician about your condition, treatment and any needed follow-up care.

PacifiCare also covers important wellness services for our Members. For more information, see "Health Education Services" in **Section Five: Your Medical Benefits**.

Second Medical Opinions

A second medical opinion is a reevaluation of your condition or health care treatment by an appropriately qualified Provider. This Provider must be either a Primary Care Physician or a specialist acting within his or her scope of practice, and must possess the clinical background necessary for examining the illness or condition associated with the request for a second medical opinion. Upon completing the examination, the Provider's opinion is included in a consultation report.

Seeing the Doctor

Either you or your treating Participating Provider may submit a request for a second medical opinion. Requests should be submitted to your Participating Medical Group; however, in some cases, the request is submitted to PacifiCare. To find out how you should submit your request, talk to your Primary Care Physician.

Second medical opinions will be provided or authorized in the following circumstances:

- When you question the reasonableness or necessity of recommended surgical procedures;
- When you question a diagnosis or treatment plan for a condition that threatens loss of life, loss of limb, loss of bodily functions or substantial impairment (including, but not limited to, a Chronic Condition);
- When the clinical indications are not clear, or are complex and confusing;
- When a diagnosis is in doubt due to conflicting test results;
- When the treating Provider is unable to diagnose the condition;
- When the treatment plan in progress is not improving your medical condition within an appropriate period of time given the diagnosis, and you request a second opinion regarding the diagnosis or continuance of the treatment;
- When you have attempted to follow the treatment plan or consulted with the initial Provider and still have serious concerns about the diagnosis or treatment.

Either the Participating Medical Group or, if applicable, a PacifiCare Medical Director will approve or deny a request for a second medical opinion. The request will be approved or denied in a timely fashion appropriate to the nature of your condition. For circumstances other than an imminent or serious threat to your health, a second medical opinion request will be approved or denied within 5 business days after the request is received by the Participating Medical Group or PacifiCare.

When there is an imminent and serious threat to your health, a decision about your second opinion will be made within 72 hours after receipt of the request by your Participating Medical Group or PacifiCare. An

imminent and serious threat includes the potential loss of life, limb or other major bodily function, or where a lack of timeliness would be detrimental to your ability to regain maximum function.

If you are requesting a second medical opinion about care given by your Primary Care Physician, the second medical opinion will be provided by an appropriately qualified health care professional of your choice within the same Participating Medical Group. (If your Primary Care Physician is independently contracted with PacifiCare and not affiliated with any Participating Medical Group, you may request a second opinion from a Primary Care Physician or specialist listed in our *Provider Directory*.) If you request a second medical opinion about care received from a specialist, the second medical opinion will be provided by any health care professional of your choice from any medical group within the PacifiCare Participating Provider network of the same or equivalent specialty.

The second medical opinion will be documented in a consultation report, which will be made available to you and your treating Participating Provider. It will include any recommended procedures or tests that the Provider giving the second opinion believes are appropriate. If this second medical opinion includes a recommendation for a particular treatment, diagnostic test or service covered by PacifiCare – and the recommendation is determined to be Medically Necessary by your Participating Medical Group or PacifiCare – the treatment, diagnostic test or service will be provided or arranged by your Participating Medical Group or PacifiCare.

PLEASE NOTE: The fact that an appropriately qualified Provider gives a second medical opinion and recommends a particular treatment, diagnostic test or service does not necessarily mean that the recommended action is Medically Necessary or a Covered Service. You will also remain responsible for paying any outpatient office Copayments to the Provider who gives your second medical opinion.

If your request for a second medical opinion is denied, PacifiCare will notify you in writing and provide the reasons for the denial. You may appeal the denial by following the procedures outlined in **Section Eight: Overseeing Your Health Care**. If you obtain a second medical opinion without preauthorization from your Participating Medical Group or PacifiCare, you will be financially responsible for the cost of the opinion.

Seeing the Doctor

To receive a copy of the Second Medical Opinion timeline, you may call or write PacifiCare's Customer Service department at:

PacifiCare Customer Service Department
5701 Katella Avenue/P.O. Box 6006
Cypress, CA 90630
1-800-624-8822

What is PacifiCare's Case Management program?

PacifiCare has licensed registered nurses who, in collaboration with the Member, Member's family and the Member's Participating Medical Group, help arrange care for PacifiCare Members experiencing a major illness or recurring hospitalizations. Case Management is a collaborative process that assesses, plans, implements, coordinates, monitors and evaluates options to meet an individual's health care needs based on the health care benefits and available resources.

Prearranging Hospital Stays

Your Primary Care Physician will prearrange any Medically Necessary Hospital or facility care, including inpatient Transitional Care or care provided in a Subacute/Skilled Nursing Facility. If you've been referred to a specialist and the specialist determines you need hospitalization, your Primary Care Physician and specialist will work together to prearrange your Hospital stay.

Your Hospital costs, including semi-private room, tests and office visits, will be covered, minus any required Copayments, as well as any deductibles. Under normal circumstances, your Primary Care Physician will coordinate your admission to a local PacifiCare Participating Hospital or facility; however, if your situation requires it, you could be transported to a regional medical center.

If Medically Necessary, your Primary Care Physician may discharge you from the Hospital to a Subacute/Skilled Nursing Facility. He or she can also arrange for skilled home health care.

Emergency and Urgently Needed Services

Section Three: Emergency and Urgently Needed Services

- **What is an Emergency Medical Condition?**
- **What to Do When You Require Emergency Services**
- **What to Do When You Require Urgently Needed Services**
- **Post-Stabilization and Follow-Up Care**
- **Out-of-Area Services**
- **What to Do if You're Abroad**

Worldwide, wherever you are, PacifiCare provides coverage for Emergency Services and Urgently Needed Services. This section will explain how to obtain Emergency Services and Urgently Needed Services. It will also explain what you should do following receipt of these services.

IMPORTANT!

If you believe you are experiencing an Emergency Medical Condition, call 911 or go directly to the nearest Hospital emergency room or other facility for treatment.

What are Emergency Medical Services?

Emergency Services are Medically Necessary ambulance or ambulance transport services provided through the 911 emergency response system. It is also the medical screening, examination and evaluation by a Physician, or other personnel – to the extent provided by law – to determine if an Emergency Medical Condition or psychiatric emergency medical condition exists. If this condition exists, Emergency Services include the care, treatment and/or surgery by a Physician necessary to stabilize or eliminate the Emergency Medical Condition or psychiatric medical condition within the capabilities of the facility.

What is an Emergency Medical Condition?

The state of California defines an Emergency Medical Condition as: a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected by the Member, as a Prudent Layperson, to result in any of the following:

- Placing the Member's health in serious jeopardy;
- Serious impairment to his or her bodily functions;

- A serious dysfunction of any bodily organ or part; or
- Active labor, meaning labor at a time that either of the following would occur:
 - There is inadequate time to effect a safe transfer to another Hospital prior to delivery; or
 - A transfer poses a threat to the health and safety of the Member or unborn child.

If you believe you are experiencing an Emergency Medical Condition, **call 911 or go directly to the nearest Hospital emergency room or other facility** for treatment. You do not need to obtain preauthorization to seek treatment for an Emergency Medical Condition that could cause you harm.

What To Do When You Require Emergency Services

Ambulance transport services provided through the 911 emergency response system are covered if you reasonably believe that your medical condition requires emergency ambulance transport services. PacifiCare covers all Medically Necessary Emergency Services provided to Members in order to stabilize an Emergency Medical Condition.

You, or someone else on your behalf, must notify PacifiCare or your Primary Care Physician within 24 hours, or as soon as reasonably possible, following your receipt of Emergency Services so that your Primary Care Physician can coordinate your care and schedule any necessary follow-up treatment. When you call, please be prepared to give the name and location of the facility and a description of the Emergency Services that you received.

Post-stabilization and Follow-up Care

Following the stabilization of an Emergency Medical Condition, the treating health care Provider may believe that you require additional Medically Necessary Hospital (health care) Services prior to your being safely discharged. In such a situation, the medical facility (Hospital) will contact your Participating Medical Group, or PacifiCare, in order to obtain the timely authorization for these post-stabilization services. PacifiCare reserves the right, in certain circumstances, to transfer you to a Participating Hospital in lieu of authorizing poststabilization services at the treating facility.

Emergency and Urgently Needed Services

Following your discharge from the Hospital, any Medically Necessary follow-up medical or Hospital Services must be provided or authorized by your Primary Care Physician in order to be covered by PacifiCare. Regardless of where you are in the world, if you require additional follow-up medical or Hospital Services, please call your Primary Care Physician or PacifiCare's out-of-area unit to request authorization. PacifiCare's out-of-area unit can be reached during regular business hours (8 a.m. – 5 p.m. PST) at 1-800-762-8456.

Out-of-Area Services

PacifiCare arranges for the provision of Covered Services through its Participating Medical Groups and other Participating Providers. With the exception of Emergency Services, Urgently Needed Services, authorized post-stabilization care or other specific services authorized by your Participating Medical Group or PacifiCare, when you are away from the geographic area served by your Participating Medical Group, you are not covered for any other medical or Hospital Services. If you do not know the area served by your Participating Medical Group, please call your Primary Care Physician or the Participating Medical Group's administrative office to inquire.

The out-of-area services that are not covered include, but are not limited to:

- Routine follow-up care to Emergency or Urgently Needed Services, such as treatments, procedures, X-rays, lab work and doctor visits, Rehabilitation Services, Skilled Nursing Care or home health care.
- Maintenance therapy and durable medical equipment, including, but not limited to, routine dialysis, routine oxygen, routine laboratory testing or a wheelchair to assist you while traveling outside the geographic area served by your Participating Medical Group.
- Medical care for a known or Chronic Condition without acute symptoms as defined under Emergency Services or Urgently Needed Services
- Ambulance services are limited to transportation to the nearest facility with the expertise for treating your condition.

Your Participating Medical Group provides 24-hour access to request authorization for out-of-area care. You can also request authorization by calling the PacifiCare

out-of-area Unit during regular business hours (8 a.m. – 5 p.m. PST) at 1-800-762-8456.

What To Do When You Require Urgently Needed Services

If you need Urgently Needed Services when you are in the geographic area served by your Participating Medical Group, you should contact your Primary Care Physician or Participating Medical Group. The telephone numbers for your Primary Care Physician and/or Participating Medical Group are on the front of your PacifiCare ID card. Assistance is available 24 hours a day, 7 days a week. Identify yourself as a PacifiCare Member and ask to speak to a Physician. If you are calling during nonbusiness hours and a Physician is not immediately available, ask to have the Physician-on-call paged. A Physician should call you back shortly. Explain your situation and follow any provided instructions. If your Primary Care Physician or Participating Medical Group is temporarily unavailable or inaccessible, you should seek Urgently Needed Services from a licensed medical professional wherever you are located.

You, or someone else on your behalf, must notify PacifiCare or your Participating Medical Group within 24 hours, or as soon as reasonably possible, after the initial receipt of Urgently Needed Services. When you call, please be prepared to give a description of the Urgently Needed Services that you received.

Out-of-Area Urgently Needed Services

Urgently Needed Services are Medically Necessary health care services required to prevent the serious deterioration of a Member's health, resulting from an unforeseen illness or injury for which treatment cannot be delayed until the Member returns to the geographic area served by the Member's Participating Medical Group.

Urgently Needed Services are required in situations where a Member is temporarily outside the geographic area served by the Member's Participating Medical Group and the Member experiences a medical condition that, while less serious than an Emergency Medical Condition, could result in the serious deterioration of the Member's health if not treated before the Member returns to the geographic area served by his or her Participating Medical Group or contacts his or her Participating Medical Group.

Emergency and Urgently Needed Services

When you are temporarily outside the geographic area served by your Participating Medical Group and you believe that you require Urgently Needed Services, you should, if possible, call (or have someone else call on your behalf) your Primary Care Physician or Participating Medical Group as described in “What to Do When You Require Urgently Needed Services.” The telephone numbers for your Primary Care Physician and/or Participating Medical Group are on the front of your PacifiCare ID card. Assistance is available 24 hours a day, 7 days a week. Identify yourself as a PacifiCare Member and ask to speak to a Physician. If you are calling during nonbusiness hours and a Physician is not immediately available, ask to have the Physician-on-call paged. A Physician should call you back shortly. Explain your situation and follow any provided instructions.

If you are unable to contact your Primary Care Physician or Participating Medical Group, you should seek Urgently Needed Services from a licensed medical professional wherever you are located.

You, or someone else on your behalf, must notify PacifiCare or your Participating Medical Group within 24 hours, or as soon as reasonably possible, after the initial receipt of Urgently Needed Services. When you call, please be prepared to give a description of the Urgently Needed Services that you received.

International Emergency and Urgently Needed Services

If you are out of the country and require Urgently Needed Services, you should still, if possible, call your Primary Care Physician or Participating Medical Group. Just follow the same instructions outlined above. If you are out of the country and experience an Emergency Medical Condition, either use the available emergency response system or go directly to the nearest Hospital emergency room. Following receipt of Emergency Services, please notify your Primary Care Physician or Participating Medical Group within 24 hours, or as soon as reasonably possible, after initially receiving these services.

NOTE: Under certain circumstances, you may need to initially pay for your Emergency or Urgently Needed Services. If this is necessary, please pay for such services and then contact PacifiCare at the earliest opportunity. Be sure to keep all receipts and copies of relevant medical documentation. You will need these to be properly reimbursed. For more information on submitting claims to PacifiCare, please refer to Section 6 in this *Combined Evidence of Coverage and Disclosure Form*.

Always Remember

Emergency Services: Following receipt of Emergency Services, you, or someone else on your behalf, must notify PacifiCare or your Primary Care Physician within 24 hours, or as soon as reasonably possible, after initially receiving these services.

Urgently Needed Services: When you require Urgently Needed Services, you should, if possible, call (or have someone else call on your behalf) your Primary Care Physician or Participating Medical Group. If you are unable to contact your Primary Care Physician or Participating Medical Group, and you receive medical or Hospital Services, you must notify PacifiCare or your Primary Care Physician within 24 hours, or as soon as reasonably possible of initially receiving these services.

Changing Your Doctor or Medical Group

Section Four: Changing Your Doctor or Medical Group

- **How to Change Your Primary Care Physician**
- **How to Change Your Participating Medical Group**
- **When We Change Your Physician or Medical Group**
- **When Medical Groups or Doctors Are Terminated by PacifiCare**

There may come a time when you want or need to change your Primary Care Physician or Participating Medical Group. This section explains how to make this change, as well as how we continue your care.

Changing Your Primary Care Physician

Whether you want to change doctors within your Participating Medical Group or transfer out of your Participating Medical Group entirely, you should contact our Customer Service department. PacifiCare will approve your request, if the Primary Care Physician you've selected is accepting new patients and meets the other criteria in **Section One: Getting Started: Your Primary Care Physician**. This includes being located within 30 miles of your Primary Residence or Primary Workplace.

In addition, you must meet the following criteria:

- You are not an inpatient in a hospital, a Skilled Nursing Facility or other medical institution;
- Your pregnancy is not high-risk or has not reached the third trimester; and
- The change isn't likely to adversely affect the quality of your health care.

PacifiCare reviews these requests on a case-by-case basis. If you meet these requirements and call us by the 15th of the current month, your transfer will be effective on the first day of the following month. If you meet the criteria but your request is received after the 15th of the current month, your transfer will be effective the first day of the second succeeding month. For example, if you meet the above requirements and you call PacifiCare on June 12th to request a new doctor, the transfer will be effective on July 1st. If you meet the above requirements and you call PacifiCare on June 16th, the transfer will be effective August 1st.

If you are hospitalized, confined in a Skilled Nursing Facility, being followed by a Case Management program or receiving acute institutional or non-institutional care at the time of your request, a change in your Primary Care Physician or Participating Medical Group will not be effective until the first day of the second month following your discharge from the institution or termination of treatment. When PacifiCare's Case Management is involved, the Case Manager is also consulted about the effective date of your Physician change request.

If you are changing Participating Medical Groups, our Customer Service department may be able to help smooth the transition. At the time of your request, please let us know if you are currently under the care of a specialist, receiving home health services or using durable medical equipment such as a wheelchair, walker, Hospital bed or an oxygen delivery system.

When We Change Your Participating Medical Group

Under special circumstances, PacifiCare may require that a Member change his or her Participating Medical Group. Generally, this happens at the request of the Participating Medical Group after a material detrimental change in its relationship with a Member. If this occurs, we will notify the Member of the effective date of the change, and we will transfer the Member to another Participating Medical Group, provided he or she is medically able and there's an alternative Participating Medical Group within 30 miles of the Member's Primary Residence or Primary Workplace.

PacifiCare will also notify the Member in the event that the agreement terminates between PacifiCare and the Member's Participating Medical Group. If this occurs, PacifiCare will provide 30 days of notice of the termination. PacifiCare will also assign the Member a new Primary Care Physician. If the Member would like to select a different Primary Care Physician, he or she may do so by contacting Customer Service. Upon the effective date of transfer, the Member can begin receiving services from his or her new Primary Care Physician.

PLEASE NOTE: Except for Emergency and Urgently Needed Services, once an effective date with your new Participating Medical Group has been established, a

Changing Your Doctor or Medical Group

Member must use his or her new Primary Care Physician or Participating Medical Group to authorize all services and treatments. **Receiving services elsewhere will result in PacifiCare's denial of benefit coverage.**

Continuing Care With a Terminated Physician

You may be eligible to continue receiving care from a terminated Physician if the doctor didn't voluntarily end participation with PacifiCare or a Participating Medical Group. The care must be Medically Necessary, and the terminated Physician must agree to the previous terms and conditions of his or her contract with PacifiCare. The cause of termination by PacifiCare or your Participating Medical Group also has to be for a reason other than a medical disciplinary cause, fraud or any criminal activity.

Continued care from the terminated Physician may be provided for an acute or serious Chronic Condition for up to 90 days or a longer period, until you can be safely transferred to another Provider. Continued care from a terminated Physician may be provided if you have a high risk pregnancy or a pregnancy in the third trimester.

Care may be extended through completed treatment of pregnancy-related and postpartum conditions, or until your care can be safely provided by another Physician. If you are receiving treatment for any of these conditions, contact our Customer Service department. You can request permission to continue being treated by this Physician beyond the termination date.

PacifiCare must preauthorize or coordinate services for continued care. If you have any questions, want to appeal a denial, or would like a copy of PacifiCare's Continuity of Care Policy, call our Customer Service department. (To learn more about appealing a denial, see **Section Eight: Overseeing Your Health Care.**)

Continuity of Care for New Members

Under certain circumstances, new Members of PacifiCare may be able to temporarily continue receiving services from a Non-Participating Provider. This short-term coverage is intended for new Members who are experiencing an acute episode of care while making the transition to PacifiCare. For more detail, see **Section One: Getting Started: Your Primary Care Physician.**

Continuity of Mental Health Care Services for New Members

New PacifiCare Members who are receiving mental health care services from a Non-Participating Mental Health Provider for an acute, serious or chronic mental health condition may receive services from the Non-Participating Mental Health Provider for a reasonable period of time in order to safely transition to a mental health care Participating Provider. Please refer to the "Medical Benefits," and the "Exclusions and Limitations" sections of the PacifiCare *Combined Evidence of Coverage and Disclosure Form*, and the *Schedule of Benefits* for supplemental mental health care coverage information, if any. For a description of coverage of mental health care services for the diagnosis and treatment of Severe Mental Illness (SMI) and Serious Emotional Disturbances of Children (SED) please refer to the behavioral health supplement to the *Combined Evidence of Coverage and Disclosure Form*. A Non-Participating Mental Health Provider means a psychiatrist, licensed psychologist, licensed marriage and family therapist or licensed clinical social worker who has not entered into a written agreement with the network of Providers from whom the Member is entitled to receive Covered Services.

If a new Member is eligible to receive continuing services from a Non-Participating Mental Health Provider to facilitate continuity of care, mental health services will be provided on a timely, appropriate and Medically Necessary basis for a reasonable period, taking into account the severity of the Member's condition and the amount of time necessary to effect a safe transfer to a Participating Provider.

For a new Member to receive continuing mental health care services from a Non-Participating Mental Health Provider to facilitate continuity of care, the following conditions must be met:

1. Continuing services from a Non-Participating Mental Health Provider must be preauthorized by PacifiCare;
2. The requested treatment must be a covered benefit under this Plan;
3. The Non-Participating Mental Health Provider must agree in writing to meet the same contractual terms and conditions that are imposed upon PacifiCare's Participating Providers,

Changing Your Doctor or Medical Group

including location within PacifiCare's Service Area, payment methodologies and rates of payment;

4. The Member must be new to PacifiCare as a result of the University of California changing Health Plans;
5. The Member must not have been offered an out-of-network option under which the Member would be able to obtain services from the Non-Participating Mental Health Provider;
6. The Member must not have had the option to continue with his or her previous Health Plan at the time of enrollment in PacifiCare.

If you meet the criteria outlined above and believe you qualify for continuing services from a Non-Participating Mental Health Provider, please call the Customer Service department and request the form *Mental Health Continuity of Care for New Enrollees*. Complete and return this form to PacifiCare as soon as possible. The address is:

PacifiCare
Attention: Clinical Review Department
P.O. Box 6006
Cypress, CA 90630

Upon receiving the completed form, PacifiCare will complete a medical review of your request within 3 business days of the date PacifiCare receives your completed form. If you qualify you will be notified by telephone of the decision and provided with the plan for your care. If you do not qualify, you will be notified either by telephone or in writing within 3 business days. If you receive notice that PacifiCare has determined that you do not qualify for continuing benefits with a Non-Participating Mental Health Provider, you may appeal the decision. Please refer to the appeals process outlined in the *Combined Evidence of Coverage and Disclosure Form*.

PLEASE NOTE: If you do not receive preauthorization by PacifiCare and continue care with a Non-Participating Mental Health Provider, payment for these services will be your financial responsibility.

You may request a copy of the written *Coordination of Mental Health Transition and Continuity of Care Services Associated with New Enrollees* by contacting the Customer Service department.

Section Five: Your Medical Benefits

- **Inpatient Benefits**
- **Outpatient Benefits**
- **Exclusions and Limitations**
- **Other Terms of Your Medical Coverage**
- **Terms and Definitions**

This section explains your medical benefits, including what is and isn't covered by PacifiCare. You can find some helpful definitions in the back of this publication. For any Copayments that may be associated with a benefit, you should refer to your *Schedule of Benefits*, a copy of which is included with this document.

I. Inpatient Benefits*

These benefits are provided when admitted or authorized by either the Member's Participating Medical Group or PacifiCare. All services must be Medically Necessary as defined in this *Combined Evidence of Coverage and Disclosure Form*.

With the exception of Emergency or Urgently Needed Services, a Member will only be admitted to acute care, subacute care, transitional inpatient care and Skilled Nursing Care Facilities that are authorized by the Member's Participating Medical Group under contract with PacifiCare.

1. **Alcohol, Drug or Other Substance Abuse Detoxification** – Detoxification is the medical treatment of withdrawal from alcohol, drug or other substance addiction. Treatment in an acute care setting is covered for the acute stage of alcohol, drug or other substance abuse withdrawal when medical complications occur or are highly probable. Detoxification is initially covered up to 48 hours and extended when Medically Necessary. Methadone treatment for detoxification is not covered. Rehabilitation for substance abuse or addiction is not covered. (Coverage for rehabilitation of alcohol, drug or other substance abuse or addiction is covered as a supplemental benefit. Please see the "How Your PacifiCare Behavioral Health Benefits Work" section of this *Combined Evidence of Coverage and Disclosure Form*.)

2. **Blood and Blood Products** – Blood and blood products are covered. Autologous (self donated), donor-directed and donor-designated blood processing costs are limited to blood collected for a scheduled procedure, not to exceed \$120.00 per unit. Members will be financially responsible for the transportation and processing costs that exceed the \$120.00 per blood unit.
3. **Bloodless Surgery** – Surgical procedures performed without blood transfusions or blood products, including Rho(D) Immune Globulin, for Members who object to such transfusion on religious grounds, are covered only when available within the Member's Participating Medical Group.
4. **Bone Marrow and Stem-Cell Transplants** – Non-experimental/non-investigational autologous and allogeneic bone marrow and stem-cell transplants are covered. The testing of immediate blood relatives to determine the compatibility of bone marrow and stem cells is limited to immediate blood relatives who are sisters, brothers, parents and natural children. The testing for compatible unrelated donors and costs for computerized national and international searches for unrelated allogeneic bone marrow or stem-cell donors conducted through a registry, are covered when the Member is the intended recipient. Costs for such searches are covered up to a maximum of \$15,000. A PacifiCare Preferred Transplant Network Facility Center approved by PacifiCare must conduct the computerized searches. There is no dollar limitation for Medically Necessary donor-related clinical transplant services once a donor is identified.
5. **Cancer Clinical Trials** – All Routine Patient Care Costs related to an approved therapeutic clinical trial for cancer (Phases I, II, III and IV) are covered for a Member who is diagnosed with cancer and whose Participating Treating Physician recommends that the clinical trial has a meaningful potential to benefit the Member.

For the purposes of this benefit, Participating Treating Physician means a Physician who is treating a Member as a Participating Provider pursuant to an authorization or referral from the Member's Participating Medical Group or PacifiCare.

Your Medical Benefits

Routine Patient Care Costs are costs associated with the provision of health care services, including drugs, items, devices and services that would otherwise be covered by PacifiCare if those drugs, items, devices and services were not provided in connection with an approved clinical trial program, including:

- Health care services typically provided, absent a clinical trial.
- Health care services required solely for the provision of the investigational drug, item, device or service.
- Health care services, required for the clinically appropriate monitoring of the investigational item or service.
- Health care services provided for the prevention of complications arising from the provision of the investigational drug, item, device or service.
- Health care services needed for the reasonable and necessary care arising from the provision of the investigational drug, item, device or service, including the diagnosis or treatment of the complications.

For purposes of this benefit, Routine Patient Care Costs do not include the costs associated with the provision of any of the following, which are not covered by PacifiCare:

- Drugs or devices that have not been approved by the federal Food and Drug Administration and that are associated with the clinical trial.
- Services other than health care services, such as travel, transportation, housing, companion expenses and other nonclinical expenses that the Member may require as a result of the treatment being provided for purposes of the clinical trial.
- Any item or service that is provided solely to satisfy data collection and analysis needs and that is not used in the clinical management of the Member's care.

- Health care services that, except for the fact that they are being provided in a clinical trial, are otherwise specifically excluded from coverage under PacifiCare.
- Health care services customarily provided by the research sponsor free of charge.

An approved clinical trial for cancer is one where the treatment either involves a drug that is exempt under federal regulations from a new drug application or is approved by one of the following:

- One of the National Institutes of Health.
- The Federal Food and Drug Administration, in the form of an investigational new drug application.
- The United States Department of Defense.
- The United States Veterans' Administration.

A clinical trial with end-points defined exclusively to test toxicity is not an approved clinical trial.

All services must be preauthorized by PacifiCare's Medical Director or designee. Additionally, services must be provided by a PacifiCare Participating Provider in PacifiCare's Service Area. In the event a PacifiCare Participating Provider does not offer a clinical trial with the same protocol as the one the Member's Participating Treating Physician recommended, the Member may select a Provider performing a clinical trial with that protocol within the state of California. If there is no Provider offering the clinical trial with the same protocol as the one the Member's treating Participating Physician recommended in California, the Member may select a clinical trial outside the state of California but within the United States of America.

PacifiCare is required to pay for the services covered under this benefit at the rate agreed upon by PacifiCare and a Participating Provider, minus any applicable Copayment, coinsurance or deductibles. In the event the Member participates in a clinical trial provided by a Non-Participating Provider that

*The benefits described in Section Five will not be Covered Services unless they are determined to be Medically Necessary by Member's Participating Medical Group or PacifiCare and are provided by Member's Primary Care Physician or authorized by Member's Participating Medical Group or PacifiCare.

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does not agree to perform these services at the rate PacifiCare negotiates with Participating Providers, the Member will be responsible for payment of the difference between the Non-Participating Provider's billed charges and the rate negotiated by PacifiCare with Participating Providers, in addition to any applicable Copayment, coinsurance or deductibles.

Any additional expenses the Member may have to pay beyond PacifiCare's negotiated rate as a result of using a Non-Participating Provider do not apply to the Member's annual Copayment maximum.

- 6. Hospice Services** – Hospice services are covered for Members with a terminal illness, defined as a medical condition resulting in a prognosis of life expectancy of 1 year or less, if the disease follows its natural course. Hospice services are provided as determined by the plan of care developed by the Member's interdisciplinary team, which includes, but is not limited to, the Member, the Member's Primary Care Physician, a registered nurse, a social worker and a spiritual caregiver. Hospice services are provided in an appropriately licensed Hospice facility when the Member's interdisciplinary team has determined that the Member's care cannot be managed at home because of acute complications or the temporary absence of a capable primary caregiver.

Hospice services include skilled nursing services, certified home health aide services and homemaker services under the supervision of a qualified registered nurse; bereavement services; social services/counseling services; medical direction; volunteer services; pharmaceuticals, medical equipment and supplies that are reasonable and necessary for the palliation and management of the terminal illness and related conditions; and physical and occupational therapy and speech language pathology services for purposes of symptom control, or to enable the Member to maintain activities of daily living and basic functional skills. Inpatient Hospice services are provided in an appropriately licensed Hospice facility when the Member's interdisciplinary team has determined that the Member's care cannot be managed at home

because of acute complications or when it is necessary to relieve the Family Members or other persons caring for the Member ("respite care"). Respite care is limited to an occasional basis and to no more than 5 consecutive days at a time.

- 7. Inpatient Hospital Benefits/Acute Care** – Medically Necessary inpatient Hospital Services authorized by the Member's Participating Medical Group or PacifiCare are covered, including, but not limited to: semi-private room, nursing and other licensed health professionals, intensive care, operating room, recovery room, laboratory and professional charges by the Hospital pathologist or radiologist and other miscellaneous Hospital charges for Medically Necessary care and treatment.
- 8. Inpatient Physician and Specialist Care** – Services from Physicians, including specialists and other licensed health professionals within, or upon referral from, the Member's Participating Medical Group are covered while the Member is hospitalized as an inpatient. A specialist is a licensed health care professional with advanced training in an area of medicine or surgery.
- 9. Inpatient Rehabilitation Care** – Rehabilitation Services that must be provided in an inpatient rehabilitation facility are covered. Inpatient rehabilitation consists of the combined and coordinated use of medical, social, educational and vocational measures for training or retraining individuals disabled by disease or injury. The goal of these services is for the disabled Member to obtain his or her highest level of functional ability. Rehabilitation Services include, but are not limited to, physical, occupational and speech therapy. This benefit does not include drug, alcohol or other substance abuse rehabilitation.
- 10. Mastectomy, Breast Reconstruction after Mastectomy and Complications from Mastectomy** – Medically Necessary mastectomy and lymph node dissection are covered, including prosthetic devices and/or reconstructive surgery to restore and achieve symmetry for the Member incident to the mastectomy. The length of a Hospital stay is determined by the attending Physician and surgeon in consultation with the Member, consistent with sound clinical principles

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and processes. Coverage includes any initial and subsequent reconstructive surgeries or prosthetic devices for the diseased breast on which the mastectomy was performed. Coverage is provided for surgery and reconstruction of the other breast if, in the opinion of the attending surgeon, this surgery is necessary to achieve symmetrical appearance. Medical treatment for any complications from a mastectomy, including lymphedema, is covered.

11. **Maternity Care** – Prenatal and maternity care services are covered, including labor, delivery and recovery room charges, delivery by cesarean section, treatment of miscarriage and complications of pregnancy or childbirth.

- Educational courses on lactation, childcare and/or prepared childbirth classes are not covered.
- Alternative birthing center services are covered when provided or arranged by a Participating Hospital affiliated with the Member's Participating Medical Group.
- Nurse midwife services are covered only when available within the Member's Participating Medical Group.
- Home deliveries are not covered.

A minimum 48-hour inpatient stay for normal vaginal delivery and a minimum 96-hour inpatient stay following delivery by cesarean section are covered. Coverage for inpatient Hospital care may be for a time period less than the minimum hours if the decision for an earlier discharge of the mother and newborn is made by the treating Physician in consultation with the mother. In addition, if the mother and newborn are discharged prior to the 48- or 96-hour minimum time periods, a post-discharge follow-up visit for the mother and newborn will be provided within 48 hours of discharge, when prescribed by the treating Physician.

12. **Newborn Care** – Postnatal Hospital Services are covered, including circumcision (if desired and performed in the Hospital) and special care nursery.

13. **Organ Transplant and Transplant Services** – Non-experimental and non-investigational organ transplants and transplant services are covered when the recipient is a Member and the transplant is performed at a Preferred Transplant Network Facility. Listing of the Member at a second Preferred Transplant Network Center is excluded, unless the Regional Organ Procurement Agencies are different for the 2 facilities and the Member is accepted for listing by both facilities. In these cases, organ transplant listing is limited to 2 Preferred Transplant Network facilities. If the Member is dual listed, his or her coverage is limited to the actual transplant at the second facility. The Member will be responsible for any duplicated diagnostic costs incurred at the second facility. Covered Services for living donors are limited to Medically Necessary clinical services once a donor is identified. Transportation and other nonclinical expenses of the living donor are excluded and are the responsibility of the Member, who is the recipient of the transplant. (See the definition for Preferred Transplant Network.)

14. **Reconstructive Surgery** – Reconstructive surgery is covered to correct or repair abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors or disease. The purpose of reconstructive surgery is to correct abnormal structures of the body to improve function or create a normal appearance to the extent possible. Reconstructive procedures require preauthorization by the Member's Participating Medical Group or PacifiCare in accordance with standards of care as practiced by Physicians specializing in reconstructive surgery.

15. **Skilled Nursing/Subacute and Transitional Care** – Medically Necessary Skilled Nursing Care and Skilled Rehabilitation Care are covered. The Member's Participating Medical Group or PacifiCare will determine where the Skilled Nursing Care and Skilled Rehabilitation Care will be provided.

*The benefits described in Section Five will not be Covered Services unless they are determined to be Medically Necessary by Member's Participating Medical Group or PacifiCare and are provided by Member's Primary Care Physician or authorized by Member's Participating Medical Group or PacifiCare.

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Skilled Nursing Facility room and board charges are covered up to 100 consecutive days per admission. Days spent out of a Skilled Nursing Facility when transferred to an acute Hospital setting are not counted toward the 100 consecutive day room and board limitation when the Member is transferred back to a Skilled Nursing Facility. Such days spent in an acute Hospital setting also do not count toward renewing the 100 consecutive day benefit. In order to renew the room and board coverage in a Skilled Nursing Facility, the Member must either be out of all Skilled Nursing Facilities for 60 consecutive days, or if the Member remains in a Skilled Nursing Facility, then the Member must not have received Skilled Nursing Care or Skilled Rehabilitation Care for 60 consecutive days.

16. **Voluntary Termination of Pregnancy** – Refer to the *Schedule of Benefits* for the terms of any coverage, if any.

II. Outpatient Benefits*

The following benefits are available on an outpatient basis and must be provided by the Member's Primary Care Physician or authorized by the Member's Participating Medical Group or PacifiCare. All services must be Medically Necessary as defined in this *Combined Evidence of Coverage and Disclosure Form*.

1. **Alcohol, Drug or Other Substance Abuse Detoxification** – Detoxification is the medical treatment of withdrawal from alcohol, drug or other substance addiction. Medically Necessary detoxification is covered. Methadone treatment for detoxification is not covered. In most cases of alcohol, drug or other substance abuse or toxicity, outpatient treatment is appropriate unless another medical condition requires close inpatient monitoring. Rehabilitation for substance abuse or addiction is not covered.
2. **Allergy Testing** – Services and supplies are covered for the determination of the appropriate course of allergy treatment.
3. **Allergy Treatment** – Services for the treatment of allergies are covered according to an established treatment plan, with the exclusion of allergy serum. Unless otherwise noted in your *Schedule of Benefits*, allergy serum is not included in this benefit.
4. **Ambulance** – The use of an ambulance (land or air) is covered without preauthorization, when the Member, as a Prudent Layperson, reasonably believes that the medical or psychiatric condition requires Emergency Services, and an ambulance transport is necessary to receive these services. Such coverage includes, but is not limited to, ambulance or ambulance transport services provided through the 911 emergency response system. Ambulance transportation is limited to the nearest available emergency facility having the expertise to stabilize the Member's Emergency Medical Condition. Use of an ambulance for a non-Emergency Service is covered only when specifically authorized by the Member's Participating Medical Group or PacifiCare.
5. **Attention Deficit/Hyperactivity Disorder** – The medical management of Attention Deficit/Hyperactivity Disorder (ADHD) is covered, including the diagnostic evaluation and laboratory monitoring of prescribed drugs. Coverage for outpatient prescribed drugs is covered as a supplemental benefit (please see "Outpatient Prescription Drug Program" section of this *Combined Evidence of Coverage and Disclosure Form*). This benefit does not include non-crisis mental health counseling or behavior modification programs.
6. **Blood and Blood Products** – Blood and blood products are covered. Autologous (self-donated), donor-directed and donor-designated blood processing costs are limited to blood collected for a scheduled procedure, not to exceed \$120.00 per unit. Members will be financially responsible for the transportation and processing costs that exceed the \$120.00 per blood unit.
7. **Bloodless Surgery** – Please refer to the benefit described under "Inpatient Benefits for Bloodless Surgery." Outpatient services Copayments and/or deductibles apply for any services received on an outpatient basis.
8. **Cancer Clinical Trials** – Please refer to the benefit described under "Inpatient Cancer Clinical Trials." Outpatient services Copayments and/or deductibles apply for any Cancer Clinical Trials services received on an outpatient basis according to the Copayments for that specific outpatient service. PacifiCare is required to pay

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for the services covered under this benefit at the rate agreed upon by PacifiCare and a Participating Provider, minus any applicable Copayment, coinsurance or deductibles. In the event the Member participates in a clinical trial provided by a Non-Participating Provider that does not agree to perform these services at the rate PacifiCare negotiates with Participating Providers, the Member will be responsible for payment of the difference between the Non-Participating Provider's billed charges and the rate negotiated by PacifiCare with Participating Providers, in addition to any applicable Copayment, coinsurance or deductibles. Any additional expenses the Member may have to pay beyond PacifiCare's negotiated rate as a result of using a Non-Participating Provider do not apply to the Member's annual Copayment maximum.

9. **Cochlear Implant Device** – An implantable cochlear device for bilateral, profoundly hearing impaired individuals who are not benefited from conventional amplification (hearing aids) is covered. Coverage is for Members at least 18 months of age who have profound bilateral sensory hearing loss or for prelingual Members with minimal speech perception under the best hearing aided condition. Please also refer to “Cochlear Implant Medical and Surgical Services.”
10. **Cochlear Implant Medical and Surgical Services** – The implantation of a cochlear device for bilateral, profoundly hearing impaired or prelingual individuals who are not benefited from conventional amplification (hearing aids) is covered. This benefit includes services needed to support the mapping and functional assessment of the cochlear device at the authorized Participating Provider. (For an explanation of speech therapy benefits, please refer to “Outpatient Medical Rehabilitation Therapy.”)
11. **Dental Treatment Anesthesia** – See “Oral Surgery and Dental Services; Dental Treatment Anesthesia.”
12. **Diabetic Management and Treatment** – Coverage includes outpatient self-management training, education and medical nutrition therapy services. The diabetes outpatient self-management training, education and medical nutrition therapy services covered under this benefit will be provided by appropriately licensed or registered health care professionals. These services must be provided under the direction of and prescribed by a Participating Provider.
13. **Diabetic Self-Management Items** – Equipment and supplies for the management and treatment of Type 1, Type 2 and gestational diabetes are covered, based upon the medical needs of the Member, including, but not necessarily limited to: blood glucose monitors; blood glucose monitors designed to assist the visually impaired; strips; lancets and lancet puncture devices; pen delivery systems (for the administration of insulin); insulin pumps and all related necessary supplies; ketone urine testing strips; insulin syringes, podiatry services and devices to prevent or treat diabetes related complications. Members must have coverage under the Outpatient Prescription Drug Benefit for insulin, glucagon and other diabetic medications to be covered. Visual aids are covered for Members who have a visual impairment that would prohibit the proper dosing of insulin. Visual aids do not include eyeglasses (frames and lenses) or contact lenses. The Member's Participating Provider will prescribe insulin syringes, lancets, glucose test strips and ketone urine test strips to be filled at a pharmacy that contracts with PacifiCare.
14. **Dialysis** – Acute and chronic hemodialysis services and supplies are covered. For chronic hemodialysis, application for Medicare Part A and Part B coverage must be made. Chronic dialysis (peritoneal or hemodialysis) must be authorized by the Member's Participating Medical Group or PacifiCare and provided within the Member's Participating Medical Group.
15. **Durable Medical Equipment (Rental, Purchase or Repair)** – Durable medical equipment is covered when it is designed to assist in the

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treatment of an injury or illness of the Member, and the equipment is primarily for use in the home. Durable medical equipment is medical equipment that can exist for a reasonable period of time without significant deterioration. Examples of covered durable medical equipment include wheelchairs, Hospital beds and standard oxygen delivery systems. For a detailed listing of covered durable medical equipment, please contact the PacifiCare Customer Service department at 1-800-624-8822. Replacements, repairs and adjustments to durable medical equipment are limited to normal wear and tear or because of a significant change in the Member's physical condition. The Member's Participating Medical Group or PacifiCare has the option to repair or replace durable medical equipment items. Replacement of lost or stolen durable medical equipment is not covered. The following equipment and accessories are not covered: Non-Medically Necessary optional attachments and modifications to durable medical equipment for the comfort or convenience of the Member, accessories for portability or travel, a second piece of equipment with or without additional accessories that is for the same or similar medical purpose as existing equipment and home and car remodeling.

16. **Family Planning** – Refer to the *Schedule of Benefits* for the specific terms of coverage under your Health Plan.
17. **Footwear** – Specialized footwear, including foot orthotics, custom-made or standard orthopedic shoes are covered for a Member with diabetic foot disease or when an orthopedic shoe is permanently attached to a Medically Necessary orthopedic brace.
18. **Health Education Services** – Benefits include wellness services, such as the Free & Clear® StopSmokingSM program. PacifiCare also makes health and wellness information available to Members. The Health Education Resources Directory lists wellness classes available through Participating Medical Groups in the Member's area. Many are free, informative programs on such subjects as asthma, diabetes and cardiovascular disease, as well as health screenings. For more information about the Free

& Clear® StopSmokingSM program or any other wellness program, call the PacifiCare Customer Service department at 1-800-624-8822. The Member's Participating Medical Group may offer additional community health programs. These programs are independent of health improvement programs offered by PacifiCare and are not covered. Fees charged will not apply to the Member's Copayment maximum.

19. **Home Health Care** – Part-time or intermittent services, consisting of Skilled Nursing Care and Skilled Rehabilitation Care, are covered in the home. Part-time intermittent skilled nursing services are services provided by (i) a registered nurse or licensed vocational nurse; (ii) part-time or intermittent home health aide services which provide supportive services in the home under the supervision of a registered nurse or a physical, speech or occupational therapist; (iii) physical, occupational or speech therapy; and (iv) drugs and medications and related pharmaceutical services, medical supplies, infusion therapy drugs and lab services prescribed by a Physician to the extent such charges or costs would have been covered under the plan if the covered person had remained in the hospital. Drugs and medications and related pharmaceutical services are covered as a supplemental benefit (please see the "Outpatient Prescription Drug Program" section of this *Combined Evidence of Coverage and Disclosure Form*). If the Member's Participating Medical Group determines that Skilled Nursing Care needs are more extensive than part-time or intermittent services, the Member will be transferred to a Skilled Nursing Facility to obtain coverage for this benefit. PacifiCare, in consultation with the Member's Participating Medical Group, will determine the appropriate setting for delivery of the Member's Skilled Nursing Care services.
20. **Hospice Services** – Hospice services are covered for Members with a terminal illness, defined as a medical condition resulting in a prognosis of life expectancy of 1 year or less, if the disease follows its natural course. Hospice services are provided pursuant to the plan of care developed by the Member's interdisciplinary team, which includes,

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but is not limited to, the Member, the Member's Primary Care Physician, a registered nurse, a social worker and a spiritual caregiver.

Hospice services include skilled nursing services, certified home health aide services and homemaker services under the supervision of a qualified registered nurse; bereavement services; social services/counseling services; medical direction; volunteer services; pharmaceuticals, medical equipment and supplies that are reasonable and necessary for the palliation and management of the terminal illness and related conditions; physical and occupational therapy and speech language pathology services for purposes of symptom control, or to enable the Member to maintain activities of daily living and basic functional skills.

Covered Hospice services are available in the home on a 24-hour basis when Medically Necessary, during periods of crisis, when a Member requires continuous care to achieve palliation or management of acute medical symptoms. Inpatient Hospice services are provided in an appropriately licensed Hospice facility when the Member's interdisciplinary team has determined that the Member's care cannot be managed at home because of acute complications or when it is necessary to relieve the Family Members or other persons caring for the Member ("respite care"). Respite care is limited to an occasional basis and to no more than 5 consecutive days at a time.

21. **Immunizations** – Immunizations for children (through age 18 years) are covered consistent with the most current version of the Recommended Childhood Immunization Schedule/United States¹. An exception is made if, within 45 days of the published date of the schedule, the State Department of Health Services determines that the schedule is not consistent with state law.

Immunizations for adults are covered consistent with the most current recommendations of the Center for Disease Control (CDC) for routine adult immunizations as advised by the Advisory

Committee on Immunization Practices. For children under 2 years of age, refer to "Periodic Health Evaluations – Well Baby." Routine boosters and immunizations must be obtained through the Member's Participating Medical Group. Travel and/or required work immunizations are not covered.

22. **Infertility Services** – Please refer to the *Medical Schedule of Benefits* for coverage.
23. **Infusion Therapy** – Infusion therapy means the therapeutic use of drugs or other substances, prepared or compounded, and administered by a Participating Provider and given to a Member through a needle or catheter. Services must be provided in the Member's home or an institution that is not a Hospital or is not primarily engaged in providing Skilled Nursing or Rehabilitation Services. (For example, board and care, custodial care facility and assisted living facility.) Infusion therapy is only covered as part of a treatment plan authorized by the Member's Participating Medical Group or PacifiCare.
24. **Injectable Drugs (Outpatient Injectable Medications and Self-Injectable Medications)** – Outpatient injectable medications administered in the Physician's office (except insulin) are covered when a part of the medical office visit. Self-injectable medications (except insulin) are covered when the Member is trained in the use of the medication and the medication has been prescribed by a Participating Provider, as authorized by the Member's Participating Medical Group or PacifiCare. Outpatient injectable medications, including self-injectables, must be obtained through a Participating Provider or through the Member's Participating Medical Group and may require preauthorization. Insulin is covered as a pharmacy benefit if the Member is covered by an outpatient prescription drug supplemental benefit. Pen devices for the delivery of medication, other than for insulin, are not covered.
25. **Laboratory Services** – Medically Necessary diagnostic and therapeutic laboratory services are covered.

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26. **Maternity Care, Tests and Procedures** – Physician visits, laboratory services (including the California Department of Health Services’ expanded alpha fetoprotein (AFP) program) and radiology services are covered for prenatal and postpartum maternity care. Nurse midwife services are covered when available within and authorized by the Member’s Participating Medical Group. Genetic testing and counseling are covered when authorized by the Member’s Participating Medical Group as part of an amniocentesis or chorionic villus sampling procedure.
27. **Medical Supplies and Materials** – Medical supplies and materials necessary to treat an illness or injury are covered when used or furnished while the Member is treated in the Participating Provider’s office, during the course of an illness or injury, or stabilization of an injury or illness, under the direct supervision of the Participating Provider. Examples of items commonly furnished in the Participating Provider’s office to treat the Member’s illness or injury are gauzes, ointments, bandages, slings and casts.
28. **Mental Health Services** – Only services to treat Severe Mental Illness for adults and children, and Serious Emotional Disturbances of a Child are covered. (See your Supplement to this *Combined Evidence of Coverage and Disclosure Form* for a description of this coverage.) Refer to the *Schedule of Benefits* for additional coverage of Mental Health Services, if any.
29. **OB/GYN Physician Care** – See “Physician OB/GYN Care.”
30. **Oral Surgery and Dental Services** – Emergency Services for stabilizing an acute injury to sound natural teeth, the jawbone or the surrounding structures and tissues are covered. Coverage is limited to treatment provided within 48 hours of injury or as soon as the member is medically stable. Other covered oral surgery and dental services include:
- Oral surgery or dental services, rendered by a Physician or dental professional, for treatment of primary medical conditions. Examples include, but are not limited to:
 - Biopsy and excision of cysts or tumors of the jaw, treatment of malignant neoplastic disease(s) and treatment of temporomandibular joint syndrome (“TMJ”);
 - Biopsy of gums or soft palate;
 - Oral or dental examinations performed on an inpatient or outpatient basis as part of a comprehensive workup prior to transplantation surgery;
 - Preventive fluoride treatment prior to an aggressive chemotherapeutic or radiation therapy protocol. Fluoride trays and/or bite guards used to protect the teeth from caries and possible infection during radiation therapy;
 - Reconstruction of a ridge that is performed as a result of and at the same time as the surgical removal of a tumor (for other than dental purposes);
 - Reconstruction of the jaw when Medically Necessary (e.g., radical neck or removal of mandibular bone for cancer or tumor);
 - Ridge augmentation or alveoplasty are covered when determined to be Medically Necessary based on state cosmetic reconstructive surgery law and jawbone surgery law;
 - Setting of the jaw or facial bones;
 - Tooth extraction prior to a major organ transplant or radiation therapy of neoplastic disease to the head or neck;
 - Treatment of maxillofacial cysts, including extraction and biopsy.
- Dental Services beyond emergency treatment to stabilize an acute injury – including, but not limited to, crowns, fillings, dental implants, caps,

¹This is jointly adopted by the American Academy of Pediatrics, the Advisory Committee on Immunization Practices (ACIP), and the American Academy of Family Physicians.

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dentures, braces, dental appliances and orthodontic procedures are not covered. Charges for the dental procedure(s) beyond emergency treatment to stabilize an acute injury, including, but not limited to, professional fees of the dentist or oral surgeon, X-ray and laboratory fees or related dental supplies provided in connection with the care, treatment, filling, removal or replacement of teeth or structures directly supporting the teeth, dental services include those for crowns, root canals, replacement of teeth, complete dentures, gold inlays, fillings and other dental services specific to the replacement of teeth or structures directly supporting the teeth and other dental services specific to the treatment of the teeth are not covered except for services covered by PacifiCare under this outpatient benefit, “Oral Surgery and Dental Services.”

31. **Oral Surgery and Dental Services: Dental Treatment Anesthesia** – Anesthesia and associated facility charges for dental procedures provided in a Hospital or outpatient surgery center are covered when: (1) the Member’s clinical status or underlying medical condition requires use of an outpatient surgery center or inpatient setting for the provision of the anesthesia for dental procedure(s) that ordinarily would not require anesthesia in a Hospital or outpatient surgery center setting; and (2) one of the following criteria is met:
- The Member is under 7 years of age;
 - The Member is developmentally disabled, regardless of age; or
 - The Member’s health is compromised and general anesthesia is Medically Necessary, regardless of age.

The Member’s dentist must obtain preauthorization from the Member’s Participating Medical Group or PacifiCare before the dental procedure is provided.

Dental Anesthesia in a dental office or dental clinic is not covered. Charges for the dental procedure(s) itself, including, but not limited to, professional fees of the dentist or oral surgeon, X-ray and laboratory fees or related dental supplies provided in connection with the care, treatment, filling, removal or replacement of teeth or structures directly supporting the teeth are not covered except for services covered by PacifiCare under the outpatient benefit, “Oral Surgery and Dental Services.”

32. **Outpatient Medical Rehabilitation Therapy** – Services provided by a registered physical, speech or occupational therapist for the treatment of an illness, disease or injury are covered.
33. **Outpatient Surgery** – Short stay, same day or other similar outpatient surgery facilities are covered when provided as a substitute for inpatient care.
34. **Periodic Health Evaluation** – Periodic Health Evaluations are covered as recommended by PacifiCare’s Preventive Health Guidelines and the Member’s Primary Care Physician. This may include, but is not limited to, the following screenings:
- **Breast Cancer Screening and Diagnosis** – Services are covered for the screening and diagnosis of breast cancer. Screening and diagnosis will be covered consistent with generally accepted medical practice and scientific evidence, upon referral by the Member’s Primary Care Physician. Mammography for screening or diagnostic purposes is covered as authorized by the Member’s participating nurse practitioner, participating certified nurse midwife or Participating Provider.
 - **Hearing Screening** – Routine hearing screening by a participating health professional is covered to determine the need for hearing correction. Hearing aids are not covered, nor is their testing or adjustment. (Hearing Screenings are limited to Dependents under age 19.)

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- Prostate Screening – Evaluations for the screening and diagnosis of prostate cancer is covered (including, but not limited to, prostate-specific antigen testing and digital rectal examination). These evaluations are provided when consistent with good professional practice.
 - Vision Screening – Annual routine eye health assessment and screening by a Participating Provider are covered to determine the health of the Member’s eyes and the possible need for vision correction. An annual retinal examination is covered for Members with diabetes.
 - Well-Baby Care – Up to the age of 2, preventive health services are covered (including immunizations) when provided by the child’s Participating Medical Group. An office Copayment applies when infants are ill at the time services are provided.
 - Well-Woman Care – Medically Necessary services, including a Pap smear (cytology), are covered. The Member may receive obstetrical and gynecological Physician services directly from an OB/GYN or Family Practice Physician or surgeon (designated by the Member’s Participating Medical Group as providing OB/GYN services) affiliated with Member’s Participating Medical Group.
35. **Phenylketonuria (“PKU”) Testing and Treatment** – Testing for Phenylketonuria (PKU) is covered to prevent the development of serious physical or mental disabilities or to promote normal development or function as a consequence of PKU enzyme deficiency. PKU includes those formulas and special food products that are part of a diet prescribed by a Participating Physician and managed by a health care professional in consultation with a Physician who specializes in the treatment of metabolic disease and who participates in or is authorized by PacifiCare, provided that the diet is deemed Medically Necessary to avert the development of serious physical or mental disabilities or to promote normal development or function as a consequence of PKU. Special food products do not include food that is naturally low in protein but may include a special low-protein formula specifically approved for PKU and special food products that are specially formulated to have less than 1 gram of protein per serving.
36. **Physician Care (Primary Care Physician and Specialist)** – Diagnostic, consultation and treatment services provided by the Member’s Primary Care Physician are covered. Services of a specialist are covered upon referral by Member’s Participating Medical Group or PacifiCare. A specialist is a licensed health care professional with advanced training in an area of medicine or surgery.
37. **Physician OB/GYN Care** – The Member may obtain obstetrical and gynecological Physician services directly from an OB/GYN, Family Practice Physician or surgeon (designated by the Member’s Participating Medical Group as providing OB/GYN services) affiliated with the Member’s Participating Medical Group.
38. **Prosthetics and Corrective Appliances** – Prosthetics and Corrective Appliances Prosthetics (except for bionic or myoelectric as explained below) are covered when Medically Necessary as determined by the Member’s Participating Medical Group or PacifiCare. Prosthetics are durable, custom-made devices designed to replace all or part of a permanently inoperative or malfunctioning body part or organ. Examples of covered prosthetics include initial contact lens in an eye following a surgical cataract extraction and removable, non-dental prosthetic devices such as a limb that does not require surgical connection to nerves, muscles or other tissue.
- Custom-made or custom-fitted corrective appliances are covered when Medically Necessary as determined by the Member’s Participating Medical Group or PacifiCare. Corrective appliances are devices that are designed to support a weakened body part. These appliances are manufactured or custom-fitted to an individual Member.
- Bionic and myoelectric prosthetics are not covered. Bionic prosthetics are prosthetics that require surgical connection to nerves, muscles or other tissues. Myoelectric prosthetics are prosthetics which have electric motors to enhance motion.

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- Replacements, repairs and adjustments to corrective appliances and prosthetics coverage are limited to normal wear and tear or because of a significant change in the Member's physical condition. Repair or replacement must be authorized by the Member's Participating Medical Group or PacifiCare.
- Refer to "Footwear" in Benefits Available on an Outpatient Basis.

For a detailed listing of covered durable medical equipment, including prosthetic and corrective appliances, please contact the PacifiCare Customer Service department at 1-800-624-8822.

39. Radiation Therapy (Standard and Complex) –

- Standard photon beam radiation therapy is covered.
- Complex radiation therapy is covered. This therapy requires specialized equipment, as well as specially trained or certified personnel to perform the therapy. Examples include, but are not limited to: brachytherapy (radioactive implants) and conformal photon beam radiation. (Gamma knife procedures and stereotactic procedures are covered as outpatient surgeries for the purpose of determining Copayments. (Please refer to your *Schedule of Benefits* for applicable Copayment, if any.)

40. Radiology Services – Including, but not limited to, Standard X-ray films (with or without oral, rectal, injected or infused contrast medium) for the diagnosis of an illness or injury are covered.

- Standard X-ray services are X-ray(s) of an extremity, abdomen, head, chest, back, mammograms, nuclear studies and barium studies. Also see "Maternity and Periodic Health Evaluations."
- Specialized scanning and imaging procedures, such as CT, SPECT, PET, IMRT, MRA and MRI (with or without contrast media), are covered.

41. **Reconstructive Surgery** – Reconstructive surgery is covered to correct or repair abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors or disease. The purpose of reconstructive surgery is to improve function or create a normal appearance to the extent possible. Reconstructive procedures require preauthorization by the Member's Participating Medical Group or PacifiCare in accordance with standards of care as practiced by Physicians specializing in reconstructive surgery.

42. **Refractions** – Routine testing every 12 months is covered to determine the need for corrective lenses (refractive error), including a written prescription for eyeglass lenses. (Coverage for frames and lenses may be available if the Member's Health Plan includes a supplemental vision benefit.)

III. Exclusions and Limitations of Benefits

Unless described as a Covered Service in an attached supplement, all services and benefits described below are excluded from coverage or limited under this Health Plan. Any supplement must be an attachment to this *Combined Evidence of Coverage and Disclosure Form*. (NOTE: Additional exclusions and limitations may be included with the explanation of your benefits in the additional materials.)

General Exclusions

Services that are not Medically Necessary, as defined in the "Definitions" section of this *Combined Evidence of Coverage and Disclosure Form*, are not covered. Services not specifically included in this *Combined Evidence of Coverage and Disclosure Form*, or any supplement purchased by the Subscriber's Employer Group, are not covered.

1. Services that are rendered without authorization from the Member's Participating Medical Group or PacifiCare (except for Emergency Services or Urgently Needed Services described in this *Combined Evidence of Coverage and Disclosure Form* and for obstetrical and gynecological Physician services obtained directly from an OB/GYN, Family Practice Physician or surgeon

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designated by the Member's Participating Medical Group as providing OB/GYN services) are not covered.

2. Services obtained from Non-Participating Providers or Participating Providers who are not affiliated with the Member's Participating Medical Group, when such services were offered or authorized by the Member's Participating Medical Group and the Member refused to obtain the services as offered by the Member's Participating Medical Group, are not covered.
3. Services rendered prior to the Member's effective date of enrollment or after the effective date of disenrollment are not covered.
4. PacifiCare does not cover the cost of services provided in preparation for a non-covered Service where such services would not otherwise be Medically Necessary. Additionally, PacifiCare does not cover the cost of routine follow-up care for non-covered Services (as recognized by the organized medical community in the state of California). PacifiCare will cover Medically Necessary services directly related to non-covered Services when complications exceed routine follow-up care such as life-threatening complications of cosmetic surgery.

Other Exclusions and Limitations

1. **Acupuncture and Acupressure** – Acupuncture and acupressure are not covered.
2. **Air Conditioners, Air Purifiers and Other Environmental Equipment** – Air conditioners, air purifiers and other environmental equipment are not covered.
3. **Alcoholism, Drug Addiction and Other Substance Abuse Rehabilitation** – Inpatient, outpatient and day treatment rehabilitation for chronic alcoholism, drug addiction or other substance abuse are not covered. Methadone treatment for detoxification is not covered. Coverage for rehabilitation of alcohol, drug or other substance abuse or addiction may be covered as a supplemental benefit (please see the "How Your PacifiCare Behavioral Health Benefits Work" section of this *Combined Evidence of Coverage and Disclosure Form*).

4. **Behavior Modification and Non-crisis Mental Health Counseling and Treatment** – Behavior modification and non-crisis mental health counseling and treatment are not covered. Examples include, but are not limited to, art therapy, music therapy and play therapy.
5. **Biofeedback** – Biofeedback services are not covered except for bladder rehabilitation as part of an authorized treatment plan.
6. **Blood and Blood Products** – The costs of transportation and processing for autologous, donor-directed or donor-designated blood are not covered in excess of \$120.00 per unit for a scheduled procedure.
7. **Bloodless Surgery Services** – Bloodless surgery services are only covered to the extent available within the Member's Participating Medical Group.
8. **Bone Marrow and Stem-Cell Transplants** – Autologous or allogeneic bone marrow or stem-cell transplants are not covered when they are Experimental or Investigational unless required by an external, independent review panel as described in Section Eight of this *Combined Evidence of Coverage and Disclosure Form*, under the caption "Independent Medical Review Procedures." Unrelated Donor Computer Searches for Members who require a bone marrow or stem-cell transplant are limited to \$15,000. Unrelated Donor Searches must be performed at a PacifiCare approved transplant center. (See "Preferred Transplant Network" in **Section 10: Definitions**.)
9. **Chiropractic Care** – Care and treatment provided by a chiropractor are not covered.
10. **Communication Devices** – Computers, personal digital assistants and any speech-generating devices are not covered. Please also refer to "durable medical equipment" and "prosthetic and corrective appliances." For a detailed listing of covered durable medical equipment, including prosthetic and corrective appliances please contact the PacifiCare Customer Service department at 1-800-624-8822.
11. **Complementary and Alternative Medicine** – Complementary and Alternative Medicine are not

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covered. (See the definition for Complementary and Alternative Medicine.)

- 12. Cosmetic Services and Surgery** – Cosmetic surgery and cosmetic services are not covered. Cosmetic surgery and cosmetic services are defined as surgery and services performed to alter or reshape normal structures of the body in order to improve appearance. Drugs, devices and procedures related to cosmetic surgery or cosmetic services are not covered. Cosmetic surgeries or cosmetic services do not become reconstructive surgery because of a Member's psychological or psychiatric condition.
- 13. Custodial Care** – Custodial Care is not covered except for those services provided by an appropriately licensed Hospice agency or appropriately licensed Hospice facility incident to a Member's terminal illness as described in the explanation of Hospice Services in the "Medical Benefits" Section of this *Combined Evidence of Coverage and Disclosure Form*.
- 14. Dental Care, Dental Appliances and Orthodontics** – Except as otherwise provided under the outpatient benefit captioned "Oral Surgery and Dental Services," dental care, dental appliances and orthodontics are not covered. Dental Care means all services required for prevention and treatment of diseases and disorders of the teeth, including, but not limited to: oral exams, X-rays, routine fluoride treatment; plaque removal, tooth decay, routine tooth extraction, dental embryonal tissue disorders, periodontal disease, crowns, fillings, dental implants, caps, dentures, braces and orthodontic procedures. (Coverage for Dental Care may be available if purchased by the University of California as a separate benefit. If your Health Plan includes a separate Dental Care benefit, a brochure describing it will be enclosed with these materials.)
- 15. Dental Treatment Anesthesia** – Dental treatment anesthesia provided or administered in a dentist's office is not covered. Charges for the dental procedure(s) itself, including, but not limited to, professional fees of the dentist or oral surgeon, X-ray and laboratory fees or related dental supplies provided in connection with the care, treatment, filling, removal or replacement of teeth or structures directly supporting the teeth are not covered, except for services covered by PacifiCare under the outpatient benefit, "Oral Surgery and Dental Services."
- 16. Dialysis** – Chronic dialysis (peritoneal or hemodialysis) is not covered outside of the Member's Participating Medical Group.
- 17. Disabilities Connected to Military Services** – Treatment in a government facility for a disability connected to military service that the Member is legally entitled to receive through a federal governmental agency, and to which Member has reasonable access, is not covered.
- 18. Drugs and Prescription Medication (Outpatient)** – Outpatient drugs and prescription medications are not covered; however, coverage for prescription medications may be available as a supplemental benefit. If your Health Plan includes a supplemental benefit, a brochure will be enclosed with these materials. Infusion drugs and infusion therapy are not considered outpatient drugs for the purposes of this exclusion. Refer to outpatient benefits, "Injectable Drugs" and "Infusion Therapy" for benefit coverage. Pen devices for the delivery of medication, other than insulin or as required by law, are not covered.
- 19. Durable Medical Equipment** – Replacements, repairs and adjustments to durable medical equipment are limited to normal wear and tear or because of a significant change in the Member's physical condition. Replacement of lost or stolen durable medical equipment is not covered. The following equipment and accessories are not covered: Non-Medically Necessary optional attachments and modifications to durable medical equipment for the comfort or convenience of the Member, accessories for portability or travel, a second piece of equipment with or without additional accessories that is for the same or

*The benefits described in Section Five will not be Covered Services unless they are determined to be Medically Necessary by Member's Participating Medical Group or PacifiCare and are provided by Member's Primary Care Physician or authorized by Member's Participating Medical Group or PacifiCare.

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similar medical purpose as existing equipment and home and car remodeling. For a detailed listing of covered durable medical equipment, please contact the PacifiCare Customer Service department at 1-800-624-8822.

20. **Educational Services for Developmental Delays and Learning Disabilities** – Educational services to treat developmental delays or learning disabilities are not covered. A learning disability is a condition where there is a meaningful difference between a child’s current academic level of function and the level that would be expected for a child of that age. Educational services include, but are not limited to, language and speech training, reading and psychological and visual integration training as defined by the *American Academy of Pediatrics Policy Statement – Learning Disabilities, Dyslexia and Vision: A Subject Review*.
21. **Elective Enhancements** – Procedures, services and supplies for elective, non-Medically Necessary enhancements to normal body parts (items, devices or services to improve appearance or performance) are not covered. This includes, but is not limited to, elective enhancements related to hair growth, athletic performance, cosmetic changes and anti-aging. Please refer to “Reconstructive Surgery” for a description of Reconstructive Surgery services covered by your Health Plan.
22. **Exercise Equipment and Services** – Exercise equipment or any charges for activities, instructions or facilities normally intended or used for developing or maintaining physical fitness are not covered. This includes, but is not limited to, charges for physical fitness instructors, health clubs or gyms or home exercise equipment or swimming pools, even if ordered by a health care professional.
23. **Experimental and/or Investigational Procedures, Items and Treatments** – Experimental and/or investigational procedures, items and treatments are not covered unless required by an external, independent review panel as described in Section Eight of this *Combined Evidence of Coverage and Disclosure Form* captioned “Eligibility for Independent

Medical Review; Experimental or Investigational Treatment Decisions,” or as described under “Cancer Clinical Trials” in the “Inpatient Benefits” and “Outpatient Benefits” sections of this *Combined Evidence of Coverage and Disclosure Form*. Unless otherwise required by federal or state law, decisions as to whether a particular treatment is Experimental or Investigational and therefore not a covered benefit are determined by a PacifiCare Medical Director or his or her designee. For the purposes of this *Combined Evidence of Coverage and Disclosure Form*, procedures, studies, tests, drugs or equipment will be considered Experimental and/or Investigational if any of the following criteria/guidelines are met:

- It cannot lawfully be marketed without the approval of the Food and Drug Administration (FDA), and such approval has not been granted at the time of its use or proposed use.
- It is a subject of a current investigation of new drug or new device (IND) application on file with the FDA.
- It is the subject of an ongoing clinical trial (Phase I, II or the research arm of Phase III) as defined in regulations and other official publications issued by the FDA and Department of Health and Human Services (DHHS).
- It is being provided pursuant to a written protocol that describes among its objectives the determination of safety, efficacy, toxicity, maximum tolerated dose or effectiveness in comparison to conventional treatments.
- It is being delivered or should be delivered subject to approval and supervision of an Institutional Review Board (IRB) as required and defined by federal regulations or other official actions (especially those of the FDA or DHHS).
- Other facilities studying substantially the same drug, device, medical treatment or procedures refer to it as experimental or as a research project, a study, an invention, a test, a trial or other words of similar effect.

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- The predominant opinion among experts as expressed in published, authoritative medical literature is that usage should be confined to research settings.
- It is not Experimental or Investigational itself pursuant to the above criteria, but would not be Medically Necessary except for its use in conjunction with a drug, device or treatment that is Experimental or Investigational (e.g. lab tests or imaging ordered to evaluate the effectiveness of an experimental therapy).
- The sources of information to be relied upon by PacifiCare in determining whether a particular treatment is Experimental or Investigational, and therefore not a covered benefit under this plan, include, but are not limited to the following:
 - The Member’s medical records;
 - The protocol(s) pursuant to which the drug, device, treatment or procedure is to be delivered;
 - Any informed consent document the Member, or his or her representative, has executed or will be asked to execute, in order to receive the drug, device, treatment or procedure;
 - The published authoritative medical and scientific literature regarding the drug, device, treatment or procedure;
 - Expert medical opinion;
 - Opinions of other agencies or review organizations (e.g. ECRI Health Technology Assessment Information Services, HAYES New Technology Summaries or MCMC Medical Ombudsman);
 - Regulations and other official actions and publications issued by agencies such as the FDA, DHHS and Agency for Health Care Policy and Research (AHCPR);
 - PacifiCare Technology Assessment Committee Guidelines.

A Member with a Life-Threatening or Seriously Debilitating condition may be entitled to an expedited external, independent review of PacifiCare’s coverage determination regarding Experimental or Investigational therapies as described in **Section Eight: Overseeing Your Health Care**, “Experimental or Investigational Treatment Decisions.”

24. **Eye Wear and Corrective Refractive Procedures** – Corrective lenses and frames, contact lenses and contact lens fitting and measurements are not covered (except for initial post-cataract extraction or corneal bandages and for the treatment of keratoconus and aphakia). Surgical and laser procedures to correct or improve refractive error are not covered. Routine screenings for glaucoma are limited to Members who meet the medical criteria.
25. **Family Planning** – Family planning benefits, other than those specifically listed in the *Schedule of Benefits* that accompanies this document are not covered.
26. **Follow-Up Care: Emergency Services or Urgently Needed Services** – Services following discharge after receipt of Emergency Services or Urgently Needed Services, including, but not limited to, treatments, procedures, X-rays, lab work, Physician visits, rehabilitation and Skilled Nursing Care are not covered without the Participating Medical Group’s or PacifiCare’s authorization. The fact that the Member is outside the Service Area and that it is inconvenient for the Member to obtain the required services from the Participating Medical Group will not entitle the Member to coverage.
27. **Foot Care** – Except as Medically Necessary, routine foot care, including, but not limited to, removal or reduction of corns and calluses and clipping of toenails, is not covered.
28. **Foot Orthotics/Footwear** – Specialized footwear, including foot orthotics and custom-made or standard orthopedic shoes is not covered, except for Members with diabetic foot disease or when an orthopedic shoe is permanently attached to a Medically Necessary orthopedic brace.

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29. **Genetic Testing and Counseling** – Genetic testing of non-Members is not covered. Genetic testing solely to determine the gender of a fetus is not covered. Genetic testing and counseling are not covered when done for nonmedical reasons or when a Member has no medical indication or family history of a genetic abnormality. General testing and counseling are not covered to screen newborns, children or adolescents to determine their carrier status for inheritable disorders when there would be no immediate medical benefit or when the test results would not be used to initiate medical interventions during childhood. Genetic testing and counseling are not covered except when determined by PacifiCare’s Medical Director or designee to be Medically Necessary to treat the Member for an inheritable disease. Refer to “Maternity Care Test and Procedures” in the “Outpatient Benefits” section for coverage of amniocentesis and chorionic villus sampling.
30. **Government Services and Treatment** – Any services that the Member receives from a local, state or federal governmental agency are not covered, except when coverage under this Health Plan is expressly required by federal or state law.
31. **Hearing Aids and Hearing Devices** – Hearing aids and non-implantable hearing devices are not covered. Audiology services (other than screening for hearing acuity) are not covered. Hearing aid supplies are not covered. Implantable hearing devices are not covered except for cochlear devices for bilaterally, profoundly hearing impaired individuals or for prelingual Members who have not benefited from conventional amplification (hearing aids).
32. **Immunizations** – Travel and/or required work-related immunizations are not covered.
33. **Infertility Reversal** – Reversals of sterilization procedures are not covered.
34. **Infertility Services** – Please refer to your *Medical Schedule of Benefits* for limited benefits. The following services are excluded under the PacifiCare Health Plan: Ovum transplants, ovum or ovum bank charges, sperm or sperm bank charges and the medical or Hospital Services incurred by surrogate mothers who are not PacifiCare Members are not covered. Medical and Hospital Infertility Services for a Member whose fertility is impaired due to an elective sterilization, including surgery, medications and supplies, are not covered.
35. **Institutional Services and Supplies** – Except for Skilled Nursing Services provided in a Skilled Nursing Facility, any services or supplies furnished by a facility that is primarily a place of rest, a place for the aged, a nursing home or any similar institution, regardless of affiliation or denomination, are not covered. (Skilled Nursing Services are covered as described in this *Combined Evidence of Coverage and Disclosure Form* in the sections entitled “Inpatient Benefits” and “Outpatient Benefits.”) Members residing in these facilities are eligible for Covered Services that are determined to be Medically Necessary by Member’s Participating Medical Group or PacifiCare, and are provided by Member’s Primary Care Physician or authorized by Member’s Participating Medical Group or PacifiCare.
36. **Medicare Benefits for Medicare Eligible Members** – The amount payable by Medicare for Medicare Covered Services is not covered by PacifiCare for Medicare Eligible Members, whether or not a Medicare Eligible Member has enrolled in Medicare Part A and Medicare Part B.
37. **Mental Health and Nervous Disorders** – Mental Health Services are not covered except for diagnosis and treatment of Severe Mental Illness for adults and children, and for diagnosis and treatment of Serious Emotional Disturbances of Children. Please refer to the behavioral health supplement to this *Combined Evidence of Coverage and Disclosure Form* for a description of this coverage. Academic or educational testing, as well as educational counseling or remediation are not covered. Coverage for Crisis Intervention may also be available as an additional benefit. Please refer to the *Schedule of Benefits* for coverage, if any.
38. **Morbid Obesity** – Surgical treatment for morbid obesity and services related to this surgery are not covered unless criteria as recommended by the National Institutes of Health (NIH) are met. Please also see Weight Alteration Programs (Inpatient or Outpatient).

Your Medical Benefits

39. **Nonphysician Health Care Practitioners** – This Plan may not cover services of all Nonphysician Health Care Practitioners. Treatment by Nonphysician Health Care Practitioners such as acupuncturists, chiropractors, licensed clinical social workers, marriage and family therapists are not covered. Psychologists or licensed clinical social workers may be covered as a supplemental benefit (please see the “How Your PacifiCare Behavioral Health Benefits Work” section of this *Combined Evidence of Coverage and Disclosure Form*). For coverage of Severe Mental Illnesses (SMI) of adults and children, and for children, the treatment of Serious Emotional Disturbances (SED), refer to “Outpatient Benefits, Mental Health Services.”
40. **Nurse Midwife Services** – Nurse midwife services are covered only when available within the Member’s Participating Medical Group. Home deliveries at home are not covered.
41. **Nursing, Private Duty** – Private-duty nursing is not covered.
42. **Nutritional Supplements or Formulas** – Formulas, food, vitamins, herbs and dietary supplements are not covered, except as described under the outpatient description of “Phenylketonuria (PKU) Testing and Treatment.”
43. **Off-Label Drug Use** – Off-Label Drug Use, which means the use of a drug for a purpose that is different from the use for which the drug has been approved for by the FDA, including off-label self injectable drugs, is not covered except as follows. If the self-injectable drug is prescribed for Off-Label Use, the drug and its administration is covered only when the following criteria are met:
- The drug is approved by the FDA;
 - The drug is prescribed by a Participating Provider for the treatment of a life-threatening condition or for a chronic and seriously debilitating condition;
 - The drug is Medically Necessary to treat the condition;
- The drug has been recognized for treatment of the life-threatening or chronic and seriously debilitating condition by one of the following:
 - *The American Medical Association Drug Evaluations, The American Hospital Formulary Service Drug Information, The United States Pharmacopeia Dispensing Information, Volume 1*, or in two articles from major peer-reviewed medical journals that present data supporting the proposed Off-Label Drug Use or Uses as generally safe and effective;
 - The drug is covered under the injectable drug benefit described in the outpatient benefits section of this *Combined Evidence of Coverage and Disclosure Form*. Nothing in this section shall prohibit PacifiCare from use of a Formulary, Copayment, technology assessment panel or similar mechanism as a means for appropriately managing the utilization of a drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the FDA.
44. **Oral Surgery and Dental Services** – Dental services, including, but not limited to, crowns, fillings, dental implants, caps, dentures, braces and orthodontic procedures, are not covered.
45. **Oral Surgery and Dental Services: Dental Treatment Anesthesia** – Dental anesthesia in a dental office or dental clinic is not covered. Professional fees of the dentist are not covered. (Please see “Dental Care, Dental Appliances and Orthodontics” and “Dental Treatment Anesthesia.”)
46. **Organ Donor Services** – Medical and Hospital Services, as well as other costs of a donor or prospective donor, are only covered when the recipient is a Member. The testing of blood relatives to determine compatibility for donating organs is limited to sisters, brothers, parents and natural children. Computer searches of unrelated donors for Members who require a bone marrow or stem-cell transplant are limited to \$15,000 per lifetime. Donor Searches are only covered when

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performed by a Provider included in the “Preferred Transplant Network Facility.”

47. **Organ Transplants** – All organ transplants must be preauthorized by PacifiCare and performed in a PacifiCare Preferred Transplant Network facility.
- Transportation is limited to the transportation of the Member and one escort to a Preferred Transplant Network facility greater than 60 miles from the Member’s Primary Residence as reauthorized by PacifiCare. Transportation and other nonclinical expenses of the living donor are excluded and are the responsibility of the Member who is the recipient of the transplant. (See the definition for Preferred Transplant Network.)
 - Food and housing is not covered unless the Preferred Transplant Network Center is located more than 60 miles from the Member’s Primary Residence, in which case food and housing is limited to \$125.00 a day to cover both the Member and escort, if any (excludes liquor and tobacco). Food and housing expenses are not covered for any day a Member is not receiving Medically Necessary transplant services.
 - Listing of the Member at a second Preferred Transplant Network Center is excluded, unless the Regional Organ Procurement Agencies are different for the 2 facilities and the Member is accepted for listing by both facilities. In these cases, organ transplant listing is limited to 2 Preferred Transplant Network facilities. If the Member is dual listed, his or her coverage is limited to the actual transplant at the second facility. The Member is responsible for any duplicated diagnostic costs incurred at the second facility. (See the definition for Regional Organ Procurement Agency.)
48. **Phenylketonuria (“PKU”) Testing and Treatment** – Food products naturally low in protein are not covered.
49. **Physical or Psychological Examinations** – Physical or psychological examinations for court hearings, travel, premarital, pre-adoption or other nonpreventive health reasons are not covered.
50. **Preferred Transplant Network** – A network of transplant facilities that are:
- Licensed in the state in which they operate;
 - Certified by Medicare as a transplant facility for a specific organ transplant;
 - Designated by PacifiCare as a transplant facility for a specific organ program;
 - Able to meet the reasonable access standards for organ transplantation based on the Regional Organ Procurement Agency statistics within the transplant facility’s geographic location. A Regional Organ Procurement Agency is a geographic area designated by a state-licensed organ procurement organization for transplants in the state of California.
51. **Private Rooms and Comfort Items** – Personal or comfort items, and non-Medically Necessary private rooms during inpatient hospitalization, are not covered.
52. **Prosthetics and Corrective Appliances** – Replacement of lost prosthetics or corrective appliances is not covered. Prosthetics that require surgical connection to nerves, muscles or other tissues (bionic) are not covered. Prosthetics that have electric motors to enhance motion (myoelectronic) are not covered. For a detailed listing of covered durable medical equipment, including prosthetics and corrective appliances, please contact the PacifiCare Customer Service department at 1-800-624-8822.
53. **Reconstructive Surgery** – Reconstructive surgeries are not covered under the following circumstances:
- When there is another more appropriate surgical procedure that has been offered to the Member; or
 - When only a minimal improvement in the Member’s appearance is expected to be achieved.
- Preauthorizations for proposed reconstructive surgeries will be reviewed by Physicians specializing in such reconstructive surgery who are competent to evaluate the specific clinical issues involved in the care requested.

Your Medical Benefits

54. **Recreational, Lifestyle, Educational or Hypnotic Therapy** – Recreational, lifestyle, educational or hypnotic therapy, and any related diagnostic testing, is not covered.
55. **Rehabilitation Services and Therapy** – Rehabilitation services and therapy are either limited or not covered, as follows:
 - Speech, occupational or physical therapy is not covered when medical documentation does not support the Medical Necessity because of the Member’s inability to progress toward the treatment plan goals or when a Member has already met the treatment goals.
 - Speech therapy is limited to Medically Necessary therapy to treat speech disorders caused by a defined illness, disease or surgery (for example, cleft palate repair).
 - Exercise programs are only covered when they require the direct supervision of a licensed Physical Therapist and are part of an authorized treatment plan.
 - Activities that are motivational in nature or that are primarily recreational, social or for general fitness, are not covered.
 - Aquatic/pool therapy is not covered unless conducted by a licensed Physical Therapist and part of an authorized treatment plan.
 - Massage therapy is not covered.
56. **Respite Care** – Respite care is not covered, unless part of an authorized Hospice plan and is necessary to relieve the primary caregiver in a Member’s residence. Respite care is covered only on an occasional basis, not to exceed 5 consecutive days at a time.
57. **Services in the Home** – Services in the home provided by relatives or other household members are not covered.
58. **Services While Confined** – Services required for injuries or illnesses experienced while under arrest, detained, imprisoned, incarcerated or confined pursuant to federal, state or local laws are not covered. However, PacifiCare will reimburse Members their out-of-pocket expenses for services received while confined in a city or county jail or, if a juvenile, while detained in any facility, if the services were provided or authorized by your Primary Care Physician or Participating Medical Group in accordance with the terms of this Health Plan or were Emergency Services or Urgently Needed Services. This exclusion does not restrict PacifiCare’s liability with respect to expenses for Covered Services solely because the expenses were incurred in a state hospital; however, PacifiCare’s liability with respect to expenses for Covered Services provided in a state Hospital is limited to the rate PacifiCare would pay for those Covered Services if provided by a Participating Hospital.
59. **Sex Transformations** – Procedures, services, medications and supplies related to sex transformations are not covered.
60. **Skilled Nursing Facility Care/Subacute and Transitional Care** – Skilled Nursing Facility room and board charges are excluded after 100 consecutive days per admission. Days spent out of the Skilled Nursing Facility when transferred to an acute Hospital setting are not counted toward the 100 consecutive days when the Member is transferred back to a Skilled Nursing Facility, but the count resumes upon the Member’s return to a Skilled Nursing Facility. Such days in an acute Hospital setting also do not count toward renewing the 100 consecutive day benefit. In order to renew the room and board coverage in a Skilled Nursing Facility, a Member must either be out of all Skilled Nursing Facilities for 60 consecutive days or if the Member remains in a facility, then the Member may not have received Skilled Nursing Care or Skilled Rehabilitation Care for 60 days.

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61. **Surrogacy** – Infertility and maternity services for non-Members are not covered. PacifiCare may seek recovery of actual costs incurred by PacifiCare from a Member who is receiving reimbursement for medical expenses for maternity services while acting as a surrogate.
62. **Third Party Liability** – Expenses incurred due to liable third parties are not covered, as described in the Section “PacifiCare’s Right to the Repayment of a Debt as a Charge Against Recoveries From Third Parties Liable for a Member’s Health Care Expenses.”
63. **Transgender Benefits** – Limited to psychotherapy and hormone therapy as described in the Harry Benjamin International Gender Dysphoria Association’s (HBI/GDA) *Standards of Care for Gender Identity Disorder*.
64. **Transportation** – Transportation is not a covered benefit except for ambulance transportation as defined in this *Combined Evidence of Coverage and Disclosure Form*.
65. **Veterans Administration Services** – Except for Emergency or Urgently Needed Services, services received by a Member in a Veterans Administration facility are not covered.
66. **Vision Care** – See “Eye Wear and Corrective Refractive Procedures” listed in “Exclusions and Limitations.”
67. **Vision Training** – Vision therapy and ocular training programs (orthoptics) that are not part of an authorized treatment plan are not covered.
68. **Weight Alteration Programs (Inpatient or Outpatient)** – Weight loss or weight gain programs are not covered. These programs include, but are not limited to, dietary evaluations, counseling, exercise, behavioral modification, food and food supplements, vitamins and other nutritional supplements. Also excluded are surgery and laboratory tests associated with monitoring weight loss or weight gain, except as described under the “Morbid Obesity” exclusion. For the treatment of anorexia nervosa and bulimia nervosa, please refer to the behavioral health supplement of your *Combined Evidence of Coverage and Disclosure Form*.

Outpatient Prescription Drug Program

Retail:

\$10 Generic Formulary/Selected Brands Copayment

\$20 Brand-Name Formulary Copayment

\$35 Non-Formulary Copayment

PacifiCare covers Outpatient Prescription Drugs when ordered by a PacifiCare Participating Physician and filled at a PacifiCare Participating Pharmacy.

How To Use the Program

- Present your prescription and PacifiCare ID card at any PacifiCare Participating Pharmacy.
- Pay your Copayment for each one-month supply of Prescription Drugs you have filled or a retail cost of the prescription, whichever is less.
- Receive your medication(s).

PacifiCare's Formulary

Your PacifiCare Prescription Drug Benefit uses a Formulary. However, under the Buy-Up Option Plan, non-Formulary drugs are generally covered by PacifiCare without prior authorization.

What You Will Pay

You will need to make the required Copayment each time a prescription is filled. You should never be required to pay more than your Copayment amount for Covered Prescription Drugs at a PacifiCare Participating Pharmacy.

You may purchase up to a one-month supply of Prescription Drugs included on the PacifiCare Formulary through a PacifiCare Participating Pharmacy for the amount of your Copayment.

The Copayment amount for maintenance medications shall be one Copayment for each one-month supply received through a Participating Pharmacy for up to a two (2)-month supply. Members may receive up to a three (3)-month supply of maintenance medications through the PacifiCare Mail Service Center for the price of two (2) Copayments.

The Copayment for specified smoking cessation products is \$20 per 30-day supply.

You may also purchase the Prescription Drugs not on the PacifiCare Formulary for the non-Formulary Copayment listed above per one-month supply when ordered by a PacifiCare Participating Physician and filled at a PacifiCare Participating Pharmacy.

What Is Covered

When Medically Necessary, the prescription benefit will be provided for the following medications when ordered by a PacifiCare Participating Physician and filled at a PacifiCare Participating Pharmacy.

- **Federal Legend Drugs:** Any medicinal substance which bears the legend: "Caution: Federal law prohibits dispensing without a prescription."
- **State Restricted Drugs:** Any medicinal substance which may be dispensed by prescription only according to State law.
- **Compounded Medication:** Any medicinal substance which has at least one ingredient that is Federal Legend or State Restricted in a therapeutic amount.
- **Insulin, insulin syringes, blood glucose test strips, lancets, inhaler extender devices, EpiPens[®], Ana-Kits[®].**
- **Federal Legend oral contraceptives, prescription diaphragms.**
- **Generic Drugs:** Comparable generic drugs will be substituted for brand-name drugs.
- **Specified smoking cessation products** when a Member meets nicotine dependency criteria and is enrolled and continues to participate in PacifiCare's StopSmokingSM program.
- **Drugs to treat sexual dysfunction** are covered with a limitation. For oral medications, up to 8 pills may be covered per month. Contact the plan for dose limits on other types of sexual dysfunction drugs. You pay 50% of the cost of the medication per prescription unit. These drugs must be Medically Necessary and preauthorized by PacifiCare.
- **Hormone drugs** subject to the Harry Benjamin International Gender Dysphoria Association's (HBIGDA) *Standards of Care for Gender Identity Disorder*.

Outpatient Prescription Drug Program

Preauthorization for Selected Drugs

Coverage for selected drugs will require PacifiCare's preauthorization. PacifiCare's preauthorization review process is to ensure that the selected drugs are Medically Necessary and being utilized according to treatment guidelines consistent with good professional practice. For a list of the selected medications that require PacifiCare's preauthorization, please contact PacifiCare's Customer Service department.

If a PacifiCare Participating Pharmacy Is Not Available

The Drug Benefit is honored only at PacifiCare Participating Pharmacies. You are eligible for direct reimbursement only if a PacifiCare Participating Pharmacy was not available or accessible. In this situation you will be required to pay the price of the prescription and should file for reimbursement. For direct reimbursement, you must send to PacifiCare the following information:

1. Your prescription receipt from the pharmacy showing the name of the drug, date filled, pharmacy name, name of Member for whom the prescription was written, and proof of payment.
2. A statement describing why a Participating Pharmacy was not available to the Member.
3. The above information should be sent to the following address:

Prescription Solutions® Claims
P.O. Box 6037
Cypress, CA 90630

If request for reimbursement is determined to be appropriate, payment will be forwarded to you.

Should you have any questions regarding your PacifiCare Prescription Drug Benefit, please call Customer Service.

What is a prescription drug Formulary?

A Formulary is a list of preferred medications used to treat Health Plan Members. Formularies have been used for Inpatient treatment in Hospitals for many years to help ensure quality and affordability. Lately, more and more health care plans have turned to Formularies to help achieve these goals. Health Plans usually print and distribute their Formularies to their participating health care Providers yearly. PacifiCare's

Formulary is available for your review at www.pacificare.com or by calling PacifiCare's Customer Service department.

Please note: The presence of a medication on the Formulary does not guarantee that your doctor will prescribe that drug to treat your particular medical condition. If you would like additional information about the Formulary or a particular drug, please contact PacifiCare's Customer Service department or visit PacifiCare's Web site at www.pacificare.com.

How Drugs Get on the Formulary

The PacifiCare Formulary includes over 1,600 drugs, both brand name and generic, and has been developed to include medications that cover the majority of medical conditions. In most cases, when a medication is not included on the Formulary, it is because there is a Formulary alternative which can be prescribed for the same condition. The Formulary alternative may be either a brand-name or a generic drug. A panel of pharmacists, medical directors and physicians, known as the Pharmacy and Therapeutics Committee, developed and periodically updates the PacifiCare Formulary.

In general, updates to the PacifiCare Formulary occur quarterly. However, in certain situations, drugs may be added or deleted more frequently. The Committee's criteria for including a drug on the PacifiCare Formulary is based on the following attributes of the drug:

- FDA approved
- Safety
- Quality
- Efficacy (the medication's ability to produce a desired effect)
- Cost

Only after a medication is deemed to be safe and effective is the cost of the medication considered.

For example, if two medications have similar safety and effectiveness factors, but one drug is significantly less expensive than the other, the lower cost medication would be selected for inclusion on the Formulary.

Outpatient Prescription Drug Program

Generic vs. Brand-Name Drugs

The PacifiCare Formulary is made up of two types of medications: generic and brand-name drugs. When a pharmaceutical company applies for a patent for a new drug, a generic equivalent cannot be introduced for 17 years from the time the application is filed. But once that term is up, any manufacturer may produce and market the drug under its generic name. Since generics don't have to recoup the research and marketing costs that come with the introduction of a brand-name medication, costs are usually significantly lower. In fact, the average generic drug costs 40% to 70% less than its equivalent brand-name counterpart.

Under the PacifiCare pharmacy plan, a comparable generic product will often be substituted for the brand-name drug, if one is available. This is because:

- Generic drugs have the same active ingredients as the brand-name drug. Only the inactive ingredients, such as the fillers, can differ from the brand-name version. This explains why the generic may be a different color or shape than the brand name.
- Generic drugs must meet FDA standards for identity, strength, quality, purity and potency.
- 70% to 80% of all generic drugs are made by the same pharmaceutical company that manufactured the original brand-name products.
- Generic drugs provide greater value for lower cost.

Dispensing Quantity Limitations

The amount of drug which may be dispensed per prescription or refill will be one Prescription Unit as consistent with good professional practice.

Prescriptions requiring greater amounts will be completed on a refill basis, except as described under Maintenance Drug Dispensing.

Maintenance Drug Dispensing

Maintenance Drugs may be dispensed for up to a three (3)-month supply through the PacifiCare Mail Service Center. These products include, but are not limited to:

- Antiarthritics;
- Antiasthmatics;
- Anti-clotting drugs;
- Antiepileptic drugs;
- Antihypertensives;

- Antiparkinson drugs;
- Cardiac drugs;
- Cholesterol and lipid lowering agents;
- Diuretics;
- Gastrointestinal drugs;
- Glucose test strips;
- Hormones;
- Insulin and insulin syringes;
- Oral contraceptives;
- Oral hypoglycemics;
- Prenatal vitamins;
- Thyroid suppressants or replacements.

PacifiCare Mail Service Program

Mail Service:

\$20 Generic Formulary/Selected Brands Copayment

\$40 Brand-Name Formulary Copayment

\$70 Non-Formulary Copayment

PacifiCare offers a Mail Service Pharmacy program to Members using maintenance medications (medications that are taken on an ongoing basis). With the Mail Service program, you get the same high-quality prescriptions dispensed by registered pharmacists, without ever leaving your home. Our mail service pharmacists are backed by a sophisticated computerized quality control system to prevent possible drug interactions and duplicate therapy.

- If your doctor prescribes on ongoing medication for you, tell him or her you would like to use the Mail Service Pharmacy. Ask for a 90-day prescription with refills.
- Complete the prescription mail order form enclosed with your benefit materials, which you can also obtain from PacifiCare's Web site or by calling PacifiCare Customer Service.
- Refer to your *Schedule of Benefits* for your Mail Service Copayment.

If you have any questions about the Mail Service Program, please call Customer Service.

Outpatient Prescription Drug Program

Participating Pharmacy Network

To ensure that Members can conveniently fill Prescription Drugs, PacifiCare's Participating Pharmacy network includes most major pharmacy and supermarket chains and many independent pharmacies. Below is a list of PacifiCare Participating Pharmacies.

- Albertsons Food & Drug
- Bel Air Pharmacies
- Cardinal/Leadernet Independent Network
- Costco Pharmacies
- Drug Emporium
- EPN Independent Network
- Family Care Network
- Friendly Hills Pharmacy
- Gemmel Pharmacy Group
- Good Neighbor/PlusCare Pharmacies
- Horton & Converse Pharmacies
- K-Mart Pharmacies
- Longs Drug Stores
- Major Value Pharmacies
- Managed Pharmacy Care
- Medicap Pharmacies
- Medicine Shoppe Pharmacies
- Network Pharmacies
- OPEN Independent Pharmacies
- PCP Independent Pharmacies
- Raley's Drug Center
- Ralphs Pharmacies
- Rite Aid Pharmacies
- Safeway Pharmacies
- Save Mart Pharmacies
- Sav-On Drugs
- Sharp Rees-Stealy Pharmacies
- Talbert Pharmacies
- Target Pharmacy

- UniMed Pharmacies
- United Drug Stores
- UPNI Contracted Pharmacies
- Valu-Rite/McKesson Drug Co.
- Vons/Pavilions (A Safeway Company)
- Wal-Mart Pharmacies

You can also access the most up-to-date information on our Web site at www.pacificare.com.

Exclusions and Limitations

Prescription drug benefits will not be provided for any prescription covering or prescribing the following:

- Drugs or medicines purchased and received prior to the Member's effective date or after the Member's termination.
- Therapeutic devices or appliances, including hypodermic needles, syringes (except insulin syringes), support garments and other nonmedicinal substances.
- All nonprescription (over-the-counter) contraceptive jellies, ointments, foams and devices.
- Medications to be taken or administered to the eligible Member while he/she is a patient in a hospital, rest home, nursing home, sanitarium, etc.
- Drugs or medicines delivered or administered to the Member by prescriber or the prescriber's staff.
- Dietary supplements including vitamins (except prenatales), fluoride supplements, health or beauty aids and anorexiant (i.e. diet pills).
- Medication for which the cost is recoverable under any workers' compensation or occupational disease law, any state or government agency, or medication furnished by any other drug or medical service for which no charge is made to the patient.
- Medications prescribed for experimental or investigational therapies, unless required by an external, independent review panel pursuant to California Health and Safety Code Section 1370.4.
- Medications prescribed for non-FDA-approved indications unless prescribed in a manner consistent with a specific indication in *Drug Information for the Health Care Professional*, published by the United States Pharmacopeial

Outpatient Prescription Drug Program

Convention, the *American Medical Association Drug Evaluation*, the American Hospital Formulary Services edition of *Drug Information*, or any other source which reflects community practice standards, medications limited to investigational use by law.

- Medications available without a prescription (over-the-counter) or for which there is a nonprescription equivalent available, even if ordered by a Physician.
- Drugs, medicines or cosmetic aids prescribed primarily to improve or otherwise modify the Member's external appearance.
- Medications prescribed by non-Participating Physicians (except for prescriptions required as a result of an Emergency or Urgently Needed Service for an acute condition).
- Smoking cessation products (other than those available by participating in PacifiCare's StopSmokingSM program) including, but not limited to nicotine gum and nicotine nasal spray.
- Injectable drugs (except as listed under "Covered Benefits").

Please refer to "Understanding Health Care Terms" for definitions of terms used in this section.

Hearing Aid Benefits

50% coinsurance per device

Maximum: \$2,000 every 36 months

Hearing aid expenses for Members are covered as follows:

Benefits

Hearing Aid Benefits include, but are not limited to:

- An audiometric examination by an audiologist when authorized through the Member's Participating Medical Group. The associated office visit Copayment applies.
- Hearing aids or ear molds – One appliance per ear as listed above per Member, every 36 months when Medically Necessary to provide functional improvement and when authorized through the Member's Participating Medical Group and obtained from a Participating PacifiCare Provider. No more than \$2,000 will be paid every 36 months for all covered hearing aids combined. Retirees must acquire hearing aids through Newport Audiology.

Limitations

Coverage expenses relating to hearing aids are limited to the usual and customary charge of a basic hearing aid to provide functional improvement.

Exclusions

Certain hearing aid services are not covered, including, but not limited to the following:

- Replacement of a hearing aid that is lost, broken or stolen within 36 months of receipt.
- Repair of the hearing aid and related services.
- Surgically implanted hearing devices.
- Services or supplies for which a Member is entitled to receive reimbursement under any applicable workers' compensation law.
- Services or supplies rendered to a Member after cessation of the coverage on his or her account, except that, if a hearing aid is ordered while coverage is in force on account of such Member and such a hearing aid is delivered within 60 days after the date of such cessation, such hearing aid will be considered a covered hearing aid expense.

- Services or supplies which are not necessary according to professionally accepted standards of practice, or which are not recommended or authorized by the Member's Participating Medical Group.
- An eyeglass-type hearing aid or additional charges for a hearing aid designed specifically for cosmetic purposes.

How Your Behavioral Health Care Benefits Work

Welcome to PacifiCare Behavioral Health of California (PBHC). Our mission is to provide our Members with quality behavioral health care.

We offer you direct 24-hour access to our services.

We coordinate and pay for all behavioral health care as provided under your Plan, provided you use our Participating Providers.

You may have some Copayments or Coinsurance amounts.

What does PacifiCare Behavioral Health of California do?

PBHC arranges Behavioral Health Services for our Members. All services covered under this benefit plan will be provided by a PBHC Participating Provider and must be preauthorized by PBHC, except in the case of an Emergency. Simply call the PBHC Customer Service department at 1-800-999-9585 at any time of the day or night to learn more about your benefits. Our staff is always there to assist you with understanding your benefits, authorizing services, helping you select a provider, or anything else related to your benefits under this Plan.

PBHC authorizes an appropriate number of Visits based on PBHC's treatment guidelines for your behavioral health condition. These guidelines are available to you upon request and have been distributed to all Participating Providers in our network.

What is Behavioral Health?

Behavioral health is the name for the treatment of:

Mental health conditions, including treatment for the Severe Mental Illness of an adult or child and/or the Serious Emotional Disturbance of a Child, and alcohol and drug problems, also known as Chemical Dependency.

What is a Severe Mental Illness?

A Severe Mental Illness (SMI) includes the diagnosis and Medically Necessary treatment of the following conditions:

- Anorexia nervosa;
- Bipolar disorder;
- Bulimia nervosa;
- Major depressive disorder;
- Obsessive-compulsive disorder;

- Panic Disorder;
- Pervasive Developmental Disorder or Autism;
- Schizoaffective Disorder;
- Schizophrenia.

What is the Serious Emotional Disturbance of a Child?

The Serious Emotional Disturbance (SED) of a Child is defined as a child who:

- Has one or more Mental Disorders as defined by the Diagnostic and Statistical Manual (DSM-IV), other than a primary substance use disorder or developmental disorder, that results in behavior inappropriate to the child's age according to expected developmental norms; and
- Is under the age of eighteen (18) years old.

Furthermore, the child must meet one or more of the following criteria:

- As a result of the Mental Disorder, the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community; and either of the following occur:
 - i. the child is at risk of removal from home or has already been removed from the home;
 - ii. the Mental Disorder and impairments have been present for more than six months or are likely to continue for more than one year without treatment; or
- The child displays one of the following: psychotic features, risk of suicide or risk of violence due to a Mental Disorder; or
- The child meets the special education eligibility requirements under Chapter 26.5, commencing with Section 7570 of Division 7 of Title 1 of the Government Code of the State of California.

Do I need a referral from my Primary Care Physician to get Behavioral Health Services?

No. You can call PBHC directly to obtain Behavioral Health Services. If you would like us to, we will help coordinate the care you receive from your PBHC Participating Provider and the services provided by your Primary Care Physician (PCP). This may be very important when you have both medical and behavioral health problems. PBHC will obtain the appropriate consents before information is released to your PCP.

How Your Behavioral Health Care Benefits Work

You may call PBHC Customer Service at any time to start this process.

How do I get Behavioral Health Services?

Step 1

To get Behavioral Health Services, you must call PBHC first, except in an Emergency. Just call PBHC Customer Service at 1-800-999-9585. A PBHC staff member will make sure you are an eligible Plan Member and answer any questions you may have about your benefits. The PBHC staff member will conduct a brief telephone screening by asking you questions, such as:

- What are the problems or symptoms you are having?
- Are you already seeing a Participating Provider?
- What kind of Provider do you prefer?

You will then be given the name and telephone number of a PBHC Participating Provider near your home or work that meets your needs.

Step 2

You call the PBHC Participating Provider's office to make an appointment.

Step 3

After your first visit, your PBHC Participating Provider will get approval for any additional services you need that are covered under the Plan. You do not need to call PBHC again.

What if I want to change my Participating Provider?

Simply call the PBHC Customer Service toll-free number at 1-800-999-9585 to select another PBHC Participating Provider.

If I see a Provider who is not part of PBHC's Provider network, will it cost me more?

Yes. If you are enrolled in this Plan and choose to see a Provider who is not part of the PBHC network, the services will be excluded and you will have to pay for the entire cost of the treatment with no reimbursement from PBHC, except in an Emergency.

In addition, such charges will not be considered part of the Plan's Appeal Process, quality improvement process or any other process provided for under the terms of this coverage. Please refer to your PBHC *Schedule of Benefits*, "Covered Services" and "Exclusions and Limitations" found later in this EOC for additional information.

Can I call PBHC in the evening or on weekends?

Yes. If you need services after normal business hours, please call PBHC's Customer Service department. A staff member is always there to help.

Emergency Treatment

What is an Emergency?

An Emergency is a condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that a Prudent Layperson would expect the absence of immediate Behavioral Health Services could result in any of the following:

- Immediate harm to self or others;
- Placing your health in serious jeopardy;
- Serious impairment of your functioning; or
- Serious dysfunction of any bodily organ or part.

A situation will be considered an Emergency if you or your Dependent are temporarily outside of California, experience a situation which requires Behavioral Health Services, and a delay in treatment by a PBHC Participating Provider in California would result in a serious deterioration to your health.

What happens in an Emergency?

Step 1: In an Emergency, get help or treatment immediately.

This means you should call 911 or go directly to the nearest medical Facility for treatment if you have to.

Step 2: Then, within 48 hours of your Emergency, or as soon as is reasonably possible after your condition is stable, you or someone acting on your behalf, needs to call us at 1-800-999-9585. **This is important.**

Emergency Services are covered only as long as the condition continues to be an Emergency. Once the condition is under control and you can be safely transferred or discharged, additional charges incurred through the Emergency care Facility will not be covered.

Step 3: PBHC will arrange follow up services for your condition after an Emergency. PBHC may move you to a Participating Provider in our network, as long as the move would not harm your health.

How Your Behavioral Health Care Benefits Work

It is appropriate for you to use the 911 Emergency response system, or alternative Emergency system in your area, for assistance in an Emergency situation when ambulance transport services are required and you reasonably believe that your condition is immediate, serious and requires Emergency transport services to take you to the appropriate Facility.

In a situation which you consider Urgent, but not life threatening, call our Customer Service department for assistance in finding a Provider near your location. If a Participating Provider cannot be located, you may be sent to a Provider outside of our PBHC network.

It is very important that you follow the steps outlined above. If you do not, you may be financially responsible for services received.

If I am out of state or traveling, am I still covered?

Yes, but only in an Emergency or Urgent situation. If you think you are experiencing an Emergency or require Urgently Needed Services, get treatment immediately. Then, as soon as reasonably possible, call the PBHC Customer Service department to ensure your Emergency Treatment is covered. This is important.

If you are traveling outside of the United States, you can reach PBHC by calling 1-818-782-1100 for additional instructions on what to do in the case of an Emergency or Urgent situation.

Provider Information

About Our Participating Providers

Call the PBHC Customer Service department for:

- Information on PBHC Participating Providers;
- Provider office hours;
- Background information such as their areas of specialization;
- A copy of the PacifiCare Behavioral Health of California *Provider Directory*; or
- Information on how to get referrals for behavioral health specialists.

You can also view a listing of PBHC Participating Providers on our Internet Web site at www.pbhi.com.

Who are PacifiCare Behavioral Health's Participating Providers?

PBHC's Participating Providers include Hospitals, group practices and individual professionals. All Participating Providers are carefully screened and must meet strict PBHC licensing and program standards.

How are Participating Providers compensated by PBHC?

Our Participating Providers are paid on a discounted fee-for-service basis for the services they provide to you. This means that our Participating Providers have agreed to provide services to you at the normal fee they charge, minus a discount. PacifiCare Behavioral Health of California does not compensate its Providers based on their utilization patterns.

If you would like to know more about fee-for-service reimbursement, you may request additional information from the PBHC Customer Service department or your PBHC Participating Provider.

What if I am seeing a Participating Provider and he or she is terminated from the network?

In the event your Participating Provider is no longer a part of the PBHC Provider network for reasons other than a medical disciplinary cause, fraud or other criminal activity, you may be eligible to continue receiving care from that Provider following the termination, providing the terminated Provider agrees to continue to provide services under the terms and conditions of the contract they had with PBHC at the time their contract ended. Continued care from the terminated Provider may be up to ninety (90) days or longer if Medically Necessary for chronic, serious or acute conditions, if you are receiving Behavioral Health Services and are in a Crisis period, or until your care can be safely transferred to another PBHC Participating Provider.

If you have any questions about this provision or would like a copy of our Continuity of Care Policy, you may call our Customer Service department.

Continuing Treatment for New Members

Continuing treatment is for Members who:

- were not offered an out-of-network option or did not have the option to continue with their previous Health Plan at the time of enrollment under this Plan;

How Your Behavioral Health Care Benefits Work

- have been eligible and enrolled in this Plan for less than thirty (30) days;
- had no other Health Plan choice other than through PacifiCare's arrangement with PBHC;
- are under treatment by a non-Participating Provider at the time of enrollment for a condition listed in the DSM-IV;
- the treatment is a covered Behavioral Health Service or benefit under this Plan; and
- have a condition where an immediate change in Practitioner could present a risk of harm to self or others.

Such Behavioral Health Services may be covered by PBHC for the purpose of safely transitioning you to a Participating Provider. If these services are approved by PBHC, PBHC may cover them to the extent that the services would be covered under your PBHC plan by a PBHC Participating Provider.

Outpatient Treatment

For Outpatient treatment, the Member may be eligible for the appropriate number of Visits necessary to treat the condition with the existing non-Participating Provider in order to safely transition the Member to a PBHC Participating Provider.

Inpatient Treatment

If you are receiving inpatient services, a PBHC Clinician will complete a comprehensive clinical assessment first. If the Behavioral Health Services meet our inpatient guidelines, the PBHC Clinician will approve care at the non-PBHC Facility.

If the Inpatient services do not meet PBHC's guidelines for Inpatient care, we will approve the number of days necessary in order to move you safely to a Participating Provider with as little disruption as possible, provided such a request is authorized by PBHC. PBHC will authorize an appropriate number of days in consideration of the potential clinical effect that a change of Provider would have on you for the treatment of your acute condition. Call or have your Provider call us to discuss this with a PBHC Clinician or Customer Service Associate.

If approved, the Member and Provider will receive immediate authorization via telephone and a letter of confirmation via certified mail. PBHC will pay the non-

Participating Provider at the same benefit level for approved services as they would to a Participating Provider.

If a Member is denied authorization for continuing benefits and would like to appeal the denial decision, they may refer to the Appeals Process found later in this EOC.

Public Policy Participation

PBHC affords its Members the opportunity to participate in establishing its public policy. One-third of PBHC's Board of Directors is comprised of PBHC Members. If you are interested in participating in the establishment of PBHC's public policy, please call the PBHC Customer Service department for more details.

New Treatments

PBHC's Medical Director and other professionals meet at least once a year to review new behavioral health treatments and programs. These new treatment programs are available to Members only after PBHC determines they are safe and effective.

Concurrent Reviews

Concurrent review will occur on a regular basis to determine continuing Medical Necessity for your treatment. During such reviews, a PBHC Clinician, in conjunction with your Participating Provider, monitors the course of treatment to determine its effectiveness, appropriate level of care, and continued Medical Necessity. A PBHC Clinician must authorize all extended lengths of stays and transfers to different levels of care as well as any related additional services.

What if I get a bill?

You should not get a bill from your PBHC Participating Provider because PBHC's Participating Providers have been instructed to send all their bills to us for payment. You may, however, have to pay a Copayment to the Participating Provider each time you receive services. You could also get a bill from an Emergency room Provider if you use Emergency care. If this happens, send PBHC the original bill or claim as soon as possible and keep a copy for yourself. You are responsible only for the amount of your Copayment, as described in the *Schedule of Benefits* in this EOC.

PBHC will not pay for bills or claims given to us that are more than one year old. Mail bills or claims to:

How Your Behavioral Health Care Benefits Work

PacifiCare Behavioral Health of California, Inc.
Claims Department
P.O. Box 31053
Laguna Hills, CA 92654-1054

Non-Emergency Treatment provided by non-Participating Providers and Facilities is not covered by PBHC.

Termination of Benefits

Conditions for Termination

Please refer to the “Termination of Benefits” section of your PacifiCare of California Medical *Combined Evidence of Coverage and Disclosure Form*

Your Financial Responsibilities

Please refer to the “Payment Responsibility” section of your PacifiCare of California Medical *Combined Evidence of Coverage and Disclosure Form*.

Confidentiality of Information

PBHC protects the confidentiality of all Member information in its possession, including treatment records and personal information. If you would like a copy of our Confidentiality policy, you may call our Customer Service department at 1-800-999-9585.

Authorization and Denial of Behavioral Health Care Services

PBHC uses Medical Necessity criteria or guidelines to determine whether to approve, delay, modify or deny Behavioral Health Services to its Members. The criteria used to delay, modify or deny requested services in the Member’s specific case will be disclosed to the PBHC Participating Provider and to the Member. The public is also able to receive specific criteria or guidelines, based on a particular diagnosis, upon request.

PBHC-qualified physicians, other appropriately qualified licensed health care professionals, and PBHC Participating Providers make decisions to deny, delay, or modify requests for authorization of Behavioral Health Services, based on Medical Necessity, within the following time frames as required by California state law:

Decisions appropriate for the nature of the Member’s condition, not to exceed five (5) business days from PBHC’s receipt of information reasonably necessary to make the decision.

If the Member’s condition poses an imminent and serious threat to their health, including, but not limited to, severe pain; potential loss of life, limb, or other major bodily function; or lack of timeliness would be detrimental in regaining maximum function, the decision will be rendered in a timely fashion appropriate for the nature of the Member’s condition, not to exceed seventy-two (72) hours after PBHC’s receipt of the information reasonably necessary and requested by PBHC to make the determination.

If the decision cannot be made within these time frames because (i) PBHC is not in receipt of all the information reasonably necessary and requested, or (ii) PBHC requires consultation by an expert reviewer, or (iii) PBHC has asked that an additional examination or test be performed upon the Member, provided the examination or test is reasonable and consistent with good medical practice, PBHC will notify the Participating Provider and the Member, in writing, that a decision cannot be made within the required time frame. The notification will specify the information requested but not received or the additional examinations or tests required, and the anticipated date on which a decision may be rendered. Upon receipt of all information reasonably necessary and requested by PBHC, PBHC shall approve or deny the request for authorization within the time frames specified above as applicable.

PBHC notifies requesting Participating Providers of decisions to approve, modify or deny requests for authorization of Behavioral Health Services for Members within twenty-four (24) hours of the decision. Members are notified of decisions, in writing, within two (2) business days of the decision, including a description of the reasons for the decision, the criteria or guidelines used, the clinical reasons for decisions regarding Medical Necessity, and information about how to file an appeal of the decision with PBHC.

If you would like a copy of PBHC’s description of the processes utilized for authorization, modification or denial of Behavioral Health Services, or the criteria or guidelines related to a particular condition, you may contact the PBHC Customer Service department

Experimental and Investigational Therapies

PBHC also provides an external, independent review process to review its coverage decisions regarding Experimental or Investigational therapies for PBHC Members who meet all of the following criteria:

How Your Behavioral Health Care Benefits Work

You have a Life-Threatening or Seriously Debilitating condition, as defined below, which meets the criteria listed in items #2, #3, #4 and #5 below:

“Life-Threatening” means either or both of the following: (i) diseases or conditions where the likelihood of death is high unless the course of the disease is interrupted; (ii) diseases or conditions with potentially fatal outcomes, where the endpoint of clinical intervention is survival.

“Seriously Debilitating” means diseases or conditions that cause major irreversible morbidity.

Your PBHC Participating Provider certifies that you have a Life-Threatening or Seriously Debilitating condition, as defined above, for which standard therapies have not been effective in improving your condition, or for which standard therapies would not be medically appropriate for you, or for which there is no more beneficial standard therapy covered by PBHC than the therapy proposed pursuant to paragraph (3); and

Either (a) your PBHC Participating Provider has recommended a treatment, drug, device, procedure or other therapy that he or she certifies in writing is likely to be more beneficial to you than any available standard therapies, and he or she included a statement of the evidence relied upon by the Participating Provider in certifying his or her recommendation; or (b) you, or your non-contracting Physician, who is a licensed, board-certified or board-eligible Physician or Provider qualified to practice in the area of practice appropriate to treat your condition, has requested a therapy that, based on two documents from medical and scientific evidence, as defined in the California Health and Safety Code Section 1370.4(d), is likely to be more beneficial for you than any available standard therapy. Such certification must include a statement of the evidence relied upon by the Physician in certifying his or her recommendation. PBHC is not responsible for the payment of services rendered by non-contracting Providers that are not otherwise covered under the Member’s PBHC benefits; and a PBHC Medical Director or designee has denied your request for a drug, device, procedure or other therapy recommended or requested pursuant to paragraph (3); and

The treatment, drug, device, procedure or other therapy recommended pursuant to paragraph (3) above would be a Covered Service, except for PBHC’s determination that the treatment, drug, device,

procedure or other therapy is Experimental or Investigational.

Please refer to the “Independent Medical Review of Disputed Health Care Services” section found later in this EOC for more information.

Second Opinions

A Member, or his or her treating PBHC Participating Provider, may submit a request for a second opinion to PBHC either in writing or verbally through the PBHC Customer Service department. Second opinions will be authorized for situations, including, but not limited to, when: (i) the Member questions the reasonableness or necessity of recommended procedures; (ii) the Member questions a diagnosis or plan for care for a condition that threatens loss of life, loss of limb, loss of bodily functions, or substantial impairment, including, but not limited to, a Chronic Condition; (iii) the clinical indications are not clear or are complex and confusing, a diagnosis is in doubt due to conflicting test results, or the treating Provider is unable to diagnose the condition and the Member requests an additional diagnosis; (iv) the Treatment Plan in progress is not improving the medical condition of the Member within an appropriate period of time given the diagnosis and plan of care, and the Member requests a second opinion regarding the diagnosis or continuance of the treatment; or (v) the Member has attempted to follow the plan of care or consulted with the initial Provider concerning serious concerns about the diagnosis or plan of care.

The request for a second opinion will be approved or denied by PBHC’s Medical Director or designee in a timely fashion appropriate for the nature of the Member’s condition. Second opinions can only be rendered by a Provider who possesses the clinical background related to the illness or condition associated with the request for a second opinion. If you are requesting a second opinion about care received from your PBHC Participating Provider, the second opinion will be provided by a Provider of your choice within the PBHC Participating Provider network.

A second opinion will be documented by a consultation report which will be made available to you. If the Provider giving the second opinion recommends a particular treatment, diagnostic test or service covered by PBHC, and it is determined to be Medically Necessary by your Participating Provider, the

How Your Behavioral Health Care Benefits Work

treatment, diagnostic test or service will be provided or arranged by the Member's Participating Provider.

However, the fact that a Participating Provider, furnishing a second opinion, recommends a particular treatment, diagnostic test or service does not necessarily mean that the treatment, diagnostic test or service is Medically Necessary or a Covered Service under your PBHC Plan. You will be responsible for paying any Copayment, as set forth in your *Schedule of Benefits*, to the PBHC Participating Provider who renders the second opinion.

If the Member's request for a second opinion is denied, the Member may appeal the denial by following the procedures outlined in the PBHC Appeals Process described below.

Responding To Your Concerns – The PBHC Appeals Process

Our first priority is to meet your needs, and that means providing responsive service. If you ever have a question or problem, your first step is to call the PBHC Customer Service department for resolution.

If you feel the situation has not been addressed to your satisfaction, you may submit a formal complaint over the telephone by calling the PBHC toll-free number. You can also file a complaint in writing:

Pacificare Behavioral Health of California, Inc.
Post Office Box 55307
Sherman Oaks, CA 91413-0307
Attn: Appeals Department

Appeals Process

All Members have the right to appeal any claim denial or denial of treatment authorization. Members, or their authorized representatives, including their treating Providers, may initiate the Appeal Process either verbally or in writing; however, it may be necessary for PBHC to request written clinical or other information in order for the appeal to be reviewed. All Member appeals shall be reviewed and responded to in writing within thirty (30) calendar days of receipt of all information necessary for review by PBHC.

PBHC Appeal Process

A Member or authorized Member representative may initiate the Appeal Process either verbally by calling the Customer Service department toll-free telephone number, or in writing to the address indicated above.

Within five (5) days of receipt of written appeals, acknowledgment letters are sent to the individual initiating the appeal.

The appeal is reviewed by the PBHC Director of Clinical Services or designee. The Member is notified in writing of the determination within thirty (30) business days of receipt of the appeal and provided with instructions for initiating the next level of appeal as well as the opportunity to use our External Review Process, if applicable. All determinations and rationale for determinations are documented in writing to the Provider and Member. If PBHC is unable to review the appeal within thirty (30) business days of receipt of the appeal, the individual who initiated the appeal will be notified of the delay, the specific reason for the delay, and the expected date of completion of the review.

Further, the Member may seek assistance or review by the Department of Managed Health Care (DMHC) at any time after participating in the PBHC Appeal Process for more than thirty (30) days. If this occurs, the Member will have an additional sixty (60) days from the date of the final resolution of the matter by the DMHC to elect binding arbitration.

Expedited Review Process

Appeals involving an imminent or serious threat to the health of the Member, including, but not limited to, severe pain, potential loss of life, limb, or other major bodily function, will be immediately referred to the PBHC Medical Director for expedited review, regardless of whether such appeal is received orally or in writing. If an appeal has been sent to the PBHC Medical Director for immediate expedited review, PBHC will immediately inform the Member, in writing, of his or her right to notify the DMHC of the appeal. PBHC will provide the Member and the DMHC with a written statement of the disposition or pending status of the expedited review no later than three (3) days from receipt of complaint.

Independent Medical Review of a Disputed Health Care Service

You may request an Independent Medical Review (IMR) of disputed health care services from the Department of Managed Health Care if you believe that health care services have been improperly denied, modified or delayed by PBHC or one of its Participating Providers.

A "disputed health care service" is any health care service eligible for coverage under your Subscriber

How Your Behavioral Health Care Benefits Work

contract that has been denied, modified or delayed by PBHC or one of its Participating Providers, in whole or in part because the service is not Medically Necessary. Be sure to check the “IMR Eligibility” section below to see if your grievance qualifies for an IMR.

The IMR process is in addition to any other procedures or remedies that may be available to you under this PBHC Appeal Process. You pay no application or processing fees of any kind for IMR. You have the right to provide information in support of the request for an IMR. PBHC will provide you with an IMR application form with any grievance disposition letter that denies, modifies, or delays health care services. A decision not to participate in the IMR process may cause you to forfeit any statutory right to pursue legal action against PBHC regarding the disputed health care service.

IMR Eligibility: Your application for an IMR will be reviewed by the DMHC to confirm that:

- Your Provider has recommended a health care service as Medically Necessary; or
- You have received Urgent care or Emergency services that a Provider determined was Medically Necessary; or
- You have been seen by a PBHC Participating Provider for the diagnosis and treatment of the medical condition for which you seek independent review;
- The disputed health care service has been denied, modified, or delayed by PBHC or one of its Participating Providers, based in whole or in part on a decision that the health care service is not Medically Necessary; and
- You have filed a grievance with PBHC and the disputed decision is upheld or the grievance remains unresolved after thirty (30) days. If your grievance requires expedited review you may bring it immediately to the DMHC’s attention. The DMHC may waive the preceding requirement that you follow PBHC’s grievance process in extraordinary and compelling cases.

If your case is eligible for an IMR, the dispute will be submitted to a medical specialist who will make an independent determination of whether or not the care is Medically Necessary. You will receive a copy of the assessment made in your case. If the IMR determines the service is Medically Necessary, PBHC will provide the health care service.

For non-Urgent cases, the IMR organization designated by the DMHC must provide its determination within thirty (30) days of receipt of your application and supporting documents. For Urgent cases involving imminent and serious threat to your health, including, but not limited to, serious pain; the potential loss of life, limb, or major bodily function; or the immediate and serious deterioration of your health, the IMR organization must provide its determination within three (3) business days.

For more information regarding the IMR process, or to request an application form, please call PBHC’s Customer Service department at 1-800-999-9585.

Binding Arbitration and Voluntary Mediation

If the Member is dissatisfied with the determination of the Independent Medical Review, the Member may, within sixty (60) days, submit or request that PBHC submit the appeal to binding arbitration or voluntary mediation before the Judicial Arbitration and Mediation Services, Inc. Systems (JAMS).

Upon submission of a dispute to JAMS, the Member and PBHC agree to be bound by the rules of procedure and the decision of JAMS. Full discovery shall be permitted in preparation for arbitration pursuant to California Code of Civil Procedure, Section 1283.05.

PBHC AND THE MEMBER UNDERSTAND THAT BY ENTERING INTO THIS AGREEMENT, THEY WAIVE THEIR CONSTITUTIONAL RIGHT TO HAVE ANY SUCH DISPUTE DECIDED IN A COURT OF LAW BEFORE A JURY AND INSTEAD ARE ACCEPTING THE USE OF ARBITRATION.

If the Member is requesting voluntary mediation, in order to initiate mediation, the Member or agent acting on behalf of the Member, shall submit a written request for voluntary mediation. If the parties mutually agree to mediation, the mediation will be administered by JAMS in accordance with its Commercial Mediation Rules, unless otherwise agreed by the parties. Expenses for mediation shall be borne equally by both parties. The Department of Managed Health Care shall have no administrative or enforcement responsibilities in connection with the voluntary mediation process.

If the Member elects binding arbitration, with the exception of claims brought pursuant to “The PBHC Quality Review Process” section below, any claim, controversy, dispute or disagreement between PBHC

How Your Behavioral Health Care Benefits Work

and the Member which arises out of or is related to this Agreement that is not resolved by the above appeals process shall be resolved by binding arbitration by a single arbitrator.

If the amount of the claim is less than \$200,000, then the arbitrator shall have no jurisdiction to award more than \$200,000.

JAMS, or other neutral administrator as PBHC shall designate, will administer the arbitration. The Comprehensive Arbitration Rules and Procedures (Rules) in effect at the time demand for arbitration is made will be applied to the arbitration. The parties will endeavor to mutually agree to the appointment of the arbitrator, but if such agreement cannot be reached within thirty (30) days following the date demand for arbitration is made, the arbitrator appointment procedures in the Rules will be utilized.

Arbitration hearings shall be held at the neutral administrator's offices in Los Angeles, California, or at such other location as the parties may agree to in writing. Civil discovery may be taken in such arbitration as provided by California law and civil procedure. The arbitrator(s) selected shall have the power to control the timing, scope and manner of the taking of discovery and shall further have the same powers to enforce the parties' respective duties concerning discovery as would a Superior Court of California, including, but not limited to, the imposition of sanctions. The arbitrator(s) shall have the power to grant all remedies provided by California law. The arbitrator(s) shall prepare, in writing, an award that includes the legal and factual reasons for the decision.

The parties shall divide equally the fees and expenses of the arbitrator(s) and the neutral administrator except that in cases of extreme hardship, PBHC may assume all or part of a Member's share of the fees and expenses of the arbitrator(s) provided the Member has submitted a hardship application with JAMS or such other neutral administrator designated by PBHC. The approval or denial of a hardship application shall be determined by such administrator. The arbitrator(s) shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected pursuant to California law. The Federal Arbitration Act, 9 U.S.C. Sections 1-4, shall also apply to the arbitration.

THE PARTIES HERETO EXPRESSLY AGREE TO WAIVE THEIR CONSTITUTIONAL RIGHT TO HAVE DISPUTES BETWEEN THEM RESOLVED IN COURT BEFORE A JURY AND ARE INSTEAD ACCEPTING THE USE OF ARBITRATION.

THE PBHC Quality Review Process

The Quality Review Process is a Member-initiated internal review process that addresses Member concerns regarding the quality or appropriateness of services provided by PBHC Participating Providers that has the potential for an adverse effect on the Member. Upon receipt of the Member's concern, the concern is referred to the Quality Improvement Department for investigation.

PBHC takes great pride in the quality of our Participating Providers. That is why complaints specifically about the quality of the care you receive from your Participating Provider are handled in an expedited fashion. Quality of care complaints that affect a Member's current treatment shall be immediately evaluated and, if necessary, other appropriate PBHC personnel and the PBHC Participating Provider will be consulted.

The Quality Improvement Specialist or designee will be responsible for responding to questions the Member may have about his or her complaint and about the Quality Review process. In appropriate instances, the Quality Improvement Specialist may arrange a meeting between the Member and the Participating Provider.

The relevant medical records will be obtained from the appropriate Providers and reviewed by the PBHC Quality Improvement Specialist or designee. If necessary, a letter is sent to the Participating Provider, as appropriate, requesting further information. Additional information will be received and reviewed by the Quality Improvement Specialist or his or her designee. After reviewing the medical records, the case is referred to the Peer Review Committee for review and recommendation of corrective action against the PBHC Participating Provider involved, if appropriate.

If the Member has submitted a written complaint, the Member shall be notified of the completion in writing within thirty (30) days. The oral and written communications involving the Quality Review Process and the results of the review shall remain confidential and cannot be shared with the Member. Nor can the

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outcome of the Quality Review Process be submitted to voluntary mediation or binding arbitration as described above under the PBHC Appeals Process. The Quality Improvement Specialist will follow-up to ensure that any corrective actions against a Participating Provider are carried out.

Review by the Department of Managed Health Care

The California Department of Managed Health Care is responsible for regulating health care service plans. The Department has a toll-free number **(1-800-HMO-2219)** to receive complaints regarding Health Plans. The hearing and speech impaired may use the California Relay Service's toll-free telephone numbers **(1-877-688-9891 TDD)** to contact the Department. The Department's Internet Web site (<http://www.hmohelp.ca.gov>) has complaint forms and instructions online. If a Member has a grievance against PBHC, the Member should first telephone PBHC at **1-800-999-9585** and use PBHC's Appeal Process outlined in this EOC.

If the Member needs help with a grievance involving an Emergency, a grievance that has not been satisfactorily resolved by PBHC, or a grievance that has remained unresolved for more than thirty (30) days, the Member may call the Department's toll-free telephone number for assistance. PBHC's Appeals Process and the Department's complaint review process are in addition to any other dispute resolution procedures that may be available to the Member, and the Member's failure to use these processes does not preclude the Member's use of any other remedy provided by law.

Covered Services

Behavioral Health Services must be:

- Incurred while the Member is eligible for PacifiCare benefits;
- Preauthorized by a PBHC Clinician as Medically Necessary; and
- Rendered by a PBHC Participating Provider, except in the case of an Emergency.

PBHC will pay for the following Behavioral Health Services furnished in connection with the treatment as outlined in the *Schedule of Benefits*, provided the criteria above are met.

Inpatient Hospital Benefits/Acute Care and Partial Hospital Benefits – Inpatient Hospital services provided at a PBHC Participating Facility, except in an Emergency.

Inpatient Physician Care – Services of Physicians while the Member is hospitalized on an Inpatient basis.

Physician Care – Diagnostic and treatment services including consultation and treatment.

Ambulance – Use of an ambulance (land or air) for Emergencies, including, but not limited to, ambulance or ambulance transport services provided through the 911 Emergency response system, is covered without prior authorization when the Member reasonably believes that the behavioral health condition requires Emergency Services that require ambulance transport services. Use of an ambulance for a non-Emergency is covered when specifically authorized by PBHC.

Laboratory Services – Diagnostic and therapeutic laboratory services are covered when related to the approved Behavioral Health Treatment Plan.

Inpatient Prescription Drugs – Inpatient Prescription Drugs are covered only when prescribed by a PBHC Participating Provider for Behavioral Health Services.

Outpatient Prescription Drugs – Outpatient Prescription Drugs are covered only if an Outpatient Prescription Drug Supplemental Benefit Rider is attached to the PacifiCare of California Agreement and the prescription drugs were prescribed by a PBHC Participating Provider for a Behavioral Health diagnosis.

Injectable Psychotropic Medications – Injectable psychotropic medications are covered if prescribed by a PBHC Participating Provider for a Behavioral Health diagnosis.

Psychological Testing – When preauthorized by a PBHC Clinician and provided by a licensed psychologist under contract with PBHC.

Exclusions and Limitations

All exclusions and limitations listed in the PacifiCare of California Group Subscriber Agreement and EOC under the "Exclusions and Limitations" section.

- Treatment for any learning or reading disorder, mental retardation, motor skills disorder, and communication disorder.

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- Treatments which do not meet national standards for mental health professional practice.
- Nonorganic therapies, including, but not limited to the following: bioenergetics therapy, confrontation therapy, crystal healing therapy, educational remediation, EMDR, guided imagery, marathon therapy, primal therapy, rolfing, sensitivity training, transcendental meditation, Lovaas' Discrete Trial Training, Facilitated Communication, and EEG biofeedback (neurofeedback).
- Organic therapies, including, but not limited to the following: aversion therapy, carbon dioxide therapy, environmental ecological treatment or remedies, herbal therapies, hemodialysis for schizophrenia, vitamin or orthomolecular therapy, and rapid anesthesia opiate detoxification.
- Treatments designed to regress the Member emotionally or behaviorally.
- Personal enhancement or self-actualization therapy and other treatments.
- Routine, custodial, convalescent care, long-term therapy and/or rehabilitation. Individuals should be referred to appropriate community resources such as school districts and/or regional centers for these services.
- Services provided by nonlicensed Providers for the treatment of any illness or injury.
- Pastoral or spiritual counseling.
- Dance, poetry, music or art therapy except as part of a Behavioral Health Treatment Program.
- Thought field therapy.
- School counseling and support services, home-based behavioral management, household management training, peer-support services, recreation, tutor and mentor services, independent living services, supported work environments, job training and placement services, therapeutic foster care, wraparound services, Emergency aid to household items and expenses, and services to improve economic stability and interpretation services.
- Genetic counseling.
- Community care facilities that provide 24-hour nonmedical residential care.

IN ORDER TO FULLY UNDERSTAND YOUR BENEFIT PLAN, THIS PBHC *COMBINED EVIDENCE OF COVERAGE AND DISCLOSURE FORM* IS TO BE USED IN CONJUNCTION WITH YOUR PACIFICARE OF CALIFORNIA MEDICAL PLAN *COMBINED EVIDENCE OF COVERAGE AND DISCLOSURE FORM*. PLEASE READ BOTH DOCUMENTS CAREFULLY.

Payment Responsibility

Section Nine: Payment Responsibility

- Premiums and Copayments
- What to Do if You Receive a Bill
- Coordinating Benefits With Another Plan
- Medicare Eligibility
- Workers' Compensation Eligibility
- Other Benefit Coordination Issues

One of the advantages of your health care coverage is that most out-of-pocket expenses are limited to Copayments. This section explains these and other health care expenses. It also explains your responsibilities when you're eligible for Medicare or workers' compensation coverage and when PacifiCare needs to coordinate your benefits with another plan.

What are Premiums? (Prepayment Fees)

Premiums are fees the University of California pays to cover the basic costs of your health care package. The University usually pays these Premiums on a monthly basis. Often the Subscriber shares the cost of these Premiums with deductions from his or her salary. If you are the Subscriber, you should already know if you're contributing to your Premium payment; if you aren't sure, contact your University of California Benefits Representative at your campus or lab. You may also contact the University of California Customer Service number at 1-800-888-8267. He or she will know if you're contributing to your Premium, as well as the amount, method and frequency of this contribution.

What are Copayments? (Other Charges)

Aside from the Premium, you may be responsible for paying a charge when you receive a Covered Service. This charge is called a Copayment and is outlined in your *Schedule of Benefits*. If you review your *Schedule of Benefits*, you'll see that the amount of the Copayment depends on the service, as well as the Provider from whom you choose to receive your care.

Annual Copayment Maximum

For certain Covered Services, a limit is placed on the total amount you pay for Copayments during a calendar year. This limit is called your Annual Copayment Maximum, and when you reach it, for the remainder of the calendar year, you will not pay any

additional Copayments for these Covered Services. You can find your Annual Copayment Maximum in your *Schedule of Benefits*. If you've surpassed your Annual Copayment Maximum, submit all your health care Copayment receipts and a letter of explanation to:

PacifiCare of California
Customer Service Department
P.O. Box 6006
Cypress, CA 90630-6006

Remember, it's important to send us all Copayment receipts along with your letter. They confirm that you've reached your Annual Copayment Maximum. You will be reimbursed by PacifiCare for Copayments you make beyond your individual or family Annual Copayment Maximum. The Annual Copayment Maximum includes coverage for Severe Mental Illnesses (SMI) of adults and children and Serious Emotional Disturbances of a Child.

NOTE: The calculation of your Annual Copayment Maximum will not include supplemental benefits that may be offered by the University of California (e.g. coverage for outpatient prescription drugs, mental health benefits or hearing aid benefits).

If You Get a Bill (Reimbursement Provisions)

If you are billed for a Covered Service provided or authorized by your Primary Care Physician or Participating Medical Group or if you receive a bill for Emergency or Urgently Needed Services, you should do the following:

1. Call the Provider, then let them know you have received a bill in error and you will be forwarding the bill to PacifiCare.
2. Give the Provider your PacifiCare Health Plan information, including your name and PacifiCare Member number. Forward the bill to:

PacifiCare of California
Claims Department
P.O. Box 6006
Cypress, CA 90630-6006

Include your name, your PacifiCare ID number and a brief note that indicates you believe the bill is for a Covered Service. The note should also include the date of service, the nature of the service and the name of the Provider who authorized your care. No claim form

Payment Responsibility

is required. If you need additional assistance, call our Customer Service department.

PLEASE NOTE: Your Provider will bill you for services that are not covered by PacifiCare or haven't been properly authorized. You may also receive a bill if you've exceeded PacifiCare's coverage limit for a benefit.

What is a *Schedule of Benefits*?

Your *Schedule of Benefits* is printed separately from this document and lists the Covered Services unique to your plan. It also includes your Copayments, as well as the Annual Copayment Maximum and other important information. If you need assistance understanding your *Schedule of Benefits*, or need a new copy, please call our Customer Service department.

Bills From Non-Participating Providers

If you receive a bill for a Covered Service from a Physician who is not one of our Participating Providers and the service was preauthorized and you haven't exceeded any applicable benefit limits, PacifiCare will pay for the service less the applicable Copayment. (Preauthorization isn't required for Emergency Services and Urgently Needed Services. See **Section Three: Emergency and Urgently Needed Services**.) You may also submit a bill to us if a Non-Participating Provider has refused payment directly from PacifiCare. You should file a claim within 90 days, or as soon as reasonably possible, of receiving any services and related supplies. Forward the bill to:

PacifiCare of California Claims Department
P.O. Box 6006
Cypress, CA 90630-6006

Include your name, PacifiCare ID number and a brief note that indicates your belief that you've been billed for a Covered Service. The note should also include the date of service, the nature of the service and the name of the Provider who authorized your care. No claim form is required.

PacifiCare will make a determination within 30 days from the date you submit a claim containing all information reasonably necessary to decide the claim. PacifiCare will not pay any claim that is filed more than 1 year from the date the services or supplies were provided. PacifiCare also will not pay for excluded services or supplies unless authorized by your Primary Care Physician, your Participating Medical Group or

directly by PacifiCare. Any payment assumes you have not exceeded your benefit limits. If you've reached or exceeded any applicable benefit limit, these bills will be your responsibility.

How to Avoid Unnecessary Bills

Always obtain your care under the direction of PacifiCare, your Participating Medical Group, or your Primary Care Physician. By doing this, you only will be responsible for paying any related Copayments and for charges in excess of your benefit limitations. Except for Emergency or Urgently Needed Services, if you receive services not authorized by PacifiCare or your Participating Medical Group, you may be responsible for payment. This is also true if you receive any services not covered by your plan. (Services not covered by your plan are included in **Section Five: Your Medical Benefits**.)

Your Billing Protection

All PacifiCare Members have rights that protect them from being charged for Covered Services in the event a Participating Medical Group does not pay a Provider, a Provider becomes insolvent or a Provider breaches its contract with PacifiCare. In none of these instances may the Participating Provider send you a bill, charge you, or have any other recourse against you for a Covered Service. However, this provision does not prohibit the collection of Copayment amounts as outlined in the *Schedule of Benefits*.)

In the event of a Provider's insolvency, PacifiCare will continue to arrange for your benefits. If for any reason PacifiCare is unable to pay for a Covered Service on your behalf (for instance, in the unlikely event of PacifiCare's insolvency or a natural disaster), you are not responsible for paying any bills as long as you received proper authorization from your PacifiCare Participating Provider. You may, however, be responsible for any properly authorized Covered Services from a Non-Participating Provider or Emergency or Urgently Needed Services from a Non-Participating Provider.

NOTE: If you receive a bill because a Non-Participating Provider refused to accept payment from PacifiCare, you may submit a claim for reimbursement. See "Bills from Non-Participating Providers."

Payment Responsibility

Coordination of Benefits

Coordination of Benefits (COB) is a process, regulated by law, which determines the financial responsibility for payment when a person has group health care coverage under more than one plan. “Plan” is defined below. COB is designed to provide maximum coverage for medical and Hospital Services at the lowest cost by avoiding excessive or duplicate payments.

The objective of COB is to ensure that all group Health Plans that provide coverage to an individual will pay no more than 100% of the allowable expense for services that are received. This payment will not exceed total expenses incurred or the reasonable cash value of those services and supplies when the group Health Plan provides benefits in the form of services rather than cash payments.

PacifiCare’s COB activities will not interfere with your medical care

The order of benefit determination rules below determine which Health Plan will pay as the Primary Plan. The Primary Plan that pays first pays without regard to the possibility that another plan may cover some expenses. A Secondary Plan pays after the Primary Plan and may reduce the benefits it pays so that payment from all group plans do not exceed 100% of the total allowable expense. “Allowable Expense” is defined below.

Definitions

The following definitions only apply to coverage provided under this explanation of Coordination of Benefits.

- A. “Plan” is any of the following that provides benefits or services for medical or dental care or treatment.
1. “Plan” includes: group insurance, closed panel (HMO, POS, PPO or EPO) coverage or other forms of group or group-type coverage (whether insured or uninsured); Hospital indemnity benefits in excess of \$200.00 per day; medical care components of group long-term care contracts, such as Skilled Nursing Care; or other governmental benefits, as permitted by law (Medicare is not included as a “Plan” as defined here – however, PacifiCare does coordinate benefits with Medicare.) Please refer to **Section 6: Important Rules**

for Medicare and Medicare Eligible Members.

2. “Plan” does not include: non-group coverage of any type, including, but not limited to, individual or family insurance; amounts of Hospital indemnity insurance of \$200.00 or less per day; school accident-type coverage; benefits for nonmedical components of group long-term care policies; Medicare supplement policies, a state-plan under Medicaid; and coverage under other governmental plans, unless permitted by law.

Each contract for coverage under (1) or above is a separate Plan. However, if the same carrier provides coverage to members of a group under more than one group contract each of which provide for different types of coverage (for example, one covering dental services and one covering medical services), the separate contracts are considered parts of the same plan, and there is no COB among those separate contracts. However, if a Plan has two parts and COB rules apply only to one of the two, each of the parts is treated as a separate Plan.

- B. “Primary Plan or Secondary Plan” – The order of benefit determination rules determine whether this Plan is a “Primary Plan” or “Secondary Plan,” when compared to another Plan covering the person. When this Plan is primary, its benefits are determined before those of any other Plan and without considering any other Plan’s benefits. When this Plan is secondary, its benefits are determined after those of another Plan and may be reduced because of the Primary Plan’s benefits.
- C. “Allowable Expense” means a health care service or expense, including deductibles and Copayments, that is covered at least in part by any of the Plans covering the person. When a plan provides benefits in the form of services, (for example, an HMO) the reasonable cash value of each service will be considered an Allowable Expense and a benefit paid. An expense or service that is not covered by any of the plans is not an Allowable Expense. The following are examples of expenses or services that are not Allowable Expenses:

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1. If a covered person is confined in a private Hospital room, the difference between the cost of a semi-private room in the Hospital and the private room (unless the patient's stay in a private Hospital room is Medically Necessary) is not an Allowable Expense.
 2. If a person is covered by two or more Plans that compute their benefit payments on the basis of usual and customary fees, any amount in excess of the highest of the usual and customary fees for a specific benefit is not an Allowable Expense.
 3. If a person is covered by two or more Plans that provide benefits or services on the basis of negotiated fees, an amount in excess of the highest of the negotiated fees is not an Allowable Expense.
 4. If a person is covered by one Plan that calculates its benefits or services on the basis of usual and customary fees and another Plan that provides its benefits or services on the basis of negotiated fees, the Primary Plan's payment arrangements shall be the allowable expense for all plans.
 5. The amount a benefit is reduced by the Primary Plan because a covered person does not comply with the Plan provisions. Examples of these provisions are precertification of admissions and preferred Provider arrangements.
- D. "Claim Determination Period" means a calendar year or that part of the calendar year during which a person is covered by this Plan.
- E. "Closed Panel Plan" is a plan that provides health benefits to covered persons primarily in the form of services through a panel of Providers that have contracted with or are employed by the Plan and that limits or excludes benefits for services provided by other Providers, except in cases of emergency or referral by a panel member.
- F. "Custodial Parent" means a parent awarded custody by a court decree. In the absence of a court decree, it is the parent with whom the child resides more than one half of the calendar year without regard to any temporary visitation.

Order of Benefit Determination Rules

If the Member is covered by another group Health Plan, responsibility for payment of benefits is determined by the following rules. These rules indicate the order of payment responsibility among PacifiCare and other applicable group Health Plans by establishing which plan is primary, secondary and so on:

- A. The Primary Plan pays or provides its benefits as if the Secondary Plan or Plans did not exist.
- B. A Plan that does not contain a coordination of benefits provision is always primary. There is one exception: coverage that is obtained by virtue of membership in a group that is designed to supplement a part of a basic package of benefits may provide that the supplementary coverage shall be excess to any other parts of the Plan provided by the contract holder. Examples of these types of situations are major medical coverages that are superimposed over base plan Hospital and surgical benefits and insurance-type coverages that are written in connection with a closed panel plan to provide out-of-network benefits.
- C. A Plan may consider the benefits paid or provided by another Plan in determining its benefits only when it is secondary to that other Plan.
- D. The first of the following rules that describes which Plan pays its benefits before another Plan is the rule that will apply.
 1. Subscriber (Non-Dependent) or Dependent. The Plan that covers the person other than as a Dependent; for example, as an employee, Member, Subscriber or retiree is primary and the Plan that covers the person as a Dependent is secondary.
 2. Child Covered Under More Than One Plan. The order of benefits when a child is covered by more than one plan is:
 - a. Birthday Rule. The Primary Plan is the Plan of the parent whose birthday is earlier in the year if:
 - The parents are married;

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- The parents are not separated (whether or not they ever have been married); or
- A court decree awards joint custody without specifying that one party has the responsibility to provide health care coverage.

If both parents have the same birthday, the plan that covered either of the parents longer is primary.

- b. If the specific terms of a court decree state that one of the parents is responsible for the child's health care expenses or health care coverage, that Plan is primary if the parent has enrolled the child in the Plan and provided the Plan with a copy of the court order as required in the "Eligibility" section of this *Combined Evidence of Coverage and Disclosure Form*. This rule applies to Claim Determination Periods or Plan years, commencing after the Plan is given notice of the court decree.
- c. If the parents are not married, and/or are separated (whether or not they ever have been married) or are divorced, the order of benefits is:
- The Plan of the Custodial Parent;
 - The Plan of the spouse of the Custodial Parent;
 - The Plan of the noncustodial parent; and then
 - The Plan of the spouse of the noncustodial parent.
3. Active or Inactive Employee. The Plan that covers a person as an employee who is neither laid off nor retired (or his or her Dependent) is primary in relation to a Plan that covers the person as a laid off or retired employee (or his or her Dependent). If the other Plan does not have this rule, and if, as a result, the Plans do not agree on the order of benefits, this rule is ignored. Coverage provided an individual by one Plan as a retired worker and by another Plan as a Dependent of an actively working Spouse will be determined under the rule labeled D(1).

4. COBRA Continuation Coverage. If a person whose coverage is provided under a right of continuation provided by federal (COBRA) or state law (similar to COBRA) also is covered under another Plan, the Plan covering the person as an employee, Member, Subscriber or retiree (or as that person's Dependent) is primary, and the continuation coverage is secondary. If the other Plan does not have this rule, and if, as a result, the Plans do not agree on the order of benefits, this rule is ignored.
5. Longer or Shorter Length of Coverage. If the preceding rules do not determine the order or payment, the Plan that covered the person as an employee, Member, Subscriber or retiree for the longer period is primary.

Effect on the Benefits of This Plan

- A. When this Plan is secondary, it may reduce its benefits so that the total benefits paid or provided by all Plans during a Claim Determination Period are not more than 100% of total Allowable Expenses.
- B. If a covered person is enrolled in two or more Closed Panel Plans and if, for any reason, including the person's having received services from a nonpanel provider, benefits are not payable by one Closed Panel Plan, COB shall not apply between that Plan and other Closed Panel Plans.

Right to Receive and Release Needed Information

Certain facts about health care coverage and services are needed to apply these COB rules and to determine benefits payable under this Plan and other Plans. PacifiCare may obtain the facts it needs from, or give them to, other organizations or persons for the purpose of applying these rules and determining benefits payable under this Plan and other Plans covering the person claiming benefits. Each person claiming benefits under this Plan must give PacifiCare any facts it needs to apply those rules and determine benefits payable. PacifiCare may use and disclose a Member's protected health information for the purposes of carrying out treatment, payment or health care operations, including, but not limited to, diagnoses payment of health care services rendered,

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billing, claims management or other administrative functions of PacifiCare, without obtaining the Member's consent, in accordance with state and federal law.

PacifiCare's Right to Pay Others

A "payment made" under another Plan may include an amount that should have been paid under this Plan. If this happens, PacifiCare may pay that amount to the organization that made that payment. That amount will then be treated as though it were a benefit paid under this Plan. PacifiCare will not have to pay that amount again. The term "payment made" includes providing benefits in the form of services, in which case "payment made" means the reasonable cash value of the benefits provided in the form of services.

Right of Recovery

If the "amount of the payments made" by PacifiCare is more than it should have paid under this COB provision, PacifiCare may recover the excess from one or more of the persons it has paid or for whom it has paid or for any other person or organization that may be responsible for the benefits or services provided for the covered person. The "amount of payments made" includes the reasonable cash value of any benefits provided in the form of services.

Important Rules for Medicare and Medicare-Eligible Members

You must let PacifiCare know if you are enrolled, or eligible to enroll, in Medicare (Part A and/or Part B coverage). PacifiCare is typically primary (that is, PacifiCare's benefits are determined before those of Medicare) to Medicare for some initial period of time, as determined by the Medicare regulations. After the initial period of time, PacifiCare will be secondary to Medicare (that is, the benefits under this Health Plan will be reduced to the extent they duplicate any benefits provided or available under Medicare, if the Member is enrolled or eligible to enroll in Medicare.)

If you are eligible for Medicare, but fail to enroll in Medicare, your PacifiCare coverage will be reduced by the amount you would have received from Medicare. If you have questions about the coordination of Medicare benefits, contact your Benefits Representative at your campus or lab, the University of California Customer Service department, or the PacifiCare Customer Service

department. For questions regarding Medicare eligibility, contact your local Social Security office.

Workers' Compensation

PacifiCare will not provide or arrange for benefits, services or supplies required as a result of a work-related injury or illness. This applies to injury or illness resulting from occupational accidents or sickness covered under any of the following: the California workers' compensation act, occupational disease laws, employer's liability or federal, state or municipal law. To recover benefits for a work related illness or injury, the Member must pursue his or her rights under the workers' compensation act or any other law that may apply to the illness or injury. This includes filing an appeal with the workers' compensation Appeals Board, if necessary.

If for any reason PacifiCare provides or arranges for benefits, services or supplies that are otherwise covered under the workers' compensation act, the Member is required to reimburse PacifiCare for the benefits, services or supplies provided or arranged for, at prevailing rates, immediately after receiving a monetary award, whether by settlement or judgment. The Member must also hold any settlement or judgment collected as a result of a workers' compensation action in trust for PacifiCare. This award will be the lesser of the amount the Member recovers or the reasonable value of all services and benefits furnished to him or her or on his or her behalf by PacifiCare for each incident. If the Member receives a settlement from workers' compensation coverage that includes payment of future medical costs, the Member must reimburse PacifiCare for any future medical expenses associated with this judgment if PacifiCare covers those services.

When a legitimate dispute exists as to whether an injury or illness is work-related, PacifiCare will provide or arrange for benefits until such dispute is resolved if the Member signs an agreement to reimburse PacifiCare for 100% of the benefits provided.

PacifiCare will not provide or arrange for benefits or services for a work-related illness or injury when the Member fails to file a claim within the filing period allowed by law or fails to comply with other applicable provision of law under the workers' compensation act. Benefits will not be denied to a Member whose employer has not complied with the laws and

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regulations governing workers' compensation insurance, provided that such Member has sought and received Medically Necessary Covered Services under this Health Plan.

Third Party Liability – Expenses Incurred Due to Liable Third Parties Are Not Covered

Health care expenses incurred by a Member for which a third party or parties or a third party's (parties') insurance company (collectively, "liable third party") is liable or legally responsible by reason of negligence, a wrongful intentional act or the breach of any legal obligation on the part of such third party, are expressly excluded from coverage under this Health Plan. However, in all cases, PacifiCare will pay for the arrangement or provision of health care services for a Member that would have been Covered Services, except that they were required due to a liable third party, in exchange for the agreement as expressly set forth in the Section of the *Combined Evidence of Coverage and Disclosure Form* captioned "PacifiCare's Right to the Repayment of a Debt as a Charge Against Recoveries From Third Parties Liable for a Member's Health Care Expenses."

PacifiCare's Right to the Repayment of a Debt as a Charge Against Recoveries From Third Parties Liable for a Member's Health Care Expenses

Expenses incurred by a Member for which a third party or parties or a third party's (parties') insurance company (collectively, "liable third party") is liable or legally responsible by reason of negligence, a wrongful intentional act or the breach of any legal obligation on the part of such third party, are expressly excluded from coverage under this Health Plan. However, in all cases, PacifiCare will pay for the arrangement or provision of health care services for a Member that would have been Covered Services except that they were required due to a liable third party, in exchange for the following agreement:

If a Member is injured by a liable third party, the Member agrees to give PacifiCare, or its representative, agent or delegate, a security interest in any money the Member actually recovers from the liable third party by way of any final judgment, compromise, settlement or agreement, even if such money becomes available at some future time.

If the Member does not pursue, or fails to recover (either because no judgment is entered or because no judgment can be collected from the liable third party), a formal, informal, direct or indirect claim against the liable third party, then the Member will have no obligation to repay the Member's debt to PacifiCare, which debt shall include the cost of arranging or providing otherwise covered health care services to the Member for the care and treatment that was necessary because of a liable third party.

The security interest the Member grants to PacifiCare, its representative, agent or delegate applies only to the actual proceeds, in any form, that stem from any final judgment, compromise, settlement or agreement relating to the arrangement or provision of the Member's health care services for injuries caused by a liable third party.

Non-Duplication of Benefits With Automobile, Accident or Liability Coverage

If you are receiving benefits as a result of automobile, accident or liability coverage, PacifiCare will not duplicate those benefits. It is your responsibility to take whatever action is necessary to receive payment under automobile, accident or liability coverage when such payments can reasonably be expected, and to notify PacifiCare of such coverage when available. PacifiCare will provide Covered Services over and above your automobile, accident or liability coverage, if the cost of your health care services exceeds such coverage.

Member Eligibility

Section Ten: Member Eligibility

- **Membership Requirements**
- **Adding Family Members**
- **Late Enrollment**
- **Updating Your Enrollment Information**
- **Termination of Enrollment**
- **Coverage Options Following Termination**

This section describes how you become a PacifiCare Member, as well as how you can add Family Members to your coverage. It will also answer other questions about eligibility, such as when late enrollment is permitted. In addition, you will learn ways you may be able to extend your PacifiCare coverage when it would otherwise terminate.

Who is a PacifiCare Member?

There are 2 kinds of PacifiCare Members: Subscribers and enrolled Family Members (also called Dependents). The Subscriber is the person who enrolls through his or employment with the University of California. The University of California, in turn, has signed a Group Agreement with PacifiCare. All Members must meet all eligibility requirements established by the University of California. You are eligible to enroll in PacifiCare if you have a Primary Residence within California; PacifiCare's Service Area in California, select a Participating Medical Group located within 30 miles of your Primary Residence or Primary Workplace, and meet the eligibility requirements defined by the University of California.

The following information applies to the University of California plan and supersedes any corresponding information that may be contained elsewhere in the document to which this insert is attached. The University establishes its own medical plan eligibility, enrollment and termination criteria based on the University of California Group Insurance Regulations ("Regulations") and any corresponding Administrative Supplements. Portions of the regulations are summarized below.

Eligibility

The following individuals are eligible to enroll in this Plan. If the Plan is a Health Maintenance Organization (HMO), Point of Service (POS) or Exclusive Provider Organization (EPO) Plan, they are only eligible to enroll in the plan if they meet the Plan's geographic service area criteria. Anyone enrolled in a non-University Medicare Advantage Managed Care contract is not eligible for this plan.

Subscriber

Employee: You are eligible if you are appointed to work at least 50% time for twelve months or more or are appointed at 100% time for three months or more or have accumulated 1,000* hours while on pay status in a twelve-month period. To remain eligible, you must maintain an average regular paid time** of at least 17.5 hours per week and continue in an eligible appointment. If your appointment is at least 50% time, your appointment form may refer to the time period as follows: "Ending date for funding purposes only; intent of appointment is indefinite (for more than one year)."

* Lecturers – see your benefits office for eligibility.

** For any month, your average regular paid time is the average number of regular paid hours per week (excluding overtime, stipend or bonus time) worked by you in the preceding twelve (12)-month period.

- a. A month with zero regular paid hours which occurred during your furlough or approved leave without pay will not be included in the calculation of the average. If such absence exceeds eleven (11) months, the averaging will be restarted.
- b. A month with zero regular paid hours which occurred during a period when you were not on furlough or approved leave without pay will be included in the calculation of the average. After two consecutive such months, the averaging will be restarted.

For a partial month of zero regular paid hours due to furlough, leave without pay or initial employment the following will apply.

- a. If you worked at least 43.75% of the regular paid hours available in the month, the month will be included in the calculation of the average.

Member Eligibility

- b. If you did not work at least 43.75% of the regular paid hours available in the month, the month will not be included in the calculation of the average.

Retiree

Retiree is a former University Employee receiving monthly benefits from a University-sponsored defined benefit plan.

Survivor

A deceased Employee's or Retiree's Family Member receiving monthly benefits from a University-sponsored defined benefit plan.

You may continue University medical plan coverage as a Retiree when you retire or start collecting retirement or disability benefits from a University-sponsored defined benefit plan, or as a Survivor when you start collecting survivor benefits from a University-sponsored defined benefit plan. You must also meet the following requirements:

1. You meet the University's service credit requirements for Retiree medical eligibility;
2. The effective date of your Retiree status is within 120 calendar days of the date employment ends (or the date of the Employee/Retiree's death for a Survivor); and
3. You elect to continue coverage at the time of retirement;

If you are eligible for Medicare, see "Effect of Medicare on Retiree Enrollment" below.

Eligible Dependents (Family Members)

When you enroll any Family Member, your signature on the enrollment form or the confirmation number on your electronic enrollment attests that your Family Member meets the eligibility requirements outlined below. The University and/or the Plan reserves the right to periodically request documentation to verify eligibility of Family Members including any who are required to be your tax dependent(s). Documentation could include a marriage certificate, birth certificate(s), adoption records or Federal Income Tax Return or other official documentation.

Spouse: Your Legal Spouse.

Child: All eligible children must be under the limiting age (18 for legal wards, 23 for all others), unmarried,

and may not be emancipated minors. The following categories are eligible:

- a. Your natural or legally adopted children;
- b. Your stepchildren (natural or legally adopted children of your Spouse), if living with you, dependent on you or your Spouse for at least 50% of their support and are your or your Spouse's Dependents for income tax purposes.
- c. Grandchildren of you or your Spouse, if living with you, dependent upon you or your Spouse for at least 50% of their support and are your or your Spouse's Dependents for income tax purposes.
- d. Children for whom you are the legal guardian if living with you, who are dependent on you for at least 50% of their support and who are your Dependents for income tax purposes.

Continuing Coverage for Certain Disabled Dependents

Any child described above (except a legal ward) who is incapable of self-support due to a physical or mental handicap may continue to be covered past age 23 provided the:

- a. Incapacity began before age 23, the child was enrolled in a group medical plan before age 23 and coverage is continuous; and
- b. Child is claimed as your Dependent for income tax purposes or is eligible for Social Security Income or Supplemental Security Income as a disabled person or working in supported employment which may offset the Social Security or Supplemental Income; and
- c. The child lives with you if he or she is not your or your Spouse's natural or adopted child.

Application must be made to the Plan 31 days prior to the child's 23rd birthday and is subject to approval by the Plan. The Plan may periodically request proof of continued disability.

Incapacitated children approved for continued coverage under a University-sponsored medical plan are eligible for continued coverage under any other University-sponsored medical plan. If enrollment is transferred from one plan to another, a new application for coverage is not required.

Member Eligibility

If you are a newly hired Employee with an incapacitated child, you may also apply for coverage for that child. The child must have had continuous group medical coverage since age 23, and you must apply for coverage during your Period of Initial Eligibility.

Other Eligible Dependents (Family Members): You may enroll a same-sex Domestic Partner and the same-sex Domestic Partner's children/stepchildren/grandchildren as set forth in the University of California Group Insurance Regulations. Effective January 1, 2005, the University will recognize an opposite-sex domestic partner as a Family Member that is eligible for coverage in UC-sponsored benefits if the Employee/Retiree or domestic partner is age 62 or older and eligible to receive Social Security benefits and both the Employee/Retiree and domestic partner are at least 18 years of age. An adult dependent relative is no longer eligible for coverage effective January 1, 2004. Only an adult dependent relative who was enrolled as an eligible Dependent as of December 31, 2003, may continue coverage in UC-sponsored plans.

For information on who qualifies and how to enroll, please contact your local Benefits Office or the University of California's Customer Service Center.

No Dual Coverage: Eligible individuals may be covered under only one of the following categories: as an employee, as a Retiree, as a Survivor, or as a Family Member, but not under any combination of these. If an Employee and the Employee's Spouse or same-sex domestic partner are both eligible Subscribers, each may enroll separately or one may cover the other as a Family Member. If they enroll separately, neither may enroll the other as a Family Member. Eligible children may be enrolled under either parent's or same-sex domestic partner's coverage, but not under both. Additionally, a child who is also eligible as an Employee may not have Dual coverage through two University-sponsored medical plans.

Enrollment

For information about enrolling yourself or an eligible Family Member, see the person at your location who handles benefits. If you are a Retiree, contact the University's Customer Service Center. Enrollment transactions may be completed by paper form or electronically, according to current University practice. To complete the enrollment transaction, paper forms

must be received by the local Accounting or Benefits office or by the University's Customer Service Center by the last business day within the applicable enrollment period; electronic transactions must be completed by midnight of the last day of the enrollment period.

During a Period of Initial Eligibility (PIE)

A PIE ends 31 days after it begins.

If you are an Employee, you may enroll yourself and any eligible Family Members during your PIE. Your PIE starts the day you become an eligible Employee.

You may enroll any newly eligible Family Member during his or her PIE. The Family Member's PIE starts the day your Family Member becomes eligible, as described below. During this PIE you may also enroll yourself and/or any other eligible Family Member if not enrolled during your own or their own PIE. You must enroll yourself in order to enroll any eligible Family Member. Family Members are only eligible for the same plan you are enrolled in.

- a. For a Spouse, on the date of marriage.
- b. For a natural child, on the child's date of birth.
- c. For an adopted child, the earlier of:
 - i. the date you or your Spouse has the legal right to control the child's health care, or
 - ii. the date the child is placed in your physical custody.

If the child is not enrolled during the PIE beginning on that date, there is an additional PIE beginning on the date the adoption becomes final.
- d. Where there is more than one eligibility requirement, the date all requirements are satisfied.

If you decline enrollment for yourself or your eligible Family Members because of other group medical plan coverage and you lose that coverage involuntarily, you may be able to enroll yourself and those eligible Family Members during a PIE that starts on the day the other coverage is no longer in effect.

If you are in an HMO, POS or EPO Plan and you move or are transferred out of that Plan's service area, or will be away from the Plan's service area for more than two

Member Eligibility

months, you will have a PIE to enroll yourself and your eligible Family Members in another University medical plan. Your PIE starts with the effective date of the move or the date you leave the Plan's service area.

At Other Times

You and your eligible Family Members may also enroll during a group open enrollment period established by the University.

If you are an Employee and opt out of medical coverage or fail to enroll yourself during a PIE or open enrollment period, you may enroll yourself at any other time upon completion of a 90-consecutive-calendar-day waiting period.

If you are an Employee or Retiree and fail to enroll your eligible Family Members during a PIE or open enrollment period, you may enroll your eligible Family Members at any other time upon completion of a 90-consecutive-calendar-day waiting period.

The 90-day waiting period starts on the date the enrollment form is received by the local Accounting or Benefits office and ends 90 consecutive calendar days later.

If you have one or more children enrolled in the Plan, you may add a newly eligible Child at any time. See "Effective Date."

If you are a Retiree, you may continue coverage for yourself and your enrolled Family Members in the same plan you were enrolled in immediately before retiring. You must elect to continue enrollment for yourself and your enrolled Family Member before the effective date of retirement (or the date disability or survivor benefits begin).

If you are a Survivor, you may not enroll your legal Spouse or domestic partner.

Effective Date

The following effective dates apply provided the appropriate enrollment transaction (paper form or electronic) has been completed within the applicable enrollment period.

If you enroll during a PIE, coverage for you and your Family Members is effective the date the PIE starts.

If you are a Retiree continuing enrollment in conjunction with retirement, coverage for you and your Family Members is effective on the first of the

month following the first full calendar month of retirement income.

The effective date of coverage for enrollment during an open enrollment period is the date announced by the University.

For enrollees who complete a 90-day waiting period, coverage is effective on the 91st consecutive calendar day after the date the enrollment transaction is completed.

An Employee or Retiree already enrolled in adult plus child(ren) or family coverage may add additional children, if eligible, at any time after their PIE. Retroactive coverage is limited to the later of:

- a. the date the Child becomes eligible, or
- b. a maximum of 60 days prior to the date your Child's enrollment transaction is completed.

Change in Coverage

In order to change from single to adult plus child(ren) coverage, or two adult coverage, or family coverage, or to add another Child to existing family coverage, contact the person who handles benefits at your location (or the University's Customer Service Center if you are a Retiree).

Effect of Medicare on Retiree Enrollment

If you are a Retiree and you and/or an enrolled Family Member is or becomes eligible for premium free Medicare Part A (Hospital Insurance) as primary coverage, then that individual must also enroll in and remain in Medicare Part B (Medical Insurance). Once Medicare coverage is established, coverage in both Part A and Part B must be continuous. This includes anyone who is entitled to Medicare benefits through their own or their Spouse's non-University employment.

Individuals enrolled in both Part A and Part B are then eligible for the Medicare premium applicable to this plan. Beginning January 1, 2004, Retirees or their Family Member(s) who become eligible for premium free Medicare Part A and do not enroll in Part B will permanently lose their UC-sponsored medical coverage.

Retirees and their Family Members who were eligible for premium-free Medicare Part A, but declined to enroll in Part B of Medicare before January 1, 2004, were assessed a monthly offset fee by the University to cover increased costs. The offset fee may increase

Member Eligibility

annually, but will stop when the Retiree or Family Member becomes covered under Part B. Retirees or Family Members who are not eligible for premium-free Part A will not be assessed an offset fee nor lose their UC-sponsored medical coverage. Documentation attesting to their ineligibility for Medicare Part A will be required. (Retirees/Family Members who are not entitled to Social Security and premium-free Medicare Part A will not be required to enroll in Part B.)

You should contact Social Security three months before your or your Family Member's 65th birthday to inquire about your eligibility and how you enroll in the Hospital (Part A) and Medical (Part B) portions of Medicare. If you qualify for disability income benefits from Social Security, contact a Social Security office for information about when you will be eligible for Medicare enrollment.

Upon Medicare eligibility, you or your Family Member must complete a University of California Medicare Declaration. This notifies the University that you are covered by Part A and Part B of Medicare. The University's Medicare Declaration forms are available through the University's Customer Service Center. Completed forms should be returned to University of California, Human Resources and Benefits, Health & Welfare Administration – Retiree Insurance Program, P.O. Box 24570, Oakland, CA 94623-9911.

Any individual enrolled in a University-sponsored Medicare Advantage Managed Care Contract must assign his/her Medicare benefit to that plan or lose UC-sponsored medical coverage.

Medicare Secondary Payer Law (MSP)

The Medicare Secondary Payer (MSP) Law affects the order in which claims are paid by Medicare and an employer group health plan. UC Retirees hired into positions making them eligible for UC-sponsored medical coverage, including CORE and mid-level benefits, are subject to MSP. For Employees or their spouses who are age 65 or older and eligible for a group health plan due to employment, Medicare becomes the secondary payer and the employer plan becomes the primary payer.

Medicare Private Contracting Provision

Federal Legislation allows Physicians or practitioners to opt out of Medicare. Medicare beneficiaries wishing to continue to obtain services (**that would otherwise be covered by Medicare**) from these Physicians or

practitioners will need to enter into written “private contracts” with these Physicians or practitioners requiring the beneficiary to be responsible for all payments to such Providers. Services provided under “private contracts” are not covered by Medicare, and the Medicare limiting charge will not apply.

If you are classified as a Retiree by the University (or otherwise have Medicare as a primary coverage) and enrolled in Medicare Part B, and choose to enter into such a “private contract” arrangement with one or more Physicians or practitioners, under the law you have in effect “opted out” of Medicare for the services provided by these Physicians or other practitioners. No benefits will be paid by this Plan for services rendered by these Physicians or practitioners with whom you have so contracted, even if you submit a claim. You will be fully liable for the payment of the services rendered.

However, if you do sign a private contract with a Physician or practitioner, you may see other Physicians or practitioners without those private contract restrictions as long as they have not opted out of Medicare.

Termination of Coverage

The termination of coverage provisions that are established by the University of California in accordance with its regulations are described below. Additional Plan provisions apply and are described elsewhere in the document.

Deenrollment Due to Loss of Eligible Status

If you are an Employee and lose eligibility, your coverage and that of any enrolled Family Member stops at the end of the last month in which Premiums are taken from earnings based on an eligible appointment.

If you are a Retiree or Survivor and your annuity terminates, your coverage and that of any enrolled Family Member stops at the end of the last month in which you are eligible for an annuity.

If your Family Member loses eligibility, you must complete the appropriate transaction to delete him or her within 60 days of the date the Family Member is no longer eligible. Coverage stops at the end of the month in which he or she no longer meets all the eligibility requirements. For information on deenrollment procedures, contact the person who handles benefits at your location (or the University's Customer Service Center if you are a Retiree).

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Deenrollment Due to Fraud

Coverage for you or your Family Members may be terminated for fraud or deception in the use of the services of the Plan, or for knowingly permitting such fraud or deception by another. Such termination shall be effective upon the mailing of written notice to the Subscriber (and to the University if notice is given by the Plan). A Family Member who commits fraud or deception will be permanently deenrolled while any other Family Member and the Subscriber will be deenrolled for 18 months. If a Subscriber commits fraud or deception, the Subscriber and any Family Members will be deenrolled for 18 months.

Leave of Absence, Layoff or Retirement

Contact your local Benefits Office for information about continuing your coverage in the event of an authorized leave of absence, layoff or retirement.

Optional Continuation of Coverage

If your coverage or that of a Family Member ends, you and/or your Family Member may be entitled to elect continued coverage under the terms of the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended and if that continued coverage ends, specified individuals may be eligible for further continuation under California law. The terms of these continuation provisions are contained in the University of California notice *Continuation of Group Insurance Coverage*, available from the University's "At Your Service" Web site (www.atyourservice.ucop.edu). The notice is also available from the person in your department who handles benefits and from the University's Customer Service Center. You may also direct questions about these provisions to your local Benefits Office or the University's Customer Service Center if you are a Retiree.

Plan Administration

By authority of The Regents, University of California Human Resources and Benefits, located in Oakland, California, administers this plan in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts/service agreements, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be

relied upon as having been authorized by The Regents. The terms of those documents apply if information in this document is not the same. The University of California Group Insurance Regulations will take precedence if there is a difference between its provisions and those of this document and/or the Group Hospital and Professional Service Agreement. What is written in this document does not constitute a guarantee of plan coverage or benefits – particular rules and eligibility requirements must be met before benefits can be received. Health and welfare benefits are subject to legislative appropriation and are not accrued or vested benefit entitlements.

This section describes how the Plan is administered and what your rights are.

Sponsorship and Administration of the Plan

The University of California is the Plan sponsor and administrator for the Plan described in this booklet. If you have a question, you may direct it to:

University of California
Human Resources and Benefits
300 Lakeside Drive, 5th Floor
Oakland, CA 94612-3557
1-800-888-8267

Retirees may also direct questions to the University's Customer Service Center at the above phone number.

Claims under the Plan are processed by PacifiCare at the following address and phone number:

PacifiCare of California
P.O. Box 6006
Cypress, Ca 90630
1-800-624-8822

Group Contract Number

The Group Contract Number for this Plan is: 24537

Type of Plan

This Plan is a health and welfare plan that provides group medical care benefits. This Plan is one of the benefits offered under the University of California's employee health and welfare benefits program.

Plan Year

The plan year is January 1 through December 31.

Member Eligibility

Continuation of the Plan

The University of California intends to continue the Plan of benefits described in this booklet but reserves the right to terminate or amend it at any time. Plan benefits are not accrued or vested benefit entitlements. The right to terminate or amend applies to all Employees, Retirees and plan beneficiaries. The amendment or termination shall be carried out by the President or his or her delegates. The University of California will also determine the terms of the Plan, such as benefits, Premiums and what portion of the Premiums the University will pay. The portion of the Premiums that University pays is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation.

Financial Arrangements

The benefits under the Plan are provided by PacifiCare under a Group Service Agreement. The cost of the Premiums is currently shared between you and the University of California.

Agent for Serving of Legal Process

Legal process may be served on PacifiCare at:

Associate General Counsel
PacifiCare Health Plans
5995 Plaza Drive
Cypress, CA 90630

Your Rights Under the Plan

As a participant in a University of California medical Plan, you are entitled to certain rights and protections. All Plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and other specified sites, all Plan documents, including the Group Service Agreement, at a time and location mutually convenient to the participant and the Plan Administrator.
- Obtain copies of all Plan documents and other information for a reasonable charge upon written request to the Plan Administrator.

Claims Under the Plan

To file a claim or to appeal a denied claim, refer to page 83 of this document.

Nondiscrimination Statement

In conformance with applicable law and University policy, the University of California is an affirmative action/equal opportunity employer.

Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to:

Director of Diversity and Employee Programs
University of California Office of the President
300 Lakeside Drive, Oakland, CA 94612
and for faculty to:
Director of Academic Affirmative Action
University of California Office of the President
1111 Franklin Street
Oakland, CA 94607.

What is a Service Area?

PacifiCare is licensed by the California Department of Managed Health Care to arrange for medical and Hospital Services in certain geographic areas of California. These service areas are defined by ZIP codes. Please call our Customer Service department for information about PacifiCare's Service Area.

Notifying You of Changes in Your Plan

Amendments, modifications or termination of the Group Agreement by either the University of California or PacifiCare do not require the consent of a Member. PacifiCare may amend or modify the Health Plan, including the applicable Premiums, at any time after sending written notice to the University of California 30 days prior to the effective date of any amendment or modification. The University of California may also change your Health Plan benefits during the contract year. In accordance with PacifiCare's Group Agreement, the University of California is obliged to notify employees who are PacifiCare Members of any such amendment or modification.

Updating Your Enrollment Information

Please notify the Benefits Representative at your campus or lab of any changes to the information you provided on the enrollment application within 31 days of the change. This includes changes to your name, address, telephone number, marital status or the status of any enrolled Family Members. For reporting changes in marital and/or Dependent status, please see "Adding Family Members to Your Coverage." If you wish to

Member Eligibility

change your Primary Care Physician or Participating Medical Group, you may contact PacifiCare's Customer Service department at 1-800-624-8822 or 1-800-442-8833 (TDHI).

About Your PacifiCare Identification Card (ID)

Your PacifiCare ID card is important for identifying you as a Member of PacifiCare. Possession of this card does not entitle a Member to services or benefits under this Health Plan. A Member should show this card each time he or she visits a Primary Care Physician or, upon referral, any other Participating Provider.

IMPORTANT NOTE: Any person using this card to receive benefits or services for which he or she is not entitled will be charged for such benefits or services. If any Member permits the use of his or her identification card by any other person, PacifiCare may immediately terminate that Member's membership.

Renewal and Reinstatement (Renewal Provisions)

The University of California Group's Group Agreement with PacifiCare renews automatically, on a yearly basis, subject to all terms of the Group Agreement. PacifiCare or the University of California may change your Health Plan benefits and Premium at renewal. If the Group Agreement is terminated by PacifiCare, reinstatement is subject to all terms and conditions of the Group Agreement. In accordance with PacifiCare's Group Subscriber Agreement, the University of California is required to notify employees who are PacifiCare Members of any such amendment or modification.

Ending Coverage (Termination of Benefits)

Usually, your enrollment in PacifiCare terminates when the Subscriber or enrolled Family Member is no longer eligible for coverage under the University of California health benefit plan. In most instances, the University of California determines the date in which coverage will terminate. Coverage can be terminated, however, because of other circumstances as well, which are described below. Continuing coverage under this Health Plan is subject to the terms and conditions of the University of California's Group Agreement with PacifiCare.

When the Group Agreement between the University of California and PacifiCare is terminated, all Members covered under the Group Agreement become ineligible

for coverage on the date of termination. If the Group Agreement is terminated by PacifiCare for nonpayment of Premiums, coverage for all Members covered under the Group Agreement will be terminated effective the last day for which Premiums were received. According to the terms of the Group Agreement, the University of California is responsible for notifying you if and when the Group Agreement is terminated for any reason, including the nonpayment of Health Plan Premiums. PacifiCare is not obligated to notify you that you are no longer eligible or that your coverage has been terminated.

In addition to terminating the Group Agreement, PacifiCare may terminate a Member's coverage for any of the following reasons:

- The Member no longer meets the eligibility requirements established by the University of California and/or PacifiCare.
- The Member establishes his or her Primary Residence outside the state of California.
- The Member establishes his or her Primary Residence outside the PacifiCare Service Area and does not work inside the PacifiCare Service Area (except for a child subject to a qualified child medical support order, for more information refer to "Qualified Medical Child Support Order" in this section).

Termination for Good Cause

PacifiCare has the right to terminate your coverage under this Health Plan in the following situations:

- **Failure to Pay.** Your coverage may be terminated if you fail to pay any required Copayments, coinsurance or charges owed to a Provider or PacifiCare for Covered Services. To be subject to termination under this provision, you must have been billed by the Provider for 2 different billing cycles and have failed to pay or make appropriate payment arrangements with the Provider.

PacifiCare will send you written notice, and you will be subject to termination if you do not pay or make appropriate payment arrangements within the 30-day notice period.

- **Fraud or Misrepresentation.** Your coverage may be terminated if you knowingly provide false information (or misrepresent a meaningful fact) on your enrollment form or fraudulently or

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deceptively use services or facilities of PacifiCare, its Participating Medical Group or other health care Providers (or knowingly allow another person to do the same), including altering a prescription. Termination is effective immediately on the date PacifiCare mails the notice of termination, unless PacifiCare has specified a later date in that notice.

- **Disruptive Behavior.** Your coverage may be terminated if you threaten the safety of Plan employees, Providers, Members or other patients, or your repeated behavior has substantially impaired PacifiCare's ability to furnish or arrange services for you or other Members, or substantially impaired Provider(s)' ability to provide services to other patients. Termination is effective 15 days after the notice is mailed to the Subscriber.

If coverage is terminated for any of the above reasons, you forfeit all rights to enroll in the PacifiCare conversion plan (discussed below) or COBRA Plan and lose the right to re-enroll in PacifiCare in the future.

Under no circumstances will a Member be terminated due to health status or the need for health care services. If a Member is Totally Disabled when the Group's coverage ends, coverage for the Totally Disabling condition may be extended (please refer below to "Total Disability"). Any Member who believes his or her enrollment has been terminated due to the Member's health status or requirements for health care services may request a review of the termination by the California Department of Managed Health Care. For more information contact our Customer Service department.

NOTE: If a Group Agreement is terminated by PacifiCare, reinstatement with PacifiCare is subject to all terms and conditions of the Group Agreement between PacifiCare and the University of California.

Ending Coverage – Special Circumstances for Enrolled Family Members: Enrolled Family Members terminate on the same date of termination as the Subscriber. If there's a divorce, the Spouse loses eligibility at the end of the month in which a final judgment or decree of dissolution of marriage is entered. Dependent children lose their eligibility if they marry or reach the Limiting Age established by the University of California and do not qualify for extended coverage as a student Dependent or as a disabled Dependent. Please refer to the section "Continuing Coverage for Certain Disabled Dependents." It may

also end when a qualified student reaches the Limiting Age. Please refer to "Extending Your Coverage" for additional coverage which may be available to you.

Total Disability

If the Group Agreement providing the Subscriber coverage is terminated, and the Subscriber or any enrolled Family Members are Totally Disabled on the date the Group Agreement is terminated, federal law may require the Group's succeeding carrier to provide coverage for the treatment of the condition causing Total Disability. However, in the event that the Subscriber's Group does not contract with a succeeding carrier for health coverage, or in the event that federal law would allow a succeeding carrier to exclude coverage of the condition causing the Total Disability for a period of time, PacifiCare will continue to provide benefits to the Subscriber or any enrolled Family Member for Covered Services directly relating to the condition causing Total Disability existing at the time of termination, for a period of up to 12 successive months after the termination. The extension of benefits may be terminated by PacifiCare at such time the Member is no longer Totally Disabled, or at such time as a succeeding carrier is required by law to provide replacement coverage to the Totally Disabled Member without limitation as to the disabling condition.

Coverage Options Following Termination (Individual Continuation of Benefits)

If your coverage through this *Combined Evidence of Coverage and Disclosure Form* ends, you and your enrolled Family Members may be eligible for additional continuation coverage.

Federal COBRA Continuation Coverage

As the University of California is subject to the federal Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), you may be entitled to temporarily extend your coverage for up to 36 months, based upon 102% of your former employer's Health Plan group rates, in certain instances where your coverage under the Health Plan would otherwise end. In the case of a Subscriber who is determined to be disabled under the Social Security Act, the Subscriber will pay 150% of the former employer's Health Plan group rate after the first 18 months of continuation coverage and up to the month in which the Subscriber becomes entitled to Medicare, generally 29 months

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after the disabling event occurred. However, if you are not entitled to Medicare by the 29th month, you may be able to extend your benefits. Please refer to “California Continuation Coverage After COBRA”.

This discussion is intended to inform you, in a summary fashion, of your rights and obligations under COBRA. However, the University of California is legally responsible for informing you of your specific rights under COBRA. Therefore, please consult with the University of California regarding the availability and duration of COBRA continuation coverage.

COBRA Qualifying Events for Subscribers

If you are a Subscriber covered by this Health Plan, you have a right to choose COBRA continuation coverage for up to 18 months based upon 102% of your former employer’s Health Plan group rates if you have a qualifying event described as:

1. You lose your group health coverage because the termination of your employment (for reasons other than gross misconduct on your part) or
2. The number of hours you actually work on a weekly basis are cut back to less than the number of hours required for continued group Health Plan eligibility, as determined by your employer.

If you are determined to be disabled under Title II or Title XVI of the United States Social Security Act within 60 days of your initial qualifying event, you must notify the University of California of this determination prior to the 18th month. You are required to pay to PacifiCare 150% of the group rate after the first 18 months and generally up to the 29th month. Your coverage under COBRA will end upon your Medicare entitlement. However, if you are not entitled to Medicare by the 29th month, you may be able to extend your benefits. Please refer to “California Continuation Coverage After COBRA.”

COBRA Qualifying Events for Spouses

If you are the Spouse of a Subscriber covered by this Health Plan, you have the right to choose COBRA continuation coverage for up to 36 months based upon 102% of the Subscriber’s employer’s Health Plan group rates (150% beginning the 19th month if the Subscriber is determined disabled by the Social Security Administration) for yourself if you lose group

health coverage under this Health Plan for any of the following four reasons:

1. The death of the Subscriber;
2. A termination of the Subscriber’s employment (for reasons other than gross misconduct) or the number of hours the Subscriber actually works on a weekly basis are cut back to less than the number of hours required for continued group Health Plan eligibility, as determined by the Subscriber’s employer;
3. Divorce or legal separation from the Subscriber; or
4. The Subscriber becomes entitled to Medicare. (In the case of a Subscriber who is determined to be disabled under the Social Security Act, the Spouse will pay 150% of the former employer’s Health Plan group rate after the first 18 months of continuation coverage and up to a combined total of 36 months. In the case of a Subscriber who becomes entitled to Medicare and voluntarily terminates his or her group Health Plan coverage, the Spouse may have up to 36 months based upon 102% of the Subscriber’s former employer’s Health Plan group rates. The length of your COBRA coverage will be determined from the date the Subscriber became entitled to Medicare).

COBRA Qualifying Events for Dependent Children

In the case of a Dependent child of a Subscriber enrolled in this Health Plan, he or she has the right to continuation coverage for up to 36 months based upon 102% of the Subscriber’s former employer group Health Plan rates (150% beginning the 19th month if the Subscriber is determined disabled by the Social Security Administration) if group health coverage under this Health Plan is lost for any of the following five reasons:

1. The death of the Subscriber;
2. A termination of the Subscriber’s employment (for reasons other than gross misconduct) or the number of hours the Subscriber actually works on a weekly basis are cut back to less than the number of hours required for continued group Health Plan eligibility, as determined by the Subscriber’s former employer;

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3. The Subscriber's divorce or legal separation; or
4. The Subscriber becomes entitled to Medicare; (In the case of a Subscriber who is determined to be disabled under the Social Security Act, the Dependent will pay 150% of the former employer's group Health Plan rate after the first 18 months of continuation coverage and up to a combined total of 36 months. In the case of a Subscriber who becomes entitled to Medicare and voluntarily terminates his or her group Health Plan coverage, the Dependent may have up to 36 months based upon 102% of the Subscriber's former employer's Health Plan group rates. The length of your COBRA coverage will be determined from the date the Subscriber became entitled to Medicare.
5. The Dependent child ceases to be a Dependent eligible for coverage under this Health Plan.

Notification of Qualifying Events

Under COBRA, the Subscriber or enrolled Family Member has the responsibility to inform the Employer Group (or, if applicable, its COBRA administrator) of a divorce, legal separation or a child losing Dependent status under the Health Plan within 60 days of the date of the event. Your former Employer Group has the responsibility to notify its COBRA administrator or PacifiCare of the Subscriber's death, termination, the number of hours the Subscriber actually works on a weekly basis are cut back to less than the number of hours required for continued group Health Plan eligibility or Medicare entitlement. Similar rights may apply to certain retirees, Spouses and Dependent children if your former employer commences a bankruptcy proceeding and these individuals lose coverage. Your former Employer Group or COBRA Administrator is responsible to notify you of your rights when you contact them as a result of one of these qualifying events.

COBRA Enrollment and Premium Information

When your former Employer, the University of California is notified that one of these events has happened, the University of California will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above to inform the University of California that you want continuation coverage.

If you do not choose continuation coverage on a timely basis, your group health insurance coverage under this Health Plan will end and you will be financially responsible for payment of any health care services that you have received after your terminating event, under the COBRA Health Plan.

If you choose continuation coverage, your Employer Group is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or Family Members. Your Premium may be increased or your benefits decreased each time your former Employer's Group benefit package renews or changes. COBRA permits you to maintain continuation coverage for up to 36 months, unless you lost group health coverage because of a termination of employment or the number of hours you actually work on a weekly basis are cut back to less than the number of hours required for continued group Health Plan eligibility, as determined by the University of California. In that case, the required continuation coverage period is 18 months. This initial 18-month period may be extended for affected individuals up to a combined total of 36 months from termination of employment if other events (such as a death, divorce, legal separation or Medicare entitlement) occur during that initial 18-month period. In addition, the initial 18-month period may be extended up to a combined total of 29 months if you are determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage. However, if you are not entitled to Medicare by the 29th month, you may be able to extend your benefits. Please refer to "California Continuation Coverage After COBRA." Please contact the University of California for more information regarding the applicable length of COBRA continuation coverage available.

A child who is born to or placed for adoption with the eligible Subscriber during a period of COBRA continuation coverage will be eligible to enroll as a COBRA-qualified beneficiary. These COBRA-qualified beneficiaries can be added to COBRA continuation coverage upon proper notification within 30 calendar days, to the University of California of the birth or adoption. Your new Dependent will be entitled to continue COBRA for only the time period you have remaining which is counted from the date of your initial qualifying event.

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Termination of COBRA Continuation Coverage

However, under COBRA, the continuation coverage may be cut short for any of the following five reasons:

1. Your former Employer Group no longer provides group health coverage to any of its employees;
2. The Premium for continuation coverage is not paid on time;
3. The qualified beneficiary becomes covered after the date he or she elects COBRA continuation coverage under another group Health Plan that does not contain any exclusion or limitation with respect to any pre-existing condition he or she may have;
4. The qualified beneficiary becomes entitled to Medicare after the date he or she elects COBRA continuation coverage; or

The qualified beneficiary extends coverage for up to 29 months due to disability and there has been a final determination that the individual is no longer disabled. However, upon this final determination, you may be able to extend your benefits. Please refer to “California Continuation Coverage After COBRA.”

Under the law, you may have to pay all of the Premium for your continuation coverage. Premiums for COBRA continuation coverage are generally 102% of the applicable Health Plan Premium. However, if you are on a disability extension, your cost will be 150% of the applicable Premium. You are responsible for the timely submission of the COBRA Premium to PacifiCare. At the end of the 18-month, 29-month or 36-month continuation coverage period, qualified beneficiaries may be allowed to enroll in a PacifiCare individual conversion Health Plan (See the explanation under “Extending Your Coverage: Converting to an Individual Plan.”) You may also have additional coverage available under California Continuation Coverage or coverage under HIPAA. (See the explanation under “California Continuation Coverage After COBRA.” Or “Coverage Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)”) Your new Premiums and benefits through Individual Conversion or HIPAA will be different from your previous group Health Plan coverage and will depend on the type of coverage you select.

If you have any questions about COBRA, please contact the University of California.

California Continuation Coverage After COBRA

In the event your COBRA coverage began on or after January 1, 2003, and you have used all of your COBRA benefits as described above, you may be eligible to continue benefits under California Continuation Coverage at 110 % of the Premium charged for similarly situated eligible employees currently working at your former employment. A notice will be provided to you by PacifiCare at the time your COBRA benefits will run out, allowing up to 18 more months under California Continuation COBRA. However, your California Continuation COBRA benefits will not exceed a combined total of 36 months from the date COBRA coverage began.

Example: As a result of termination from your former employer (for reasons other than gross misconduct), you applied for and received 18 continuous months of group Health Plan benefits under your federal COBRA benefits. California Continuation COBRA may extend your benefits another 18 consecutive months. Your combined total of benefits between COBRA and California Continuation COBRA is 36 months.

California Continuation Coverage Enrollment and Premium Information After COBRA

California Continuation Coverage option is not available to a Member who does not meet the eligibility requirements for coverage prior to January 1, 2005.

You must notify PacifiCare within 60 days from the date your COBRA coverage terminated or will terminate because of your qualifying event if you wish to elect this continuation coverage; or within 60 days from the date you received notice from PacifiCare. If you fail to notify PacifiCare within 60 days of the date of your qualifying event, you will lose your rights to elect and enroll on California Continuation Coverage after COBRA. The 60-day period will be counted from the event which occurred last. Your request must be in writing and delivered to PacifiCare by first-class mail, or other reliable means of delivery, including personal delivery, express mail or private courier company. Upon receipt of your written request, an enrollment package to elect coverage will be mailed to you by PacifiCare. You must pay your initial Premiums to PacifiCare within 45 days from the date PacifiCare mails your enrollment package after you notified PacifiCare of your intent to enroll. Your first Premium must equal the full amount billed by PacifiCare. Your failure to

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submit the correct Premium amount billed to you within the 45-day period, which includes checks returned to PacifiCare by your financial institution for non-sufficient funds (NSF), will disqualify you from this available coverage and you will not be allowed to enroll.

Note: In the event you had a prior qualifying event and you became entitled to enroll on COBRA coverage prior to January 1, 2003, you are not eligible for an extension of these benefits under California Continuation COBRA, even if you enroll in PacifiCare on or after January 1, 2003. Your qualifying event is the first day in which you were initially no longer eligible for your group Health Plan coverage from your former employer, regardless of who your prior insurance carrier may have been at that time.

Termination of Continuation Coverage After COBRA

Your coverage under California Continuation Coverage will terminate when:

1. You have received 36 months of continuation coverage after your qualifying event date; or
2. If you cease or fail to make timely Premiums; or
3. Your former employer or any successor employer ceases to provide any group benefit plan to his or her employees; or
4. You no longer meet eligibility for PacifiCare coverage, such as moving outside the PacifiCare Service Area.
5. The contract for health care services between your employer and PacifiCare is terminated; or
6. You become entitled for Medicare. Note: If you were eligible for the 29-month extension as a result of disability and you are later determined by the Social Security Administration to no longer be disabled, your benefits will terminate the later of 36 months after your qualifying event or the first of the month following 31 days from date of the final Social Security Administration determination, but only if you send the Social Security Administration notice to PacifiCare within 30 days of the determination.
7. If you were covered under a prior carrier and your former employer replaces your prior coverage with PacifiCare coverage, you may continue the remaining balance of your unused

coverage with PacifiCare, but only if you enroll with and pay Premiums to PacifiCare within 30 days of receiving notice of your termination from the prior group Health Plan.

If the contract between your former employer and PacifiCare terminates prior to the date your continuation coverage would terminate under California Continuation COBRA, you may elect continuation coverage under your former employer's new benefit plan for the remainder of the time period you would have been covered under the prior group benefit plan.

California Continuation Coverage After COBRA for Certain Former Employees and Their Spouses

California Continuation Coverage option is not available to a Member who does not meet the eligibility requirements for coverage prior to January 1, 2005.

California law also provides that certain former employees and their dependent Spouses (including a Spouse who is divorced from the employee and/or a Spouse who was married to the employee at the time of that employee's death) may be eligible to continue group coverage beyond the date their COBRA and California Continuation COBRA coverage is scheduled to end. Prior to you reaching your combined benefit of 36 months, PacifiCare will offer the extended coverage to employees and dependent Spouses of employers that are subject to the existing COBRA and California Continuation COBRA laws and to the former employees' dependent Spouses, including divorced or widowed Spouses as described above.

This coverage is subject to the following conditions:

- The former employee worked for the employer for the prior five years and was 60 years of age or older on the date his/her employment ended and,
- The former employee was eligible for and elected COBRA for himself and his dependent Spouse or,
- A former Spouse (i.e., a divorced or widowed Spouse as described above) is also eligible for continuation of group coverage after they have used all of their available COBRA benefit coverage. The former Spouse must elect such coverage by notifying PacifiCare in writing within 30 calendar days prior to the date that the initial COBRA benefits are scheduled to end. A former Spouse or surviving Spouse may continue Continuation COBRA for up to five continuous years upon the

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date the full 36 months of COBRA benefits were scheduled to end, regardless of the age or length of employment of the Subscriber.

If elected, this coverage will begin after your 36th month of COBRA coverage and will be administered under the same terms and conditions as if COBRA had remained in force.

As your former employer's Premium is not adjusted for the age of the specific employee or eligible Dependent, Premiums for this coverage will be 213% of the current applicable group rate. Your Premium may be increased or benefit package decreased each time your former Employer Group's benefit package renews or changes. Payment is due at the time the Employer Group's payment is due.

For California Continuation Coverage, PacifiCare will bill you directly once we have received your election form. You are responsible for paying the Health Plan Premium directly to PacifiCare on a monthly basis and it must be delivered by first-class mail or other reliable means. The first month's California Continuation COBRA Health Plan Premium payment is due within 45 days of the date that you submit the election form to PacifiCare. This payment must be sufficient to pay all Premiums due from the first month after the qualifying event through the current month. Failure to submit the correct Premium amount will disqualify you from receiving California Continuation coverage. Please note you will not be enrolled in California Continuation COBRA until PacifiCare receives both your election form and your first Premium payment.

Thereafter, California Continuation Coverage Premiums are due on the first day of the coverage month (i.e., January 1st for January coverage). If you fail to pay your Premium when the Premium payment is due, PacifiCare will send you a 15-day cancellation notice reminding you that your Premium is overdue. If Premium is received within 15 days of the issue date of PacifiCare's cancellation notification to you that your Premium is overdue, you will experience no break in coverage and no change in benefits. However, if you do not pay your Premium, enrollment will be cancelled effective 15 days after PacifiCare mailed the cancellation notice. A termination notice will be sent to you at this time, and any Premium payments received after the 15-day notice period has expired for coverage after the effective date of cancellation will be refunded to you within 20 business days. However, you remain financially responsible for unpaid Premium for

coverage prior to the effective date of cancellation. If you are terminated for failing to make timely Premium, you are not eligible for the PacifiCare Individual Conversion Plan described in the section entitled "Extending Your Coverage: Converting to an Individual Conversion Plan."

Termination of Continuation Coverage After COBRA for Certain Employees and Their Spouses as Described in the Above Paragraph

This coverage will end automatically on the earlier of:

1. The date the former employee, Spouse or former Spouse reaches 65;
2. The date in which the Group Agreement contract is terminated by either your former Employer Group or PacifiCare or the date your former employer ceases to provide coverage for any active employees through PacifiCare;
3. The date the former employee, Spouse or former Spouse is covered by another Health Plan;
4. The date the former employee, Spouse or former Spouse becomes entitled to Medicare;
5. For a Spouse or former Spouse, five years from the date the Spouse's COBRA coverage would end;
6. 15 days after PacifiCare mails notice to the former employee, Spouse or former Spouse that coverage is being cancelled for failure to pay Premium. If Premium is received within 15 days of PacifiCare's cancellation notification you will experience no break in coverage and no change in benefits. However, if you do not pay your Premium, enrollment will be cancelled effective 15 days after PacifiCare mailed the cancellation notice. A termination notice will be sent to you at that time and any Premium payments for coverage after the effective date of cancellation received after the 15-day notice period has expired will be refunded to you within 20 business days. However, you remain financially responsible for unpaid Premium for coverage prior to the effective date of cancellation.

For a Spouse or former Spouse that has used the available California continuation coverage period of 5 years, qualified beneficiaries may be allowed to enroll in a PacifiCare individual conversion Health Plan, unless you are eligible for Medicare. Other exclusions

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may apply. Please see the explanation under “Extending Your Coverage: Converting to an Individual Plan.” You may also have additional coverage under HIPAA. Please see the explanation under “Coverage Under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”).

Notification Requirements

The University of California is solely responsible for notifying former employees or Dependent Spouses (including former Spouses as defined above) of the availability of the coverage at least 90 calendar days before COBRA is scheduled to end. To elect this coverage, the former employee or Spouse must notify PacifiCare in writing at least 30 calendar days before COBRA is scheduled to end.”

Extending Your Coverage: Converting to an Individual Conversion Plan

If you have been enrolled in this Health Plan for three or more consecutive months, and you have been terminated by your employer which terminates your group Health Plan coverage, you and your currently enrolled Family Members may apply for the individual conversion plan issued by PacifiCare. The Employer Group is solely responsible for notifying you of the availability, terms and conditions of the individual conversion plan within 15 days of the termination of your group coverage.

An application for the conversion plan must be received by PacifiCare within 63 days of the date of termination of your group coverage. However, if the University of California terminates its Group Agreement with PacifiCare or replaces the PacifiCare group coverage with another carrier within 15 days of the date of termination of the Group coverage or the Subscriber’s participation, transfer to the individual conversion Health Plan is not permitted. You also will not be permitted to transfer to the individual conversion Health Plan under any of the following circumstances:

1. You failed to pay any amounts due to the Health Plan;
2. You were terminated by the Health Plan for good cause or for fraud or misrepresentation as described in the section “Termination for Good Cause;”

3. You knowingly furnished incorrect information or otherwise improperly obtained benefits of the Health Plan;
4. You are covered or are eligible for Medicare;
5. You are covered or are eligible for hospital, medical or surgical benefits under state or federal law or under any arrangement of coverage for individuals in a group, whether insured or self-insured*;
6. The Employer Group’s hospital, medical or surgical expense benefit program is self-insured; or
7. You are covered for similar benefits under an individual policy or contract.

Please note: If you were not previously eligible under the PacifiCare group Health Plan benefit as described above you may not enroll on PacifiCare’s Individual Conversion Plan. This includes any future Dependents not currently enrolled as a Member of your PacifiCare group Health Plan under your former employer.

*Note also: If you elect COBRA or Cal-COBRA continuation coverage, you are eligible for guaranteed issuance of a HIPAA individual contract at the time your COBRA or Cal-COBRA coverage ends. However, if you select Individual Conversion coverage instead, you will not be eligible for a HIPAA-guaranteed product.

Benefits or rates of an individual conversion plan Health Plan are different from those in your group plan.

An individual conversion Health Plan is also available to:

1. Currently enrolled Dependents, if the Subscriber dies;
2. Dependents who are currently enrolled and are no longer eligible for group Health Plan coverage due either to marriage or exceeding the maximum age for Dependent coverage under the group plan, as determined by the employer;
3. Dependents who are currently enrolled and lose coverage as a result of the Subscriber entering military service;
4. Spouse of the Subscriber who is currently an enrolled Dependent under PacifiCare, if your

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marriage has terminated due to divorce or legal separation.

Written applications and the first Premium payment for all conversions must be received by PacifiCare within 63 days of the loss of group coverage. This is an additional option to PacifiCare Members. This means you do not need to enroll and use any benefits you may have access to through COBRA or Cal-COBRA to be eligible. For more details, please contact our Customer Service department.

Individual Conversion Plan Premiums are due on the first day of the coverage month (i.e., January 1st for January coverage). If you fail to pay your Individual Conversion Plan Premium when the Premium payment is due, PacifiCare will send you a 15-day cancellation notice reminding you that your Premium is overdue. If Premium is received within 15 days of PacifiCare's cancellation notification, you will experience no break in coverage and no change in benefits. However, if you do not pay your Premium, enrollment will be cancelled effective 15 days after PacifiCare mailed the cancellation notice. A termination notice will be sent to you at that time and any Premium payments for coverage after the effective date of cancellation received after the 15-day notice period has expired will be refunded to you within 20 business days. However, you remain financially responsible for unpaid Premium for coverage prior to the effective date of cancellation.

Coverage Under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")

You may be eligible for the PacifiCare HIPAA Guaranteed Issue product, regardless of health status, if you:

1. Have had at least 18 months of prior creditable coverage, with the most recent prior creditable coverage under a group Health Plan, governmental plan or church plan, and with no break in creditable coverage greater than 63 days;
2. Are not currently entitled to coverage under a group Health Plan, Medicare or Medicaid*;
3. Do not currently have other health insurance coverage;
4. Your most recent creditable coverage was not terminated because of nonpayment of Premiums or fraud; and

5. If you were eligible, you elected and have used all federal COBRA continuation coverage available to you.

*Please note: If you elect COBRA or Cal-COBRA continuation coverage, you are eligible for guaranteed issuance of a HIPAA individual contract at the time your COBRA or Cal-COBRA coverage ends. However, if you select Individual Conversion coverage instead, you will not be eligible for a HIPAA-guaranteed product.

HIPAA-eligible individuals need not be under age sixty-five (65) or meet medically underwritten requirements, but must qualify under the criteria for guaranteed issuance under HIPAA. Please contact PacifiCare's Customer Service for more information.

Your Rights Under HIPAA Upon Termination of This Group Contract

HIPAA is the acronym for the federal law known as the Health Insurance Portability and Accountability Act of 1996. HIPAA protects health insurance coverage for workers and their families when they change or lose their jobs. California state law provides similar and additional protections.

If you lose your group health insurance coverage and meet certain important criteria, you are entitled to purchase coverage under an individual contract from any Health Plan that sells health insurance coverage to individuals. Significant protections come with the HIPAA individual contract: no pre-existing condition exclusions, guaranteed renewal at the option of the enrollee so long as the Plan offers coverage in the individual market and the enrollee pays the Premiums, and limitations on the amount of the Premium charged by the Health Plan.

Every Health Plan that sells health care coverage contracts to individuals must fairly and affirmatively offer, market, and sell HIPAA individual contracts to all Federally Eligible Defined Individuals. The plan may not reject an application from a Federally Eligible Defined Individual for a HIPAA individual contract if:

1. The Federally Eligible Defined Individual agrees to make the required Premium payments;
2. The Federally Eligible Defined Individual, and his or her Dependents to be covered by the plan contract, work or reside in the Service Area in which the plan operates.

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You are a Federally Eligible Defined Individual if, as of the date you apply for coverage:

3. You have 18 or more months of creditable coverage without a break of 63 days or more between any of the periods of creditable coverage or since the most recent coverage has been terminated;
4. Your most recent prior creditable coverage was under a group, government or church plan. (COBRA and Cal-COBRA are considered employer group coverage);
5. You were not terminated from your most recent creditable coverage due to nonpayment of Premiums or fraud;
6. You are not eligible for coverage under a group Health Plan, Medicare, or Medi-Cal (Medicaid);
7. You have no other health insurance coverage; and
8. You have elected and exhausted fully any continuation coverage you were offered under COBRA or Cal-COBRA.

There are important terms you need to understand, important factors you need to consider, and important choices you need to make in a very short time frame regarding the options available to you following termination of your group health care coverage. For example, if you are offered, but do not elect and exhaust COBRA or CAL-COBRA continuation coverage, you are not eligible for guaranteed issuance of a HIPAA individual contract. You should read carefully all of the information set forth in this section. Additional information is available from PacifiCare by calling 1-800-624-8822.

If you believe your HIPAA rights have been violated, you should contact the Department of Managed Health Care at 1-888-HMO-2219 or visit the Department's Web site at www.dmhc.ca.gov.

Certificate of Creditable Coverage

According to the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), a Certificate of Creditable Coverage will be provided to the Subscriber by PacifiCare when the Subscriber or a Dependent ceases to be eligible for benefits under the University of California's health benefit plan. A Certificate of Creditable Coverage may be used to

reduce or eliminate a pre-existing condition exclusion period imposed by a subsequent Health Plan. Creditable coverage information for Dependents will be included on the Subscriber's Certificate, unless the Dependent's address of record or coverage information is substantially different from the Subscriber's. Please contact the PacifiCare Customer Service department if you need a duplicate Certificate of Creditable Coverage. If you meet HIPAA eligibility requirements, you may be able to obtain individual coverage using your Certificate of Creditable Coverage.

Uniformed Services Employment and Reemployment Rights Act

Continuation of Benefits under USERRA. Continuation coverage under this Health Plan may be available to you through the University of California under the Uniform Services Employment and Reemployment Rights Act of 1994, as amended (USERRA). The continuation coverage is equal to, and subject to the same limitations as, the benefits provided to other Members regularly enrolled in this Health Plan. These benefits may be available to you if you are absent from employment by reason of service in the United States uniformed services, up to the maximum 18-month period if you meet the USERRA requirements. USERRA benefits run concurrently with any benefits that may be available through the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, as amended. The University of California will provide written notice to you for USERRA continuation coverage. If you are called to active military duty and are stationed outside of the Service Area, you or your eligible Dependents must still maintain a permanent address inside the Service Area and must select a Participating Medical Group within 30 miles of that address. To obtain coverage, all care must be provided or arranged in the Service Area by the designated Participating Medical Group, except for Emergency and Urgently Needed Services.

The Health Plan Premium for USERRA Continuation of benefits is the same as the Health Plan Premium for other PacifiCare Members enrolled through the University of California plus a 2% additional surcharge or administrative fee, not to exceed 102% of the University of California's active group Premium. Under arrangement with the University, PacifiCare is responsible for billing and collecting Health Plan

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Premiums from you or your Dependents otherwise due under this Agreement. Additionally, the University of California is responsible to maintain accurate records regarding USERRA Continuation Member Health Plan Premium, qualifying events, terminating events and any other information that may be necessary for PacifiCare to administer this continuation benefit.

Overseeing Your Health Care

Section Eleven: Overseeing Your Health Care

- How PacifiCare Makes Important Decisions
- New Treatments and Technologies
- What to Do if You Have a Problem
- Quality of Care Review
- Appeals and Grievances
- Independent Medical Reviews

How PacifiCare Make Important Health Care Decisions

This section explains how PacifiCare authorizes or makes changes to your health care services, how we evaluate new health care technologies and how we reach decisions about your coverage.

You will also find out what to do if you're having a problem with your health care plan, including how to appeal a health care decision by PacifiCare or one of our Participating Providers. You'll learn the process that's available for filing a formal grievance, as well as how to request an expedited decision when your condition requires a quicker review.

Authorization, Modification and Denial of Health Care Services

PacifiCare and its Participating Medical Groups use processes to review, approve, modify or deny, based on Medical Necessity, requests by Providers for authorization of the provision of health care services to Members.

PacifiCare and Participating Medical Groups may also use criteria or guidelines to determine whether to approve, modify or deny, based on Medical Necessity, requests by Providers of health care services for Members. The criteria used to modify or deny requested health care services in specific cases will be provided free of charge to the Provider, the Member and the public upon request.

Decisions to deny or modify requests for authorization of health care services for a Member, based on Medical Necessity, are made only by licensed Physicians or other appropriately licensed health care professionals.

Member agrees that their Provider will be their "authorized representative" (pursuant to ERISA) regarding receipt of approvals of requests for health care services for purposes of medical management.

PacifiCare and Participating Medical Groups make these decisions within at least the following time frames required by state law:

Decisions to approve, modify or deny requests for authorization of health care services, based on Medical Necessity, will be made in a timely fashion appropriate for the nature of the Member's condition, not to exceed 5 business days from PacifiCare's or the Participating Medical Group's receipt of the information reasonably necessary and requested to make the decision.

If the Member's condition poses an imminent and serious threat to their health, including, but not limited to, potential loss of life, limb or other major bodily function, or if lack of timeliness would be detrimental in regaining maximum function or to the Member's life or health, the decision will be rendered in a timely fashion appropriate for the nature of the Member's condition, not to exceed 72 hours after PacifiCare's or the Participating Medical Group's receipt of the information reasonably necessary and requested by PacifiCare or the Participating Medical Group to make the determination (an "Urgent Request").

If the decision cannot be made within these time frames because (i) PacifiCare or the Participating Medical Group is not in receipt of all of the information reasonably necessary and requested or (ii) PacifiCare or the Participating Medical Group requires consultation by an expert reviewer or (iii) PacifiCare or the Participating Medical Group has asked that an additional examination or test be performed upon the Member, provided the examination or test is reasonable and consistent with good medical practice, PacifiCare or the Participating Medical Group will notify the Provider and the Member, in writing, upon the earlier of the expiration of the required time frames above or as soon as the plan becomes aware that it will not be able to meet the required time frames.

The notification will specify the information requested but not received or the additional examinations or tests required and the anticipated date on which a decision may be rendered following receipt of all reasonably necessary requested information. Upon receipt of all information reasonably necessary and requested by PacifiCare or the Participating Medical Group, PacifiCare or the Participating Medical Group

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shall approve, modify or deny the request for authorization within the time frames specified above as applicable.

PacifiCare and Participating Medical Groups notify requesting Providers of decisions to approve, modify or deny requests for authorization of health care services for Members within 24 hours of the decision. Members are notified of decisions to deny, delay or modify requested health care services, in writing, within 2 business days of the decision. The written decision will include the specific reason or reasons for the decision the clinical reason or reasons for modifications or denials based on a lack of Medical Necessity and information about how to file an appeal of the decision with PacifiCare. In addition, the internal criteria or benefit interpretation policy, if any, relied upon in making this decision will be made available upon request by the Member. PacifiCare's Appeals Process is outlined in the "General Information" section of this *Combined Evidence of Coverage and Disclosure Form*.

If the Member requests an extension of a previously authorized and currently ongoing course of treatment, and the request is an "Urgent Request" as defined above PacifiCare or its Participating Medical Group will approve, modify or deny the request as soon as possible, taking into account the Member's medical condition, and will notify the Member of the decision within 24 hours of the request, provided the Member made the request to PacifiCare (or its Participating Medical Group) at least 24 hours prior to the expiration of the previously authorized course of treatment. If the concurrent care request is not an Urgent Request as defined above, PacifiCare will treat the request as a new request for a Covered Service under the Health Plan and will follow the time frame for nonurgent requests as discussed above. If you would like a copy of PacifiCare's policy and procedure, a description of the processes utilized for the authorization, modification or denial of health care services, you may contact the PacifiCare Customer Service department at 1-800-624-8822.

PacifiCare's Utilization Management Policy

PacifiCare distributes its policy on financial incentives to all its Participating Providers, Members and employees. PacifiCare also requires that Participating Providers and staff who make utilization decisions and those who supervise them sign a document acknowledging receipt of this policy. The policy affirms

that a utilization management decision is based solely on the appropriateness of a given treatment and service, as well as the existence of coverage. PacifiCare does not specifically reward Participating Providers or other individuals conducting utilization review for issuing denials of coverage. Financial incentives for Utilization management decision-makers do not encourage decisions that result in either the denial or modification of Medically Necessary Covered Services.

Assessment of New Technologies

PacifiCare regularly reviews new procedures, devices and drugs to determine whether or not they are safe and effective for our Members. The Technology Assessment and Guideline Committee – consisting of PacifiCare Medical Directors, Primary Care Physicians, pharmacists and specialists — conducts careful reviews of case studies, clinical literature and opinions of review organizations, such as ECRI (formerly the Emergency Care Research Institute), the Health Technology Assessment Information Service, the HAYES New Technology Summaries, the Agency for Health Care Policy and Research, Medicare and Federal Drug Administration decisions.

Utilization Criteria

When a Provider or Member requests preauthorization of a procedure/service requiring preauthorization, a licensed professional reviews the request. The licensed professional applies the applicable criteria, including, but not limited to:

- InterQual® Criteria (nationally published criteria for utilization management);
- HCIA-Sachs Length of Stay® Guidelines (average length of Hospital stays by medical or surgical diagnoses);
- PacifiCare Technology Assessment Guidelines (TAG) and Benefit Interpretation Policies ("BIP").

Those cases that meet the criteria for coverage and level of service are approved as requested. Those not meeting the utilization criteria are referred for review to a Participating Medical Group's Medical Director or a PacifiCare Medical Director.

Denial, delay or modification of health care services based on Medical Necessity must be made by a licensed Physician or a licensed health care professional who is competent to evaluate the specific

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clinical issues involved in the health care services requested by the Provider.

Denials may be made for administrative reasons that include, but are not limited to, the fact that the patient is not a PacifiCare Member or that the service being requested is not a benefit provided by the Member's plan.

Preauthorization determinations are made once the Member's Participating Medical Group Medical Director or designee receives all reasonably necessary medical information. PacifiCare makes timely and appropriate initial determinations based on the nature of the Member's medical condition in compliance with state and federal requirements.

What To Do If You Have a Problem

PacifiCare's top priority is meeting our Members' needs, but sometimes you may have an unexpected problem. When this happens, your first step should be to call our Customer Service department. We'll assist you and attempt to find a solution to your situation.

If you have a concern about your treatment or a decision regarding your medical care, you may be able to request a second medical opinion. You can read more about requesting, as well as the requirements for obtaining a second opinion, in **Section Two: Seeing the Doctor**.

If you feel that we haven't assisted you or that your situation requires additional action, you may also request a formal Appeal or Quality Review. To learn more about this, read the following section; "Appealing a Health Care Decision."

Appealing a Health Care Decision

Our appeals and quality of care review procedures are designed to deliver a timely response and resolution to your complaints. This is done through a process that includes a thorough and appropriate investigation, as well as an evaluation of the complaint. You may submit a formal appeal within 180 days of your receipt of an initial determination through our Appeals department.

To initiate an appeal or quality of care review, call our Customer Service department or write the Appeals department at:

PacifiCare of California
Appeals Department
Mail Stop CY44-157
5701 Katella Avenue
P.O. Box 6006
Cypress, CA 90630

This written request will initiate the following Appeals Process except in the case of "expedited reviews" as discussed below. You may submit written comments, documents, records and any other information relating to your appeal regardless of whether this information was submitted or considered in the initial determination. You may obtain, upon request and free of charge, copies of all documents, records and other information relevant to your appeal. The appeal will be reviewed by an individual who is neither the individual who made the initial determination that is the subject of the appeal nor the subordinate of that person.

PacifiCare will review your appeal and if the appeal involves a clinical issue, the necessity of treatment or the type of treatment or level of care proposed or utilized, the determination will be made by a medical reviewer who has the education, training and relevant expertise in the field of medicine necessary to evaluate the specific clinical issues that serve as the basis of your appeal.

Quality of Care Review

All quality of care complaints requiring clinical review are reviewed by PacifiCare's Health Services Department. Complaints affecting your immediate condition are reviewed immediately. PacifiCare conducts this review by investigating the complaint and consulting with your Participating Medical Group, treating Providers and other PacifiCare departments. We also review medical records as necessary, and you may need to sign an authorization to release your medical records.

We will notify you in writing regarding your quality of care review within 30 days of receipt of your complaint. The results of the quality of care review are confidential and protected from legal discovery in accordance with California law. Please refer to "Expedited Review Appeals" for Appeals involving an imminent and serious threat to your health, including, but not limited to, severe pain or the potential loss of life, limb or major bodily function.

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If a Member has asserted a claim for benefits or reimbursement as part of a quality of care complaint, the claims for benefits or reimbursement will be reviewed through the Appeals Process described below.

The Appeals Process

PacifiCare's Health Services department will review your appeal within a reasonable period of time appropriate to the medical circumstances and make a determination not later than 30 days of PacifiCare's receipt of the appeal. For appeals involving the delay, denial or modification of health care services, PacifiCare's written response will describe the criteria or guidelines used and the clinical reasons for its decision, including all criteria and clinical reasons related to Medical Necessity. For determinations delaying, denying or modifying health care services based on a finding that the services are not Covered Services, the response will specify the provisions in the *Combined Evidence of Coverage and Disclosure Form* that exclude that coverage. If the complaint is related to quality of care, the complaint will be reviewed through the procedure described in the section of this *Combined Evidence of Coverage and Disclosure Form* captioned "Quality Management Review."

Expedited Review Process

Appeals involving an imminent and serious threat to your health, including, but not limited to, severe pain or the potential loss of life, limb or major bodily function will be immediately referred to PacifiCare's clinical review personnel. If your case does not meet the criteria for an expedited review, it will be reviewed under the standard appeal process. If your appeal requires expedited review, PacifiCare will immediately inform you in writing of your review status and your right to notify the Department of Managed Health Care of the grievance and provide you and the Department of Managed Health Care with a written statement of the disposition or pending status of the expedited review no later than 3 days from receipt of the grievance. The DMHC may waive the requirement that you complete the appeals process or participate in the appeals process for at least 30 days if the DMHC determines that an earlier review is necessary.

Voluntary Mediation and Binding Arbitration

If you are dissatisfied with PacifiCare's Appeal Process determination, you have 60 days to request that

PacifiCare submit the appeal to voluntary mediation or binding arbitration before the Judicial Arbitration and Mediation Services (JAMS). However, if you have a legitimate health or other reason that prevents you from electing binding arbitration within 60 days, you will have as long as is reasonably necessary to accommodate your special needs to elect binding arbitration. Binding arbitration is determined through a single arbitrator. The Member may file a grievance with the Department of Managed Health Care, upon the earlier of completing mediation or participating in PacifiCare's grievance process or voluntary mediation for 30 days. Such voluntary mediation or binding arbitration will be limited to claims that are not subject to the Employee Retirement Income Security Act of 1974 (ERISA).

Voluntary Mediation

In order to initiate voluntary mediation, either you or the agent acting on your behalf must submit a written request to PacifiCare. If all parties mutually agree to mediation, the mediation will be administered by JAMS in accordance with the JAMS Mediation Rules and Procedures, unless all parties otherwise agree. Expenses for mediation will be shared equally by the parties. The Department of Managed Health Care will have no administrative or enforcement responsibilities with the voluntary mediation process.

Binding Arbitration

Any and all disputes of any kind whatsoever, including, claims relating to the delivery of services under the Health Plan and claims of medical malpractice (that is, as to whether any medical services rendered under the Health Plan were unnecessary or unauthorized or were improperly, negligently or incompetently rendered) except for claims subject to ERISA, between Member (including any heirs, successors or assigns of Member) and PacifiCare of California, or any of its parents, subsidiaries or affiliates (collectively, "PacifiCare Entities"), shall be submitted to binding arbitration. Any such dispute will not be resolved by a lawsuit or resort to court process, except as Federal Arbitration Act provides for judicial review of arbitration proceedings. Member and the PacifiCare Entities are giving up their constitutional rights to have any such dispute decided in a court of law before a jury and are instead accepting the use of binding arbitration by a single arbitrator in accordance with the Comprehensive Arbitration Rules and Procedures of JAMS, an

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administration of the arbitration shall be performed by JAMS or such other arbitration service as the parties may agree in writing. The parties will endeavor to mutually agree to the appointment of the arbitrator, but if such agreement cannot be reached within thirty (30) days following the date demand for arbitration is made, the arbitrator appointment procedures in the Comprehensive Arbitration Rules and Procedures will be utilized.

Arbitration hearings shall be held in the county in which the Member lives or at such other location as the parties may agree in writing. Civil discovery may be taken in such arbitration. The arbitrator selected shall have the power to control the timing, scope and manner of the taking of discovery and shall further have the same powers to enforce the parties' respective duties concerning discovery as would a Superior Court of California, including, but not limited to, the imposition of sanctions. The arbitrator shall have the power to grant all remedies provided by federal and California law. The parties shall divide equally the expenses of JAMS and the arbitrator. In cases of extreme hardship, the PacifiCare Entities may assume all or part of the Member's share of the fees and expenses of JAMS and the arbitrator, provided the Member submits a hardship application to JAMS. The approval or denial of the hardship application will be determined solely by JAMS.

The arbitrator shall prepare in writing an award that includes the legal and factual reasons for the decision. The requirement of binding arbitration shall not preclude a party from seeking a temporary restraining order or preliminary injunction or other provisional remedies from a court with jurisdiction; however, any and all other claims or causes of action including, but not limited to those seeking damages, shall be subject to binding arbitration as provided herein. The Federal Arbitration Act, 9 U.S.C. Sections 1-16, shall also apply to the arbitration.

BY ENROLLING IN PACIFICARE BOTH MEMBER (INCLUDING ANY HEIRS OR ASSIGNS) AND PACIFICARE AGREE TO WAIVE THEIR CONSTITUTIONAL RIGHT TO A JURY TRIAL AND INSTEAD VOLUNTARILY AGREE TO THE USE OF BINDING ARBITRATION AS DESCRIBED IN THIS COMBINED EVIDENCE OF COVERAGE AND DISCLOSURE FORM.

Experimental or Investigational Treatment

A PacifiCare Medical Director may deny a treatment if he or she determines it is Experimental or Investigational, except as described in "Cancer Clinical Trials" under **Section Five: Your Medical Benefits**. If you have a Terminal Illness as defined below, you may request that PacifiCare hold a conference within 30 days of receiving your request to review the denial. For purposes of this paragraph, Terminal Illness means an incurable or irreversible condition that has a high probability of causing death within 1 year or less. The conference will be held within 5 days if the treating Physician determines, in consultation with the PacifiCare Medical Director and based on professionally recognized standards of practice, that the effectiveness of the proposed treatment or services would be materially reduced if not provided at the earliest possible date.

Independent Medical Review

IF YOU BELIEVE THAT A HEALTH CARE SERVICE INCLUDED IN YOUR COVERAGE HAS BEEN IMPROPERLY DENIED, MODIFIED OR DELAYED BY PACIFICARE OR ONE OF ITS PARTICIPATING PROVIDERS, YOU MAY REQUEST AN INDEPENDENT MEDICAL REVIEW (IMR) OF THE DECISION. IMR IS AVAILABLE FOR DENIALS, DELAYS OR MODIFICATIONS OF HEALTH CARE SERVICES REQUESTED BY YOU OR YOUR PROVIDER BASED ON A FINDING THAT THE REQUESTED SERVICE IS EXPERIMENTAL OR INVESTIGATIONAL OR IS NOT MEDICALLY NECESSARY. YOUR CASE ALSO MUST MEET THE STATUTORY ELIGIBILITY CRITERIA AND PROCEDURAL REQUIREMENTS DISCUSSED BELOW. IF YOUR COMPLAINT OR APPEAL PERTAINS TO A DISPUTED HEALTH CARE SERVICE SUBJECT TO INDEPENDENT MEDICAL REVIEW (AS DISCUSSED BELOW), YOU SHOULD FILE YOUR COMPLAINT OR APPEAL WITHIN 180 DAYS OF RECEIVING A DENIAL NOTICE.

Eligibility for Independent Medical Review

Experimental or Investigational Treatment Decisions

If you suffer from a Life-Threatening or Seriously Debilitating condition, you may have the opportunity to seek IMR of PacifiCare's coverage decision regarding Experimental or Investigational therapies under

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California's Independent Medical Review System pursuant to Health and Safety Code Section 1370.4. Life-Threatening means either or both of the following:

- a. diseases or conditions where the likelihood of death is high unless the course of the disease is interrupted;
- b. diseases or conditions with potentially fatal outcomes, where the end-point of clinical intervention is survival. Seriously Debilitating means diseases or conditions that cause major irreversible morbidity.

To be eligible for IMR of Experimental or Investigational treatment, your case must meet all of the following criteria:

1. Your Physician certifies that you have a Life-Threatening or Seriously Debilitating condition for which:
 - Standard therapies have not been effective in improving your condition; or
 - Standard therapies would not be medically appropriate for you; or
 - There is no more beneficial standard therapy covered by PacifiCare than the proposed Experimental or Investigational therapy proposed by your Physician under the following paragraph.
2. Either (a) your PacifiCare Participating Physician has recommended a treatment, drug, device, procedure or other therapy that he or she certifies in writing is likely to be more beneficial to you than any available standard therapies, and he or she has included a statement of the evidence relied upon by the Physician in certifying his or her recommendation; or (b) you or your non-contracting Physician – who is a licensed, board-certified or board-eligible Physician qualified to practice in the specialty appropriate to treating your condition – has requested a therapy that, based on two documents of medical and scientific evidence identified in California Health and Safety Code Section 1370.4(d), is likely to be more beneficial than any available standard therapy. To satisfy this requirement, the Physician certification must include a statement detailing the evidence relied upon by the Physician in certifying his or her

recommendation. (Please note that PacifiCare is not responsible for the payment of services rendered by non-contracting Physicians who are not otherwise covered under your PacifiCare benefits).

3. A PacifiCare Medical Director has denied your request for a treatment or therapy recommended or requested pursuant to the above paragraph.
4. The treatment or therapy recommended pursuant to Paragraph 2 above would be a Covered Service, except for PacifiCare's determination that the treatment, drug, device, procedure or other therapy is Experimental or Investigational. If you have a Life-Threatening or Seriously Debilitating condition and PacifiCare denies your request for Experimental or Investigational therapy, PacifiCare will send a written notice of the denial within 5 business days of the decision. The notice will advise you of your right to request IMR, and include a Physician certification form and an application form with a preaddressed envelope to be used to request IMR from the DMHC.

Disputed Health Care Services

You may also request IMR of a Disputed Health Care Service. A Disputed Health Care Service is any health care service eligible for coverage and payment under your Health Plan that has been denied, modified or delayed by PacifiCare or one of its Participating Providers, in whole or in part, due to a finding that the service is not Medically Necessary. (NOTE: Disputed Health Care Services do not encompass coverage decisions. Coverage decisions are decisions that approve or deny health care services substantially based on whether or not a particular service is included or excluded as a covered benefit under the terms and conditions of your health care coverage.)

You are eligible to submit an application to the DMHC for IMR of a Disputed Health Care Service if you meet all of the following criteria:

1. Your Provider has recommended a health care service as Medically Necessary; or (b) you have received Urgently Needed Services or Emergency Services that a Provider determined were Medically Necessary; or (c) you have been seen by a Participating Provider for the diagnosis or treatment of the medical condition for which you seek IMR;

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2. The health care service has been denied, modified or delayed by PacifiCare or one of its Participating Providers, based in whole or in part on a decision that the health care service is not Medically Necessary; and
3. You have filed an appeal with PacifiCare regarding the decision to deny, delay or modify health care services and the disputed decision is upheld or the appeal remains unresolved after 30 days (or 3 days in the case of an urgent appeal requiring expedited review). (NOTE: If there is an imminent and serious threat to your health, the DMHC may waive the requirement that you complete the appeals process or participate in the appeals process for at least 30 days if the DMHC determines that an earlier review is necessary in extraordinary and compelling cases if the DMHC finds that you have acted reasonably.)

You may apply to the DMHC for IMR of a Disputed Health Care Service within 6 months of any of the events or periods described above, or longer if the DMHC determines that the circumstances of your case warrant an IMR review. PacifiCare will provide you an IMR application form with any grievance disposition letter that denies, modifies or delays health care services based in whole or in part due to a finding that the service is not Medically Necessary. A decision not to participate in the IMR process may cause you to forfeit any statutory right to pursue legal action against PacifiCare regarding the Disputed Health Care Service. The IMR process is in addition to any other procedures or remedies that may be available to you.

Independent Medical Review Procedures

Applying for Independent Medical Review

In the case of Experimental or Investigational coverage decisions, if you have a Life-Threatening or Seriously Debilitating condition, PacifiCare will include an application for IMR in its notice to you that the requested service has been denied and include a Physician certification form with a preaddressed envelope to the DMHC. Your Physician must provide the Physician certification and medical and scientific documentation required for Experimental and Investigational IMR, which may be included with your application, or mailed or faxed directly to the DMHC by your Physician. Either you or your Physician can provide the letter from PacifiCare or its Participating

Provider denying the request for Experimental or Investigational treatment.

In the case of determinations that a Disputed Health Care Service is not Medically Necessary, PacifiCare will provide you with an IMR application form with any disposition letter resolving your appeal of the determination. Your application for IMR of a Disputed Health Care Service may include information or documentation regarding a Provider's recommendation that the service is Medically Necessary, medical information that a service received on an urgent care or emergency basis was Medically Necessary, and any other information you received from or gave to PacifiCare or its Participating Providers that you believe is relevant in support of your position that the Disputed Health Care Service was Medically Necessary.

Completed applications for IMR should be submitted to the DMHC. You pay no fee to apply for IMR. You, your Physician, or another designated representative acting on your behalf may request IMR. If there is any additional information or evidence you or your Physician wish to submit to the DMHC that was not previously provided to PacifiCare, you may include this information with the application for IMR. The DMHC fax number is (916) 229-0465. You may also reach the DMHC by calling 1-888-HMO-2219.

Accepted Applications for Independent Medical Review

Upon receiving your application for IMR, the DMHC will review your request and notify you whether your case has been accepted. If your case is eligible for IMR, the dispute will be submitted to an independent medical review organization (IRO) contracted with the DMHC for review by one or more expert reviewers, independent of PacifiCare, who will make an independent determination of whether or not the care should be provided. The IRO selects an independent panel of medical professionals knowledgeable in the treatment of your condition, the proposed treatment and the guidelines and protocols in the area of treatment under review. Neither you nor PacifiCare will control the choice of expert reviewers. PacifiCare must provide the following documents to the IRO within 3 business days of receiving notice from the DMHC that you have successfully applied for an IMR:

1. The relevant medical records in the possession of PacifiCare or its Participating Providers;

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2. All information provided to you by PacifiCare and any of its Participating Providers concerning PacifiCare and Provider decisions regarding your condition and care (including a copy of PacifiCare's denial notice sent to you);
3. Any materials that you or your Provider submitted to PacifiCare and its Participating Providers in support of the request for the health care services;
4. Any other relevant documents or information used by PacifiCare or its Participating Providers in determining whether the health care service should have been provided and any statement by PacifiCare or its Participating Providers explaining the reasons for the decision. The Plan shall provide copies of these documents to you and your Provider unless any information in them is found by the DMHC to be privileged.

If there is an imminent and serious threat to your health, PacifiCare will deliver the necessary information and documents listed above to the IRO within 24 hours of approval of the request for IMR.

After submitting all of the required material to the IRO, PacifiCare will promptly issue you a notification that includes an annotated list of the documents submitted and offer you the opportunity to request copies of those documents from PacifiCare.

If there is any information or evidence you or your Provider wish to submit to the DMHC in support of IMR that was not previously provided to PacifiCare, you may include this information with your application to the DMHC. Also as required, you or your Provider must provide to the DMHC or the IRO copies of any relevant medical records and any newly developed or discovered relevant medical records after the initial documents are provided and respond to any requests for additional medical records or other relevant information from the expert reviewers.

The Independent Medical Review Decision

The independent review panel will render its analysis and recommendations on your IMR case in writing, and in layperson's terms to the maximum extent practical, within 30 days of receiving your request for IMR and supporting information. The time may be adjusted under any of the following circumstances:

- In the case of a review of an Experimental or Investigational determination, if your Physician determines that the proposed treatment or therapy would be significantly less effective if not promptly initiated. In this instance, the analysis and recommendations will be rendered within 7 days of the request for expedited review. The review period can be extended up to 3 days for a delay in providing required documents at the request of the expert.
- If the health care service has not been provided and your Provider or the DMHC certifies in writing that an imminent and serious threat to your health may exist, including, but not limited to, serious pain, the potential loss of life, limb or major bodily function or the immediate and serious deterioration of your health. In this instance, any analyses and recommendations of the experts must be expedited and rendered within 3 days of the receipt of your application and supporting information.
- If approved by the DMHC, the deadlines for the expert reviewers' analyses and recommendations involving both regular and expedited reviews may be extended for up to 3 days in extraordinary circumstances or for good cause.

The IRO will provide the DMHC, PacifiCare, you and your Physician with each of the experts' analyses and recommendations, and a description of the qualifications of each expert. The IRO will keep the names of the expert reviewers confidential, except in cases where the reviewer is called to testify and in response to court orders. In the case of an Experimental or Investigational determination, the experts' analyses will state the reasons the requested Experimental or Investigational therapy is or is not likely to be more beneficial for you than any available standard therapy and the reasons for recommending why the therapy should or should not be provided by PacifiCare, citing your specific medical condition, the relevant documents provided and the relevant medical and scientific evidence supporting the experts' recommendation. In the case of a review of a Disputed Health Care Service denied as not Medically Necessary, the experts' analyses will state whether the Disputed Health Care Service is Medically Necessary and cite your medical condition, the relevant documents in the record and the reviewer's relevant findings.

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The recommendation of the majority of the experts on the panel will prevail. If the experts on the panel are evenly divided as to whether the health care service should be provided, the panel's decision will be deemed to be in favor of coverage. If the majority of the experts on the panel does not recommend providing the health care service, PacifiCare will not be required to provide the service.

When a Decision Is Made

The DMHC will immediately adopt the decision of the IRO upon receipt and will promptly issue a written decision to the parties that will be binding on PacifiCare. PacifiCare will promptly implement the decision when received from the DMHC. In the case of an IRO determination requiring reimbursement for services already rendered, PacifiCare will reimburse either you or your Provider – whichever applies – within 5 working days. In the case of services not yet rendered to you, PacifiCare will authorize the services within 5 working days of receiving the written decision from the DMHC, or sooner if appropriate for the nature of your medical condition, and will inform you and your Physician of the authorization. PacifiCare will promptly reimburse you for reasonable costs associated with Urgently Needed Services or Emergency Services outside of PacifiCare's Participating Provider network, if:

- The services are found by the IRO to have been Medically Necessary;
- The DMHC finds your decision to secure services outside of PacifiCare's Participating Provider network prior to completing the PacifiCare grievance process or seeking IMR was reasonable under the circumstances; and
- The DMHC finds that the Disputed Health Care Services were a covered benefit under the PacifiCare Subscriber contract.

Health care services required by IMR will be provided subject to the terms and conditions generally applicable to all other benefits under your PacifiCare Health Plan.

For more information regarding the IMR process, or to request an application, please call PacifiCare's Customer Service department.

Review by the Department of Managed Health Care

The California Department of Managed Health Care is responsible for regulating health care service plans. If you have a grievance against your Health Plan, you should first telephone your Health Plan at **1-800-624-8822** (for HMO Members) or **1-800-442-8833 (TDHI)** and use your Health Plan's grievance process before contacting the Department. Utilizing this grievance procedure does not prohibit any potential legal rights or remedies that may be available to you. If you need help with a grievance involving an emergency, a grievance that has not been satisfactorily resolved by your Health Plan, or a grievance that has remained unresolved for more than 30 days, you may call the Department for assistance. You may also be eligible for an Independent Medical Review (IMR). If you are eligible for IMR, the IMR process will provide an impartial review of medical decisions made by a Health Plan related to the Medical Necessity of a proposed service or treatment, coverage decisions for treatments that are Experimental or Investigational in nature and payment disputes for emergency or Urgent Medical Services. The Department also has a toll-free telephone number **(1-888-HMO-2219)** and a TDD line **(1-877-688-9891)** for the hearing and speech impaired. The Department's Internet Web site **www.hmohelp.ca.gov** has complaint forms, IMR application forms and instructions online.

Complaints Against Participating Medical Groups, Providers, Physicians and Hospitals

Claims against a Participating Medical Group, the group's Physicians, or Providers, Physicians or Hospitals – other than claims for benefits under your coverage – are not governed by the terms of this plan. You may seek any appropriate legal action against such persons and entities deemed necessary.

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In the event of a dispute between you and a Participating Medical Group (or one of its Participating Providers) for claims not involving benefits, PacifiCare agrees to make available the Member Appeals Process for resolution of such dispute. In such an instance, all parties must agree to this resolution process. Any decision reached through this resolution process will not be binding upon the parties except upon agreement between the parties. The grievance will not be subject to binding arbitration except upon agreement between the parties. Should the parties fail to resolve the grievance, you or the Participating Medical Group (or its Participating Provider) may seek any appropriate legal action deemed necessary. Member claims against PacifiCare will be handled as discussed above under "Appealing a Health Care Decision."

General Information

Section Twelve: General Information

- How to Replace Your Card
- Translation Assistance
- Speech and Hearing Impaired Assistance
- Coverage in Extraordinary Situations
- Compensation for Providers
- Organ and Tissue Donation
- Public Policy Participation

What follows are answers to some common and uncommon questions about your coverage. If you have any questions of your own that haven't been answered, please call our Customer Service department.

What should I do if I lose or misplace my membership card?

If you should lose your card, simply call our Customer Service department. Along with sending you a replacement card, they can make sure there is no interruption in your coverage.

Does PacifiCare offer a translation service?

PacifiCare uses a telephone translation service for almost 140 languages and dialects. That's in addition to select Customer Service representatives who are fluent in Spanish.

Does PacifiCare offer hearing and speech impaired telephone lines?

PacifiCare has a dedicated telephone number for the hearing and speech impaired. This phone number is 1-800-442-8833.

How is my coverage provided under extraordinary circumstances?

In the unfortunate event of a major disaster, epidemic, war, riot, civil insurrection or complete or partial destruction of facilities, our Participating Medical Groups and Hospitals will do their best to provide the services you need. Under these extreme conditions, go to the nearest doctor or Hospital for Emergency Services. PacifiCare will later provide appropriate reimbursement.

How does PacifiCare compensate its Participating Providers?

PacifiCare itself is not a Provider of health care. PacifiCare typically contracts with independent medical groups to provide medical services to its Members and with hospitals to provide Hospital Services. Once they are contracted, they become PacifiCare Participating Providers.

Participating Medical Groups in turn employ or contract with individual Physicians. None of the Participating Medical Groups or Participating Hospitals or their Physicians or employees are employees or agents of PacifiCare. Likewise, neither PacifiCare nor any employee of PacifiCare is an employee or agent of any Participating Medical Group, Participating Hospital or any other Participating Provider.

Most of our Participating Medical Groups receive an agreed-upon monthly payment from PacifiCare to provide services to our Members. This monthly payment may be either a fixed dollar amount for each Member or a percentage of the monthly Premium received by PacifiCare. The monthly payment typically covers professional services directly provided, or referred and authorized, by the Participating Medical Group.

Some of PacifiCare's Participating Hospitals receive similar monthly payments in return for providing Hospital Services for Members. Other Participating Hospitals are paid on a discounted fee-for-service or fixed charge per day of hospitalization. Most acute care, Subacute and Transitional Care and Skilled Nursing Facilities are paid on a fixed charge per day basis for inpatient care.

At the beginning of each year, PacifiCare and its Participating Medical Groups agree on a budget for the cost of services for all PacifiCare Members assigned to the Participating Medical Group. At the end of the year, the actual cost of services for the year is compared to the agreed-upon budget. If the actual cost of services is less than the agreed-upon budget, the Participating Medical Group shares in the savings. The Participating Hospital and Participating Medical Group typically participate in programs for Hospital Services similar to what is described above.

General Information

Stop-loss insurance protects Participating Medical Groups and Participating Hospitals from large financial expenses for health care services. PacifiCare provides stop-loss protection to our Participating Medical Groups and Participating Hospitals that receive the monthly payments described above. If any Participating Hospital or Participating Medical Group does not obtain stop-loss protection from PacifiCare, it must obtain stop-loss insurance acceptable to PacifiCare.

PacifiCare arranges with additional Providers or their representatives for the provision of Covered Services that cannot be performed by your assigned Participating Medical Group or Participating Hospital. Such services include authorized Covered Services that require a specialist not available through your Participating Medical Group or Participating Hospital or Emergency and Urgently Needed Services. PacifiCare or your Participating Medical Group pays these Providers at the lesser of the Provider's reasonable charges or agreed-to rates. Your responsibility for Covered Services received from these Providers is limited to payment of applicable Copayments. (For more about Copayments, see **Section Six: Payment Responsibility**.) You may obtain additional information on PacifiCare's compensation arrangements by contacting PacifiCare or your Participating Medical Group.

How do I become an organ and tissue donor?

Transplantation has helped thousands of people suffering from organ failure or in need of corneas, skin, bone or other tissue. The need for donated organs and tissues continues to outpace the supply. At any given time, nearly 50,000 Americans may be waiting for organ transplants while hundreds of thousands more need tissue transplants. Organ and tissue donation provides each of us with a special opportunity to help others.

Almost anyone can be a donor. There is no age limit, and the number of donors age 50 or older has increased. If you have questions or concerns about organ donation, speak with your family, doctor or clergy.

There are many resources that can provide the information you need to make a responsible decision. If you do decide to become a donor, be sure to share your decision. Sharing your decision to be an organ and tissue donor with your family is as important as making the decision itself. Your organs and tissue will

not be donated unless a Family Member gives consent at the time of your death – even if you've signed your driver's license or a donor card. A simple family conversation will prevent confusion or uncertainty about your wishes.

It is also helpful to document your decision by completing a donor card in the presence of your family and having them sign as witnesses. The donor card serves as a reminder to your family and medical staff of your personal decision to be a donor. Carry it in your wallet or purse at all times.

How can I learn more about being an organ and tissue donor?

To get your donor card and information on organ and tissue donation call 1-800-355-SHARE or 1-800-633-6562. You can also request donor information from your local Department of Motor Vehicles (DMV).

On the Internet, contact:

- All About Transplantation and Donation (www.transweb.org)
- Department of Health and Human Services (www.organdonor.gov)
- Once you get a donor card, be sure to sign it in your family's presence. Have your family sign as witnesses and pledge to carry out your wishes, then keep the card with you at all times where it can be easily found.

Keep in mind that even if you've signed a donor card, you must tell your family, so they can act on your wishes.

How can I participate in PacifiCare's Public Policy Participation?

PacifiCare gives its Members the opportunity to participate in establishing the public policy of the Health Plan. One third of PacifiCare of California's Board of Directors is comprised of Health Plan Members. If you are interested in participating in the establishment of the Health Plan's public policy, please call or write our Customer Service department.

Definitions

Section Thirteen: Definitions

PacifiCare is dedicated to making its services easily accessible and understandable. To help you understand the precise meanings of many terms used to explain your benefits, we have provided the following definitions. These definitions apply to the capitalized terms used in your *Combined Evidence of Coverage and Disclosure Form*, as well as the *Schedule of Benefits*.

Annual Copayment Maximum The maximum amount of Copayments a Member is required to pay for certain Covered Services in a calendar year. (Please refer to your *Schedule of Benefits*.)

Case Management A collaborative process that assesses, plans, implements, coordinates, monitors and evaluates options to meet an individual's health care needs based on the health care benefits and available resources in order to promote a quality outcome for the individual Member.

Chronic Condition A medical condition that is continuous or persistent over an extended period of time and requires ongoing treatment for its management.

Claim Determination Period A calendar year.

Complementary and Alternative Medicine Defined by the National Center for Complementary and Alternative Medicine as the broad range of healing philosophies (schools of thought), approaches and therapies that Conventional Medicine does not commonly use, accept, study or make available. Generally defined, these treatments and health care practices are not taught widely in medical schools and not generally used in hospitals. These types of therapies used alone are often referred to as "alternative." When used in combination with other alternative therapies or in addition to conventional therapies, these therapies are often referred to as "complementary."

Conventional Medicine Defined by the National Center for Complementary and Alternative Medicine as medicine as practiced by holders of M.D. (medical doctor) or D.O. (doctor of osteopathy) degrees. Other terms for conventional medicine are allopathic, Western, regular and mainstream medicine.

Copayments The fee that a Member is obligated to pay, if any, at the time he or she receives a Covered

Service. Copayments may be a specific dollar amount or a percentage of the cost of the Covered Services. Copayments are fees paid by the Member in addition to the Premium paid by the University of California and any payroll contributions required by the University of California from your pay check.

Covered Services Medically Necessary services or supplies provided under the terms of this *Combined Evidence of Coverage and Disclosure Form*, your *Schedule of Benefits* and supplemental benefit materials.

Custodial Care Care and services that assist an individual in the activities of daily living. Examples include: assistance in walking, getting in or out of bed, bathing, dressing, feeding and using the toilet; preparation of special diets; and supervision of medication that usually can be self-administered. Custodial Care includes all homemaker services, respite care, convalescent care or extended care not requiring skilled nursing. Custodial Care does not require the continuing attention of trained medical or paramedical personnel.

Dependent A Member of a Subscriber's family who is enrolled with PacifiCare after meeting all of the eligibility requirements of the University of California and PacifiCare and for whom applicable Health Plan Premiums have been received by PacifiCare.

Emergency Medical Condition A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected by the Member to result in any of the following:

- placing the Member's health in serious jeopardy;
- serious impairment to bodily functions;
- serious dysfunction of any bodily organ or part;
- active labor, meaning labor at a time that either of the following would occur:
 1. there is inadequate time to effect safe transfer to another Hospital prior to delivery, or
 2. a transfer poses a threat to the health and safety of the Member or unborn child.

Emergency Services Medical screening, examination and evaluation by a Physician or other personnel – to the extent provided by law – to determine if an

Definitions

Emergency Medical Condition or psychiatric Emergency Medical Condition exists. If this condition exists, Emergency Services include the care, treatment and/or surgery by a Physician necessary to relieve or eliminate the Emergency Medical Condition or psychiatric Emergency Medical Condition within the capabilities of the facility. (For a detailed explanation of Emergency Services, see **Section Three: Emergency and Urgently Needed Services.**)

Employer Group The University of California through which you enrolled for coverage.

Experimental or Investigational Defined in the “Exclusions and Limitations of Benefits” section of this *Combined Evidence of Coverage and Disclosure Form*.

Family Member The Subscriber’s Spouse and any person related to the Subscriber or Spouse by blood, marriage, adoption or guardianship. An enrolled Family Member is a Family Member who is enrolled with PacifiCare, meets all the eligibility requirements of the University of California and PacifiCare, and for whom Premiums have been received by PacifiCare. An eligible Family Member is a Family Member who meets all the eligibility requirements of University of California and PacifiCare.

Group Agreement The Medical and Hospital Group Subscriber Agreement entered into between PacifiCare and the University of California through which you enroll for coverage.

Health Plan Your benefit plan as described in this *Combined Evidence of Coverage and Disclosure Form*, *Schedule of Benefits* and supplemental benefit materials.

Hospice Specialized form of interdisciplinary health care for a Member with a life expectancy of a year or less due to a terminal illness. Hospice programs or services are designed to provide palliative care; alleviate the physical, emotional, social and spiritual discomforts of a Member who is experiencing the last phase of life due to the existence of a terminal disease; and provide supportive care to the primary care giver and family of the Member receiving Hospice Services.

Hospital Services Services and supplies performed or supplied by a licensed Hospital on an inpatient or outpatient basis.

Infertility Either: (1) the inability to conceive a pregnancy or to carry a pregnancy to a live birth after a year or more of regular sexual relations without contraception; or (2) the presence of a demonstrated condition recognized by a licensed Physician who is a Participating Provider as a cause of Infertility.

Late Enrollee An employee who declined enrollment in the PacifiCare Health Plan when offered and who subsequently requests enrollment outside the designated Open Enrollment Period.

Limiting Age The age established by the University of California when a Dependent is no longer eligible to be an enrolled Family Member under the Subscriber’s coverage.

Medically Necessary (or Medical Necessity) refers to an intervention, if, as recommended by the treating Physician and determined by the Medical Director of PacifiCare or the Participating Medical Group, it is all of the following:

- a. A health intervention for the purpose of treating a medical condition;
- b. The most appropriate supply or level of service, considering potential benefits and harms to the Member;
- c. Known to be effective in improving health outcomes. For existing interventions, effectiveness is determined first by scientific evidence, then by professional standards, then by expert opinion.

For new interventions, effectiveness is determined by scientific evidence; and

- d. If more than one health intervention meets the requirements of (a) through (c) above, furnished in the most cost-effective manner that may be provided safely and effectively to the Member. “Cost-effective” does not necessarily mean lowest price.

A service or item will be covered under the PacifiCare Health Plan if it is an intervention that is an otherwise covered category of service or item, not specifically excluded, and Medically Necessary.

An intervention may be medically indicated yet not be a covered benefit or meet the definition of Medical Necessity.

Definitions

In applying the above definition of Medical Necessity, the following terms shall have the following meanings:

- (i) Treating Physician means a Physician who has personally evaluated the patient.
- (ii) A health intervention is an item or service delivered or undertaken primarily to treat (that is, prevent, diagnose, detect, treat or palliate) a medical condition or to maintain or restore functional ability. A medical condition is a disease, illness, injury, genetic or congenital defect, pregnancy or a biological or psychological condition that lies outside the range of normal, age-appropriate human variation. A health intervention is defined not only by the intervention itself but also by the medical condition and the patient indications for which it is being applied.
- (iii) Effective means that the intervention can reasonably be expected to produce the intended results and to have expected benefits that outweigh potential harmful effects.
- (iv) Health outcomes are outcomes that affect health status as measured by the length or quality (primarily as perceived by the patient) of a person's life.
- (v) Scientific evidence consists primarily of controlled clinical trials that either directly or indirectly demonstrate the effect of the intervention on health outcomes. If controlled clinical trials are not available, observational studies that suggest a causal relationship between the intervention and health outcomes can be used. Partially controlled observational studies and uncontrolled clinical series may be suggestive but do not by themselves demonstrate a causal relationship unless the magnitude of the effect observed exceeds anything that could be explained either by the natural history of the medical condition or potential experimental biases. For existing interventions, the scientific evidence should be considered first and, to the greatest extent possible, should be the basis for determinations of Medical Necessity. If no scientific evidence is available, professional standards of care should be

considered. If professional standards of care do not exist or are outdated or contradictory, decisions about existing interventions should be based on expert opinion. Giving priority to scientific evidence does not mean that coverage of existing interventions should be denied in the absence of conclusive scientific evidence.

Existing interventions can meet the definition of Medical Necessity in the absence of scientific evidence if there is a strong conviction of effectiveness and benefit expressed through up-to-date and consistent professional standards of care or, in the absence of such standards, convincing expert opinion.

- (vi) A new intervention is one that is not yet in widespread use for the medical condition and patient indications being considered. New interventions for which clinical trials have not been conducted because of epidemiological reasons (i.e., rare or new diseases or orphan populations) shall be evaluated on the basis of professional standards of care. If professional standards of care do not exist, or are outdated or contradictory, decisions about such new interventions should be based on convincing expert opinion.
- (vii) An intervention is considered cost-effective if the benefits and harms relative to costs represent an economically efficient use of resources for patients with this condition.

In the application of this criterion to an individual case, the characteristics of the individual patient shall be determinative.

Medicare (Original Medicare) The Hospital Insurance Plan (Part A) and the supplementary Medical Insurance Plan (Part B) provided under Title XVIII of the Social Security Act, as amended.

Medicare Eligible Those Members who meet eligibility requirements under Title XVIII of the Social Security Act, as amended.

Member The Subscriber or any Dependent who is eligible, enrolled and covered by PacifiCare.

Non-Participating Providers A Hospital or other health care entity, a Physician or other health care

Definitions

professional, or a health care vendor that has not entered into a written agreement to provide Covered Services to PacifiCare's Members.

Nonphysician Health Care Practitioners Include, but are not limited to, psychologists, acupuncturists, optometrists, podiatrists, chiropractors, licensed clinical social workers, marriage and family therapists and nurse midwives.

Open Enrollment Period The time period determined by PacifiCare and the University of California when all eligible employees and their eligible Family Members may enroll in PacifiCare.

Participating Hospital Any general acute care Hospital licensed by the State of California that has entered into a written agreement with PacifiCare to provide Hospital Services to PacifiCare's Members.

Participating Medical Group An independent practice association (IPA) or medical group of Physicians that has entered into a written agreement with PacifiCare to provide Physician services to PacifiCare's Members. An IPA contracts with independent contractor Physicians who work at different office sites. A medical group employs Physicians who typically all work at one or several physical locations. Under certain circumstances, PacifiCare may also serve as the Member's Participating Medical Group. This includes, but is not limited to, when the Member's Primary Care Physician contracts directly with PacifiCare and there is no Participating Medical Group.

Participating Provider A Hospital or other health care entity, a Physician or other health care professional or a health care vendor that has entered into a written agreement to provide Covered Services to PacifiCare's Members. A Participating Provider may contract directly with PacifiCare, with a Participating Medical Group or with another Participating Provider.

Physician Any licensed allopathic or osteopathic Physician.

Preferred Transplant Network A network of transplant facilities that are:

- Licensed in the state of California;
- Certified by Medicare as a transplant facility for a specific organ transplant;

- Designated by PacifiCare as a transplant facility for a specific organ program;
- Able to meet the reasonable access standards for organ transplantation based on the Regional Organ Procurement Agency statistics within the transplant facility's geographic location. A Regional Organ Procurement Agency is a geographic area designated by a state-licensed organ procurement organization for transplants in the state of California.

Premiums The payments made to PacifiCare by the University of California on behalf of a Subscriber and any enrolled Family Members for providing and continuing enrollment in PacifiCare.

Prevailing Rates As determined by PacifiCare, the usual, customary and reasonable rates for a particular health care service in the Service Area.

Primary Care Physician A Participating Provider who is a Physician trained in internal medicine, general practice, family practice, pediatrics or obstetrics/gynecology and who has accepted primary responsibility for coordinating a Member's health care services.

Primary Residence The home or address where the Member actually lives most of the time. A residence will no longer be considered a Primary Residence if: (1) the Member moves without intent to return; (2) the Member is absent from the residence for 90 consecutive days; or (3) the Member is absent from the residence for more than 100 days in any 6-month period.

Primary Workplace The facility or location where the Member works most of the time and to which the Member regularly commutes. If the Member does not regularly commute to one location, then the Member does not have a Primary Workplace.

Provider A person, group, facility or other entity that is licensed or otherwise qualified to deliver any of the health care services described in this *Combined Evidence of Coverage and Disclosure Form* and supplemental benefit materials.

Prudent Layperson A person without medical training who reasonably draws on practical experience when making a decision regarding whether Emergency Services are needed.

Definitions

Rehabilitation Services The combined and coordinated use of medical, social, educational and vocational measures for training or retraining individuals disabled by disease or injury.

Schedule of Benefits An important part of your *Combined Evidence of Coverage and Disclosure Form* that provides benefit information specific to your Health Plan, including Copayment information.

Serious Emotional Disturbances of a Child A Serious Emotional Disturbance (SED) of a child is defined as a child who:

1. Has one or more Mental Disorders as defined by the *Diagnostic and Statistical Manual IV (DSM-IV)*, other than a primary substance use disorder or developmental disorder, that results in behavior inappropriate to the child's age according to expected developmental norms;
2. Is under the age of 18 years old; and
3. Meets one or more of the following criteria:
 - a. As a result of the Mental Disorder, the child has substantial impairment in at least two of the following areas: self-care, school functioning; family relationships or ability to function in the community; and either of the following occur:
 - i. the child is at risk of removal from home or has already been removed from the home;
 - ii. the Mental Disorder and impairments have been present for more than 6 months or are likely to continue for more than 1 year without treatment; or
 - b. The child displays one of the following: psychotic features, risk of suicide or risk or violence due to a Mental Disorder; or
 - c. The child meets special education eligibility requirement under Chapter 26.5 commencing with Section 7570 of Division 7 of Title 1 of the California Government Code.

Severe Mental Illness Severe Mental Illness (SMI) includes the diagnosis and Medically Necessary treatment of the following conditions:

- Anorexia nervosa;
- Bipolar disorder;

- Bulimia nervosa;
- Major depressive disorder;
- Obsessive-compulsive disorder;
- Panic disorder;
- Pervasive developmental disorder or autism;
- Schizoaffective disorder;
- Schizophrenia.

Service Area A geographic region in the state of California where PacifiCare is authorized by the California Department of Managed Health Care to provide Covered Services to Members.

Skilled Nursing Care The care provided directly by or under the direct supervision of licensed nursing personnel, including the supportive care of a home health aide.

Skilled Nursing Facility A comprehensive free-standing rehabilitation facility or a specially designed unit within a Hospital licensed by the state of California to provide Skilled Nursing Care.

Skilled Rehabilitation Care The care provided directly by or under the direct supervision of licensed nursing personnel or a licensed physical, occupational or speech therapist.

Spouse The Subscriber's husband or wife who is legally recognized as a husband or wife under the laws of the state of California.

Subacute and Transitional Care Subacute and Transitional Care are levels of care needed by a Member who does not require Hospital acute care but who requires more intensive licensed Skill Nursing Care than is provided to the majority of the patients in a Skilled Nursing Facility.

Subscriber The person enrolled in the Health Plan for whom the appropriate Premiums have been received by PacifiCare and whose employment or other status, except for family dependency, is the basis for enrollment eligibility.

Totally Disabled or Total Disability For Subscribers, the persistent inability to reliably engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment resulting from an injury or illness. For Dependents, Totally Disabled is the persistent inability to perform activities

essential to the daily living of a person of the same age and sex by reason of any medically determinable physical or mental impairment resulting from an injury or illness. Determination of Total Disability will be made by a Participating Medical Group Physician on the basis of a medical examination of the Member and upon concurrence by PacifiCare's Medical Director.

Transitional Care See "Subacute Care."

Urgently Needed Services Covered Services that are provided when the Member's Participating Medical Group is temporarily unavailable or inaccessible. This includes when the Member is temporarily absent from the geographic area served by their Participating Medical Group. These services must be Medically Necessary and cannot be delayed because of an unforeseen illness, injury or condition.

Utilization Review Committee A committee used by PacifiCare or a Participating Medical Group to promote the efficient use of resources and maintain the quality of health care. If necessary, this committee will review and determine whether particular services are Covered Services.

NOTE: THIS COMBINED EVIDENCE OF COVERAGE AND DISCLOSURE FORM CONSTITUTES ONLY A SUMMARY OF THE PACIFICARE HEALTH PLAN. THE GROUP AGREEMENT BETWEEN PACIFICARE AND THE UNIVERSITY OF CALIFORNIA MUST BE CONSULTED TO DETERMINE THE EXACT TERMS AND CONDITIONS OF COVERAGE. A COPY OF THE GROUP AGREEMENT WILL BE FURNISHED UPON REQUEST AND IS AVAILABLE AT PACIFICARE AND FROM THE BENEFIT REPRESENTATIVE AT THE UNIVERSITY OF CALIFORNIA'S LAB OR CAMPUS THAT YOU WORK.

MEDICAL SCHEDULE OF BENEFITS

These services are covered as indicated when authorized through your Primary Care Physician in your Participating Medical Group.

General Features

Deductible	-0-
Maximum Benefits	Unlimited
Annual Copayments Maximum	\$1,000/individual \$3,000/family
Office Visits	\$10 Copayment
Hospitalization	\$250 per admission
Emergency Services <i>(waived if admitted as an inpatient)</i>	\$50 Copayment
Urgently Needed Services <i>(Medically Necessary Services required outside your Service Area)</i> <i>(waived if admitted as an inpatient)</i>	\$50 Copayment
Pre-Existing Conditions	All conditions covered provided they are covered benefits

Benefits Available While Hospitalized as an Inpatient

Alcohol, Drug or Other Substance Abuse or Addiction <i>(detoxification only)</i>	\$250 per admission
Bone Marrow Transplant <i>(donor searches limited to \$15,000 or 50 searches per lifetime)</i>	\$250 per admission
Cancer Clinical Trials ¹	Paid at contracting rate. Balance (if any) is the responsibility of the Member
Hospice Care <i>(up to one calendar year lifetime maximum)</i>	\$250 per admission
Hospital Benefits <i>(autologous (self-donated) blood up to \$120.00 per unit)</i>	\$250 per admission
Mastectomy/Breast Reconstruction <i>(after a mastectomy and complications from a mastectomy)</i>	\$250 per admission
Maternity Care	\$250 per admission
Newborn Care <i>(after birth, if readmitted)</i>	\$250 per admission
Physician Care	Paid in full
Rehabilitation Care	\$250 per admission
Skilled Nursing Care <i>(up to one-hundred (100) calendar days from the first treatment per disability)</i>	Paid in full
Voluntary Interruption Of Pregnancy	
– 1st trimester	Paid in full
– 2nd trimester (12–20 weeks)	Paid in full
– After 20 weeks <i>(*Voluntary interruption of pregnancy after the 20th week will be covered only when the mother's life is in jeopardy)</i>	Not covered*

Benefits Available on an Outpatient Basis

Alcohol, Drug or Other Substance Abuse or Addiction <i>(detoxification only)</i>	\$10 Copayment
Allergy Testing/Treatment <i>(serum is included)</i>	\$10 Copayment
Ambulance	Paid in full
Attention Deficit Disorder <i>(Medical Management)</i>	\$10 Copayment
Breast Cancer Screening, Diagnosis And Treatment	\$10 Copayment
Cochlear Implants	Paid in full

Benefits Available on an Outpatient Basis (continued)

Dental Treatment Anesthesia	Paid in full
Diabetes Management And Treatment	\$10 Copayment
Durable Medical Equipment	Paid in full
Cancer Clinical Trials ¹	Paid at contracting rate Balance (if any) is the responsibility of the Member
Corrective Appliances And Prosthetics	Paid in full
Eligible Materials And Supplies	Paid in full
Family Planning/Voluntary Interruption Of Pregnancy	
– Vasectomy	\$10 Copayment
– Tubal ligation ²	\$10 Copayment
– Insertion/removal of Intra-Uterine Device (IUD)	\$10 Copayment
– Intra-Uterine Device (IUD)	50% Copayment
– Removal of Norplant	\$10 Copayment
– Depo-Provera injection	\$10 Copayment
– Depo-Provera medication (limited to one Depo-Provera injection every 90 days)	\$35 Copayment
– Voluntary interruption of pregnancy	
– 1st trimester	\$10 Copayment
– 2nd trimester (12–20 weeks)	\$10 Copayment
– After 20 weeks (*Voluntary interruption of pregnancy after the 20th week will be covered only when the mother's life is in jeopardy)	Not covered*
Health Education Services	Paid in full
Hearing Screening	\$10 Copayment
Hemodialysis	\$10 Copayment
Home Care	Paid in full
Hospice Care – Outpatient Basis and In-Home Visits (up to one calendar year per lifetime)	Paid in full
Immunizations (for children under two years of age, refer to Well-Baby Care)	\$10 Copayment
Infertility Services	50% Copayment
Laboratory and Radiology	Paid in full
Maternity Care, Tests and Procedures	Paid in full
Medical Social Services (voluntary interruption of pregnancy after the 20th week will be covered only when the mother's life is in jeopardy)	Paid in full
Mental Health Services	\$10 Copayment per visit
– For additional benefits, see Behavioral Health Benefits.	
– Up to twenty (20) visits for crisis intervention during each calendar year following your initial date of eligibility.	
– A Copayment may be charged for missed scheduled appointments.	
Oral Surgery	Paid in full
Outpatient Rehabilitation Therapy	\$10 Copayment
Outpatient Surgery	Paid in full
Periodic Health Evaluations Physician, laboratory, radiology and related services as recommended by the American Academy of Pediatrics (AAP) and U.S. Preventive Services Task Force and authorized through your Primary Care Physician in your Participating Medical Group to determine your health status. For children under two years of age, refer to Well-Baby Care.	\$10 Copayment
Phenylketonuria (PKU) Testing and Treatment	\$10 Copayment
Physician Care (for children under two years of age, refer to Well-Baby Care)	\$10 Copayment
Vision Refractions	\$10 Copayment
Vision Screening	\$10 Copayment
Well-Baby Care Preventive health service, including immunizations, recommended by the American Academy of Pediatrics (AAP) and U.S. Preventive Services Task Force and authorized through your Primary Care Physician in your Participating Medical Group for children under two years of age.	Paid in full

Well-Woman Care <i>Includes Pap smear (by your Primary Care Physician or an OB/GYN in your Participating Medical Group) and referral by the Participating Medical Group for screening mammography as recommended by the U.S. Preventive Services Task Force.</i>	\$10 Copayment
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¹ Services require preauthorization from PacifiCare.

² This Copayment applies regardless of whether this service is performed as an inpatient or on an outpatient basis. If this service is performed on an inpatient basis, you will also be required to pay the applicable inpatient Copayment for your benefit plan, if any.

Except in the case of Medically Necessary Emergency or an Urgently Needed Service (outside your Service Area), each of the above noted benefits are covered when authorized by your Primary Care Physician in your Participating Medical Group. Where the recommended service involves Hospital admission or referrals, your Physician's recommendation may receive a second opinion review by a Utilization Review Committee. The committee is designed to promote the efficient use of resources while maintaining quality care for a Member.

OUTPATIENT PRESCRIPTION DRUG PROGRAM SCHEDULE OF BENEFITS

Retail

Generic and Selected Brand-Name Formulary Drugs	\$10 Copayment
Brand-Name Formulary Drugs	\$20 Copayment
Non-Formulary Drugs	\$35 Copayment

Mail Service (up to 90-day supply)

Generic and Selected Brand-Name Formulary Drugs	\$20 Copayment
Brand-Name Formulary Drugs	\$40 Copayment
Non-Formulary Drugs	\$70 Copayment

HEARING AID BENEFIT SCHEDULE OF BENEFITS

General Features

Hearing Aids	50% Coinsurance per device
Maximum Benefit	\$2,000 every 36 months

BEHAVIORAL HEALTH

Preauthorization is required for all Mental Health Services, Chemical Dependency Services and Severe Mental Illness (SMI) Benefits. You do not need to go through your Primary Care Physician, but you must obtain prior authorization through PacifiCare Behavioral Health of California (PBHC), an affiliate of PacifiCare that specializes in mental health and chemical dependency benefits. PBHC is available to you toll-free, 24 hours a day, 7 days a week, at 1-800-999-9585.

Mental Health Services

Inpatient Deductible	None
Inpatient per Admittance	\$250 per admission
Inpatient, Residential and Day Treatment <i>Unlimited days (based upon Medical Necessity)</i>	\$250 per admission
Outpatient Treatment <i>Unlimited visits (based upon Medical Necessity)</i>	\$10 Copayment per visit
Emergency and Urgently Needed Services ¹ <i>(Copayment waived if admitted as inpatient)</i>	Same as medical plan Copayment for Emergency and Urgently Needed Services ¹ .

Chemical Dependency Health Services

Inpatient Deductible	None
Inpatient Treatment	\$250 per admission
Outpatient Treatment	\$10 Copayment per visit
Emergency and Urgently Needed Services ¹ <i>(Copayment waived if admitted as inpatient)</i>	Same as medical plan Copayment for Emergency and Urgently Needed Services ¹ .

Serious Mental Illness Benefit²

Inpatient Deductible	None
Inpatient per Admittance	\$250 per admission
Inpatient, Residential and Day Treatment <i>Unlimited days (based upon Medical Necessity)</i>	\$250 per admission
Outpatient Treatment <i>Unlimited visits (based upon Medical Necessity)</i>	\$10 Copayment per visit
Emergency and Urgently Needed Services ¹ <i>(Copayment waived if admitted as inpatient)</i>	Same as medical plan Copayment for Emergency and Urgently Needed Services ¹ .

¹ Urgently Needed Services are Medically Necessary Services required outside the Service Area to prevent serious deterioration of a Member’s health resulting from an unforeseen illness or injury manifesting itself by acute symptoms of sufficient severity, including severe pain, such that treatment cannot be delayed until the Member returns to the Service Area.

² Severe Mental Illness Diagnoses include: schizophrenia, schizoaffective disorder, bipolar disorder, major depressive disorder, panic disorder, obsessive-compulsive disorder, pervasive developmental disorders (autism), anorexia and bulimia nervosa. In addition, the Severe Mental Illness Benefit includes coverage of Serious Emotional Disturbance of Children (SED).

You do not need to go through your Primary Care Physician, but you must obtain prior authorization through PacifiCare Behavioral Health of California (PBHC), an affiliate of PacifiCare that specializes in Mental Health and Chemical Dependency Benefits. PBHC is available to you toll-free, 24 hours a day, 7 days a week, at 1-800-999-9585.

PART A

Answering Questions

If you have any questions about PacifiCare, chances are you'll find the answer by:

1. Reviewing this brochure,
2. Calling PacifiCare's Customer Service department,
3. Asking your employer,
4. Consulting the Group Agreement between PacifiCare and the University of California, or
5. Calling your Participating Medical Group's Health Plan Coordinator, if your Primary Care Physician is in a Medical Group.

NOTE: THIS COMBINED EVIDENCE OF COVERAGE AND DISCLOSURE CONSTITUTES ONLY A SUMMARY OF THE PACIFICARE HEALTH PLAN. THE PACIFICARE CONTRACT MUST BE CONSULTED TO DETERMINE THE EXACT TERMS AND CONDITIONS OF COVERAGE. A COPY OF THE CONTRACT WILL BE FURNISHED UPON REQUEST AND IS AVAILABLE AT THE OFFICE OF THE PRESIDENT OF THE UNIVERSITY.

PacifiCare's Customer Service –

We're Here for You

We want you to be happy with PacifiCare, and that means being responsive to any questions you might have. We're ready to serve you and welcome the opportunity.

Count on Us for Efficient Service

Just have your Member Number ready when you call – we can access your membership file instantly.

We'll Expedite Your Requests

We're here to assist you when you want to change Primary Care Physicians or Participating Medical Groups.

We're Here to Answer Your Questions

You can feel comfortable asking experienced Customer Service Associates about your benefits – find out how to make the most of your Health Plan.

Need a Replacement ID Card or Up-to-Date Information?

If you've misplaced your ID card or handbook, just call us for a duplicate copy. We'll also be glad to send you updated literature on PacifiCare's participating Physicians and Physician network.

Concerns, Comments, Suggestions?

That's what we're here for.

1-800-624-8822 or 1-800-442-8833 TDHI
(Telecommunications Device for the Hearing Impaired)

Monday – Friday
7:00 a.m. – 9:00 p.m.

Secure Horizons Group Retiree Medicare Advantage (MA) Plan

Effective January 1, 2005 Through December 31, 2005

Evidence of Coverage and Disclosure Information

- Details of How the Plan Works
- Health Care Terms
- Your Rights and Responsibilities

Reference Page

Please fill this out for your reference:

Your Secure Horizons Group Retiree Medicare Advantage (MA) Plan membership number (located on your membership card)

Your Effective Date of enrollment

Your Rights Under the Plan:

As a participant in a University of California medical plan, you are entitled to certain rights and protections. All Plan participants shall be entitled to examine, without charge, at the Plan Administrator's office, or instead of or in addition to, at other locations that may be specified by the Plan Administrator, all Plan documents, including the Group Service Agreement. Obtain copies of all Plan documents and other information for a reasonable charge upon written request to the Plan Administrator.

Questions? Problems? Need Help?

Call or write Customer Service, 1-800-228-2144, Telecommunications Device for the Hearing-Impaired (TDHI): 1-800-685-9355, 7:00 a.m. to 9:00 p.m. weekdays, or P. O. Box 489, Cypress, California 90630. Visit the Web site at www.securehorizons.com.

This Combined Evidence of Coverage and Disclosure Form contains the terms and conditions of coverage and rights you have with the Secure Horizons Medicare Advantage (MA) Plan offered by PacifiCare. All applicants have a right to view this document prior to enrollment. This information should be read completely and carefully. Individuals with special health needs should carefully read those sections that apply to them.

PLEASE READ THE FOLLOWING INFORMATION SO YOU WILL KNOW FROM WHOM OR WHAT GROUP OF PROVIDERS HEALTH CARE MAY BE OBTAINED.

This document will be mailed to you annually. This document is effective for the Calendar Year January 1, 2005 through December 31, 2005.

Federal law mandates that PacifiCare comply with Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Americans with Disabilities Act, and other laws applicable to recipients of federal funds, and all other applicable laws and rules. Specifically, PacifiCare does not discriminate in the employment of staff or in the provision of health care services on the basis of race, disability, religion, sex, sexual orientation, health, ethnicity, creed, age or national origin.

Nondiscrimination Statement:

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director Mattie Williams and for faculty to Executive Director Sheila O'Rourke, both at this address: University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

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Welcome to the Secure Horizons Group Retiree Medicare Advantage Plan

This document and your *Retiree Benefits Summary* are an explanation of your rights, benefits and responsibilities as a Member of the Secure Horizons Group Retiree MA Plan, offered by PacifiCare, a Medicare Advantage Organization. These documents also explain PacifiCare's responsibilities to you. Your Member contract for the Secure Horizons Group Retiree Medicare Advantage Plan consists of this *Combined Evidence of Coverage and Disclosure Information*, the *Retiree Benefits Summary*, your Election Form and any current or future amendments.

This *Combined Evidence of Coverage and Disclosure Information*, and your *Retiree Benefits Summary*, contain important information. These documents will be mailed to you annually and will replace all prior *Combined Evidence of Coverage and Disclosure Documents* and *Retiree Benefits Summaries*. Please read them carefully and keep them in a safe place, available for quick reference.

Secure Horizons Group Retiree MA Plan is not an insurance policy that merely pays Medicare deductibles and Coinsurance charges (commonly called a "Medigap" or "Medicare supplement" policy). Instead, PacifiCare has entered into a contract with the Centers for Medicare and Medicaid Services (CMS), the Federal government agency that administers Medicare. PacifiCare is also regulated by the Department of Managed Health Care. The contract with CMS authorizes PacifiCare to arrange for comprehensive health services for individuals who are entitled to Medicare benefits and who choose to enroll in the Secure Horizons Group Retiree Medicare Advantage Plan. When you join the Secure Horizons Group Retiree Medicare Advantage Plan, you usually do not pay Medicare deductibles and Coinsurance charges, but instead pay Health Plan Premiums, Copayments and Coinsurance. The Secure Horizons Group Retiree Medicare Advantage Plan covers all services and supplies offered by Original

Medicare, plus additional services and supplies not covered by Medicare.

PacifiCare has signed a contract with CMS agreeing to cover you for one full year at a time. Secure Horizons Group Retiree MA Plan costs and benefits may change from year to year, and PacifiCare will notify you before any changes are made. In addition, either CMS or PacifiCare may choose not to renew all or a portion of the contract. If the contract is not renewed, your Medicare coverage will be switched to Original Medicare unless you decide to switch to another Medicare managed care plan. If either CMS or PacifiCare decides not to renew the contract at the end of the year, you will receive a letter at least ninety (90) days before the end of the contract. If CMS ends the contract in the middle of the year, you will receive a letter at least thirty (30) days before the end of the contract. In either situation the letter would explain your options for health care coverage in your area and provide you information about your right to obtain Medicare supplemental insurance coverage.

By enrolling in Secure Horizons Group Retiree MA Plan, you have agreed to receive your health care services from Contracting Medical Providers and facilities. You are required to follow all plan rules, such as obtaining Referrals and Prior Authorization, when required.

If you need Emergency Services (anywhere in the world) or Urgently Needed Services (generally, outside the area served under the Secure Horizons Group Retiree Medicare Advantage Plan), those services will be covered. However, if you receive services from Non-Contracting Medical Providers without Prior Authorization, neither PacifiCare nor Medicare will pay for those services, except for:

- **Emergency Services**
- **Urgently Needed Services**

Welcome to the Secure Horizons Group Retiree Medicare Advantage Plan

- **Out-of-area and routine travel renal dialysis (in the United States at a Medicare-certified facility) or**
- **Covered Services for which PacifiCare allows you to self-refer to contracting Providers.**

Call Customer Service Whenever You Need Information

In addition to arranging health care services, PacifiCare strives to provide the information you need about your Secure Horizons Group Retiree Medicare Advantage Plan when you need it.

PacifiCare has specially trained Customer Service Representatives who can answer your questions about:

- Covered Services;
- Making address or telephone number changes;
- Primary Care Physician selection or changes;
- Enrollment or Disenrollment;
- Appeal and Grievance complaint rights;
- Medical care when you are traveling;
- The quality of care you are receiving;
- Information concerning your Physician;
- Any other questions or concerns regarding your Secure Horizons Group Retiree Medicare Advantage Plan.

Updating Your Membership Records

Your Secure Horizons Group Retiree MA Plan membership record contains information from your Election Form, including your address and telephone number, as well as your specific benefit plan coverage, Primary Care Physician and the Contracting Medical Group/IPA you selected upon enrollment. These records are very important because they identify you as an eligible Secure Horizons Group Retiree Medicare Advantage Plan Member and determine where and if you are eligible to receive Covered Services.

Please report any changes in name, address or phone number to Customer Service immediately. You should also report any changes in health insurance coverage you have from your employer or your spouse's employer. Additionally, you should report any liability claims (such as claims against another driver in an auto accident), eligibility under workers' compensation, and MediCal or Medicaid.

PacifiCare Is Interested in Your Comments

PacifiCare's goal is to arrange the Covered Services you need to stay as healthy and active as you can. PacifiCare is interested in your comments.

From time to time, PacifiCare will be asking your thoughts on the Secure Horizons Group Retiree Medicare Advantage Plan through voluntary Member satisfaction surveys. These surveys help PacifiCare measure the performance of our Contracting Medical Providers, as well as PacifiCare's ability to assist you with your health care coverage concerns.

How to Submit a Claim

All Covered Services prescribed by PacifiCare will be billed to either your Contracting Medical Group/IPA or directly to the plan. However, if you receive a bill for a Covered Service or Emergency Service delivered by a Non-Contracting Medical Provider and receive a bill, please send the claim to:

PacifiCare Claims Department
P.O. Box 489
Cypress, CA 90630

If your plan includes Copayments, you are responsible for paying these directly to the Provider. If you have any questions about any claims, please call Customer Service.

Section 1 – Health Care Terms

The following definitions apply to this *Combined Evidence of Coverage and Disclosure Information*.

Acute Care

A pattern of health care in which a Member is treated for an acute (immediate and severe) episode of illness, for the subsequent treatment of injuries related to an accident or other trauma, or during recovery from surgery. Acute Care is usually received in a Hospital from specialized personnel using complex and sophisticated technical equipment and materials. This pattern of care is often necessary for a short time, unlike chronic care, where no significant improvement can be expected.

Appeal

The type of complaint you make when you want a reconsideration of a decision (determination) that was made regarding a service or what PacifiCare will pay for a service. You can file an Appeal in the following examples:

- If PacifiCare refuses to cover or pay for services you think PacifiCare should cover.
- If PacifiCare or one of the Contracting Medical Providers refuses to give you a service you think should be covered.
- If PacifiCare or one of the Contracting Medical Providers reduces or cuts back on services you have been receiving.
- If you think that PacifiCare is stopping your coverage too soon.

Basic Benefits

All health care services that are covered under the Medicare Part A and Part B programs, (except Hospice services) which are covered by the Secure Horizons Group Retiree Medicare Advantage Plan, additional services that PacifiCare uses Medicare funds to cover, and other services for which you may be required to pay a Health Plan Premium. All Members of the Secure Horizons Group Retiree Medicare Advantage Plan receive all Basic Benefits.

Benefit Period

A Benefit Period is a way of measuring your use of services under Medicare Part A. A Benefit Period begins with the first day of a Medicare-covered inpatient Hospital stay and ends with the close of a period of sixty (60) consecutive days during which you were neither an inpatient of a Hospital nor of a Skilled Nursing Facility (SNF). Inpatient Hospital Care Copayments are charged on a per admission basis. Original Medicare Hospital Benefit Periods do not apply. For Inpatient Hospital Care, you are covered for an unlimited number of days as long as the Hospital stay is Medically Necessary and authorized by PacifiCare or Contracting Medical Providers.

Calendar Year

A twelve (12)-month period that begins on January 1 and ends twelve (12) consecutive months later on December 31.

Center for Health Dispute Resolution (CHDR)

An independent review entity under contract with CMS that reviews Appeals by Members of Medicare managed care plans, including the Secure Horizons Group Retiree Medicare Advantage Plan.

Centers for Medicare and Medicaid Services (CMS)

The Federal agency responsible for administering Medicare (formerly known as the HealthCare Financing Administration (HCFA)).

Coinsurance

The percentage of the cost of a Covered Service a Member is required to pay. Coinsurance is based on the amount Medicare would have covered. This may not necessarily reflect the actual cost to PacifiCare. If there is no set Medicare amount for the service provided, the percentage will be based on PacifiCare's contractually negotiated rates.

Section 1 – Health Care Terms

Contracting Hospital

A Hospital that has a contract with PacifiCare to provide services and/or supplies to Secure Horizons Group Retiree Medicare Advantage Plan Members.

Contracting Medical Group/Independent Physicians Association (IPA)

Contracting Medical Groups are Physicians organized as a legal entity for the purpose of providing medical care. The Contracting Medical Group has an agreement with PacifiCare to provide medical services to Members. **Independent Physicians Associations (IPAs)** are organizations or affiliated groups of Physicians that deliver or arrange for the delivery of health services and function as Contracting Medical Groups with Physicians practicing out of their own independent medical offices.

Contracting Medical Provider

A health professional, a supplier of health items, or a health care facility having an agreement with PacifiCare or a Contracting Medical Group/IPA to provide or coordinate medical services to Members. Contracting Medical Providers are independent contractors and are not the employees or agents of PacifiCare.

Contracting Pharmacy

A pharmacy that has an agreement with PacifiCare to provide you with medication(s) prescribed by your Contracting Medical Provider in accordance with Secure Horizons Group Retiree Medicare Advantage Plan.

Copayment

The fee you pay at the time of medical services in accordance with your Secure Horizons Group Retiree MA Plan.

Covered Services

Those benefits, services and supplies listed in the *Retiree Benefits Summary* which are:

- Services provided or furnished by Contracting Medical Providers or

authorized by PacifiCare or Contracting Medical Providers.

- Emergency Services and Urgently Needed Services for which you do not need Prior Authorization and which may be provided by Non-Contracting Providers. (Please refer to Section 6 for more information about Emergency Services and Urgently Needed Services.)
- Post-stabilization services furnished by Non-Contracting Providers or Facilities that are Prior Authorized by PacifiCare or were not Prior Authorized because PacifiCare did not respond to a request for Prior Authorization for such services within one (1) hour of the request or because PacifiCare could not be contacted for Prior Authorization.
- Renal Dialysis services provided while you are temporarily outside the Service Area.
- Any services for which PacifiCare provides Prior Authorization.

Custodial Care

Not a Covered Service. Custodial Care includes services that assist an individual in the activities of daily living. Examples include: assistance in walking, getting in or out of bed, bathing, dressing, feeding and using the toilet; preparation of special diets; and supervision of the administration of medication that usually can be self-administered. Custodial Care includes all homemaker services, respite care, convalescent care or extended care not requiring skilled nursing. Custodial Care does not require the continuing attention of trained medical or paramedical personnel.

Customer Service

A department dedicated to answering your questions concerning (but not limited to) your membership, Covered Services, Grievances and Appeals.

Disenroll or Disenrollment

The process of ending your membership in the Secure Horizons Group Retiree Medicare Advantage Plan. Disenrollment can

Section 1 – Health Care Terms

be voluntary or involuntary. (Please refer to Section 8 for more information.)

Durable Medical Equipment (DME)

Equipment that can withstand repeated use; is primarily and usually used to serve a medical purpose; is generally not useful to a person in the absence of illness or injury; and is appropriate for use in the home. To be covered, Durable Medical Equipment must be Medically Necessary and prescribed by a Contracting Medical Provider for use in your home, such as oxygen equipment, wheelchairs, Hospital beds and other items that are determined Medically Necessary, in accordance with Medicare law, regulations and guidelines. **Routine DME will not be covered when the Member has exhausted the one hundred (100) days Skilled Nursing Facility benefits and remains in an institution or distinct part of an institution meeting the basic requirements of a Hospital or Skilled Nursing Facility.** (Please refer to the *Retiree Benefits Summary* for more information on DME.)

Effective Date

The date your Secure Horizons Group Retiree MA Plan coverage begins. You receive written notification of your Effective Date from PacifiCare.

Election Form

The enrollment form a Medicare beneficiary or legal representative must complete (with your signature and date) in order to be enrolled as a Member of the Secure Horizons Group Retiree MA Plan. This form is submitted to CMS for approval. Each Medicare beneficiary, or beneficiary representative, must sign and date the Election Form. The Election Form is part of your agreement with Secure Horizons Group Retiree Medicare Advantage Plan. (Please refer to Section 2 for more information.)

Emergency Services

Covered Services that are: 1) furnished by a Provider qualified to furnish Emergency Services; and 2) needed to evaluate or

stabilize a Medical Emergency. Please see definition of Medical Emergency.

Evidence of Coverage and Disclosure Information (EOC)

This document which explains Covered Services and defines your rights and responsibilities as a Member and those of PacifiCare. Your *Retiree Benefits Summary* provides the details of your particular benefit plan, including any Copayments and Coinsurance that you should pay when receiving a Covered Service. Your *Retiree Benefits Summary* is part of this *Combined Evidence of Coverage and Disclosure Information*. Together, these documents explain your health care coverage.

Exclusion or Excluded

Items or services that are not covered under this *Evidence of Coverage and Disclosure Information*, which includes the *Retiree Benefits Summary*; Exclusions are disclosed in the *Retiree Benefits Summary*. You are responsible for paying for Excluded items or services.

Experimental Procedures and Items

Items and procedures determined by PacifiCare and Medicare not to be generally accepted by the medical community. When making a determination as to whether a service or item is experimental, PacifiCare will follow CMS guidance (via the *Medicare Carriers Manual* and *Coverage Issues Manual*) if applicable, or rely upon determinations already made by Medicare. Experimental procedures and items are not covered under this *Evidence of Coverage*.

Fee-for-Service Medicare

A payment system by which doctors, Hospitals and other Providers are paid for each service performed (also known as traditional and/or Original Medicare).

Grievance

The type of complaint you make if you have a complaint or problem that does not involve payment or services by PacifiCare or a

Section 1 – Health Care Terms

Contracting Medical Provider. For example, you would file a Grievance if you have a problem with things such as: the quality of your care; general dissatisfaction with the way the Secure Horizons Medicare Advantage Plan benefits are designed; waiting times for appointments or in the waiting room; the way your doctors or others behave; being able to reach someone by phone or obtain the information you need; or the cleanliness or condition of the doctor’s office.

Group Retiree Members (Secure Horizons Group Retiree Medicare Advantage Plan Members)

Medicare-eligible retired employees and their Medicare-eligible dependents who meet the eligibility requirements of the University of California for enrollment in the University of California-sponsored group retiree Health Plan available through PacifiCare.

Health Plan Premium

The monthly payment to PacifiCare, if applicable, along with the Part B Premiums and Medicare Part A premiums, paid to Medicare, if applicable, that entitle you to the Covered Services outlined in this *Evidence of Coverage*.

Home Health Agency

A Medicare-certified agency which provides intermittent Skilled Nursing Care and other Medically Necessary therapeutic services in your home, when you are confined to your home and when authorized by your Primary Care Physician.

Hospice

An organization or agency certified by Medicare that is primarily engaged in providing pain relief, symptom management and supportive services to terminally ill people and their families.

Hospital

A Medicare-certified institution licensed by the State, which provides inpatient, outpatient, emergency, diagnostic and

therapeutic services. The term “Hospital” does not include a convalescent nursing home, rest facility or facility for the aged which furnishes primarily Custodial Care, including training in routines of daily living.

Hospital Stay

A Hospital Stay commences on the first day of Covered Services in an acute care Hospital. A Hospital Stay ends when the Member is either discharged from the Hospital or transferred to another level of care, e.g. home health care or Skilled Nursing Facility. If a Member subsequently transfers from an acute Hospital to a Skilled Nursing Facility, Skilled Nursing Facility to acute Hospital, or home health to acute or Skilled Nursing Facility another applicable copayment will be applied.

Hospitalist

When you are admitted for a Medically Necessary procedure or treatment at a Contracting Hospital, your health care may be coordinated by a Physician who specializes in treating inpatients (patients in a Hospital). This allows your Primary Care Physician to continue to see other patients in his or her office while you are hospitalized.

Lock-In Feature

An arrangement under which Covered Services, with the exception of Emergency Services, Urgently Needed Services, or out-of-area and routine travel renal dialysis services, must be provided or authorized by your Contracting Medical Provider or your Primary Care Physician. If you receive services from a Non-Contracting Medical Provider, Facility or a Contracting Medical Provider such as a Specialist without Prior Authorization from PacifiCare or your Contracting Medical Group/IPA, neither PacifiCare nor Medicare will pay for that care. There are very limited exceptions to this rule. See your *Retiree Benefits Summary* for specific limitations that apply.

Section 1 – Health Care Terms

Medical Director

A licensed Physician who is an employee of PacifiCare and is responsible for monitoring and overseeing the quality of care to the Members.

Medi-Cal or Medicaid

A joint Federal/State medical assistance program established by Title XIX of the Social Security Act. Some Medicare beneficiaries are also eligible for Medi-Cal. Medi-Cal, unlike Medicare, can cover long-term care, such as Custodial Care. Medi-Cal can cover all or part of your Medicare Premiums and/or deductibles and Coinsurance, if your income and resources are low enough. You may inquire about Medi-Cal and related programs, Qualified Medicare Beneficiary, Special Low Income Medicare Beneficiary, Qualified Disabled Working Individual, Qualified Individual, at your local Department of Social Services. PacifiCare has contracted with Premium Assist to help Secure Horizons Medicare Advantage Plan Members with the application process to these programs at no cost to you. If you have any questions you can contact Premium Assist at 1-800-599-9632, TTY 1-877-735-2929, Monday through Friday from 8:00 a.m. to 5:00 p.m. and speak to a representative who will determine if you may be eligible for one of these programs. If you are eligible, they will walk you through the entire process.

Medical Emergency

A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, with an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in: 1) Serious jeopardy to the health of the individual or, in the case of a pregnant woman, the health of the woman or her unborn child; 2) Serious impairment to bodily functions; or 3) Serious dysfunction of any bodily organ or part.

Medically Necessary or Medical Necessity

An intervention will be covered under the PacifiCare Health Plan if it is an otherwise covered category of service, not specifically excluded, and Medically Necessary. An intervention may be medically indicated yet not be a covered benefit or meet the definition of Medical Necessity. An intervention is Medically Necessary if, as recommended by the treating Physician and determined by the Medical Director of PacifiCare, it is (all of the following):

- a. A health intervention for the purpose of treating a medical condition;
- b. The most appropriate supply or level of service, considering potential benefits and harms to the Member;
- c. Known to be effective in treating the medical condition. For existing interventions, effectiveness is determined first by scientific evidence, then by professional standards, then by expert opinion. For new interventions, effectiveness is determined by scientific evidence; and
- d. If more than one health intervention meets the requirements of (a) through (c) above, furnished in the most cost-effective manner which may be provided safely and effectively to the Member.

In applying the above definition of Medical Necessity, the following terms shall have the following meanings:

- (i) A **health intervention** is an item or service delivered or undertaken primarily **to treat** (that is, prevent, diagnose, detect, treat or palliate) a medical condition or to maintain or restore functional ability. A **medical condition** is a disease, illness, injury, genetic or congenital defect, pregnancy, or a biological condition that lies outside the range of normal, age-appropriate human variation. A health intervention is defined by the intervention itself, the medical condition and the patient indications for which it is being applied.

Section 1 – Health Care Terms

- (ii) **Effective** means that the intervention can reasonably be expected to produce the intended results and to have expected benefits that outweigh potential harmful effects.
- (iii) **Scientific evidence** consists primarily of controlled clinical trials that either directly or indirectly demonstrate the effect of the intervention on health outcomes. If controlled clinical trials are not available, observational studies that suggest a causal relationship between the intervention and health outcomes can be used. Such studies do not by themselves demonstrate a causal relationship unless the magnitude of the effect observed exceeds anything that could be explained either by the natural history of the medical condition or potential experimental biases. For existing interventions, the scientific evidence should be considered first and, to the greatest extent possible, should be the basis for determinations of Medical Necessity. If no scientific evidence is available, professional standards of care should be considered. If professional standards of care do not exist, or are outdated or contradictory, decisions about existing interventions should be based on expert opinion. Giving priority to scientific evidence does not mean that coverage of existing interventions should be denied in the absence of conclusive scientific evidence. Existing interventions can meet the definition of Medical Necessity in the absence of scientific evidence if there is a strong conviction of effectiveness and benefit expressed through up-to-date and consistent professional standards of care or, in the absence of such standards, convincing expert opinion.
- (iv) A **new intervention** is one which is not yet in widespread use for the medical condition and patient indications being considered. New interventions for which clinical trials have not been conducted because of epidemiological reasons (i.e., rare or new diseases, or orphan populations) shall be evaluated on the basis of professional standards of care. If professional standards of care do not exist, or are outdated or contradictory, decisions about such new interventions should be based on convincing expert opinion.
- (v) An intervention is considered **cost-effective** if the benefits and harms relative to costs represent an economically efficient use of resources for patients with this condition.

Medicare

The Federal government health insurance program established by Title XVIII of the Social Security Act for people 65 years of age or older, certain younger people with disabilities and people with end stage renal disease (ESRD).

Medicare Part A

Hospital insurance benefits, including inpatient Hospital care, Skilled Nursing Facility Care, Home Health Agency care and Hospice Care offered through Medicare.

Medicare Part A Premium

Part A is financed by part of the Social Security payroll withholding tax paid by workers and their employers and by part of the Self-Employment Tax paid by self-employed persons. Generally, people age 65 and older can obtain Premium-free Medicare Part A benefits based on their own or their spouse's employment. If you are under 65, you can obtain Premium-free Medicare Part A benefits if you have been a disabled beneficiary under Social Security or the Railroad Retirement Board for more than 24 months. If you do not qualify for Premium-free Part A benefits, you may buy the coverage if you are at least 65 years old and meet certain requirements. Also, you may be able to buy Medicare Part A if you are disabled and lost your Premium-free Part A because you are working.

Section 1 – Health Care Terms

Medicare Part B

Supplementary medical insurance that is optional and requires a monthly Premium. Part B covers Physician services (in both Hospital and non-Hospital settings) and services furnished by certain non-physician practitioners. Other Part B services include lab testing, Durable Medical Equipment, diagnostic tests, ambulance services, prescription drugs that cannot be self-administered, certain self-administered anti-cancer drugs, some other therapy services, certain other health services, and blood not covered under Part A.

Medicare Part B Premium

A monthly Premium paid to Medicare (usually deducted from your Social Security check) to cover Part B services. You must continue to pay this Premium to Medicare to receive Covered Services whether a Medicare Advantage Plan or Medicare covers you.

Medicare Advantage (MA) Coordinated Care Plans

These are Medicare Advantage Plans that use a Network of Providers that are under contract or arrangement with a Medicare Advantage Organization or its Contracting Medical Groups/IPAs to provide covered benefits. The Secure Horizons Group Retiree Medicare Advantage Plan is a coordinated care plan.

Medicare Advantage Organization (MAO)

A public or private entity organized and licensed by the State as a risk-bearing entity that is certified by CMS as meeting Medicare Advantage requirements. MAOs can offer one or more Medicare Advantage Plans. PacifiCare is an MAO.

Medicare Advantage (MA) Plan

A policy or benefit package offered by a Medicare Advantage Organization under which a specific set of health benefits are offered at a uniform Premium and uniform level of cost-sharing to all Medicare beneficiaries residing in the Service Area covered by the Medicare Advantage Plan. An MAO may offer more than

one Medicare Advantage plan in the same Service Area. The Secure Horizons Group Retiree Medicare Advantage Plan is a Medicare Advantage Plan.

Member

You, the Medicare beneficiary entitled to receive Covered Services, who has voluntarily elected to enroll in the Secure Horizons Group Retiree Medicare Advantage Plan and whose enrollment has been confirmed by CMS.

Network

Providers, facilities and Hospitals contracted by PacifiCare to deliver the Covered Services provided for in this *Evidence of Coverage and Disclosure Information* and the *Retiree Benefits Summary*.

Non-Contracting Medical Provider or Facility

Any professional person, organization, health facility, Hospital, or other person or institution licensed and/or certified by the State or Medicare to deliver or furnish health care services, and who is neither employed, owned, operated by, nor under contract with PacifiCare to deliver Covered Services to you.

Office Visit

A visit for Covered Services to your Primary Care Physician, Specialist, other Contracting Medical Provider or Non-Contracting Medical Provider upon Referral.

Outpatient Services

Ambulatory medical services received by a Member when the Member is not admitted to a Hospital or Skilled Nursing Facility.

PacifiCare

A State corporation that is organized and licensed by the State as a risk-bearing entity and is certified by CMS as meeting Medicare Advantage requirements. PacifiCare is a Medicare Advantage Organization that offers Secure Horizons Medicare Advantage Plans.

Section 1 – Health Care Terms

Prescription Unit

The maximum amount (quantity) of medication that may be dispensed per prescription for a single Copayment. For most oral medications, the Prescription Unit represents a thirty (30)-day supply of medication. The Prescription Unit for other medications will represent a single container, inhaler unit, package or course of therapy. For drugs that could be habit-forming, the Prescription Unit may be set at a smaller quantity for your protection and safety.

Primary Care Physician (PCP)

The Contracting Medical Provider you choose who is responsible for providing or authorizing Covered Services while you are a Member of the Secure Horizons Group Retiree Medicare Advantage Plan. Primary Care Physicians are generally Physicians specializing in Internal Medicine, Family Practice or General Practice. However, they may also be other Provider types, based on your preference and health care needs.

Prior Authorization

A system whereby a Provider must receive approval from PacifiCare or your Contracting Medical Group/IPA before you, the Member, receive certain Covered Services. All services rendered by Non-Contracting Medical Providers must have Prior Authorization unless provided during an emergency or while you are temporarily out of the Service Area and need urgent care.

Provider

Any professional person, organization, health facility, Hospital or other person or institution licensed and/or certified by the State or Medicare to deliver or furnish health care services.

Quality Improvement Organization (QIO)

Formerly known as Peer Review Organization (PRO). An independent contractor paid by CMS to review Medical Necessity, appropriateness and quality of medical care and services provided to Medicare beneficiaries. QIO must

review complaints about the quality of care given by physicians in inpatient Hospitals, outpatient Hospital facilities, Hospital emergency rooms, Skilled Nursing Facilities, Home Health Agencies, ambulatory surgical centers and Private Fee-for-Service plans.

Referral

A formal recommendation by your Primary Care Physician for you to receive health care from a Specialist, Contracting Medical Provider or Non-Contracting Medical Provider.

Retiree Benefits Summary

This document provides the details of your particular benefit plan, including any Copayments and/or Coinsurance that you should pay when receiving a Covered Service. Together with this *Evidence of Coverage and Disclosure Information* document, the *Retiree Benefits Summary* explains your health care coverage. Group Retiree Members receive the *Retiree Benefits Summary* as their *Schedule of Benefits*.

Secure Horizons Group Retiree Medicare Advantage Plan

A Medicare Advantage Plan offered by PacifiCare, a Medicare Advantage Organization.

Service Area

A geographic area approved by CMS within which a Medicare Advantage eligible individual may enroll in a particular Medicare Advantage Plan offered by PacifiCare. Service Areas may contain different benefit plans that offer different benefits, Health Plan Premiums, Copayment and Coinsurance amounts.

Skilled Nursing Care

Medically Necessary services that can only be performed by, or under the supervision of, licensed nursing personnel.

Skilled Nursing Facility

A facility which provides inpatient Skilled Nursing Care, rehabilitation services or other

Section 1 – Health Care Terms

related health services and is State licensed and/or certified by Medicare. The term “Skilled Nursing Facility” does not include a convalescent nursing home, rest facility or facility for the aged which furnishes primarily Custodial Care, including training in routines of daily living.

Specialist

Any duly licensed Physician, osteopath, psychologist or other practitioner (as defined by Medicare) who provides health care services for a specific disease, condition or body part and that your Primary Care Physician or Contracting Medical Provider may refer you to. Also any duly licensed emergency room Physician who provides Emergency Services to you.

State

The State of California responsible for licensing and regulating PacifiCare.

Technology Assessment

PacifiCare regularly reviews new procedures, devices and drugs to determine whether or not they are safe and efficacious for our Members. New procedures and technology that are safe and efficacious are eligible to become Covered Services. If the technology becomes a Covered Service it will be subject to all other terms and conditions of the plan, including Medical Necessity and any applicable member copayments, deductibles or other payment contributions.

In determining whether to cover a service, PacifiCare uses proprietary technology guidelines to review new devices, procedures and drugs, including those related to behavioral health. When clinical necessity requires a rapid determination of the safety and efficacy of a new technology or new application of an existing technology for an individual Member, a PacifiCare Medical Director makes a Medical Necessity determination based on individual member medical documentation; review of published scientific evidence and when appropriate seeks relevant specialty or professional

opinion from an individual who has expertise in the technology.

Time-Sensitive

A situation in which waiting for a standard decision on an authorization, request for services or an Appeal could seriously jeopardize your life, health, or your ability to recover from an illness, injury or condition.

Urgently Needed Services

Covered Services provided when you are temporarily absent from the Secure Horizons Group Retiree Medicare Advantage Plan Service Area (or, under unusual and extraordinary circumstances, provided when you are in the Service Area, but your Primary Care Physician is temporarily unavailable or inaccessible) when such services are Medically Necessary and immediately required: 1) as a result of an unforeseen illness, injury, or condition; and 2) it is not reasonable given the circumstances to obtain the services through your Primary Care Physician.

Utilization Review

A comprehensive, integrated process in which a team of health care professionals evaluates your treatment in an effort to promote the efficient use of resources and the quality of health care. Duties of the Utilization Review staff include prior authorization, concurrent and retrospective review of medical services. Prior Authorization is the process of obtaining prior approval as to the coverage and appropriateness of service, as defined in Section 1 (Health Care Terms) and described in Section 4 (How Your Secure Horizons Medicare Advantage Plan Coverage Works). Concurrent and retrospective review is an assessment, which determines Medical Necessity or appropriateness of services as they are being or have already been rendered, as applicable.

Section 2 – Eligibility, Enrollment Periods and Effective Date

The University of California establishes its own medical plan eligibility criteria for Retirees based on the University of California Group Insurance Regulations. Portions of these regulations are summarized below. If you reside in the Secure Horizons Medicare Advantage (MA) Plan Service Area, and meet the University's and the Plan's eligibility criteria, you may enroll in the Plan.

To Enroll in the Secure Horizons Group Retiree Medicare Advantage (MA) Plan You:

1. Must be entitled to Medicare Part A and enrolled in Medicare Part B.
2. Must not currently have end stage renal disease or receive routine kidney dialysis. However, if either of these conditions should apply to you, in some instances you may still enroll if you are a current Member of PacifiCare either through an Employer Group Sponsored Health Plan or as an Individual. If you develop end stage renal disease while a Member of the Secure Horizons Group Retiree MA Plan, you can continue your membership:
 - If you have received a transplant that has restored your kidney function and you no longer require a regular course of dialysis, you are not considered to have ESRD and you are eligible to enroll in the Secure Horizons Group Retiree MA Plan.
 - Individuals with ESRD who are affected by the non-renewal of another Medicare Advantage Organization may make one election to enroll in another Medicare Advantage Organization.
3. Must permanently reside in the Service Area as defined in Section 14.
4. Must complete and sign an Election Form. If another person assists you in completing the Election Form, that person must also sign the form and state his/her relationship to you.
5. Must agree to abide by Secure Horizons Medicare Advantage Plan rules.

If you meet the above eligibility requirements, you cannot be denied membership in the Secure Horizons Group Retiree MA Plan on the basis of your health status, excluding end stage renal disease as described above.

University of California Eligibility Provisions

Who is Eligible

You may participate in the Plan if you are an eligible Retiree and enrolled in both the Hospital (Part A) and the Medical (Part B) parts of Medicare. The same applies to your Dependents. Dependents who are covered by the PacifiCare plan, but not by both parts of Medicare, may continue in that Plan until they cease to be eligible. Anyone enrolled in a non-University Medicare Advantage contract is not eligible for this Plan.

Eligible Retirees (Including Survivors):

You may continue University medical plan coverage when you retire (Retiree) or start collecting disability or survivor benefits (Survivor) from the University of California retirement plan, or any defined benefit plan to which the University contributes, provided:

1. you meet the University's service credit requirements for Retiree medical eligibility;
2. the Effective Date of your Retiree status is within 120 calendar days of the date employment ends (or the date of the Employee/Retiree's death in the case of a Survivor);
3. you elect to continue coverage at the time of retirement.

The following are the University of California's eligibility criteria for Dependent coverage. In order for Dependents to be enrolled in the Secure Horizons Group Retiree MA Plan, they must also meet the Secure Horizons MA Plan eligibility criteria set forth in this section. Dependents who meet

Section 2 – Eligibility, Enrollment Periods and Effective Date

the University of California's eligibility criteria set forth below but do not meet the Secure Horizons' MA Plan eligibility criteria may be eligible for coverage through the PacifiCare Health Plan described in Part A of this *Combined Evidence of Coverage and Disclosure Form*.

Eligible Dependents:

SPOUSE: Your legal spouse, except if you are a Survivor you may not enroll your legal spouse.

CHILDREN: Any of your natural or legally adopted children who are unmarried and under age 23. The following children are also eligible: (a) Any unmarried stepchildren under age 23, who reside with you, who are dependent upon you or your spouse for at least 50% of their support and who are your or your spouse's Dependents for income tax purposes. (b) Any unmarried grandchildren under age 23, who reside with you, who are dependent upon you or your spouse for at least 50% of their support and who are your or your spouse's Dependents for income tax purposes. (c) Any unmarried children under age 18 for whom you are the legal guardian, who reside with you, who are dependent upon you for at least 50% of their support and who are your Dependents for income tax purposes. Your signature on the enrollment form attests to these conditions in (a), (b) and (c) above. You will be asked to submit a copy annually of your Federal income tax return (IRS form 1040 or IRS equivalent showing the covered dependent and your signature) to the University to verify income tax dependency. Any unmarried child, as defined above, (except for a child for whom you are the legal guardian), who is incapable of self-support due to a physical or mental handicap may continue to be covered past age 23 provided the child is dependent on you for at least 50% of his/her support; is your Dependent for income tax purposes; the incapacity began before age 23; the child was enrolled in a medical plan before age 23 and coverage is continuous. Application must be made to PacifiCare 31 days prior to the child's

23rd birthday and is subject to approval by the plan. PacifiCare may periodically request proof of continued disability. Your signature on the enrollment form attests to these conditions. You will be asked to submit a copy annually of your Federal income tax return (IRS form 1040 or IRS equivalent showing the covered Dependent and your signature) to the University to verify income tax dependency. Incapacitated children approved for continued coverage under a University-sponsored medical plan are eligible for continued coverage under any other University-sponsored medical plan. If enrollment is transferred from one plan to another, a new application for continued coverage is not required. If the overage handicapped child is not your natural or legally adopted child, the child must reside with you in order for the coverage to be continued past age 23.

Other Eligible Dependents:

You may enroll a same-sex domestic partner and their eligible children as set forth in the University of California Group Insurance Regulations. For information on who qualifies and on the requirements to enroll a same-sex domestic partner, contact the University of California's Customer Service Center. Eligible persons may be covered under only one of the following categories: as an Employee, as a Retiree, as a Survivor, or as a Dependent, but not under any combination of these. If both husband and wife are eligible, each may enroll separately or one may cover the other as a Dependent. If they enroll separately, neither may enroll the other as a Dependent. Eligible children may be enrolled under either parent's coverage but not under both. The University and/or the Plan reserve the right to periodically request documentation to verify eligibility of Dependents. Such documentation could include a marriage certificate, birth certificate(s), adoption records, or other official documentation.

Enrollment Provisions

Retirees and their enrolled Dependents who become eligible for Medicare Hospital

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insurance (Part A) as primary coverage must enroll in and remain in both Hospital (Part A) and Medical (Part B) portions of Medicare. This includes those who are entitled to Medicare benefits through their own or their spouse's non-University employment. Individuals enrolled in both Medicare Parts A and B are then eligible for the Medicare premium applicable to this plan. Retirees or Dependents who are eligible for, but decline to enroll in both parts of Medicare, will be assessed a monthly offset fee by the University to cover the increased costs of remaining in the non-Medicare plan. Retirees or Dependents who are not eligible for Part A will not be assessed an offset fee. A notarized affidavit attesting to their ineligibility for Medicare Part A will be required. Forms for this purpose may be obtained from the University of California's Customer Service Center at 1-800-888-8267. (Retirees/ Dependents who are not entitled to Social Security and Medicare Part A will not be required to enroll in Part B.)

You should contact Social Security three months before your 65th birthday to inquire about your eligibility and how you enroll in the Hospital (Part A) and Medical (Part B) parts of Medicare. If you qualify for disability income benefits from Social Security, contact a Social Security office for information about when you will be eligible for Medicare enrollment.

To enroll yourself and any eligible Dependents, you must complete a University of California Medicare Declaration form and Secure Horizons' Group Retiree MA Plan Election Form. This notifies the University that you are covered by the Hospital (Part A) and Medical (Part B) parts of Medicare. Medicare Declaration forms and Secure Horizons' Group Retiree MA Plan Election Forms are available through the University of California Customer Service Center and completed forms should be returned to them. Upon receipt by the University of confirmation of Medicare enrollment, the Retiree/Dependent will be changed from the PacifiCare non-Medicare plan to the Secure

Horizons Group Retiree MA Plan for Medicare enrollees. Retirees and their Dependents are required to transfer to the plan for Medicare enrollees.

You may also enroll yourself and any eligible Dependents during your Period of Initial Eligibility (PIE) which begins on:

- a. the date you have an involuntary loss of other group medical coverage; or
- b. the date you move out of a University health maintenance organization (HMO) plan's Service Area on either a permanent basis, or for more than two months on a temporary basis.

If you are a Retiree enrolled as a spouse on a University medical plan and become eligible for both parts of Medicare in your own right, you may enroll yourself on the earlier of:

- a. the date both parts of Medicare are in effect; or
- b. the Effective Date of retirement.

In addition, you and your eligible Dependents may enroll during a group open enrollment period established by the University.

To enroll your newly eligible Dependents, contact the University of California Customer Service Center to obtain an enrollment form and return it during the Dependent's PIE.

You may enroll Dependents during a newly eligible Dependent's PIE. The PIE starts the day the Dependent becomes eligible for benefits. For a new spouse, eligibility begins on the date of marriage. Survivors may not add new spouses to their coverage.

During this PIE you may also enroll yourself and/or any other eligible Family Member if not enrolled during your own or their own PIE. You must enroll yourself in order to enroll any eligible Family Member. Family Members are only eligible for the same plan you are enrolled in.

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For a newborn child, eligibility begins on the child's date of birth. For newly adopted children, eligibility begins on the earlier of:

- a. the date the Retiree or Retiree's spouse has the legal right to control the child's health care; or
- b. the date the child is placed in the Retiree's physical custody.

If not enrolled during the PIE beginning on the date, there is a second PIE beginning on the date that the adoption becomes final.

You may also enroll your eligible Dependent during a PIE which begins on the date he or she has an involuntary loss of other group medical coverage. Where there is more than one eligibility requirement, enrollment is effective on the date all requirements are satisfied.

A PIE ends 31 days after it begins (or on the preceding business day for the University of California Customer Service Center if the 31st day is on a weekend or a holiday).

If you or your family fail to enroll during the PIE or open enrollment period, you or your dependent may enroll at any other time upon completion of a 90-consecutive-calendar-day waiting period. The 90-day waiting period starts on the date the enrollment form is received by the University of California Customer Service Center and ends 90 consecutive calendar days later.

If you are a Retiree, you may continue coverage for yourself and your enrolled Family Members in the same plan you were enrolled in immediately before retiring. You must elect to continue enrollment before the effective date of retirement (or the date disability or survivor benefits begin).

A Retiree who currently has two or more covered Dependents may add a newly eligible Dependent after the PIE. Retroactive coverage for such enrollment is limited to the later of:

- a. the date the newly added Family Member becomes eligible, or

- b. a maximum of 60 days prior to the date his or her enrollment transaction is completed.

Your Enrollment Form

The Secure Horizons Group Retiree MA Plan enrollment form is also referred to as a Group Retiree Election Form (Election Form). Once you complete and sign an Election Form, it is submitted to CMS for verification of eligibility in the Secure Horizons Group Retiree MA Plan. If for any reason an Election Form is rejected by CMS, PacifiCare will contact you for additional information or provide instructions to follow regarding resubmission of the Election Form.

When Your Secure Horizons Group Retiree Medicare Advantage (MA) Plan Coverage Begins

Effective Date Provisions Coverage for Retirees Enrolling in Conjunction With Retirement:

Coverage for Retirees and their Dependents is effective on the first of the month following the first full calendar month of retirement income, provided the continuation form is submitted to the University of California Customer Service Center.

The effective date of coverage for enrollment during an open enrollment period is the date announced by the University.

Coverage for Retirees or Dependents Becoming Eligible for Medicare:

Coverage will be transferred from the PacifiCare plan for non-Medicare enrollees to the Secure Horizons Group Retiree MA Plan for Medicare enrollees effective on the date determined by the carrier, based on processing the Election Form through the Centers for Medicare & Medical Services (CMS).

Other Situations:

Coverage for Retirees and their Dependents enrolling during a PIE is effective on the first day of the PIE provided the enrollment form is received by the University of California

Section 2 – Eligibility, Enrollment Periods and Effective Date

Customer Service Center during the PIE. There is one exception to this rule: Coverage for a newly adopted child enrolling during the second PIE is effective on the date the adoption becomes final. For enrollees who complete a 90-day waiting period, coverage is effective on the 91st consecutive calendar day after the date the enrollment form is received by the University of California Customer Service Center. The Effective Date of coverage for enrollment during an open enrollment period is the date announced by the University. In order to change from individual to two-party coverage and from two-party to family coverage, you will need to obtain a change form from the University of California Customer Service Center, complete and return it.

PacifiCare will send you a letter that informs you when your coverage begins. From your Effective Date forward, you must receive all routine Covered Services from Contracting Medical Providers. Neither PacifiCare nor Medicare will pay for services received from Non-Contracting Medical Providers except for:

- **Emergency Services anywhere in the world;**
- **Urgently Needed Services that were not foreseeable when you left the Service Area;**
- **Out-of-area renal dialysis services and routine travel dialysis;**
- **Those services for which the Secure Horizons Medicare Advantage Plan allows you to self-refer to Contracting Medical Providers;**
- **Referrals that have received Prior Authorization.**

If you receive any medical services not covered by Medicare before your Secure Horizons Medicare Advantage Plan coverage takes effect, you are financially responsible for those services.

Enrolling in the Secure Horizons Discount Drug Card*

As a Member of the Secure Horizons Group Retiree Medicare Advantage Plan, you are automatically enrolled in the Secure Horizons Discount Drug Card without a supplemental plan premium. The Secure Horizons Discount Drug Card is available to you at no cost. However, **if you have full Medicaid coverage, you are not eligible for the Secure Horizons Discount Drug Card.**

Although, as a Member of the Secure Horizons Group Retiree Medicare Advantage Plan, you are automatically enrolled in the Secure Horizons Discount Drug Card, continued enrollment in the Secure Horizons Discount Drug Card is voluntary. You can disenroll from the Secure Horizons Discount Drug Card at any time.

* Your Secure Horizons Group Retiree MA Plan membership card will also serve as your Discount Drug Card.

Liability of PacifiCare Upon Initial Enrollment

PacifiCare is responsible for the full scope of Part B services as required by Medicare beginning on your effective date. However, if your Effective Date occurs during an inpatient stay in a Hospital, PacifiCare is not responsible for arranging or paying for any of the inpatient Hospital services under the Medicare Hospital Insurance Plan (Part A). PacifiCare must assume responsibility for arranging or paying for inpatient Hospital services under the Medicare Hospital Insurance Plan (Part A) on the day following the day of discharge. PacifiCare is responsible for the full scope of Part B services required by Medicare beginning on your Effective Date.

About Your Medicare Supplement (Medigap) Policy

You may consider canceling any Medicare supplement (Medigap) policy you may have after PacifiCare has sent you written confirmation of your Effective Date. This is

Section 2 – Eligibility, Enrollment Periods and Effective Date

because Health Plan Premiums, Copayments or other amounts that MA Plans charge for Medicare Covered Services will not be reimbursed by Medigap policies. However, if you Disenroll from the Secure Horizons Medicare Advantage Plan, you may not be able to have your Medigap policy reinstated.

Note: In certain cases you can be guaranteed the issue (without medical underwriting or pre-existing condition Exclusions) of a Medicare supplemental (Medigap) policy. Examples of these cases include the following:

- You Disenroll from Secure Horizons Medicare Advantage Plan for a reason that does not involve any fault on your part (e.g., you move out of the Secure Horizons Medicare Advantage Plan Service Area, or PacifiCare’s contract with CMS terminates, or the Service Area in which you reside is discontinued);
- You enrolled in the Secure Horizons Medicare Advantage Plan upon first reaching Medicare eligibility at age 65, but Disenroll from the Secure Horizons Medicare Advantage Plan within 12 months of your Effective Date;
- Your supplemental coverage under an employee welfare benefit plan terminates;
- Your enrollment in a Medigap policy ceases because of the bankruptcy or insolvency of the insurer issuing the policy, or because of other involuntary termination of coverage for which there is no State law provision relating to continuation of coverage; or
- You were previously enrolled under a Medigap policy and terminated your enrollment to participate, for the first time, in Secure Horizons Medicare Advantage Plan and you Disenroll during the first twelve (12) months. You will be entitled to purchase the same Medigap policy you had before, if it is still available for the same insurer. If it is not available, you will be entitled to purchase any

Medigap Plan “A”, “B”, “C” or “F” sold in your State.

You must apply for a Medigap policy within 63 days after your Secure Horizons Medicare Advantage Plan coverage terminates and submit evidence of the date of your loss of coverage. For additional information regarding guaranteed Medicare supplemental policies, please call 1-800-MEDICARE.

Should you choose to keep your Medicare supplement (Medigap) policy, you may not be reimbursed for services you receive from Non-Contracting Medical Providers. Most supplemental (Medigap) policies will not pay for any portion of such services because:

- Supplemental insurers (Medigap insurers) process their claims based on proof of an Original Medicare payment, usually in the form of an Explanation of Medicare Benefits (EOMB). However, as long as you are a Member of Secure Horizons Medicare Advantage Plan, Original Medicare will not process any claims for medical services that you receive.
- PacifiCare has the financial responsibility for all Medicare-covered health services you need as long as you follow Secure Horizons Medicare Advantage Plan procedures on how to receive medical services.

Additionally, if PacifiCare/Secure Horizons Medicare Advantage Plan reduces your benefits, increases your Copayments, Coinsurance, or Health Plan Premium, or terminates the contract with your Primary Care Physician, Specialist, or Contracting Medical Group/IPA, you may be eligible for enrollment in a Secure Horizons Medicare Supplement policy on a guaranteed issue basis. For more information or to enroll, please contact PacifiCare at 1-800-637-9284 or (TDHI) 1-800-647-6038, 7:00 a.m. to 7:00 p.m., Monday through Friday.

Section 3 – Secure Horizons Group Retiree Medicare Advantage Plan Member Rights and Responsibilities

As a Member/Enrollee you have the right to receive information about, and make recommendations regarding, your rights and responsibilities.

You have the right to:

Timely, Quality Care

- Discuss and actively participate in decision-making with your Contracting Provider regarding the full range of appropriate or Medically Necessary treatment options for your condition, regardless of cost or benefit coverage.
- Refuse any treatment or leave a medical facility, even against the advice of a Contracting Provider. Your refusal in no way limits or otherwise precludes you from receiving other Medically Necessary Covered Services for which you consent.
- Without discrimination, submit complaints regarding PacifiCare or Contracting Providers or request appeals for services denied by PacifiCare or by Contracting Providers.

Treatment with Dignity and Respect

- Be treated with dignity and respect and have your right to privacy recognized in accordance with state and federal laws.
- Exercise these rights regardless of your race, physical or mental disability, ethnicity, gender, sexual orientation, creed, age, religion, national origin, cultural or educational background, economic or health status, English proficiency, reading skills, or source of payment for your health care.
- Complete an Advance Directive, living will or other directive and provide it to your Contracting Provider to include in your medical record. Treatment decisions are not based on whether or not an individual has executed an advance directive.

Information About PacifiCare Contracting Providers

- Receive information about PacifiCare and the Covered Services under your plan/policy.
- Receive information about the Contracting Providers involved in your medical and behavioral health treatment, including names and qualifications.
- Request information about our Quality Improvement Program, its goals, processes and/or outcomes.

Your Responsibilities are to:

- Review information regarding your benefits, Covered Services, any exclusions, limitations, deductibles or Copayments, and the rules you need to follow as stated in your *Evidence of Coverage/Certificate*.
- Provide PacifiCare and Contracting Providers, to the degree possible, the information needed to provide care to you.
- Follow treatment plans and care instructions as agreed upon with your Contracting Provider. Actively participate, to the degree possible, in understanding and improving your own medical and behavioral health condition and in developing mutually agreed-upon treatment goals.
- Accept your financial responsibility for Health Plan Premiums, any other charges owed, and any Copayment or Coinsurance associated with services received while under the care of a Contracting Provider or while a patient in a facility.
- If you have questions or concerns about your rights, please call Customer Service at the phone number listed on the back of your membership card. You can also get free help and information from your State Health Insurance Assistance Program or SHIP at 1-800-434-0222. In addition, the Medicare program has written a booklet

Section 3 – Secure Horizons Group Retiree Medicare Advantage Plan Member Rights and Responsibilities

called *Your Medicare Rights and Protection*. To get a free copy call 1-800-MEDICARE (1-800-633-4227) or TTY 1-877-486-2048, or you can access the Medicare Web site at www.Medicare.gov to order this booklet or print it directly from your computer.

If you think you have been treated unfairly due to your race, color, national origin, disability, age, or religion, please call Customer Service. You may also call the Office for Civil Rights at 1-415-437-8310 (TDHI 1-415-437-8311).

Section 4 – How Your Secure Horizons Group Retiree MA Plan Coverage Works

Your Secure Horizons Group Retiree MA Plan Membership Card

Your membership card provides you with information to assist you in receiving all your Secure Horizons Group Retiree Medicare Advantage Plan Covered Services. In nearly all instances, you will need to present your membership card to your Contracting Medical Provider to verify your coverage and/or obtain Covered Services.

Carry your membership card with you at all times.

Although you never need to discard your Medicare card, you must now use your membership card to receive Covered Services.

It is important for you to use only your Secure Horizons Group Retiree MA Plan Membership Card – NOT your Medicare card — for these reasons:

1. To prevent you from receiving medical services from Non-Contracting Medical Providers in error.
2. In the case of a Medical Emergency, to alert Hospital staff of the need to notify our your Primary Care Physician or PacifiCare as soon as possible so that PacifiCare is involved in the management of your care.
3. To prevent errors in billing. PacifiCare pays the bills on behalf of Medicare. Medicare will not pay the bills while you are a Member of the Secure Horizons Group Retiree Medicare Advantage Plan.

If you lose your membership card or move, please contact Customer Service.

How the Lock-In Feature Works for You and PacifiCare

As a Secure Horizons Group Retiree MA Plan Member, all your medical benefits (except for Emergency Services and Urgently Needed Services) are provided or arranged by your Primary Care Physician, a personal Physician you choose from PacifiCare's list of Contracting Medical Providers. You are

“Locked-In” to this Provider who will provide and coordinate all your routine health care services.

The “Lock-In” feature enables PacifiCare to offer you the Secure Horizons Group Retiree MA Plan because of PacifiCare's contract with CMS, the government agency that oversees Medicare. Under this contract, the federal government agrees to pay PacifiCare a fixed monthly dollar amount for each Member. PacifiCare uses the monthly amount received from the federal government to contract with Physicians, Hospitals and other health care Providers to arrange care for you. (Please refer to Section 13 for more information regarding Provider compensation.)

If you receive services from Non-Contracting Providers without Prior Authorization, neither PacifiCare nor Medicare will pay for those services except for:

- **Emergency Services**
- **Urgently Needed Services**
- **Out-of-area renal dialysis and routine travel dialysis (in the United States at a Medicare-certified facility) or**
- **Services for which PacifiCare allows you to self-refer to Contracting Providers.**

Section 5 – Working With Your Contracting Medical Providers

Your Primary Care Physician

Your relationship with your Primary Care Physician is an important one. PacifiCare strongly recommends that you choose a Primary Care Physician close to your home. Having your Primary Care Physician nearby makes receiving medical care and developing a trusting and open relationship easier.

If you need assistance in choosing your Primary Care Physician, please refer to the *Provider Directory* for a listing of Primary Care Physicians. For a copy of the most recent *Provider Directory*, or to seek additional assistance, please call Customer Service or you may consult the online *Provider Directory* at www.securehorizons.com.

To help promote a smooth transition of your health care when you first join the Secure Horizons Group Retiree MA Plan, please inform PacifiCare if you are currently seeing a Specialist, receiving Home Health Agency services, or using Durable Medical Equipment. Please call Customer Service so that PacifiCare can assist you with the transfer of care or equipment.

Once you have chosen your contracting Primary Care Physician, PacifiCare recommends that you have all your medical records transferred to his/her office. This will provide your Primary Care Physician access to your medical history, and make him or her aware of any existing health conditions you may have.

Always ask to see your Primary Care Physician when you make an initial appointment. Your Primary Care Physician is now responsible for all your routine health care services, so he or she should be the first one you call with any health concerns. **(When you select a Primary Care Physician, it is important to remember that this limits you to the panel of Specialists who are affiliated with the Contracting Medical Group/IPA you have selected.)**

You Can Change Primary Care Physicians

Changing Primary Care Physicians Within Your Contracting Medical Group/IPA

If you wish, you may request to change Primary Care Physicians within your Contracting Medical Group/IPA at any time. If the Primary Care Physician is accepting additional Secure Horizons Group Retiree Medicare Advantage Plan Members, the change will become effective the first day of the month following your request. You will receive a new Secure Horizons Group Retiree MA Plan membership card that shows this change. Call Customer Service for assistance.

Choosing a New Primary Care Physician Who is With a Different Contracting Medical Group/IPA

If you want to change to a Primary Care Physician who is affiliated with a different Contracting Medical Group/IPA, you must contact Customer Service. If the Primary Care Physician is accepting additional Secure Horizons Group Retiree Medicare Advantage Plan Members and your request is received on or before the 15th of the month, the transfer will become effective on the first day of the following month. If your request is received after the 15th of the month, the transfer will become effective the first day of the month following the month of your request. For example, if PacifiCare receives your change request on July 15, your change is effective on August 1. If PacifiCare receives your change request on July 16, your change is effective on September 1. You will receive a new Secure Horizons Group Retiree MA Plan membership card that shows this change.

Although PacifiCare won't deny your request, for continuity of care reasons it is recommended that you postpone a request to change your Primary Care Physician or Contracting Medical Group/IPA if you are an inpatient in a Hospital, a Skilled Nursing Facility or other medical institution at the time of your request.

Section 5 – Working With Your Contracting Medical Providers

If you change your Primary Care Physician to one who is in a different Contracting Medical Group/IPA, any Referrals to Specialists or Referrals for Covered Services that you previously received may no longer be valid. In this situation, you will need to ask your new Primary Care Physician for a new Referral, which may require further evaluation. In some cases, the request for a new Referral will need to have Prior Authorization from your Contracting Medical Group/IPA or PacifiCare.

Since your Primary Care Physician is responsible for the coordination of all of your health care needs, it is important that you notify him or her if you wish to continue to receive services or Specialist care from a Provider who was affiliated with your previous Primary Care Physician or Contracting Medical Group/IPA.

If you think that you need to continue to receive ongoing services or Specialist care from the prior Contracting Medical Group/IPA, then for continuity of care reasons you should discuss this with your Primary Care Physician prior to the determination to transfer to a different Primary Care Physician or Contracting Medical Group/IPA.

If you continue to receive services or Specialist care without a new Referral from your new Primary Care Physician, you may be financially responsible for the cost of those services. In certain circumstances, PacifiCare may authorize continued care.

Continuity of Care When You Change Your Contracting Medical Group/IPA

To help promote a smooth transition of your health care when you change your Contracting Medical Group/IPA, please let PacifiCare know if you are currently seeing a Specialist, receiving Home Health Agency services, or using Durable Medical Equipment. It is important that you contact Customer Service who will assist you in transferring your care and/or equipment.

If Your Primary Care Physician Changes to a Different Contracting Medical Group/IPA

Sometimes a Primary Care Physician will change to a different Contracting Medical Group/IPA. If you choose to continue care with the Primary Care Physician and change your Contracting Medical Group/IPA, you may need to ask him or her for new Referrals to Specialists or for Covered Services, which may require further evaluation. In some cases, this request for a new Referral will need to have Prior Authorization from your Contracting Medical Group/IPA or PacifiCare.

Because your Primary Care Physician is affiliated with a different group of Specialists, if you think that you need to continue to receive ongoing services or Specialist care from the prior Contracting Medical Group/IPA, then for continuity of care reasons you should discuss this with your Primary Care Physician. A new authorization may be needed for continued care from the prior Specialist.

If you continue to receive services or Specialist care without a new Referral from your new Primary Care Physician, you may be financially responsible for the cost of those services. In certain circumstances, PacifiCare may authorize continued care.

It is important to remember that your Primary Care Physician selection determines the network of Specialists who are affiliated with your Primary Care Physician's Contracting Medical Group/IPA.

Provider Terminations

It is PacifiCare's policy that each affected Member receives timely and consistent notice when his or her Primary Care Physician or Specialist no longer contracts with a PacifiCare Contracting Medical Group/IPA. It is PacifiCare's goal to make a good faith effort to notify you within thirty (30) days of the termination of your Primary Care Physician. Your Contracting Medical Group/IPA will notify you when a Specialist is terminated and you will be impacted. PacifiCare will assist

Section 5 – Working With Your Contracting Medical Providers

you in selecting a new Primary Care Physician or arranging access to all Covered Services.

How to Schedule an Appointment With Your Primary Care Physician

To schedule an appointment, call your Primary Care Physician's office. There are no special rules to follow. Appointments are scheduled according to the type of medical care you are requesting. Medical conditions requiring more immediate attention are scheduled sooner. If you have difficulty obtaining an appointment with your Primary Care Physician, please call Customer Service.

The telephone number for your Primary Care Physician and/or Contracting Medical Group/IPA is listed on your Secure Horizons Group Retiree MA Plan membership card.

If at all possible, please call your Primary Care Physician 24 hours in advance if you are unable to keep a scheduled appointment.

How to Receive Care After-Hours

If you need to talk to or see your Primary Care Physician after the office has closed for the day, call your Primary Care Physician's office. When the Physician on-call returns your call, he or she will advise you on how to proceed. See **Section 6 Emergency and Urgently Needed Services** for what to do in cases of an emergency.

How to Receive Covered Services From a Specialist

Even though your Primary Care Physician is trained to handle the majority of common health care needs, there may be a time when he or she feels you need more specialized treatment. In that case, you may receive a Referral to an appropriate Specialist. In some cases, the request for a Referral will need to have Prior Authorization from PacifiCare or your Contracting Medical Group/IPA. When you select a Primary Care Physician, it is important to remember that this limits you to the Network of Specialists who are affiliated with your Primary Care Physician's Contracting Medical Group/IPA.

Neither PacifiCare nor Medicare will pay for your care if you receive services from a Specialist without a Referral or Prior Authorization from your Primary Care Physician, Contracting Medical Group/IPA or PacifiCare, except for Emergency or Urgently Needed Services.

Occasionally, Specialists contracting with PacifiCare are involuntarily terminated. PacifiCare or your Contracting Medical Group/IPA will make a good faith effort to inform you of your right to maintain your treatment with the Specialist through other avenues, which may include joining a different Medicare Advantage Coordinated Care Plan or returning to Medicare.

Please refer to the *Provider Directory* for a listing of Specialists available to you through your selected Contracting Medical Group/IPA. For a copy of the most recent *Provider Directory*, or to seek additional assistance, please call Customer Service or you may consult the online *Provider Directory* at www.securehorizons.com.

Standing Referrals to Specialists

You may receive a standing Referral to a Specialist if your Primary Care Physician determines, in consultation with the Specialist and your Contracting Medical Group/IPA's Medical Director or a PacifiCare Medical Director, that you need continuing care from a Specialist. A "standing Referral" means a Referral by your Primary Care Physician for more than one visit to a Specialist as indicated in the treatment plan without the Primary Care Physician having to provide a specific Referral for each visit. The standing Referral will be made according to a treatment plan approved by your Contracting Medical Group/IPA or PacifiCare Medical Director, in consultation with your Primary Care Physician, the Specialist, and you, if you have a complex or serious medical condition or a treatment plan is otherwise considered necessary. The treatment plan may limit the number of visits to the Specialist or may limit the period of time the visits are authorized. The Specialist will provide your Primary Care

Section 5 – Working With Your Contracting Medical Providers

Physician with regular reports on the health care provided to you. You may request a standing Referral from your Primary Care Physician or Specialist.

Extended Referral for Coordination of Care by a Specialist

If you have a life-threatening, degenerative, or disabling condition or disease that requires specialized medical care over a prolonged period of time, you may receive a Referral to a Specialist or specialty care center that has expertise in treating the condition or disease for the purpose of having the Specialist coordinate your health care with your Primary Care Physician. To receive an “extended specialty Referral,” your Primary Care Physician must determine, in consultation with the Specialist or specialty care center and your Contracting Medical Group/IPA’s Medical Director or a PacifiCare Medical Director, that this extended specialized medical care is Medically Necessary. The extended specialty Referral will be made according to a treatment plan approved by your Contracting Medical Group/IPA’s Medical Director or a PacifiCare Medical Director, in consultation with your Primary Care Physician, the Specialist and you. After the extended specialty Referral is made, the Specialist will serve as the main coordinator of your care, subject to the approved treatment plan. You may request an extended specialty Referral by asking your Primary Care Physician or Specialist.

Access to OB/GYN Physician Services and Women’s Routine and Preventive Health Care Services

You may self-refer to an obstetrical and gynecological (OB/GYN) Specialist within your Contracting Medical Group/IPA, for an annual routine Pap smear, pelvic exam and breast exam annually. You may receive these Covered Services without Prior Authorization or a Referral from your Primary Care Physician. In all cases, however, you must receive Covered Services from an obstetrical

and gynecological (OB/GYN) Specialist within your Contracting Medical Group/IPA.

If you visit an OB/GYN or family practice Specialist not affiliated with your Contracting Medical Group/IPA or without Prior Authorization or a Referral, you will be financially responsible for these services. Any OB/GYN inpatient or Hospital services, except Emergency or Urgently Needed Services, must be Prior Authorized by your Contracting Medical Group/IPA or PacifiCare.

To receive OB/GYN Specialist services:

- Select an OB/GYN Specialist within your Contracting Medical Group/IPA. You may select an OB/GYN Specialist from the *Provider Directory*, visit www.securehorizons.com for an online directory, or call Customer Service for assistance in selecting an OB/GYN within your Contracting Medical Group/IPA. You may also obtain OB/GYN Covered Services from your Primary Care Physician.
- Telephone and schedule an appointment with your selected OB/GYN, or Primary Care Physician if applicable.

Continuity of Care for Members With Terminating Physicians

In the event your Contracting Medical Provider is terminated by PacifiCare or your Contracting Medical Group/IPA for reasons other than a medical disciplinary cause, fraud or other criminal activity, you may be eligible to continue receiving care from your Physician following the termination, providing the terminated Physician agrees to the terms and conditions of the contract. Continued care from the terminated Physician may be provided for up to ninety (90) days or a longer period, if Medically Necessary, for chronic, serious or acute conditions or through the postpartum period for pregnancy related conditions or until your care can safely be transferred to another Physician. This does not apply to Physicians who have voluntarily terminated their contract with

Section 5 – Working With Your Contracting Medical Providers

PacifiCare or a Contracting Medical Group/IPA.

If you are receiving treatment for:

- an acute condition (such as open surgical wounds, or recent heart attack);
- serious chronic condition (such as chemotherapy or radiation therapy);
- a high-risk pregnancy (such as multiple babies where there is a high likelihood of complications);
- pregnancy in the second or third trimester;

and your Physician is terminated, you may request to continue receiving treatment from the terminated Physician beyond the termination date by calling Customer Service. Your Contracting Medical Group/IPA's Medical Director in consultation with your terminated Physician will determine the best way to manage your ongoing care. **PacifiCare must provide Prior Authorization of services for continued care.** If you have any questions, or would like a copy of PacifiCare's Continuity of Care Policy, or would like to Appeal a denial of your request for continuation of services from your terminated Physician, you may call Customer Service.

If PacifiCare terminates the contract with your Primary Care Physician, Specialist or Contracting Medical Group/IPA, you may be eligible for enrollment in a Secure Horizons Medicare Supplement policy on a guaranteed issue basis. For more information or to enroll, please contact PacifiCare at 1-800-610-2660 or (TDHI) 1-800-387-1074, 6:00 a.m. to 6:00 p.m., Monday through Friday.

Access to Your Medical Records and Files

You have the right to access your medical records and files. PacifiCare must provide timely access to your records and any information that pertains to them. Please contact your contracting Medical Provider directly for a copy of your medical records.

Except as authorized by Federal and State laws, PacifiCare must obtain written permission from you or your authorized representative before medical records can be made available to any person not directly concerned with your care or responsible for making payments for the cost of such care.

Utilization Review

PacifiCare and its Contracting Medical Groups/IPAs use processes to review, approve, modify, delay, or deny, based on Medical Necessity, requests by Providers for authorization of the provision of health care services to Members. This process of Utilization Review (or medical management) is a way to make sure that Members receive the right care, at the right place, by the right Provider.

PacifiCare and its Contracting Medical Groups/IPAs may also use Utilization Review criteria or guidelines to determine whether to approve, modify, delay, or deny, based on Medical Necessity, requests by Providers of health care services for Members. The criteria used as the basis of a decision to modify, delay, or deny requested health care services in a specific case under review will be disclosed to the Provider and the Member in that specific case. The criteria or guidelines used to determine whether to authorize, modify, delay, or deny health care services are available to the public upon request, limited to the criteria or guidelines for the specific procedure or condition requested.

Decisions to modify, delay, or deny requests for authorization of health care services for a Member, based on Medical Necessity, are made only by licensed Physicians.

PacifiCare and its Contracting Medical Groups/IPA make these decisions within at least the time frames required by federal law or regulation. Please see Section 9 of this *Evidence of Coverage* for specific information regarding the time frames by which PacifiCare must make a determination (decision) on your request for payment or the provision of health care services.

Section 5 – Working With Your Contracting Medical Providers

If you have questions regarding Utilization Review and/or would like a copy of PacifiCare’s policies and procedures, a description of the processes utilized for authorization, modification, delay, or denial of health care services, or PacifiCare criteria or guidelines, you may call Customer Service.

Second Medical Opinions

You may request an authorization for a Second Medical Opinion regarding the advisability of a particular surgery, major nonsurgical procedure or therapeutic procedure from your Primary Care Physician. The request will be evaluated by the Contracting Medical Group/IPA (or PacifiCare Medical Director as applicable) based on Medical Necessity. In some instances, such as when you receive conflicting First and Second Medical Opinions, you may request an authorization for a Third Medical Opinion from your Primary Care Physician. All decisions regarding Second Medical Opinions will be rendered within the following time limits: emergency procedures within twenty-four (24) hours; urgent procedures within seventy-two (72) hours; and elective procedures within fourteen (14) calendar days.

Second Medical Opinions can only be rendered by a Physician qualified to review and treat the medical condition in question. Referrals to Non-Contracting Medical Providers or Facilities will be approved only when the services requested are not available within the Contracting Medical Provider’s (PacifiCare’s as appropriate) Network of Contracting Medical Providers. If the Provider giving the Second Medical Opinion recommends a particular treatment, diagnostic test or service covered by the Secure Horizons Group Retiree Medicare Advantage Plan and it is Medically Necessary, the treatment, diagnostic test or service will be provided or arranged by the Member’s Contracting Medical Group/IPA. If you are denied a Second Medical Opinion, you may Appeal the denial by following the procedures outlined in **Section 9, the Appeals Process**.

PacifiCare has approved procedures to identify, assess and establish treatment plans (including direct access visits to Specialists) for Members with complex or serious medical conditions. In addition, PacifiCare will maintain procedures to make sure that Members are informed of health care needs which require follow-up and receive training in self-care and other measures to promote their own health.

Prior Authorization

For a number of elective treatments, surgeries and drug therapies, Prior Authorization is required. The Prior Authorization process is employed to make sure the requested procedure is a Covered Service and is necessary and appropriate for the individual Member’s medical situation. The Member’s Contracting Medical Group/IPA or PacifiCare medical personnel check to make sure the Member meets specific predetermined medical criteria and either approve or deny the requested treatment based upon the assessment. While PacifiCare or the Member’s Contracting Medical Group/IPA may determine the specific requested treatment is not necessary and a more appropriate therapy is available, nothing precludes the Member from seeking out and privately paying for the requested treatment. As a Member you have the right to file an Expedited Appeal or a Standard Appeal when a Provider denies a requested treatment. For further information on how to file an Appeal, please refer to **Section 9, Organization Determination, Appeal and Grievance Procedures**. Decisions to deny coverage because a treatment is not Medically Necessary are made only by licensed Physicians.

Neither PacifiCare nor Medicare will pay for services, procedures, treatments, surgeries, and/or drug therapies for which Prior Authorization is required but was not obtained from your Primary Care Physician, Specialist or Contracting Medical Group/IPA, or PacifiCare except for Emergency or Urgently Needed Services.

Section 5 – Working With Your Contracting Medical Providers

Hospitalization

If your Primary Care Physician or Specialist determines you require Hospitalization, Outpatient Services, Home Health Care or Skilled Nursing Care, he or she will arrange these Covered Services for you.

Coverage for Acute Care (referred to in the Member materials as “inpatient Hospital benefits”) consists of Medically Necessary inpatient Hospital services authorized by your Contracting Medical Provider, including Hospital room, intensive care, definitive observation, isolation, operating room, recovery room, labor and delivery room, laboratory, diagnostic and therapeutic radiology, nuclear medicine, pharmacy, inhalation therapy, dialysis, EKG, EEG, EMG, blood and blood plasma, anesthesia supplies, surgically implanted devices and implanted breast prosthesis post-mastectomy, nursing services, professional charges by the Hospital pathologist or radiologist, coordinated discharge planning and other miscellaneous Hospital charges for Medically Necessary care and treatment.

Coverage for Acute Care and subacute care includes Medically Necessary inpatient services authorized by your Contracting Medical Provider provided in an Acute Care Hospital, a comprehensive, free-standing acute rehabilitation facility, or a specially designed unit within a Skilled Nursing Facility.

With the exception of Emergency or Urgently Needed Services, you will only be admitted to those Hospitals, Acute Care, subacute care, transitional inpatient care and Skilled Nursing Facilities that are Prior Authorized by your Contracting Medical Group/IPA and under contract with PacifiCare.

You may call Customer Service to request a copy of PacifiCare’s Utilization Review and Prior Authorization processes that apply to care provided in subacute care, transitional inpatient care and Skilled Nursing Facilities.

PacifiCare’s Medical Director or designee determines the Hospital or Outpatient Services facility designated by PacifiCare for

elective services. PacifiCare reserves the right to transfer patients who are stable for transfer to other facilities based upon factors which may include Contracting Medical Provider Hospital privileges, capabilities of the Hospital, and outcomes.

Please note: PacifiCare will not pay federal Hospitals, such as Veteran’s Administration (VA) Hospital, for emergency and non-emergency items and services furnished to veterans, retired military personnel or eligible dependents. However, PacifiCare will reimburse Members who are Veterans, retired military personnel or eligible dependents for any Copayments or Coinsurance paid to the VA Hospitals for Emergency Services, up to the amount of the Secure Horizons Group Retiree Medicare Advantage Plan Emergency Services Copayment. For Members who are not eligible for VA benefits, PacifiCare will cover emergency, urgent and post-stabilization care provided by a VA facility; these services are considered out-of-network.

Please refer to the *Retiree Benefits Summary* for further details.

Hospital Copayments and Benefit Periods

Inpatient Hospital care Copayments are charged for each Hospital Stay. Once you are discharged from a Hospital, any subsequent Hospital admissions, even for the same medical condition at the same Hospital, will require a Hospital Copayment. In certain circumstances, you may be discharged from a Hospital and transferred to a Skilled Nursing Care unit or transitional care unit within the same Hospital. If you are later readmitted to the Hospital from the Skilled Nursing Care unit or transitional care unit, you will pay the Hospital Copayment. Original Medicare Hospital benefit periods do not apply. For inpatient Hospital care, you are covered for an unlimited number of days as long as the Hospital Stay is Medically Necessary and authorized by PacifiCare or contracting providers.

Section 5 – Working With Your Contracting Medical Providers

Hospitalist

When you are admitted to a Hospital, a Hospitalist may coordinate your inpatient care. Hospitalists are Physicians who are specially trained to care for patients who are acutely ill in the Hospital, and are responsible for coordinating all aspects of your Hospital care. They remain in the Hospital and are available to react should your condition change. This allows your Primary Care Physician to continue to see other patients in his or her office while you are hospitalized. Hospitalists collect and manage all information related to your condition and treatment, and communicate with you, your family, and your Primary Care Physician throughout your Hospital stay. Hospitalists work together with your Primary Care Physician during the course of your stay and to transition your care upon discharge. Upon discharge, your Primary Care Physician will again assume coordination of your care.

Skilled Nursing Facility (SNF) Care

Secure Horizons Group Retiree Medicare Advantage Plan covers Medically Necessary inpatient Skilled Nursing Care and services in a Medicare-certified Skilled Nursing Facility under contract with PacifiCare. For a list of Skilled Nursing Facility services, please see the *Retiree Benefits Summary*. Skilled Nursing Care is covered if the Member requires Skilled Nursing Care services or skilled rehabilitation services on a daily basis and these skilled services can be provided only on an inpatient basis in a Skilled Nursing Facility. Inpatient stays solely to provide Custodial Care are not covered.

Members may be able to receive Skilled Nursing Care from a Skilled Nursing Facility that is not under contract with PacifiCare. Generally, Members receive Skilled Nursing Care from Skilled Nursing Facilities that are under contract with PacifiCare. PacifiCare may be able to arrange for a Member to receive Skilled Nursing Care from one of the

following facilities (“Home Skilled Nursing Facility”): A nursing home or continuing care retirement community where the Member was living prior to the Hospital admission (as long as the facility provides Skilled Nursing Care) or in a Skilled Nursing Facility where the Member’s spouse resides at the time of the Member’s Hospital discharge.

In order to access these services, the Skilled Nursing Facility that is not under contract with PacifiCare must be willing to accept PacifiCare’s rates for payment.

Organ Transplants

1. Organ Transplant Definitions

- **Donor:** A person who undergoes a surgical procedure for the purpose of donating either a body organ or body tissue for transplant procedure.
- **Histocompatibility Testing:** Testing that involves matching or typing of the human leukocyte antigen in preparation for organ or tissue transplant.
- **PacifiCare National Preferred Transplant Network Facility:** A Network of transplant facilities that are licensed in the State in which they operate; certified by Medicare as a transplant facility for a specific organ transplant; and satisfies PacifiCare’s quality of care standards to be designated by PacifiCare as a transplant facility for a specific organ program. PacifiCare National Preferred Transplant Network facilities may be located outside the Service Area based on a number of factors including quality, cost and outcomes.
- **Regional Organ Procurement Agency:** An organization designated by the federal government and responsible for the procurement of organs for transplantation and the promotion of organ donation.

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2. Transplant Services

Human organ and tissue transplants are limited to non-experimental/non-investigational procedures that are determined to be Medically Necessary. Coverage is provided for the medical, surgical and Hospital services required for pretransplant, transplant and post-transplant. All transplant procedures must be performed by approved PacifiCare National Preferred Transplant Network facilities. Examples of covered transplant services include:

- Heart transplants
- Lung transplants
- Heart/lung transplants
- Liver transplants
- Kidney transplants
- Simultaneous pancreas/kidney transplants
- Pancreas transplant after kidney transplant
- Intestinal and multivisceral transplants
- Cornea transplants (not part of Preferred Transplant Program)
- Allogenic bone marrow or stem-cell transplant
- Autologous bone marrow or stem-cell transplant

PacifiCare shall intermittently review new developments in medical technology based on scientific evidence to determine if the list of covered transplants should be revised.

Bone Marrow and Stem-Cell Transplants: The testing of immediate blood relatives to determine compatibility of bone marrow and stem cells is limited to sisters, brothers, parents and natural children. The testing for compatible unrelated donors and costs for computerized national and international searches for unrelated allogeneic bone

marrow or stem-cell donors conducted through a registry are covered when the Member is the intended recipient. An approved PacifiCare National Preferred Transplant Network facility must conduct the computerized searches. There is no dollar limitation for Medically Necessary donor-related clinical transplant services once a donor is identified.

3. Organ Procurement, Transplant and Transplant Services

Coverage of services shall include:

- Pretransplant testing and evaluation, including histocompatibility testing of transplant recipient and nonrelated or related donor.
- Organ procurement from cadaver or live donor and organ transportation. Covered Services for living donor are limited to Medically Necessary services once a donor is identified.
- Oral or dental examination performed on an inpatient basis as part of comprehensive evaluation work-up prior to transplant procedure.
- When the transplant recipient is a Secure Horizons Medicare Advantage Plan Member, reasonable and necessary Hospital services of the donor solely for the transplant procedure are covered (the donor does not need to be a Secure Horizons Medicare Advantage Plan Member).
- Services and/or charges related to a national donor search.
- Outpatient, post-transplant, immunosuppressive drug therapy. (Please see your *Retiree Benefits Summary*.)
- Reasonable transportation and lodging for transplant recipient and one-person escort determined by transplant facility and/or PacifiCare. Transportation and nonclinical expenses of the living donor

Section 5 – Working With Your Contracting Medical Providers

are excluded and are the responsibility of the Member, who is the recipient of the transplant.

4. Prior Authorization

Coverage for transplant services must be authorized by PacifiCare prior to transplant evaluation and prior to listing and must be performed at a PacifiCare National Preferred Transplant Network facility, which may be located outside the Service Area based on a number of factors, including, quality, cost and outcomes. New Members, already listed at a non-PacifiCare National Preferred Transplant Network facility, will be evaluated for continuity of care. PacifiCare requires thirty (30) days to obtain and review relevant clinical information. Transplant benefits are available only where a facility designated by PacifiCare is utilized and the Member is a recipient of the transplant.

The PacifiCare National Preferred Transplant Network facilities that may be available to Secure Horizons Medicare Advantage Plan Members are the following:

Northern California

BMT:

Stanford University Medical Center,
Alta Bates Medical Center

Heart:

Stanford University Medical Center,
Sutter Memorial Hospital – Sacramento

Kidney:

Stanford University Medical Center,
Sutter Memorial Hospital – Sacramento,
California Pacific Medical Center

Kidney/Pancreas, Liver:

Stanford University Medical Center,
California Pacific Medical Center

Heart/ Lung, Lung:

Stanford University Medical Center

Southern California

All transplants except Heart/Lung:

St. Vincent Medical Center,
USC Medical Center,
UCLA Medical Center,
Loma Linda University Medical Center

Heart/Lung:

Stanford University Medical Center

San Diego

All transplants except Heart/Lung:

UCSD Medical Center

Heart/Lung:

Stanford University Medical Center

Please note: PacifiCare evaluates each transplant case to determine the appropriate transplant facility for each Member. PacifiCare will select a transplant facility within the above National Preferred Transplant Network based on the medical needs of the Member in consultation with the Member's treating Physician and PacifiCare's Transplant Medical Director. Notwithstanding the foregoing, PacifiCare reserves the right to utilize alternative transplant facilities as authorized by PacifiCare.

5. Continuity and Coordination of Care

PacifiCare's Centralized Transplant Unit (CTU) will continually work closely with the Member, the Member's family, the Member's treating Physicians and facilities to monitor the continuity and coordination of services during the pretransplant evaluation, transplant hospitalization, and post-transplant follow care. This includes, but is not limited to, reviewing requests from Primary Care Physicians/treating Physician for transplant services, facilitating placement on National Preferred Transplant Network (NPTN) Facility waiting lists, and coordinating post-transplant services.

Following a determination by PacifiCare's CTU and the NPTN facility that a Member is a candidate for a transplant, the Member will be placed on the transplant waiting

Section 5 – Working With Your Contracting Medical Providers

list of the NPTN facility. For Members who receive transplant services from a NPTN facility outside of the Service Area, PacifiCare will work closely with the Member, the NPTN facility, and the Member's Primary Care Physician/treating Physician to coordinate travel to the NPTN facility, as appropriate and at no expense to the Member.

Following transplant and the stabilization of the Member, PacifiCare's CTU will coordinate post-transplant services between the NPTN Facility and the Member's Primary Care Physician/treating Physician. Depending on the NPTN facility, the Member may receive post-transplant services locally or the Member may be required to travel outside of the Service Area. If the Member is required to travel outside the Service Area, PacifiCare will coordinate travel as appropriate at no expense to the Member.

6. Continuity of Care

Listing of the Member at a second PacifiCare National Preferred Transplant Network facility is excluded, unless the Regional Organ Procurement Agencies are different for the two facilities and the Member is accepted for listing by both facilities, when associated with continuity of care. If the Member is dual listed, his or her coverage is limited to the actual transplant facility. PacifiCare will collaborate with the Member to determine what transplant facility he or she should be referred to. Duplicated diagnostic costs at a second PacifiCare National Preferred Transplant Network facility when the Member has already been evaluated at a PacifiCare National Preferred Transplant Network Facility will be determined on a case-by-case basis when associated with continuity of care, hardship or Medically Necessary as defined by PacifiCare transplant policy.

7. Case Management and Medical Management

PacifiCare shall establish and maintain review procedures and screening criteria based on scientific evidence. PacifiCare's Case Management program will serve the needs of all Members in terms of:

- Coordination of care
- Patient advocacy
- Liaison for accurate claims payment

Payment of all services will be contingent upon PacifiCare's Case Management review and Prior Authorization process.

8. Exclusions and Limitations

- Equipment and medication that is experimental/investigational and/or not Medically Necessary unless required by an external Independent Review Panel (CHDR).
- Unauthorized or not Prior Authorized organ procurement and transplant-related services are not covered.
- Transplants performed in a non-PacifiCare National Preferred Transplant Network facility are not covered.
- Transplant services, including donor costs, when the transplant recipient is not a Member are not covered.
- Artificial or non-human organs are not covered.
- Transportation Services for any day a Member is receiving Medically Necessary transplant Services.
- Transportation of any potential donor for typing and matching are not covered.
- Transportation provided for the Member and one person escort to a PacifiCare National Preferred Transplant Facility, if the facility is greater than 60 (sixty) miles from the Member's primary residence, or out of state regardless of mileage, as Prior Authorized.

Section 5 – Working With Your Contracting Medical Providers

- Food and housing will be provided for the Member and one escort and is limited to \$125 per day (excludes liquor and tobacco).
- Food and housing for any day a Member is not receiving Medically Necessary transplant services.
- Storage costs for any organ or bone marrow are not covered unless authorized by the PacifiCare Transplant Medical Director.
- Services for which government funding or other insurance coverage is available are not covered.

Ambulance

Secure Horizons Group Retiree Medicare Advantage Plan covers Medically Necessary ambulance services for Emergency or Urgently Needed Services or when authorized by PacifiCare or its designee, according to Medicare guidelines. Secure Horizons Group Retiree Medicare Advantage Plan will **not cover** ambulance services that are:

1. Member-initiated for social or convenience reasons that are not primarily medical in nature, including, but not limited to, changing to a different Contracting Medical Group/IPA, moving to be closer to family, and transferring from one nursing facility to another, while inpatient in an acute, psychiatric or nursing facility.
2. From a contracting facility to another contracting facility unless the transfer is necessary to deliver medical services not available at the first facility or authorized by PacifiCare.

Home Health Care Services

If your Primary Care Physician or Specialist determines that you require Home Health Care, he or she will arrange these Covered Services for you. In order to qualify for Home Health benefits, an individual must be confined to his or her home, be under a plan of treatment reviewed and approved by a

Physician and require a Medically Necessary qualifying skilled service.

Covered Home Health services for those who **qualify** may include:

- Part-time or intermittent skilled nursing and home health aide services
- Physical and occupational therapy and speech pathology services;
- Medical social services;
- Medical supplies
- Durable Medical Equipment (such as wheelchairs, Hospital beds, oxygen, walkers)

When you qualify for coverage of Home Health Services, Secure Horizons Group Retiree Medicare Advantage Plan covers either part-time or intermittent skilled nursing and home health aide services in accordance with Medicare guidelines. **Part-time** or intermittent means any number of days per week up to 28 hours per week of skilled nursing and home health aide services combined for less than 8 hours per day, based upon the reasonable need for such care. The Secure Horizons Group Retiree Medicare Advantage Plan may cover, subject to review on a case-by-case basis, depending on the need for such care, 35 or fewer hours per week of skilled nursing and home health aide services combined for less than 8 hours per day.

A homebound Member has restricted ability, due to an illness or injury, to leave home without assistance of another Person or aid of a supportive device (such as crutches, a cane, a wheelchair, or a walker), or if leaving the home is contraindicated. You do not have to be bedridden in order to be considered confined to the home. However, your condition should be such that there exists a normal inability to leave the home and, consequently, leaving the home would require a considerable and taxing effort. If you leave the home, you may be considered homebound if the absences from the home are infrequent or for periods of relatively

Section 5 – Working With Your Contracting Medical Providers

short duration, or to receive medical treatment, including regular absences for the purpose of participating in therapeutic, psychosocial, or medical treatment in an adult day-care program that is licensed or certified by the State of California, or to attend religious services. Home health services do not include the costs of housekeepers, food service arrangements, or full-time nursing care at home.

Hospice

Hospice provides palliative service. It is based on the philosophy that everyone has the right to spend his or her remaining days in peace and with dignity. Hospice focuses on comfort, dignity and pain control, responding to the symptoms, needs and goals of patients and families. Hospice is dedicated to helping the terminally ill live each day to the fullest throughout the dying process, and supporting them to be with their family and friends in a home setting if they wish.

In order to access Hospice care, Members must elect Hospice care under Medicare. Upon making this election, all care related to the terminal illness will be provided by the Medicare-certified Hospice which is billed directly to Medicare. You may remain enrolled in the Secure Horizons Group Retiree Medicare Advantage Plan even if you elect Medicare-certified Hospice coverage for your terminal condition. PacifiCare will continue to arrange coverage of non-Medicare-related benefits which are not related to your Medicare Hospice benefits.

As a Secure Horizons Group Retiree Medicare Advantage Plan Member, you have the right to obtain information about all available Medicare-certified Hospice Providers. For more information regarding electing Hospice care, including those Hospice facilities that have an agreement with your Contracting Medical Group/IPA, please contact Customer Service.

Clinical Trials and Other Medicare Benefits

If you participate as a patient in a clinical trial that meets Medicare requirements, Medicare covers routine costs of qualifying clinical trials. Clinical trials are not a Secure Horizons Medicare Advantage Plan Covered Service. If you join a clinical trial, you will be responsible for any Coinsurance under Medicare.

When you enroll in a clinical trial, the providers are paid directly by Medicare for all the Covered Services you receive. The clinical trial providers do not have to be Contracting Medical Providers.

This means you do not need to obtain a Referral to join a clinical trial. However, you should inform PacifiCare before you begin a clinical trial. This allows PacifiCare to continue to keep track of your health care services. You may remain enrolled in Secure Horizons Medicare Advantage Plan even if you elect to participate in a clinical trial. Your care unrelated to the clinical trial must continue to be arranged by PacifiCare. The Medicare program has written a booklet about *Medicare and Clinical Trials*. To get a free copy, call 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov on the Web.

Effective January 1, 2004, Medicare now covers lung volume reduction surgery (LVRS). LVRS is not a Secure Horizons Medicare Advantage Plan Covered Service. If you have LVRS, you will be responsible for any Coinsurance under Medicare. To receive information on LVRS centers for Medicare, contact Medicare at 1-800-MEDICARE (1-800-633-4227) or visit www.medicare.gov. Additionally, effective October 1, 2003, Medicare covers ventricular assist devices (VADs). VADs are not a Secure Horizons Medicare Advantage Plan Covered Service, but your care must be coordinated by your Primary Care Physician. If you get a VAD, you will be responsible for any Coinsurance under Medicare.

Section 5 – Working With Your Contracting Medical Providers

Religious Non-Medical Health Care Institutions (RNHCIs) Care

Care in a Medicare-certified Religious Non-medical Health Care Institution (RNHCI) is covered by PacifiCare under certain conditions. Covered Services in a RNHCI are limited to non-religious aspects of care. To be eligible for Covered Services in a RNHCI, you must have a medical condition that would allow you to receive inpatient Hospital care or extended care services or care in a Home Health agency. You may get services when furnished in the home, but only items and services ordinarily furnished by Home Health agencies that are not RNHCIs. In addition, you must sign a legal document that says you are conscientiously opposed to the acceptance of “nonexcepted” medical treatment. (“Excepted” medical treatment is medical care or treatment that you receive involuntarily or that is required under Federal, State or local law. “Nonexcepted” medical treatment is any other medical care or treatment.) You must also get authorization (approval) in advance from PacifiCare, or your stay in the RNHCI may not be covered.

Section 6 – Emergency and Urgently Needed Services

Emergency Services

Prior Authorization for treatment of Medical Emergencies is not required.

What to Do in an Emergency

In the event of a Medical Emergency, go to the closest emergency room or call 911 for assistance. PacifiCare will cover Emergency Services whether you are in or out of the Service Area. Ambulance services dispatched through 911 are only covered if transportation in any other vehicle could endanger your life. You need to have someone telephone your Primary Care Physician or PacifiCare at the number listed on your Secure Horizons Group Retiree Medicare Advantage Plan membership card as soon as reasonably possible. The Secure Horizons Group Retiree Medicare Advantage Plan offers worldwide emergency coverage.

Emergency Services are covered inpatient or outpatient services that are:

- 1. furnished by a Provider qualified to furnish Emergency Services, and**
- 2. needed to evaluate or stabilize a Medical Emergency.**

A Medical Emergency is a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a Prudent Layperson, with an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in:

1. serious jeopardy to the health of the individual or, in the case of a pregnant woman, the health of the woman or her unborn child,
2. serious impairment to bodily functions, or
3. serious dysfunction of any bodily organ or part.

Emergency Services are covered whether or not a Contracting Medical Provider provides them. It is important to notify your Primary Care Physician or PacifiCare of a Medical Emergency so your Primary Care Physician or

PacifiCare can be involved in the management of your health care. If the Medical Emergency requires that you be admitted to an inpatient Hospital, it is important that you notify your Primary Care Physician or PacifiCare so that a transfer can be arranged when your medical condition is stable (as determined by your treating Physician). Please contact your Primary Care Physician or PacifiCare at the number located on your membership card within forty-eight (48) hours or as soon as reasonably possible.

If you have a Medical Emergency while out of the Service Area, PacifiCare prefers you return to the Service Area to receive follow-up care through your Primary Care Physician. However, after you have been treated for your condition, follow-up care will be covered out of the Service Area as long as the care required continues to meet the definition for either Emergency Services or Urgently Needed Services.

If you have a Medical Emergency within the Service Area, you should contact your Primary Care Physician or Contracting Medical Group/IPA or PacifiCare within forty-eight (48) hours or as soon as reasonably possible after the emergency so he or she can arrange for your follow-up care.

Post-Stabilization Care

Medically Necessary, non-Emergency Services following receipt of emergency care to enable you to remain stabilized are covered: when PacifiCare or its Contracting Medical Providers do not respond within one (1) hour to a request for a Prior Authorization from a Non-Contracting Provider or Facility; or when PacifiCare or its Contracting Medical Providers could not be contacted for Prior Authorization.

Coverage for post-stabilization care provided by a Non-Contracting Provider continues to be effective until one of the following:

- You are discharged
- A Contracting Medical Provider arrives and assumes responsibility for your care

Section 6 – Emergency and Urgently Needed Services

- The Non-Contracting Provider and PacifiCare agree to other arrangements
- A Contracting Medical Provider assumes responsibility for your care through the transfer to a contracting facility

Urgently Needed Services

The Secure Horizons Group Retiree Medicare Advantage Plan also covers Urgently Needed Services. **Urgently Needed Services are Covered Services provided when you are temporarily* absent from the area served by your Primary Care Physician or Contracting Medical Group/IPA (or, under unusual and extraordinary circumstances, you are in the Service Area but your Contracting Medical Group/IPA is temporarily unavailable or inaccessible) when such services are Medically Necessary and immediately required:**

- **as a result of an unforeseen illness, injury, or condition, and**
- **it is not reasonable given the circumstances to obtain the services through your Primary Care Physician.**

*A temporary absence is an absence from the Service Area lasting not more than six months and it is not a permanent move.

If such a medical need arises, PacifiCare requests that, if possible, you first contact your Primary Care Physician or PacifiCare, then seek care from a local doctor. If this is not possible, you may seek care from a Hospital emergency room or other medical facility.

If you must visit a Provider or a Hospital emergency room for Urgently Needed Services when outside the Service Area, you should contact your Primary Care Physician or Contracting Medical Group/IPA or PacifiCare within forty-eight (48) hours or as soon as reasonably possible, so that PacifiCare can be involved in the management of your care. While PacifiCare prefers you return to the Service Area and receive follow-up care through your Primary Care Physician, follow-up care will be covered out of the Service

Area when the care required continues to meet the above definition of Urgently Needed Services.

If you receive services without Prior Authorization, except for Emergency Services, Urgently Needed Services, out-of-area and routine travel renal dialysis, or services for which PacifiCare allows you to self-refer to Contracting Providers, neither PacifiCare nor Medicare will pay for those services.

When You Need Urgent Care and You Are in Your Service Area

Many Contracting Medical Providers have on-site urgent care centers. Many of these centers have extended hours and do not require appointments. PacifiCare encourages you to take advantage of this convenience in an urgent medical situation.

If you need urgent medical care within your Service Area:

1. Call your Contracting Medical Group/IPA at the number listed on your membership card.
2. Identify yourself as a Secure Horizons Group Retiree Medicare Advantage Plan Member and let them know you feel you need immediate medical attention.
3. Follow any first-aid instructions provided (you may be advised to go to your Provider or to a nearby Hospital).

All Contracting Medical Groups/IPAs have a 24-hour emergency number. If, for any reason, you are unable to reach your Contracting Medical Provider, follow the steps for out-of-area Urgently Needed Services as previously described. Follow-up medical care must be received or authorized by your Primary Care Physician or Contracting Medical Group/IPA.

Reimbursement for Services Paid by Member

Providers should submit bills to PacifiCare for payment. However, if you paid for any

Section 6 – Emergency and Urgently Needed Services

Emergency Services or Urgently Needed Services or emergency out-of-area and routine travel dialysis obtained from Non-Contracting Medical Providers, you should submit your bills to PacifiCare for a payment determination. Bills should be submitted to the following address:

PacifiCare Claims Department
P.O. Box 489
Cypress, CA 90630

If you have questions about any bills, contact Customer Service.

Right to Appeal

PacifiCare provides you with a written notice if a service or payment is denied. If PacifiCare has denied payment for services you think should have been covered, or if PacifiCare refused to arrange for services that you believe are covered by Medicare, you have the right to appeal. If you think waiting for a decision about authorization for a service could seriously harm your health, you may request an Expedited Appeal. (Please see Section 9.)

Section 7 – Premiums and Payment

As a Member of Secure Horizons Group Retiree MA Plan, you have the following financial obligations: (Specific Copayment and Coinsurance amounts are listed in the *Retiree Benefits Summary*.)

Plan Premiums (“Prepayment Fees”)

- **Secure Horizons Group Retiree Medicare Advantage Health Plan Premium** – The benefits under this Plan are paid by PacifiCare under a Group Service Agreement. The cost of the Premiums is currently paid entirely by the University of California.
- **Medicare Part B Premium** – A monthly Premium paid to Medicare to cover Supplemental Medical Insurance (Part B). As a Secure Horizons Group Retiree Medicare Advantage Plan Member, you must continue to pay your Medicare Part B Premium. If you receive a Social Security annuity check, this Premium is usually automatically deducted from your check. Otherwise your Premium is paid directly to Medicare by you or someone on your behalf (such as Medicaid or Medi-Cal).

Changes in Health Plan Premiums

Increases in Health Plan Premiums and/or decreases in your level of coverage are only permitted at the beginning of each contract year (which is usually the Calendar Year). You will receive a written notice in the Fall of each year of any changes that become effective the following January. Rate changes and benefit changes for Secure Horizons Group Retiree Medicare Advantage Plan Members enrolled through the University of California Secure Horizons Group Retiree Medicare Advantage Plan are subject to contractual arrangements between PacifiCare and the University of California. The University of California is responsible for notifying you of any Secure Horizons Group Retiree Medicare Advantage Plan Premium changes, contribution changes, or University of California-sponsored benefit changes 30 days before they become effective.)

Other Charges

All Copayments and Coinsurance amounts are due and payable at the time of service to the Provider of service. Specific Copayment and Coinsurance amounts are listed in the *Retiree Benefits Summary*.

Section 8 – Disenrollment From the Secure Horizons Group Retiree Medicare Advantage Plan

Voluntary Disenrollment

In the event you choose to cancel your membership under the Secure Horizons Group Retiree Medicare Advantage Plan, re-enrollment may not be permitted until your next Open Enrollment Period. You should consult with your benefits administrator regarding the availability of other coverage before canceling your Secure Horizons Group Retiree Medicare Advantage Plan membership outside of the University of California's Open Enrollment Period. Please note that if you cancel your Secure Horizons Group Retiree MA Plan, you may be eligible to enroll in the Individual Secure Horizons Medicare Advantage Plan. Please refer to Section 2 for further information regarding enrollment. As an individual Member of Secure Horizons Medicare Advantage Plan, you will receive the benefit package approved by Centers for Medicare and Medicaid Services for your county of residence, which may cover less than the benefit package available through the University of California, and a Health Plan Premium may apply. For additional information regarding benefits and Health Plan Premiums related to individual Members, please contact Customer Service at 1-800-228-2144, Telecommunications Device for the Hearing Impaired (TDHI): 1-800-685-9355.

Please contact your benefits administrator regarding their Disenrollment and move notification policies and the possible impact to your retiree health care coverage options and other retirement benefits. Additionally, please contact either the University of California or Customer Service for more information regarding your Disenrollment effective date.

How to Disenroll – You may choose to end your membership in the Secure Horizons Group Retiree Medicare Advantage Plan for any reason. If you wish to Disenroll:

- You or your authorized representative may request Disenrollment directly from PacifiCare; you must send a written, signed and dated letter to PacifiCare. If

you have any questions about the letter, call Customer Service.

- Call the national Medicare help line at 1-800-MEDICARE (1-800-633-4227), or the hearing impaired TTY/TDD access line 1-877-486-2048, to Disenroll via the phone; or
- You can contact your nearest Social Security office or, if you have Railroad Retirement benefits, you can contact the Railroad Retirement Board office.

The Effective Date of Your Disenrollment

In most cases, a written Disenrollment request received by PacifiCare by the end of the month will make your Disenrollment effective the 1st of the following month. For example, if your Disenrollment request were received on March 31, your Disenrollment from the Secure Horizons Group Retiree Medicare Advantage Plan would be processed for an effective date of April 1. Please contact either the University of California or Customer Service for more information regarding your Disenrollment effective date.

Until your membership ends, you will continue to be a Member of the Secure Horizons Group Retiree Medicare Advantage Plan and must continue to receive all routine Covered Services from Contracting Medical Providers until the date your Disenrollment is effective. PacifiCare will send you a letter that informs you when your Disenrollment is effective. Once your Disenrollment is effective, you can begin using your red, white, and blue Medicare card to obtain services under Medicare unless you have joined another Medicare Advantage Coordinated Care plan. (**Note:** You can call Social Security at 1-800-772-1213 if you need a new Medicare card.)

Moves or an Extended Absence From the Service Area

If you are permanently moving out of the Service Area or plan an extended absence of more than six (6) months, it is important to notify PacifiCare of the move or extended

Section 8 – Disenrollment From the Secure Horizons Group Retiree Medicare Advantage Plan

absence before you leave the Service Area. If you move permanently out of PacifiCare’s Service Area, or if you are away from PacifiCare’s Service Area for more than six consecutive months, you will need to Disenroll from the Secure Horizons Group Retiree Medicare Advantage Plan.

Failure to notify PacifiCare of a permanent move or an extended absence may result in your involuntary Disenrollment from the Secure Horizons Group Retiree Medicare Advantage Plan, since PacifiCare is required to Disenroll you if you have moved out of the Service Area for more than six (6) months. If you remain enrolled after a move or extended absence (and have not been involuntarily Disenrolled as just described), you should be aware that services will not be covered unless they are received from Contracting Medical Providers (except for Emergency Services, Urgently Needed Services and Prior Authorized Referrals).

Secure Horizons Medicare Advantage Plans are currently offered in the following states: Arizona, California, Colorado, Nevada, Oklahoma, Oregon, Texas and Washington. If you are moving outside of your Service Area, you may be eligible to enroll in a Secure Horizons Medicare Advantage Plan in your new location. Health Plan Premiums, Copayments and Covered Services will vary from one area to another. Please contact Customer Service for information and assistance in completing any necessary paperwork. For information on other plans available in your area, you can call 1-800-MEDICARE (1-800-633-4227), or the hearing impaired TTY/TDD access line 1-877-486-2048, or visit the CMS Web site at www.medicare.gov.

What happens if Secure Horizons Medicare Advantage Plan leaves the Medicare Program or leaves the area where you live?

If PacifiCare leaves the Medicare program or discontinues the Secure Horizons Medicare Advantage Plan in your Service Area,

PacifiCare will notify you in writing. If either of these situations occur, you will be allowed to change the way you receive Medicare coverage. Your choices will always include Original Medicare, and they may also include joining another Medicare managed care plan or a private fee-for-service plan if such plans are available in your area and are accepting new Members.

PacifiCare of California has a contract with the CMS. This contract renews each year. At the end of each year, the contract is reviewed, and either PacifiCare or CMS can decide to end it. It is also possible for PacifiCare’s contract to end at some other time. If the contract is going to end, PacifiCare will generally notify you at least 90 days in advance. Your advance notice may be as little as 30 days or even fewer days if CMS ends PacifiCare’s contract in the middle of the year.

Until PacifiCare notifies you in writing that you must leave the Secure Horizons Group Retiree Medicare Advantage Plan and indicates the date when your membership ends, you will continue as a Member of the Secure Horizons Group Retiree Medicare Advantage Plan and you must continue to receive all Covered Services from Contracting Medical Providers until the date your Disenrollment is effective. All Covered Services and rules described in this document will continue until your membership ends.

Once PacifiCare has notified you in writing that PacifiCare is leaving the Medicare program or the area where you live, you may switch to another way of getting your Medicare benefits at anytime. If you decide to switch from Secure Horizons Medicare Advantage Plan to Original Medicare, you will have the right to buy a Medigap policy regardless of your health. This is called “guaranteed issue rights.” You may contact the California Health Insurance Counseling and Advocacy Program at 1-800-434-0222 about how and when to buy a Medigap policy if you need one.

Section 8 – Disenrollment From the Secure Horizons Group Retiree Medicare Advantage Plan

Coverage That Ends During an Inpatient Hospital Stay

If your coverage under the Secure Horizons Group Retiree Medicare Advantage Plan ends while you are an inpatient in a Hospital (or Hospital unit), PacifiCare may be responsible for the inpatient services until the date of your discharge. PacifiCare's Customer Service Representatives can advise you if PacifiCare is responsible for your inpatient services.

In this case, PacifiCare is not responsible for services, other than inpatient Hospital services, furnished on or after the Effective Date of your Disenrollment.

Involuntary Disenrollment

PacifiCare must Disenroll you from the Secure Horizons Group Retiree Medicare Advantage Plan under the conditions listed below. You will not be Disenrolled due to your health status:

1. If you move out of the Service Area or live outside the Service Area for more than six months at a time and do not voluntarily Disenroll.
2. If you do not stay continuously enrolled in both Medicare Part A and Medicare Part B.

You may be Disenrolled from Secure Horizons Group Retiree Medicare Advantage Plan under the following conditions:

1. If you provide information on your Group Retiree Election Form that is false or deliberately misleading, and it affects whether or not you can enroll in Secure Horizons Group Retiree Medicare Advantage Plan.
2. If you behave in a way that is unruly, uncooperative, disruptive or abusive, and this behavior seriously affects our ability to arrange Covered Services for you or for others who are Members of the Secure Horizons Medicare Advantage Plan. Before PacifiCare can disenroll you for this reason, PacifiCare must obtain permission from the Centers for Medicare and

Medicaid Services (CMS), the government agency that runs Medicare.

3. If you allow someone else to use your Secure Horizons Group Retiree Medicare Advantage Plan membership card to obtain Covered Services. Before PacifiCare will disenroll you for this reason, PacifiCare must refer your case to the Inspector General, which may result in criminal prosecution.
4. If you do not pay the Health Plan Premiums. PacifiCare will inform you of a 90-day grace period during which you can pay the Health Plan Premiums before you are required to disenroll from the Secure Horizons Group Retiree Medicare Advantage Plan. Should you decide later to re-enroll in a Secure Horizons Medicare Advantage Plan, you must pay any outstanding Health Plan Premiums due from your previous enrollment. **Please Note:** Your Health Plan Premiums are paid by the University of California.

University of California Rules Related to Fraud

Fraud

Coverage for a Retiree or covered Dependent may be terminated for fraud or deception in the use of the services of the plan, or for knowingly permitting such fraud or deception by another. Deception includes, but is not limited to, intentionally enrolling an ineligible individual. Such termination shall be effective upon the mailing of written notice by the plan to the Retiree and the University. A Dependent who commits fraud or deception will be permanently de-enrolled while any other Dependent and the Retiree will be de-enrolled for 18 months. If a Retiree commits fraud or deception, the Retiree and any Dependents will be de-enrolled for 18 months.

You Have the Right to File a Complaint if PacifiCare Asks You to Leave. If PacifiCare does ask you to leave the Secure Horizons Group Retiree Medicare Advantage Plan,

Section 8 – Disenrollment From the Secure Horizons Group Retiree Medicare Advantage Plan

PacifiCare will inform you of the reasons in writing and explain how you can file a Grievance if you choose to.

Until PacifiCare notifies you in writing that you have been Disenrolled, you will continue to be a Secure Horizons Group Retiree Medicare Advantage Plan Member and must continue to obtain routine Covered Services from Contracting Medical Providers. Neither PacifiCare nor Medicare will pay for services received from Non-Contracting Providers except for: Urgently Needed Services; Emergency Services anywhere in the world; out-of-area renal dialysis services; services for which the Secure Horizons Group Retiree Medicare Advantage Plan allows you to self-refer to Contracting Medical Providers; and Referrals that have received Prior Authorization.

PacifiCare Cannot Ask You to Leave Due to Your Health

You can only be asked to leave the Secure Horizons Group Retiree Medicare Advantage Plan under certain special conditions that are described above. These conditions do not include asking you to leave due to your health. No member of any Medicare Health Plan can be asked to leave the plan for any health-related reasons.

If you ever feel you are being encouraged or asked to leave the Secure Horizons Group Retiree Medicare Advantage Plan due to your health, you should call the national Medicare help line at 1-800-MEDICARE or 1-800-633-4227 or TTY/TDD access line 1-877-486-2048.

Review of Termination and Reinstatement

No Member shall be Disenrolled due to the Member's health status or requirements for health care services other than as stated within this section. Any Member who believes he or she was Disenrolled by the Secure Horizons Group Retiree Medicare Advantage Plan due to the Member's health status or

requirements for health care services may request a review by the California Department of Managed Health Care pursuant to California Health and Safety Code, Section 1365, or call the national Medicare help line at 1-800-MEDICARE or 1-800-633-4227 or TTY/TDD access line 1-877-486-2048. In the event the Department determines the Disenrollment was contrary to Section 1365, the Member shall be reinstated retroactively to the date of the Disenrollment.

COBRA Optional Continuation of Coverage Through the University of California-Sponsored Health Plans

Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, enrolled persons who would lose coverage under the Secure Horizons medical plan due to certain "Qualifying Events" are entitled to elect, without having to submit evidence of good health, continued coverage at their own expense. Continued coverage shall be the same as for active eligible Employees and their eligible Dependents under the University group plan. If coverage is modified for active eligible Employees and their Dependents, it shall be modified in the same manner for persons with continued coverage (Qualified Beneficiaries) and an appropriate adjustment in Premiums may be made.

Right to Continue Benefits – A right under this part is subject to the rest of these provisions:

You have the right to continue benefits under the plan for yourself and any enrolled dependents if your coverage would have ended for either of the following Qualifying Events:

1. because your employment ended for a reason other than gross misconduct; or
2. because your work hours were reduced (including approved leave without pay or layoff).

Section 8 – Disenrollment From the Secure Horizons Group Retiree Medicare Advantage Plan

Each of your eligible Dependents has the right to continue benefits under the plan under the following circumstances:

In the case of your eligible Dependent spouse, your spouse may continue coverage for himself or herself and any enrolled Dependent children if your spouse's coverage would have ended because of any of the following Qualifying Events:

1. because your employment ended for a reason other than gross misconduct; or
2. because your work hours were reduced (including approved leave without pay or layoff); or
3. at your death; or
4. because you became entitled to Medicare benefits; or
5. when your spouse ceased to be an eligible Dependent as a result of a divorce, legal separation or annulment.

If coverage ends under (5) immediately above, please see "Notice" below.

In case of your eligible Dependent child, your child may continue coverage for himself or herself if your child's coverage would have ended because of any of the following Qualifying Events:

1. because your employment ended for a reason other than gross misconduct; or
2. because your work hours were reduced (including approved leave without pay or layoff); or
3. at your death; or
4. because you became entitled to Medicare benefits; or
5. because of your divorce, legal separation or annulment; or
6. when your eligible Dependent child ceased to be an eligible Dependent under the rules of the plan.

If coverage for an eligible Dependent ends due to an event shown (5) or (6) immediately above, please see "Notice" below.

For the qualifying event (1) or (2), if you become entitled to Medicare due to age within 18 months before the qualifying event, your eligible Dependent spouse or your eligible Dependent child may continue COBRA coverage for up to 36 months counted from the date you became entitled to Medicare.

If a second Qualifying Event occurs to a Qualified Beneficiary who already has continuation coverage because your employment has ended or work hours were reduced, that Qualified Beneficiary's coverage may be continued up to a maximum of 36 months from the date of the first Qualifying Event.

Notice – If your coverage for an eligible Dependent ends due to your divorce, legal separation or annulment, or if your eligible Dependent ceased to be an eligible Dependent under the rules of the plan, you or your eligible Dependent must give written notice of the event to the Employer at the University of California Customer Service Center within sixty (60) days of the event or eligibility to elect continuation coverage will be lost.

Continuation – Once aware of a Qualifying Event, the Employer will give a written election notice of the right to continue the coverage to you (or to the Qualified Beneficiary in the event of your death). Such notice will state the amount of the Premium required for the continued coverage. If a person wants to continue the coverage, the Election Notice must be completed and returned to the address below, along with the first month's Premium within sixty (60) days of the later of:

1. the date of the Qualifying Event; or
2. the date the Qualified Beneficiary received notice informing the person of the right to continue.

PacifiCare of California
5701 Katella Avenue
Cypress, CA 90630-5028

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Benefits of the continuation plan are identical to this group medical plan and cost is explained below under “Cost of Continuation Coverage.”

The continued coverage period runs concurrently with any other University continuation provision (e.g., during leave without pay) except continuation under the Family and Medical Leave Act (FMLA).

Coverage will be continued from the date it would have ended until the first of these events occurs:

1. With respect to yourself and any Qualified Beneficiaries, the day 18 months from the earlier of the date:
 - a. your employment ends for a reason other than gross misconduct, or
 - b. your work hours are reduced. But, coverage may continue for all Qualified Beneficiaries for up to 11 additional months while the Qualified Beneficiary is determined to be disabled under Title II or XVI of the United States Social Security Act if:
 - (i) the disability was determined to exist at the time, or during the first sixty (60) days, of the 18 months of COBRA coverage, and
 - (ii) the person gives PacifiCare written notice of the disability within sixty (60) days after the determination of disability is made and within 18 months after the date employment ended or work hours were reduced.

PacifiCare must be notified if there is a final determination under the United States Social Security Act that the person is no longer disabled. The notice must be provided within thirty (30) days after the final determination. The coverage will end on the first of the month that starts more than thirty (30) days after the determination.

1. With respect to your Qualified Beneficiaries (other than yourself), the day 36 months from the earliest of the date:

- a. of your death; or
- b. of your entitlement to Medicare benefits; or
- c. of your divorce, annulment or legal separation from your spouse; or
- d. your Dependent child ceases to be an eligible Dependent under the rules of the plan.

The 36 months will be counted from the date of the earliest Qualifying Event.

With respect to any Qualified Beneficiary:

1. If the person fails to make any Premium payment required for the continued coverage, the end of the period for which the person has made the required payments.
2. The day the person becomes covered (after the day the person made the election for continuation of coverage) under any other group Health Plan, on an insured or uninsured basis. This item (4) by itself will not prevent coverage from being continued until the end of any period for which pre-existing conditions are excluded or benefits for them are limited under the other Health Plan.
3. The day the person becomes entitled to Medicare Benefits.
4. The day the employer no longer provides group health coverage to any of its employees.

California Continuation Coverage

Employees entitled to COBRA continuation coverage due to employment termination on or after January 1, 1996, are entitled to extend medical coverage for themselves and their spouses after their initial 18-month COBRA period ends, provided the employee was at least age 60 on the date employment ended, had worked for the University for at least five continuous years immediately prior to termination, and was eligible for and elected COBRA continuation medical plan coverage in connection with the termination

Section 8 – Disenrollment From the Secure Horizons Group Retiree Medicare Advantage Plan

of employment. The former spouse of the above former employee is entitled to California Continuation Coverage, provided the former spouse continued coverage under COBRA as a Qualified Beneficiary. This continuation does not apply to children of a former employee. The continuation will end on the earlier of:

1. the date the individual turns 65;
2. the date the University no longer maintains the group plan, including any replacement plan;
3. the date the individual is covered by a group medical plan not maintained by the University;
4. the date the individual becomes entitled to Medicare;
5. with respect to the spouse or former spouse only, the date five years from the date COBRA ends for the spouse or former spouse.

If the employee's coverage terminates, the spouse may continue coverage until one of the terminating events applies to the spouse. PacifiCare will notify eligible COBRA Qualified Beneficiaries before the end of the maximum 18 month COBRA continuation period. If an eligible individual wishes to continue the coverage, they must apply, in writing, to the medical carrier no later than 30 days before the end of the COBRA continuation period.

Cost of Continuation Coverage – The cost of the coverage will include any portion previously paid by the Employer and shall not be more than 102% of the applicable group rate during the period of basic COBRA coverage; or not more than 150% anytime during the 11-month disability extension period (i.e., during the 19th through the 29th months); or not more than 213% during the extension period allowed by California Continuation Coverage.

For information on Open Enrollment actions for which a Qualified Beneficiary may be eligible and/or any applicable plan modifications and Premium adjustment,

contact University of California Human Resources and Benefits 1-800-888-8267, extension 70651, during the month of November.

Please note: When your continuation of coverage ends, you may be able to convert your coverage to an Individual Conversion Plan if you wish.

Group Retiree Members may enroll as an Individual Member in the Secure Horizons Medicare Advantage Plan. As an individual Member of the Secure Horizons Medicare Advantage Plan, you will receive the benefit package approved by CMS for your county of residence, which may cover less than the benefit package available through the University of California and a plan Premium may apply.

Disenrolling From the Secure Horizons Discount Drug Card

If you wish to disenroll from the Secure Horizons Discount Drug Card, you must submit your signed disenrollment request to Customer Service. Disenrollment from the Secure Horizons Discount Drug Card will be effective the first day of the month following the month of your request. For example, if your disenrollment request is received on July 31, your disenrollment from the Secure Horizons Discount Drug Card would be effective on August 1.

Medicare regulations state that Medicare beneficiaries may only be enrolled in one Medicare-approved drug discount card at a time. Once you are enrolled in the Secure Horizons Discount Drug Card, you may only disenroll from the Secure Horizons Discount Drug Card and enroll in another Medicare-approved drug discount card under the following circumstances: (1) you move to a Service Area where the Secure Horizons Group Retiree Medicare Advantage Plan is not offered, (2) you disenroll from the Secure Horizons Group Retiree Medicare Advantage Plan and enroll in another Medicare managed plan, (3) you enter or leave a long-term care

Section 8 – Disenrollment From the Secure Horizons Group Retiree Medicare Advantage Plan

facility, or (4) PacifiCare no longer offers the Secure Horizons Discount Drug Card.

If you choose to disenroll from the Secure Horizons Discount Drug Card in 2005 for any other reasons than those stated above, you may not re-enroll in the Secure Horizons Discount Drug Card in 2005.

If, as a member of the Secure Horizons Group Retiree Medicare Advantage Plan, you choose to disenroll from the Secure Horizons Discount Drug Card, you will not be eligible to enroll in another Medicare-approved drug discount card offered by another health insurance company.

If you would like to enroll in another Medicare-approved drug discount card offered by another health insurance company, you must first disenroll from the Secure Horizons Group Retiree Medicare Advantage Plan, which will make you eligible for a Special Election Period (SEP). Some Medicare Advantage Plans and Medicare-approved drug discount card companies may accept enrollments and disenrollments only during an Annual Election Period (AEP).

While you are only allowed to enroll in one Medicare-approved drug discount card at a time, you may have other drug discount cards that are not Medicare-approved. Some private companies may offer drug discount cards that are not Medicare-approved.

If you have any questions or need any additional information, please call Customer Service at 1-800-228-2144 (TDHI 1-800-685-9355), 7:00 a.m. to 9:00 p.m., Monday through Friday.

Section 9 – Organization Determination, Appeals and Grievance Procedures

As a Secure Horizons Group Retiree Medicare Advantage Plan Member you are encouraged to let PacifiCare know if you have concerns or experience any problems with PacifiCare or the Secure Horizons Group Retiree Medicare Advantage Plan. PacifiCare has representatives available to help you with your questions and concerns.

The procedures described in this section may be used if you have an Appeal or Grievance you want PacifiCare to review.

Appeals are defined as the type of complaint you make when you want a reconsideration of a decision (determination) that was made regarding a service or the amount of payment PacifiCare pays or will pay for a service. You may file an Appeal for the following reasons:

- PacifiCare refuses to cover or pay for services you think PacifiCare should cover.
- PacifiCare or one of the Contracting Medical Providers refuses to give you a service you think should be covered.
- PacifiCare or one of the Contracting Medical Providers reduces or cuts back on services you have been receiving.
- If you think that PacifiCare is stopping your coverage too soon.

Grievances are defined as the type of complaint you make if you have any other type of problem (other than an Appeal) with PacifiCare or a Contracting Medical Provider. You would file a Grievance if you have a problem with things such as:

- the quality of your care
- general dissatisfaction with the way the Secure Horizons Group Retiree Medicare Advantage Plan benefits are designed
- waiting times for appointments or in the waiting room
- the way your doctors or others behave
- being able to reach someone by phone or obtain the information you need
- the cleanliness or condition of the doctor's office

If either your Appeal or Grievance involves a clinical issue, a medical reviewer who has the education, training and relevant expertise that is pertinent to evaluate the specific clinical issues that serve as the basis of your complaint will review it.

Organization Determinations

PacifiCare must make a determination (decision) on your request for the provision of services or payment of claims within the following time frames:

- **Request for Services or Referrals.** If you request services or require Prior Authorization of a Referral, PacifiCare must make a decision as expeditiously as your health care requires, but no later than fourteen (14) calendar days after receiving your request for service. An extension up to fourteen (14) calendar days is permitted, if you request the extension or if PacifiCare finds that additional information is needed that will benefit you (for example, if PacifiCare needs additional medical records from Non-Contracting Medical Providers that could change a denial decision). When PacifiCare takes an extension, you will be notified of the extension in writing.
- **Requests for Payment.** If you request payment for services you have already received, PacifiCare must make a decision on whether or not to pay the claim no later than sixty (60) calendar days from receiving your request.

PacifiCare must notify you in writing of any organization determination denial decision, (partial or complete) within the time frames listed above. The notice must state the reasons for the denial, inform you of your right to a standard and expedited reconsideration (Appeal) process and the right to appoint a representative to file an Appeal on your behalf. You also have the right to submit additional information regarding the requested service in writing or in person. If you have not received such a notice within fourteen (14) calendar days of your request

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for services, or within sixty (60) calendar days of a request for payment, you may assume the decision is a denial, and you may file an Appeal.

Expedited/72-Hour Organization Determination Procedures

You have the right to request and receive expedited decisions affecting your medical treatment in “Time-Sensitive” situations. A Time-Sensitive situation is a situation where waiting for a decision to be made within the time frame of the standard decision-making process could seriously jeopardize your life or health, or your ability to regain maximum function. If PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA decides, based on medical criteria, that your situation is Time-Sensitive or if any physician calls or writes in support of your request for an expedited review, PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA will issue a decision as expeditiously as possible, but no later than seventy-two (72) hours after receiving the request. PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA may extend this time frame by up to fourteen (14) calendar days if you request the extension or if PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA needs additional information, and the extension of time benefits you (for example, if PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA needs additional medical records from Non-Contracted Medical Providers that could change a denial decision). If the time frame is extended, you will be notified of the reasons for the delay and informed of your right to file a Grievance should you disagree with an extension. You will be notified promptly of the organization determination, but no later than upon expiration of the extension.

If you believe you need a service and you believe it is a Time-Sensitive situation, you or any physician, including a physician with no connection to PacifiCare, may request that the decision be expedited. If PacifiCare, your

Primary Care Physician or Contracting Medical Group/IPA decides that it is a Time-Sensitive situation or if any physician indicates that applying the standard time frame for making a determination could seriously jeopardize your life or health or your ability to regain maximum function, PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA will make a decision on your request for a service on an expedited/72-hour basis (subject to extension as discussed below).

To request an expedited seventy-two (72)-hour Organization Determination call PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA at the phone number on your membership card. **Be sure to ask for an expedited seventy-two (72)-hour review when you make your request.**

How Your Expedited/72-Hour Review Request Will Be Processed

1. Upon receiving your request, PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA will determine if your request meets the definition of Time-Sensitive.
 - If your request does not meet the definition, it will be handled within the standard review time frames (fourteen (14) calendar days for organization determinations). You will be informed by telephone that your request for the expedited seventy-two (72)-hour review has been denied and will also receive a written confirmation that the request will be processed within the standard review time frame, within three (3) calendar days of the telephone call. If you disagree with PacifiCare, your Primary Care Physician’s or Contracting Medical Group’s/IPA’s decision to process your request within the standard time frame, you may file a Grievance with PacifiCare. The written confirmation letter will include instructions on how to file a Grievance. If your request is Time-Sensitive, you

Questions? Call the Customer Service Department at 1-800-228-2144, (TDHI) 1-800-685-9355, Monday through Friday, 7:00 a.m. to 9:00 p.m.

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will be notified of PacifiCare's, your Primary Care Physician's or Contracting Medical Group's/IPA's decision within seventy-two (72) hours. You will also receive a follow-up letter within three (3) calendar days of the phone call.

2. Your request must be processed within seventy-two (72) hours if any physician calls or writes in support of your request for an expedited seventy-two (72)-hour review, and the physician indicates that applying the standard review time frame could seriously jeopardize your life or health or your ability to regain maximum function.

If a Non-Contracted Medical Provider supports your request, PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA will have seventy-two (72) hours from the time all the necessary medical information is received from that Provider to make a decision.

3. PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA will make a decision and notify you of it within seventy-two (72) hours of receipt of your request. If PacifiCare your Primary Care Physician or Contracting Medical Group/IPA do not approve your request, you can Appeal to PacifiCare (see below):

There are four possible dispositions to a request for an expedited organization determination:

- Your request to expedite an organization determination decision is accepted; PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA makes a decision in seventy-two (72) hours and notifies you that they will arrange or continue the service.
- Your request to expedite an organization determination decision is accepted; PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA makes a decision in seventy-two (72) hours and notifies you that they will **not** arrange or

continue the service, and you can Appeal to PacifiCare.

- Your request to expedite the organization determination is **not** accepted, and PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA informs you that your request will be handled under the standard organization determination process.
- Your request to expedite an organization determination cannot be made in seventy-two (72) hours, and PacifiCare, your Primary Care Physician or Contracting Medical Group/IPA informs you that they will need up to an additional fourteen (14) calendar days to process your request.

If you have questions regarding these rights, please call Customer Service.

General Information on the Medicare Appeals Process

As a Secure Horizons Group Retiree Medicare Advantage Plan Member, you have the right to appeal any organization determination about PacifiCare's payment for, or failure to arrange or continue to arrange for, what you believe are Covered Services under your Medicare Advantage Plan. These include the following:

- Payment for out-of-area renal dialysis and routine travel dialysis services, Emergency Services, Post-Stabilization Care, or Urgently Needed Services
- Payment for any other health services furnished by a Non-Contracted Medical Provider or Facility you believe are covered under Original Medicare or should have been arranged for, or reimbursed by PacifiCare
- Services you have not received, but you believe are the responsibility of PacifiCare to pay for or arrange
- Discontinuation of services you believe are Medically Necessary Covered Services
- Failure of PacifiCare to approve, furnish, arrange for or provide payment for health

Section 9 – Organization Determination, Appeals and Grievance Procedures

care services in a timely manner or to provide you with a timely notice of an adverse determination such that a delay would adversely affect your health

Use the Appeal procedure when you want a reconsideration of a decision (organizational determination) that was made regarding a service or the amount of payment PacifiCare paid for a service.

Use the Grievance procedure for any complaints or other disputes that are not denied claims or denied services subject to organization determinations as explained above. If you have a question about which complaint process to use, please call Customer Service.

PacifiCare is required to track all Appeals and Grievances in order to report cumulative data to CMS and to Secure Horizons Group Retiree Medicare Advantage Plan Members upon request.

Who May File an Appeal

1. You may file an Appeal.
2. Someone else may file the Appeal for you on your behalf. You may appoint an individual to act as your representative to file the Appeal for you by following the steps below:
 - a. Provide PacifiCare with your name, your Medicare number and a statement which appoints an individual as your representative. (**Note:** you may appoint a physician or a Provider.) For example: “ I __[your name]__ appoint __[name of representative]__ to act as my representative in requesting an Appeal from PacifiCare and/or CMS regarding the denial or discontinuation of medical services.
 - b. You must sign and date the statement.
 - c. Your representative must also sign and date this statement unless he or she is an attorney.

d. You must include this signed statement with your Appeal.

3. A Non-Contracted Medical Provider may file a standard Appeal of a denied claim if he or she completes a waiver of payment statement, which says he or she will not bill you regardless of the outcome of the Appeal.

Support for Your Appeal

You are not required to submit additional information to support your request for reconsideration (Appeal). PacifiCare is responsible for gathering all necessary medical information. However, it may be helpful to include additional information to clarify or support your request. For example, you may want to include in your Appeal request information such as medical records or physician opinions in support of your request. To obtain medical records, you may send a written request to your Primary Care Physician. If your medical records from a Specialist are not included in your medical records from your Primary Care Physician, you may need to submit a separate request to the Specialist who provided medical services to you.

Assistance with Appeals

Regardless whether you request a standard or expedited Appeal, you can have a friend, lawyer or someone else help you. There are lawyers who do not charge unless you win your Appeal. Groups such as lawyer referral services can help you find a lawyer. There are also groups, such as legal aid services, who will provide free legal services if you qualify.

Standard Appeal Procedures

If you decide to proceed with the Medicare Standard Appeals Procedure, the following steps will occur:

1. You must submit a written request for a reconsideration to the PacifiCare Appeals and Grievance Unit at 5757 Plaza Drive, Cypress, CA 90630. You may also request a

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reconsideration through the Social Security office (or, if you are a railroad retirement beneficiary, through a Railroad Retirement Benefits Office). You must submit your written request within sixty (60) calendar days of the date of the notice of the initial organization determination.

Note: The sixty (60)-day limit may be extended for good cause. Include in your written request the reason why you could not file within the sixty (60)-day time frame.

2. PacifiCare will conduct a reconsideration and notify you in writing of the decision within thirty (30) days, if the Appeal is for a request for a denied service. Note that PacifiCare must notify you of the reconsideration decision as expeditiously as possible, but no later than thirty (30) calendar days from receipt of your request. PacifiCare may extend this time frame by up to fourteen (14) calendar days if you request the extension or if PacifiCare finds that additional information is needed and the extension of time benefits you (for example, if PacifiCare needs additional medical records from Non-Contracted Medical Providers that could change a denial decision).

If the Appeal is for a denied claim, PacifiCare must notify you of the reconsideration determination no later than sixty (60) days after receiving your request for a reconsideration determination.

PacifiCare's reconsideration decision will be made by a person(s) not involved in the initial decision. A physician must make all reconsiderations of adverse organization determinations based on Medical Necessity with expertise in the field of medicine that is appropriate for the service at issue. However, that physician need not be of the same specialty or subspecialty as the treating physician.

3. If PacifiCare decides to reverse the original adverse decision, PacifiCare must authorize or arrange your service as expeditiously as your health requires, but no later than thirty (30) calendar days from the date PacifiCare received your request for an Appeal; or PacifiCare will pay your claim within sixty (60) calendar days of your request for an Appeal.
4. If PacifiCare decides to uphold the original adverse decision, either in whole or in part, or if PacifiCare fails to provide you with a decision on your reconsideration within the relevant time frame, PacifiCare will automatically forward the case to the Center for Health Dispute Resolution (CHDR) for a new and impartial review and you will be notified. CHDR is CMS's independent contractor for appeal reviews involving Medicare Advantage managed care plans, like the Secure Horizons Group Retiree Medicare Advantage Plan. PacifiCare must send CHDR the file within thirty (30) days of a request for services and within sixty (60) days of a request for payment. CHDR will either uphold PacifiCare's decision or issue a new decision. If PacifiCare forwards the case to CHDR, PacifiCare still must notify you of the decision within the relevant time frame discussed above.
5. For cases submitted to CHDR for review, CHDR will make a reconsideration decision and notify you in writing of their decision and the reasons for the decision. **If CHDR decides in your favor and reverses PacifiCare's decision, the following must occur:**
 - **Request for Service:** If CHDR decides in your favor, PacifiCare must authorize the service under dispute within seventy-two (72) hours from the date of receipt of CHDR's notice reversing PacifiCare's decision, or provide the service under dispute as expeditiously as your health condition requires, but no later than fourteen (14) calendar days from date of receipt of CHDR's notice.

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- **Request for Payment:** If CHDR decides in your favor, PacifiCare must pay for the service no later than thirty (30) calendar days from the date of CHDR's notice. If CHDR maintains PacifiCare's decision, their notice will inform you of your right to a hearing before an administrative law judge of the Social Security Administration.
6. You may request a hearing before an administrative law judge (ALJ) by submitting a written request to PacifiCare, CMS or the Social Security Administration within sixty (60) days of the date of CHDR's notice that the reconsideration decision was not in your favor. This sixty (60)-day notice may be extended for good cause. A hearing can be held only if the amount in controversy is one hundred dollars (\$100) or more as determined by the administrative law judge. All hearing requests will be forwarded to CHDR. CHDR will then forward your request and your reconsideration file to the hearing office. PacifiCare will also be made a party to the Appeal at the ALJ level.
 7. If the administrative law judge's decision is adverse, either you or PacifiCare may request a review by the Medicare Appeals Council (MAC) of the Social Security Administration, which may either review the decision or decline review. If the administrative law judge decides in your favor, PacifiCare must pay for, authorize, or provide the service you have asked for within 60 calendar days from the date PacifiCare receives notice of the decision. However, if PacifiCare appeals this decision by asking for a review by the MAC, PacifiCare may await the MAC's decision before complying with the decision of the ALJ.
 8. If the amount involved is one thousand dollars (\$1,000) or more, either you or PacifiCare may request that a decision made by the MAC or the administrative law judge, if the MAC has declined review, be reviewed by a federal district court.
 9. Any initial or reconsidered decision made by PacifiCare, CHDR, the administrative law judge or the MAC can be reopened: (a) within twelve (12) months; (b) within four (4) years for just cause; or (c) at any time for clerical correction or in cases of fraud.
 10. CHDR Reopenings; A reopening is not an Appeal right. Any of the parties to a reconsideration determination may request a reopening, however, granting a reopening is solely at CHDR's discretion. The party requesting a reopening must clearly state in writing the basis on which the request is made. All CHDR determinations advise the parties of the standards for reopening of the case by CHDR. Any party to the determination may request a reopening if the party believes one of the following grounds for reopening is applicable:
 - Error on the face of the evidence by CHDR in its review
 - Fraud
 - New and additional information that was not available at the time CHDR made its initial determination in the caseA Medicare Advantage Organization's request for a reopening does not relieve the Medicare Advantage Organization of the responsibility to comply with CHDR's decision within the required time frames. However, if CHDR's decision at the conclusion of the reopening review is unfavorable to you, you will be liable for the cost of the care rendered.
 11. The reconsidered determination is final and binding upon PacifiCare. The binding arbitration clause in your Group Retiree Election Form does not apply to disputes subject to CMS's appeals process.

Expedited/72-Hour Appeal Procedures

You have the right to request and receive an expedited seventy-two (72)-hour reconsideration (Appeal), in situations where waiting for a reconsideration (Appeal)

Section 9 – Organization Determination, Appeals and Grievance Procedures

decision to be made within the standard time frame could seriously jeopardize your life or health, or your ability to regain maximum function. If PacifiCare decides, based on medical criteria, that your situation is Time-Sensitive or if any physician calls or writes in support of your request for an expedited reconsideration (Appeal) review, PacifiCare will issue a decision as expeditiously as possible, but no later than seventy-two (72) hours after receiving the request. PacifiCare may extend this time frame by up to fourteen (14) days if you request the extension or if PacifiCare needs additional information, and the extension of time benefits you (for example, if PacifiCare needs additional medical records from Non-Contracted Medical Providers that could change a denial decision). If the reconsideration (Appeal) time frame is extended, you will be notified of the reasons for the delay and informed of your right to file a Grievance should you disagree with an extension. You will be notified promptly of PacifiCare's determination, but no later than upon expiration of the extension.

If you wish to request a reconsideration (Appeal) of a decision by PacifiCare to deny a service you requested or to discontinue a service you are receiving that you believe is a Medically Necessary Covered Service and you believe it is a Time-Sensitive situation, you or your authorized representative may request that the reconsideration (Appeal) be expedited. If a physician wishes to file an expedited Appeal for you, you must give him or her authorization to act on your behalf. If PacifiCare or any physician decides that it is a Time-Sensitive situation, PacifiCare will make a decision on your Appeal on an expedited seventy-two (72)-hour basis. Examples of service decisions which you may appeal on an expedited basis, when you believe it is a Time-Sensitive situation, include the following:

- If you received a denial of a service you requested

- If you think you are being discharged from any of the following too soon and you have missed the deadline for a Quality Improvement Organization (QIO) review:
 - Hospital
 - Skilled Nursing Facility (SNF)
 - Home Health Agency (HHA)
 - Comprehensive Outpatient Rehabilitation Facility (CORF)

The procedures for requesting and receiving an expedited Appeal are described in the following sections.

How to Request an Expedited Reconsideration

To request an expedited seventy-two (72)-hour review, you or your authorized representative may call, write, fax or visit PacifiCare. **Be sure to ask for an expedited seventy-two (72)-hour review when you make your request.**

- Call: 1-800-277-4232
Business Hours: 8:00 a.m. - 5:00 p.m.
Monday through Friday
PacifiCare will document your request in writing.
- TDHI: 1-800-685-9355
Business Hours: 8:00 a.m. - 4:00 p.m.
Monday through Friday
PacifiCare will document your request in writing.
- Write: PacifiCare Appeals and Grievance Unit
5757 Plaza Drive
Cypress, CA 90630
- Fax: 1-714-503-7539
Attention: Appeals and Grievance Unit
- Walk-in: PacifiCare Customer Service Center
5701 Plaza Drive
Cypress, CA, 90630
Business Hours: 9:00 a.m. - 5:00 p.m.
Monday through Friday

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How Your Expedited/72-Hour Reconsideration Request Will Be Processed

1. Upon receiving your reconsideration request, PacifiCare will determine if your request meets the definition of Time-Sensitive.
 - If your request does not meet the definition, it will be handled within the standard review process (thirty (30) days for Appeals). You will be informed by telephone that your request for the expedited seventy-two (72)-hour Appeal review has been denied and will also receive a written confirmation that the request will be processed within the standard review time frame, within three (3) calendar days of the telephone call. If you disagree with PacifiCare's decision to process your request within the standard time frame, you may file a Grievance with PacifiCare. The written confirmation letter will include instructions on how to file a Grievance. If your request is Time-Sensitive, you will be notified of PacifiCare's Appeal decision within seventy-two (72) hours. You will also receive a follow-up decision letter within three (3) calendar days of the telephone call.
 - An extension up to fourteen (14) calendar days is permitted for a seventy-two (72)-hour Appeal if the extension of time benefits you, for example, if you need time to provide PacifiCare with additional information or if PacifiCare needs to have additional diagnostic testing completed. PacifiCare will make a decision as expeditiously as your health requires, but no later than the end of any extension period. If the time frame is extended, you will be notified of the reasons for the delay and informed of your right to file a Grievance should you disagree with an extension.

2. Your request must be processed within seventy-two (72) hours if any physician calls or writes in support of your request for an expedited seventy-two (72)-hour review, and the physician indicates that applying the standard review time frame could seriously jeopardize your life or health or your ability to regain maximum function.

If a Non-Contracted Medical Provider supports your request, PacifiCare may request a fourteen (14)-day extension if obtaining necessary medical information from the Provider will benefit you.

3. PacifiCare will make a decision on the Appeal and notify you of it within seventy-two (72) hours of receipt of your request. If PacifiCare decides to uphold the original adverse determination, either in whole or in part, PacifiCare will forward the entire file to CHDR for review no later than twenty-four (24) hours after PacifiCare's decision. CHDR will send you a letter with their decision within seventy-two (72) hours of receipt of your case from PacifiCare, or at the end of the fourteen (14)-day extension.

There are four possible dispositions to a request for expedited Appeals:

- Your request to expedite an Appeal decision is accepted, PacifiCare makes a decision in seventy-two (72) hours and notifies you that the care will be arranged or continued.
- Your request to expedite an Appeal decision is accepted, PacifiCare makes a decision in seventy-two (72) hours and notifies you that that the care will **not** be arranged or continued and the case will be sent to CHDR for determination within twenty-four (24) hours.
- Your request to expedite an Appeal decision is **not** accepted, and PacifiCare informs you that your request will be handled under the standard Appeal process.

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- Your request to expedite an Appeal decision cannot be made in seventy-two (72) hours, and PacifiCare informs you that PacifiCare will need up to an additional fourteen (14) calendar days to process your request.

If you have questions regarding these rights, please call Customer Service.

Information You Should Receive During Your Hospital Stay

When you are admitted to the Hospital, someone at the Hospital should give you a notice called the *Important Message from Medicare*. This notice explains your rights under the law. When a doctor decides that you are ready to leave the Hospital (to “be discharged”), and if you believe you should not be discharged yet, you should be given a copy of another notice that includes specific information about your Hospital discharge. This other notice is called the *Notice of Discharge and Medical Appeal Rights*. It will tell you:

- Why you are being discharged.
- The date that we will stop covering your Hospital Stay (stop paying our share of your Hospital costs).
- What you can do if you think you are being discharged too soon.
- Who to contact for help.

As a Member, you should receive this information about your discharge **before** you leave the Hospital. You (or someone you authorize) may be asked to sign and date this document, to show that you received the notice. Signing the notice does not mean that you agree that you are ready to leave the Hospital – it only means that you received the notice. If you do not receive the notice after you have told the Hospital that you think you are being discharged too soon, ask for the *Notice of Discharge and Medicare Appeal Rights* immediately.

Quality Improvement Review

If you are in the Hospital and you think that you are being discharged too soon, you have the right by law to ask for a review of your discharge date. As explained in the *Notice of Discharge and Medicare Appeal Rights*, if you act quickly, you can ask an outside agency called the Quality Improvement Organization (QIO) to review whether your discharge is medically appropriate.

The QIO is a group of doctors and other health care experts paid by the federal government to check on and help improve the care given to Medicare patients. They are not part of PacifiCare or your Hospital. There is one QIO in each state. QIOs have different names, depending on which state they are in. The phone number and address of the QIO for your area is:

Lumetra
CitiCorp Center
One Sansome Street, Suite 600
San Francisco, CA 94104-4405
1-415-677-2000

The doctors and other health experts in the QIO review certain types of complaints made by Medicare patients. These include complaints about quality of care and complaints from Medicare patients who think the coverage for their Hospital Stay is ending too soon.

Getting a QIO Review of Your Hospital Discharge

If you want to have your discharge reviewed, you must act quickly to contact the QIO. The *Notice of Discharge and Medicare Appeal Rights* gives the name and telephone number of your QIO and tells you what you must do.

- You must ask the QIO for an expedited seventy-two (72)-hour review of whether you are ready to leave the Hospital.
- You must be sure that you have made your request to the QIO **no later than noon** on the first working day after you are given written notice that you are being

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discharged from the Hospital. This deadline is very important. If you meet this deadline, you are allowed to stay in the Hospital past your discharge date without paying for it yourself, while you wait to get the decision from the QIO (see below).

If the QIO reviews your discharge, it will first look at your medical information. Then it will give an opinion about whether it is medically appropriate for you to be discharged on the date that has been set for you. The QIO will make this decision within one full working day after it has received your request and all of the medical information it needs to make a decision.

- If the QIO decides that your discharge date was medically appropriate, you will not be responsible for paying the Hospital charges until noon of the calendar day after the QIO gives you its decision.
- If the QIO agrees with you, then we will continue to cover your Hospital Stay for as long as Medically Necessary.

What if you do not ask the QIO for a review by the deadline?

You may have to pay if you stay past your discharge date.

If you do not ask the QIO by noon of the next working day after you are given written notice that you are being discharged from the Hospital, and if you stay in the Hospital after this date, you run the risk of having to pay for the Hospital care you receive on and after this date. However, you can Appeal any bills for Hospital care you receive as described above.

Another Option: Asking for an Expedited/72-Hour Review of Your Discharge

If you do not ask the QIO to do an expedited seventy-two (72)-hour review of your discharge, you can ask us for an expedited seventy-two (72)-hour review of your discharge. This is described above. If you ask us for an expedited seventy-two (72)-hour

review of your discharge and you stay in the Hospital past your discharge date, you run the risk of having to pay for the Hospital care you receive past your discharge date. Whether you have to pay or not depends on the decision we make.

- If we decide, based on the expedited seventy-two (72)-hour review, that you need to stay in the Hospital, we will continue to cover your Hospital care for as long as Medically Necessary.
- If we decide that you should not have stayed in the Hospital beyond your discharge date, then we will **not** cover any Hospital care you received if you stayed in the Hospital after the discharge date.

Termination of Services in Certain Provider Settings (Skilled Nursing Facility (SNF), Home Health Agency (HHA), or Comprehensive Outpatient Rehabilitation Facility (CORF))

When coverage for a Prior Authorized course of treatment ends in a SNF, HHA, or CORF, you should receive advance written notification of the termination of services that includes your Appeal rights and the date on which coverage of the service ends. This notice is called the Notice of Discharge and Medicare Appeal Rights. You must receive the notice no later than two (2) days prior to the termination (or at the time of admission if your stay is expected to be less than two (2) days). You (or someone you authorize) will be asked to sign and date this document, to show that you received the notice. Signing the notice does not mean that you agree that you are ready to leave the SNF, HHA, or CORF—it only means that you received the notice. If you do not receive the notice when you are being told about the termination of services, ask for it immediately.

Review of Termination of SNF, HHA or CORF Services by the QIO

If you think coverage of your services in a SNF, HHA or CORF is being terminated too

Section 9 – Organization Determination, Appeals and Grievance Procedures

soon, you have the right by law to request a “fast-track” appeal by contacting the QIO in writing or by telephone **no later than noon** of the first day after delivery of the termination notice. The QIO will notify us that you are appealing the termination, and we will issue a *Detailed Explanation of Non-Coverage* to both of you and the QIO.

The QIO will review your medical information, then give an opinion about whether it is medically appropriate that your services are being terminated. The QIO will make this decision within one full working day after it has received your request and all of the medical information it needs to make a decision.

- If the QIO decides that the termination of services was medically appropriate, you may request a reconsideration by the QIO, but you will be liable for any services received following the date on which you receive the QIO’s initial decision.
- If the QIO agrees with you, then we will continue your services for as long as is Medically Necessary or based on Medicare coverage limitations.

Asking for an Expedited/72-Hour Review of your Termination of Services

If you miss the deadline for a fast-track appeal, you may appeal the termination of SNF, HHA or CORF services under the Expedited (72-Hour) Appeal Process described earlier in this section.

Grievance Procedures

Informal Complaints

PacifiCare will attempt to resolve any complaint (Grievance) you might have. PacifiCare encourages the informal resolution of complaints (i.e., over the telephone), especially if such complaints result from misinformation, misunderstanding or lack of information. If you have a complaint, please call Customer Service. A more formal Member Grievance procedure is available, if your complaint cannot be resolved in this manner.

Formal Complaints

As a Secure Horizons Group Retiree Medicare Advantage Plan Member, you have the right to file a complaint, also called a Grievance, about problems you observe or experience, including:

- Complaints about the quality of services that you receive or delays in providing care
- Complaints regarding such issues as office waiting times, physician behavior, adequacy of facilities, or other similar Member concerns
- General complaints about increases in member liability or benefit design and the Formulary.
- Involuntary Disenrollment situations (see Section 8)
- If you disagree with PacifiCare’s decision to extend the time frame on a standard or expedited request
- If you disagree with PacifiCare’s decision to extend the time frame on a standard or expedited Appeal
- If you disagree with PacifiCare’s decision to process your Organization Determination request for service under the standard fourteen (14) day time frame rather than expedited seventy-two (72)-hour time frame
- If you disagree with PacifiCare’s decision to process your reconsideration (Appeal) request under the standard thirty (30) day time frame rather than the expedited seventy-two (72)-hour time frame.

To use the formal Grievance procedure, submit your Grievance in writing to PacifiCare Appeals and Grievances Unit.

However, complaints about a decision regarding payment or provision of Covered Services that you believe are covered by Medicare and should be arranged or paid for by PacifiCare must be appealed through the Secure Horizons Medicare Advantage Plan Medicare Appeals procedure (see above).

Section 9 – Organization Determination, Appeals and Grievance Procedures

Complaints That Do Not Relate to Quality of Medical Care Issues

PacifiCare reviews complaints that do not relate to quality of medical care issues in consultation with appropriate PacifiCare departments. PacifiCare will write you to acknowledge your complaint and let you know how PacifiCare has addressed your concern within thirty (30) days of receiving your written Grievance. In some instances, PacifiCare will need additional time to address your concern. If additional time is needed, PacifiCare will keep you informed regarding the status of your Grievance.

Complaints Involving Quality of Medical Care Issues

All complaints that involve quality of medical care issues are referred to PacifiCare's Health Services Department for review. Complaints that affect a Member's immediate condition will receive immediate review. PacifiCare will investigate the complaint, consulting with your Contracting Medical Group and appropriate PacifiCare departments, and reviewing medical records as necessary. You may need to sign an authorization to release your medical records. PacifiCare will confirm receipt of your complaint within thirty (30) days of receiving your complaint, whenever possible. The results of the Quality Management review are confidential.

QIO Quality of Care Complaint Process

If you are concerned about the quality of care you have received, you may also file a complaint with the QIO in your local area. (The name, address and telephone number of your local QIO are referenced in the Quality Improvement Review portion of Section 9.)

Binding Arbitration

Any and all disputes of any kind whatsoever, including claims relating to the delivery of services under the plan and claims of medical malpractice (that is as to whether any medical services rendered under the health plan were unnecessary or unauthorized or were

improperly, negligent, or incompetently rendered), except for claims subject to ERISA, between Member (including any heirs or assigns) and PacifiCare of [State, Inc.], or any of its parents, subsidiaries or affiliates (collectively, "PacifiCare"), shall be submitted to binding arbitration. Any such dispute will not be resolved by a lawsuit or resort to court process, except as the Federal Arbitration Act provides for judicial review of arbitration proceedings. Member and PacifiCare are giving up their constitutional rights to have any such dispute decided in a court of law before a jury, and are instead accepting the use of binding arbitration by a single arbitrator in accordance with the Comprehensive Rules of JAMS, and administration of the arbitration shall be performed by JAMS or such other arbitration service as the parties may agree in writing. The parties will endeavor to mutually agree to the appointment of the arbitrator, but if such agreement cannot be reached within thirty (30) days following the date demand for arbitration is made, the arbitrator appointment procedures in the Comprehensive Rules will be utilized.

Arbitration hearings shall be held in the county in which the Member lives or at such other location as the parties may agree in writing. Civil discovery may be taken in such arbitration. The arbitrator selected shall have the power to control the timing, scope and manner of the taking of discovery and shall further have the same powers to enforce the parties' respective duties concerning discovery as would a Superior Court of California including, but not limited to, the imposition of sanctions. The arbitrator shall have the power to grant all remedies provided by federal and State law. The parties shall divide equally the expenses of JAMS and the arbitrator. In cases of extreme hardship, PacifiCare may assume all or part of the Member's share of the fees and expenses of JAMS and the arbitrator, provided the Member submits a hardship application to JAMS. The approval or denial of the hardship application will be determined solely by JAMS.

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The arbitrator shall prepare in writing an award that includes the legal and factual reasons for the decision. The requirement of binding arbitration shall not preclude a party from seeking a temporary restraining order or preliminary injunction or other provisional remedies from a court with jurisdiction; however, any and all other claims or causes of action including, but not limited to, those seeking damages, shall be subject to binding arbitration as provided herein. The Federal Arbitration Act, 9 U.S.C. §§ 1-16, shall also apply to the arbitration.

BY ENROLLING IN PACIFICARE BOTH MEMBER (INCLUDING ANY HEIRS OR ASSIGNS) AND PACIFICARE AGREE TO WAIVE THE CONSTITUTIONAL RIGHT TO A JURY TRIAL AND INSTEAD VOLUNTARILY AGREE TO THE USE OF BINDING ARBITRATION AS DESCRIBED IN THIS EVIDENCE OF COVERAGE.

Arbitration does not apply to claims and service disputes that are subject to the Medicare reconsideration and Appeals process.

Section 10 – Advance Directives: Making Your Health Care Wishes Known

PacifiCare is required by law to inform you of your right to make health care decisions and to execute an Advance Directive. An Advance Directive is a formal document, written by you in advance of an incapacitating illness or injury. As long as you can speak for yourself, Contracting Medical Providers will honor your wishes. If you become so sick you cannot speak for yourself, this directive will guide your health care Providers in treating you and will save your family, friends and physicians from having to guess what you would have wanted.

There may be several types of Advance Directives you can choose from, depending on state law. Most states recognize:

1. DPAHC (Durable Power of Attorney for Health Care)/Medical Durable Power of Attorney
2. Health Care Directive
3. Living Wills
4. Natural Death Act Declarations
5. Cardiopulmonary Resuscitation (CPR) Directive
6. Do Not Resuscitate (DNR) Orders

You are not required to initiate an Advance Directive, and you will not be denied care if you do not have an Advance Directive.

It is necessary for you to provide copies of your completed directive to all of the following:

1. your Primary Care Physician
2. your agent or representative (if you have one)
3. your family

If you decide that you want to have an Advance Directive, there are several ways to get this type of legal form. You can get a form from your lawyer, from a social worker and from some office supply stores.

Be sure to keep a copy with you and take a copy to the Hospital when you are hospitalized for medical care. If you have questions regarding your health care choices, please contact California Health Insurance Counseling and Advocacy Program at 1-800-434-0222.

Section 11 – Coordinating Other Benefits You May Have

Who pays first?

As a member, you are always entitled to receive Covered Services through the Secure Horizons Group Retiree Medicare Advantage Plan. However, Medicare law gives PacifiCare or its designee the right to recover payments from certain “third party” insurance companies or from you if you were paid by a “third party.” Because of this, PacifiCare may ask you for information about other insurance you may have. If you have other insurance, you can help PacifiCare obtain payment from the other insurer by promptly providing the requested information.

If any no-fault or any liability insurance is available to you, benefits under that plan must be applied to the costs of health care covered by that plan. Where PacifiCare has provided benefits and a judgment or settlement is made with a no-fault or liability insurer, you must reimburse PacifiCare or its designee (entity or person selected for this purpose) to the extent of your medical expenses. However, PacifiCare’s reimbursement may be reduced by a share of procurement costs (e.g., attorney fees and costs). Workers’ compensation from treatment of a work-related illness or injury should also be applied to covered health care costs.

If you do not have end stage renal disease (ESRD), and have coverage under an employer group plan of an employer of twenty (20) or more employees, either through your own current employment or the employment of a spouse, you must use the benefits under that plan prior to using your Secure Horizons Group Retiree Medicare Advantage Plan benefits.

Similarly, if you do not have end stage renal disease (ESRD) but have Medicare based on disability and are covered under an employer group plan of an employer of one hundred (100) or more employees (or a multiple employer plan that includes an employer of one hundred or more employees) through a Spouse’s employer group coverage, you must use the benefits under that plan prior to using your Secure Horizons Group Retiree

Medicare Advantage Plan benefits. In such cases you will only receive benefits not covered by your employer group plan through PacifiCare’s contract with Medicare (and PacifiCare will only be paid an amount by Medicare to cover such “wrap around” benefits). A special rule applies if you have or develop end stage renal disease (ESRD).

If you have (or develop) end stage renal disease (ESRD) and are covered under an employer group plan, you must use the benefits of that plan for the first thirty (30) months after becoming eligible for Medicare based on end stage renal disease (ESRD). Medicare is the primary payer after this coordination period. However, if your employer group plan coverage was secondary to Medicare when you developed end stage renal disease (ESRD) because it was not based on current employment as described above, Medicare continues to be the primary payer.

Section 12 – General Provisions

Governing Law

This *Combined Evidence of Coverage and Disclosure Information* is subject to the laws of the State of California and the United States of America, including, the Health Maintenance Organization Act of 1973 and regulations promulgated thereunder by the Department of Health and Human Services of the United States, and Title XVIII of the Social Security Act and regulations promulgated thereunder by CMS. Any provisions required to be in this *Evidence of Coverage* by any of the above acts and regulations shall bind PacifiCare and you, whether or not expressly provided in this document.

Your Financial Liability as a Secure Horizons Group Retiree Medicare Advantage Plan Member

As a Member of the Secure Horizons Group Retiree Medicare Advantage Plan, you have the following financial obligations:

Secure Horizons Group Retiree Medicare Advantage Health Plan Premium

PacifiCare may Disenroll you for failure to pay Health Plan Premiums. Your Health Plan Premiums are paid for by the University of California. However, prior to such action, PacifiCare will:

- a. contact you within 20 days after the due date of the delinquent charges.
- b. provide an explanation of the Disenrollment procedures.
- c. advise you that failure to pay the Health Plan Premiums within a 90-day grace period may result in your Disenrollment.
- d. give you a written notice of Disenrollment, including an explanation of your right to a hearing under Grievance procedures.

Increases in Health Plan Premiums and/or decreases in your level of coverage are only permitted at the beginning of each contract year (which is usually the Calendar Year). You will receive a written notice by the Fall of each year of any changes that become

effective the following January. (Please note: Rate changes and benefit changes for Secure Horizons Group Retiree MA Plan Members enrolled through the University of California are subject to contractual arrangements between PacifiCare and the University of California. The University of California is responsible for notifying you of any Secure Horizons Group Retiree Medicare Advantage Plan Premium changes, contribution changes, or University of California-sponsored benefit changes 30 days before they become effective.)

Medicare Part B Premium

As a Secure Horizons Group Retiree Medicare Advantage Plan Member, you must continue to pay your Medicare Part B Premium. If you receive a Social Security Administration or Railroad Retirement Board annuity check, this Premium is automatically deducted from your check. Otherwise, your Premium is paid directly to Medicare by you or someone on your behalf (such as Medicaid or Medi-Cal).

Copayments and Coinsurance

All Copayments and Coinsurance specified in the *Retiree Benefits Summary* must be paid to the Contracting Medical Provider at the time of service.

Member Non-Liability

In the event PacifiCare fails to reimburse a Contracting Medical Provider's charges for Covered Services or in the event that PacifiCare fails to pay a Non-Contracting Medical Provider for Prior Authorized Services occurring when you were actively enrolled in the Secure Horizons Group Retiree Medicare Advantage Plan, you will not be liable for any sums owed by PacifiCare.

However, you will be liable if you receive services from Non-Contracting Medical Providers without Prior Authorization. Neither PacifiCare nor Medicare will pay for those services except for:

- Emergency Services
- Urgently Needed Services

Questions? Call the Customer Service Department at 1-800-228-2144, (TDHI) 1-800-685-9355, Monday through Friday, 7:00 a.m. to 9:00 p.m.

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- out-of-area and routine travel renal dialysis (in the United States at a Medicare-certified facility) or
- Covered Services for which PacifiCare allows you to self-refer to Contracting Providers.

In addition, if you enter into a private contract with a Non-Contracting Medical Provider, neither PacifiCare nor Medicare will pay for those services.

In the event a Contracting Medical Provider's contract with PacifiCare is terminated while you are under Contracting Medical Provider's care, PacifiCare will pay for the continuation of related Covered Services as long as you retain eligibility, until the Covered Services are completed, unless PacifiCare makes a reasonable and medically appropriate arrangement for those services to be provided by another Contracting Medical Provider. A PacifiCare Medical Director or designee (entity or person selected for this purpose) shall determine when the Contracting Medical Provider's services are completed, and what is a reasonable and medically appropriate arrangement for the provision of the services by another Contracting Medical Provider.

Third-Party Liability

In the case of injuries caused by any act or omission of a third party, and any complications incident thereto, PacifiCare shall furnish all Covered Services. However, you agree to fully reimburse PacifiCare or its designee for the cost of all such services and benefits provided, immediately upon obtaining a monetary recovery, whether due to settlement or judgment, as a result of such injuries.

You agree to cooperate in protecting the interests of PacifiCare or its designee under this provision. You shall not settle any claim, or release any person from liability, without the written consent of PacifiCare, wherein such release or settlement will extinguish or act as a bar to PacifiCare's right of reimbursement.

Reimbursement of Third-Party Medical Expenses

If you receive medical services under your Secure Horizons Group Retiree Medicare Advantage Plan coverage after being injured through the actions of another person (a third party) for which you receive a monetary recovery, you will be required to reimburse PacifiCare, or its designee, to the extent permitted under State and Federal law, for the cost of such medical services and benefits provided and the reasonable costs actually paid to perfect any lien.

You must obtain the written consent of PacifiCare or its nominee (entity or person authorized to give consent) prior to settling any claim, or releasing any third party from liability, if such settlement or release would limit the reimbursement rights of PacifiCare or its nominee.

You are required to cooperate in protecting the interests of PacifiCare or its nominee by providing all liens, assignments or other documents necessary to secure reimbursement to PacifiCare or its nominee. Failure to cooperate with PacifiCare or its nominee in this regard could result in termination of your Secure Horizons Group Retiree Medicare Advantage Plan membership.

Should you settle your claim against a third party and compromise the reimbursement rights of PacifiCare or its nominee without PacifiCare's written consent, or otherwise fail to cooperate in protecting the reimbursement rights of PacifiCare or its nominee, PacifiCare may initiate legal action against you. Attorney fees will be awarded to the prevailing party.

Non-Duplication of Benefits With Automobile, Accident or Liability Coverage

If you are receiving benefits as a result of other automobile, accident or liability coverage, PacifiCare will not duplicate those benefits.

It is your responsibility to take whatever action is necessary to receive payment under

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automobile, accident, or liability coverage when such payments can reasonably be expected, and to notify PacifiCare of such coverage when available.

If PacifiCare happens to duplicate benefits to which you are entitled under other automobile, accident or liability coverage, PacifiCare may seek reimbursement of the reasonable value of those benefits from you, your insurance carrier, or your health care Provider to the extent permitted under State and/or Federal law.

The Secure Horizons Group Retiree MA Plan will provide benefits over and above your other automobile, accident or liability coverage, if the cost of your health care services exceeds such coverage.

You are required to cooperate with PacifiCare in obtaining payment from your automobile, accident or liability coverage carrier, and your failure to do so may result in termination of your Secure Horizons Group Retiree MA Plan membership.

Acts Beyond the Control of PacifiCare

If, due to a natural disaster, war, riot, civil insurrection, complete or partial destruction of a facility, ordinance, law or decree of any government or quasi-governmental agency, labor dispute (when said dispute is not within PacifiCare's control), or any other emergency or similar event not within the control of PacifiCare, Contracting Medical Providers may become unavailable to arrange or provide health services pursuant to this *Combined Evidence of Coverage and Disclosure Information*, then PacifiCare shall attempt to arrange for Covered Services insofar as practical and according to PacifiCare's best judgment. Neither PacifiCare nor any Contracting Medical Group/IPA shall have any liability or obligation for delay or failure to provide or arrange for Covered Services if such delay is the result of any of the circumstances described above.

Contracting Medical Providers Are Independent Contractors

The relationships between PacifiCare and its Contracting Medical Providers and Contracting Hospitals are independent contractor relationships. None of the Contracting Medical Providers or Contracting Hospitals or their Physicians or employees are employees or agents of PacifiCare. An agent would be anyone authorized to act on PacifiCare's behalf. Neither PacifiCare nor any employee of PacifiCare is an employee or agent of any Contracting Medical Providers or Contracting Hospital.

PacifiCare's Contracting Arrangements

In order to obtain quality service in an efficient manner, PacifiCare pays its Providers using various payment methods, including capitation, per diem, incentive and discounted fee-for-service arrangements. **Capitation** means paying a fixed dollar amount per month for each Member assigned to the Provider. **Per diem** means paying a fixed dollar amount per day for all services rendered. **Incentive** means a payment which is based on appropriate medical management by the Provider. **Discounted fee-for-service** means paying the Provider's usual, customary and regular fee discounted by an agreed-to percentage.

You are entitled to ask if PacifiCare has special financial arrangements with our Contracting Medical Providers that can affect the use of Referrals and other services that you might need. To get this information, call Customer Service and request information about the Contracting Medical Provider's payment arrangements.

Physician-Patient Relationship

You are responsible for selecting a Contracting Medical Group/IPA. The Physician-patient relationship between you and your Contracting Medical Group/IPA shall be maintained by the Contracting Medical Group/IPA. The Secure Horizons Group Retiree MA Plan is not a health care Provider.

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PacifiCare does not prohibit or otherwise restrict a Provider, acting within the lawful scope of practice, from advising, or advocating on your behalf about:

1. Your health status, medical care or treatment options;
2. The risk, benefits, and consequences of treatment or nontreatment; or
3. The opportunity for you to refuse treatment and to express preferences about future treatment decisions.

Facility Locations

Medical services are provided to Secure Horizons Group Retiree MA Plan Members through Contracting Medical Providers, Contracting Physicians, Contracting Hospitals, Contracting Facilities and Contracting Pharmacies. For a complete list of Providers, please refer to the Secure Horizons Group Retiree MA Plan *Provider Directory*. If you have any questions regarding contracting Providers listed in the directory, please call Customer Service or visit our Web site at www.securehorizons.com.

For twenty-four (24)-hour Emergency and/or Urgent Care telephone numbers, refer to either the Secure Horizons Group Retiree MA Plan *Provider Directory* or your membership card.

Notices

Any notice required to be given under this *Combined Evidence of Coverage and Disclosure Information* shall be in writing and either delivered personally or by United States mail at the addresses set forth below or at such other address as the parties may designate:

If to PacifiCare:

PacifiCare
Attn: Customer Service
P. O. Box 489
Cypress, California 90630-0489

If to you, to your last address known to PacifiCare.

Practitioners and Utilization Review

Utilization Review decision-making is based only on appropriateness of care and service. PacifiCare does not compensate practitioners or other individuals conducting utilization review for denials of coverage or service. Financial incentives for Utilization Review decision-makers do not encourage denials of coverage or service.

How PacifiCare's Contracting Providers Are Compensated

The following is a brief description of how PacifiCare pays its Contracting Medical Providers:

PacifiCare typically contracts with medical groups/IPAs to provide medical services and with Hospitals to provide Hospital services to Members. The Contracting Medical Groups/IPAs, in turn, employ or contract with individual Physicians.

Most of the Contracting Medical Groups/IPAs receive an agreed-upon monthly payment from PacifiCare to provide services to Members. The monthly payment may be either a fixed dollar amount for each Member or a percentage of the Monthly Plan Premium received by PacifiCare. The monthly payment typically covers professional services directly provided by the Contracting Medical Group/IPA and may also cover certain Referral services. Some of PacifiCare's Contracting Hospitals receive similar monthly payments in return for arranging Hospital services for Members. Other Hospitals are paid on a discounted fee-for-service or fixed charge per day of hospitalization.

Each year, PacifiCare and the Contracting Medical Group/IPA agree on a budget for the cost of services covered under the program for all Secure Horizons Group Retiree MA Plan Members treated by the Contracting Medical Group/IPA. At the end of the year, the actual cost of services for the year is compared to the agreed-upon budget. If the actual cost of services is less than the agreed upon budget, the Contracting Medical

Section 12 – General Provisions

Group/IPA shares in the savings. The Contracting Hospital and Contracting Medical Group/IPA typically participate in programs for Hospital services similar to that described above.

Stop-loss insurance protects Contracting Medical Groups/IPAs and Contracting Hospitals from large financial losses and helps the Providers with resources to cover necessary treatment. PacifiCare provides stop-loss protection to the Contracting Medical Groups/IPAs and Contracting Hospitals that receive capitation payments. If any capitated Providers do not obtain stop-loss protection from PacifiCare, they must obtain stop-loss insurance from an insurance carrier acceptable to PacifiCare. You may obtain additional information on compensation arrangements by contacting Customer Service or your Contracting Medical Group/IPA.

In addition, the Centers for Medicare and Medicaid Services (CMS) requires PacifiCare to conduct a Member Satisfaction Survey, providing beneficiary requestors with a summary of survey results including information pertaining to Physician incentives. If you would like a copy of the results of this survey, please contact Customer Service.

Public Policy Participation

PacifiCare/Secure Horizons MA Plan affords its Members the opportunity to participate in establishing the public policy of Secure Horizons. One-third of PacifiCare of California's Board of Directors is comprised of PacifiCare/Secure Horizons MA Plan Members. If you are interested in participating in the establishment of the PacifiCare/Secure Horizons MA Plan public policy, please call or write: PacifiCare; Attn: Customer Service; P.O. Box 489; Cypress, CA 90630.

Important Information About Organ and Tissue Donations

Transplantation has helped thousands of people suffering from organ failure, or in need of corneas, skin, bone or other tissue. The need for donated organs and tissues continues to outpace the supply. At any given time, nearly 50,000 Americans may be waiting for organ transplants while hundreds of thousands more need tissue transplants. Organ and tissue donation provides each of us with a special opportunity to help others.

Almost Anyone Can Be a Donor

Almost everyone can be a donor. There is no age limit and the number of donors age 50 or older has increased. If you have questions or concerns about organ donation, speak with your family, doctor or clergy member. There are many resources that can provide the information you need to make a responsible decision.

Be Sure to Share Your Decision

Sharing your decision to be an organ and tissue donor with your family is as important as making the decision itself. Your organs and tissue will not be donated unless a family member gives consent at the time of your death – even if you've signed your driver's license or a donor card. A simple family conversation may help to prevent confusion or uncertainty about your wishes.

It is also helpful to document your decision by completing a donor card in the presence of your family and having them sign as witnesses. The donor card serves as a reminder to your family and medical staff of your personal decision to be a donor. Carry it in your wallet or purse at all times.

How to Learn More

- To obtain your donor card and information on organ and tissue donation, call 1-800-355-SHARE or 1-800-633-6562.

Section 12 – General Provisions

- Request Donor Information from your local Department of Motor Vehicles (DMV).
- On the Internet, contact: All About Transplantation and Donation at www.transweb.org. Department of Health and Human Services at <http://www.organdonor.gov>.
- Sign the donor card in your family's presence.
- Have your family sign as witnesses and pledge to carry out your wishes.
- Keep the card with you at all times where it can be easily found.

Keep in mind that even if you've signed a donor card, you must tell your family so they can act on your wishes.

As a Secure Horizons Group Retiree MA Plan Member, you have the right to request information on the following:

- General coverage and comparative plan information
- Utilization control procedures
- Quality control programs
- Statistical data on Appeals and Grievances
- The financial condition of PacifiCare
- Summary of Provider compensation arrangements

You may write to PacifiCare's Corporate Offices at:

PacifiCare
5701 Katella
Cypress, California 90630

Section 13 – Secure Horizons Group Retiree MA Plan Service Area

You are eligible for enrollment and continued coverage as long as you reside in the area listed below:

Fresno, Kern**, Los Angeles,*** Orange, Sacramento, Santa Clara, Santa Cruz and Stanislaus

*These zip codes are only available to prospective members of the Secure Horizons Group Retiree MA Plan and not to individual prospective members of the Secure Horizons MA Plan.

** Excluding 93527, Inyokern; 93528 and 93558, Johannesburg; 93554, Randsburg; and 93555 and 93556, Ridgecrest

*** Excluding 90704, Avalon, Catalina Island

You are also eligible for enrollment and continued coverage as long as you reside in one of the following zip codes in the counties listed below:

County: Alameda

Zip Codes: 94501, 94502, 94514*, 94516, 94536*, 94537*, 94538*, 94539*, 94540, 94541, 94542, 94543, 94544, 94545, 94546, 94550*, 94551*, 94552, 94555*, 94557, 94560*, 94566*, 94568*, 94577, 94578, 94579, 94580, 94582*, 94587*, 94588*, 94601, 94602, 94603, 94604, 94605, 94606, 94607, 94608, 94609, 94610, 94611, 94612, 94613, 94614, 94615, 94617, 94618, 94619, 94620, 94621, 94622, 94623, 94624, 94625, 94626, 94627, 94643, 94649, 94659, 94660, 94661, 94662, 94666, 94701, 94702, 94703, 94704, 94705, 94706, 94707, 94708, 94709, 94710, 94712, 94720

County: Contra Costa

Zip Codes: 94409, 94506*, 94507*, 94509*, 94511*, 94513*, 94514*, 94517*, 94518*, 94519*, 94520*, 94521*, 94522*, 94523*, 94524*, 94525*, 94526*, 94527*, 94528*, 94529*, 94530, 94531*, 94547, 94548*, 94549*, 94550*, 94553*, 94556*, 94561*, 94563*, 94564, 94565*, 94569*, 94570*, 94572*, 94575*, 94582*, 94583*, 94588*, 94595*, 94596*, 94597*, 94598*, 94707, 94708, 94801, 94802, 94803, 94804, 94805, 94806, 94807, 94808, 94820, 94850

County: Madera

Zip Codes: 93601, 93604, 93614, 93643, 93644, 93645, 93669

County: Nevada

95712, 95924, 95945, 95946, 95949, 95959, 95960, 95975, 95977

County: Placer

Zip Codes: 95602, 95603, 95604, 95626, 95631, 95648, 95650, 95658, 95661, 95663, 95677, 95678, 95681, 95703, 95713, 95717, 95722, 95736, 95746, 95747, 95765

County: Riverside

Zip Codes: 91752, 92201, 92202, 92203, 92210, 92211, 92220, 92223, 92230, 92234, 92235, 92236, 92239, 92240, 92241, 92253, 92254, 92255, 92258, 92260, 92261, 92262, 92263, 92264, 92270, 92276, 92282, 92292, 92320, 92501, 92502, 92503, 92504, 92505, 92506, 92507, 92508, 92509, 92513, 92514, 92515, 92516, 92517, 92518, 92519, 92521, 92522, 92530, 92531, 92532, 92536, 92539, 92543, 92544, 92545, 92546, 92548, 92549, 92551, 92552, 92553, 92554, 92555, 92556, 92557, 92561, 92562, 92563, 92564, 92567, 92570, 92571, 92572, 92581, 92582, 92583, 92584, 92585, 92586, 92587, 92589, 92590, 92591, 92592, 92593, 92595, 92596, 92599, 92860, 92877, 92878, 92879, 92880, 92881, 92882, 92883

County: San Bernardino

Zip Codes: 91701, 91708, 91709, 91710, 91729, 91730, 91737, 91739, 91743, 91758, 91761, 91762, 91763, 91764, 91766, 91784, 91785, 91786, 91798, 92252, 92256, 92284, 92285, 92286, 92301, 92305, 92307, 92308, 92309, 92310, 92311, 92312, 92313, 92316, 92318, 92323, 92324, 92327, 92329, 92334, 92335, 92336, 92337, 92338, 92339, 92340, 92342, 92345, 92346, 92347, 92350, 92354, 92356, 92357, 92358, 92359, 92364, 92365, 92366, 92368, 92369, 92371, 92372, 92373, 92374, 92375, 92376, 92377, 92382, 92392, 92393, 92394, 92397, 92398, 92399, 92401, 92402, 92403, 92404, 92405, 92406, 92407,

Questions? Call the Customer Service Department at 1-800-228-2144,
(TDHI) 1-800-685-9355, Monday through Friday, 7:00 a.m. to 9:00 p.m.

Section 13 – Secure Horizons Group Retiree MA Plan Service Area

92408, 92410, 92411, 92412, 92413, 92415,
92418, 92420, 92423, 92424, 92427, 93252

County: San Diego

Zip Codes: 91901, 91902, 91903, 91905,
91906, 91908, 91909, 91910, 91911, 91912,
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92113, 92114, 92115, 92116, 92117, 92118,
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92164, 92165, 92166, 92167, 92168, 92169,
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92176, 92177, 92178, 92179, 92182, 92184,
92186, 92187, 92190, 92191, 92192, 92193,
92194, 92195, 92196, 92197, 92198, 92199

County: San Francisco

94100, 94101, 94102, 94103, 94104, 94105,
94106, 94107, 94108, 94109, 94110, 94111,
94112, 94113, 94114, 94115, 94116, 94117,
94118, 94119, 94120, 94121, 94122, 94123,
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94151, 94152, 94153, 94154, 94155, 94156,
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94163, 94164, 94165, 94166, 94167, 94168,
94169, 94170, 94171, 94172, 94175, 94177,
94188

County: San Luis Obispo

Zip Codes: 93401, 93402, 93403, 93405,
93406, 93407, 93408, 93409, 93410, 93412,
93420, 93421, 93424, 93428, 93430, 93433,
93435, 93442, 93443, 93444, 93445, 93448,
93449, 93452, 93453, 93454, 93483

County: San Mateo

Zip Codes: 94002, 94003, 94010, 94011,
94012, 94019, 94027, 94030, 94031, 94061,
94062, 94063, 94065, 94066, 94067, 94070,
94071, 94080, 94083, 94096, 94098, 94099,
94128, 94401, 94402, 94403, 94404, 94405,
94406, 94407, 94408, 94409, 94497

County: Santa Barbara

Zip Codes: 93013, 93014, 93067, 93101,
93102, 93103, 93105, 93106, 93107, 93108,
93109, 93110, 93111, 93116, 93117, 93118,
93120, 93121, 93130, 93140, 94150, 93160,
93190, 93199, 93254, 93427, 93434, 93440,
93441, 93454, 93455, 93456, 93457, 93458,
93460, 93463, 93464

County: Sonoma

94922, 94923, 94926, 94927, 94928, 94931,
94951, 94952, 94953, 94954, 94955, 94972,
94975, 94999, 95401, 95402, 95403, 95404,
95405, 95406, 95407, 95408, 95409, 95416,
95419, 95421, 95425, 95430, 95431, 95433,
95436, 95439, 95441, 95442, 95444, 95446,
95448, 95450, 95452, 95462, 95465, 95471,
95472, 95473, 95476, 95486, 95487, 95492

County: Yolo

95605*, 95606*, 95607*, 95612*, 95616*,
95617*, 95618*, 95627*, 95637*, 95645*,
95646*, 95653*, 95679*, 95691*, 95694*,
95695*, 95697*, 95698*, 95776*, 95798*,
95799*, 95937*

County: Ventura

Zip Codes: 90265, 91302, 91307, 91361,
93001, 93002, 93003, 93004, 93005, 93006,
93007, 93009, 93010, 93011, 93012, 93013,
93015, 93016, 93022, 93023, 93024, 93030,
93031, 93032, 93033, 93034, 93035, 93040,
93041, 93042, 93043, 93044, 93060, 93061,
93064, 93066, 93099

Section 14 – Notice of Privacy Practices

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY. NO ACTION IS REQUIRED ON YOUR PART.

At PacifiCare the protection of our members' privacy and the confidentiality of medical information has always been a top priority. We recognize that you depend upon us to safeguard your personal information and uphold your privacy rights. This document – which is based on state and federal law, as well as our own company code of ethics – offers a declaration of our commitment to preserving member confidentiality and privacy.

Our Privacy Practices

This notice describes PacifiCare's privacy practices for both current and former members. It explains how we use health information about you and when we may share that health information with others. It also informs you about your rights with respect to your health information and how you may exercise these rights. We are required by law to maintain the privacy of your health information and to send you a copy of this notice so that you are aware of how we maintain the privacy of your health information.

PacifiCare employees are required to comply with our policies and procedures to protect the confidentiality of health information. Any employee who violates our privacy policy is subject to a disciplinary process. Employee access to health information is limited on a business "need-to-know" basis, such as: to make benefit determinations, pay claims, manage care, underwrite coverage, perform quality assessment measurements, administer a plan or provide customer service.

PacifiCare maintains physical, electronic and process safeguards that restrict unauthorized access to your health information. Such safeguards include secured office facilities,

locked file cabinets, and controlled computer network systems and password accounts.

This notice applies to all applicable companies within the PacifiCare family of companies, which includes businesses owned or controlled by PacifiCare Health Systems, Inc. (PacifiCare).

Please share this notice with everyone covered by your policy or contract. You have a right to receive a copy of this notice upon request at any time. If you would like additional copies of the notice, or have questions related to the information contained within the notice, please call Member/ Customer Services at the toll-free number on your health plan identification card. You may also view a copy of this notice on our Web sites at www.pacificare.com and www.securehorizons.com.

Should any of our privacy practices change, we reserve the right to change the terms of this notice and to make the new notice effective for all health information that we maintain. We will provide you a copy of the revised notice and post the revised notice on our Web sites.

Health Care Information Maintained at PacifiCare

When we refer to "information" or "health information" in this notice, we mean information about you, including demographic information, that may identify you and that relates to your past, present or future physical or mental health and related health care services. Health information may be transmitted or shared in any form or medium (oral, written, or electronic).

The health information we receive may vary by product; therefore, the examples that follow may not apply to all members, but are designed to represent the general categories of information that may be received and maintained by PacifiCare:

- Information provided by you on applications, forms, surveys and our Web

Section 14 – Notice of Privacy Practices

sites, such as your name, address and date of birth

- Information from physicians, hospitals or other health care providers, clinics, medical groups or health care service plans
- Information provided by your employer, benefits plan sponsor or association, regarding any group product that you may have
- Information about your transactions and experiences with our affiliates, others, and us, such as products or services purchased, account balances, payment history, claims history, policy coverage and premiums
- Information from consumer or medical reporting agencies or other third parties, including medical and demographic information

How We May Use or Share Your Information

The following categories describe how we may use and share your health information. For each category we provide examples that help illustrate each type of use or disclosure. Not every use or disclosure in a category will be listed. However, the ways in which we are permitted to use and share health information will fall into one of these categories.

For Treatment

We may share health information with your doctors or hospitals to help them provide medical care for you. For example, if you are hospitalized, we may allow the Hospital staff access to any medical records sent to us by your doctor.

We may also use or share your health information with others to help coordinate and manage your health care. For example, we may talk to your doctor to suggest a disease management or wellness program that can help improve your health.

For Payment

We may use your health information when paying your medical bills submitted to us by you or your health care providers, such as doctors and hospitals. Examples of payment activities include billing, claims management and other related administrative functions.

For Health Care Operations

We may use or share certain health information for necessary health care operations. Examples of health care operations include the following:

- Performing quality assessment and improvement activities
- Evaluating Provider and health plan performance
- Providing underwriting coverage
- Conducting or arranging medical reviews to determine medical necessity, level of care or justification of services
- Performing auditing functions
- Resolving internal grievances, such as addressing problems or complaints about your access to care or satisfaction with services
- Making benefit determinations, administering a benefit plan and providing customer service
- Other uses specifically authorized by law

We may also share your health information with other individuals or entities – also known as business associates – that perform payment or health care operations on behalf of PacifiCare. However, we will not share your health information with these business associates unless they agree in writing to protect the privacy of that information.

To Make Certain Communications to You

We may use or share your health information with a third party acting on behalf of PacifiCare in order to inform you about

Section 14 – Notice of Privacy Practices

alternative medical treatments and programs or about health-related products and services that may be of value to you. We may also inform you about enhancements, replacements or substitutions to your health plan coverage.

For members that reside in Oregon and Nevada, if you do not want PacifiCare to share health information as described above, you may “opt-out” by calling the Member/Customer Service toll-free number on your health plan identification card during normal business hours.

For members that reside in Texas, except for communications about treatment or health care operations, PacifiCare may not use or share your health information for marketing purposes unless you provide written permission for us to do so.

Information Not Personally Identifiable

We may use or share your health information when it has been “de-identified.” Health information is considered to be de-identified when it does not personally identify you.

We may also use a “limited data set” that does not contain any information that can directly identify you. This limited data set may only be used for the purposes of research, public health matters or health care operations. For example, a limited data set may include your city, county and zip code, but not your name or street address.

To the Employee Benefit Plan

Under certain circumstances, we may share limited health information about you with the employee benefit plan through which you receive health benefits. For example, we may share summary health information with the employee benefit plan so that they may obtain bids from other health plans, or modify, amend, or terminate coverage with PacifiCare. We may also share health information related to your enrollment, disenrollment and/or participation in a PacifiCare health plan. We will not share individually identifiable health information

with your benefit plan unless they agree to maintain the privacy of your information.

For members that reside in California and Oklahoma, PacifiCare may not share your health information with your employer or benefit plan unless you provide written permission for us to do so.

Special Circumstances and State and Federal Laws

Special situations and certain state and federal laws may require us to use or release your health information. For example, we may be obligated to release your health information for the following reasons:

- To comply with state and federal laws that require us to release your health information to others
- To report information to state and federal agencies that regulate our business, such as the U.S. Department of Health and Human Services and your state’s regulatory agencies
- To assist with public health activities; for example, we may report health information to the Food and Drug Administration for the purpose of investigating or tracking a prescription drug and medical device malfunctions
- To report information to public health agencies if we believe there is a serious threat to your health and safety or that of the public or another person; this includes disaster relief efforts
- To report certain activities to health oversight agencies; for example, we may report activities involving audits, inspections, licensure and peer review activities

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- To assist court or administrative agencies; for example, we may provide information pursuant to a court order, search warrant or subpoena
- To support law enforcement activities; for example, we may provide health information to law enforcement agents for the purpose of identifying or locating a fugitive, material witness or missing person
- To correctional institutions or law enforcement officials if you are an inmate or under the custody of a law enforcement official
- To report information to a government authority regarding child abuse, neglect or domestic violence
- To share information with a coroner or medical examiner as authorized by law (we may also share information with funeral directors, as necessary to carry out their duties)
- To use or share information for procurement, banking or transplantation of organs, eyes or tissues
- To report information regarding job-related injuries as required by your state worker compensation laws
- To share information related to specialized government functions, such as military and veteran activities, national security and intelligence activities and protective services for the President and others
- To researchers when their research has been approved by an institutional review board that has approved the research proposal and established protocols to ensure the privacy of your health information
- To a family member or friend under any of the following circumstances: (1) if you provide a verbal agreement to allow such a disclosure; (2) if you are given an opportunity to object to such a disclosure

and you do not raise an objection; or (3) if it can be inferred from the circumstances, based on PacifiCare’s professional judgment, that you would not object

Written Permission to Use or Share Your Information

For any other activity or purpose not listed above or as otherwise permitted by law we must obtain your written permission – known as an authorization – prior to using or sharing your health information. If you provide a written authorization and you change your mind, you may revoke your authorization in writing at any time.

Once an authorization has been revoked, we will no longer use or share the health information as outlined in the authorization form; however, you should be aware that we may not be able to retract a use or disclosure that was previously made based on a valid authorization.

Other Restrictions Regarding Use and Disclosure of Your Information

Depending on the state in which you reside, there may be additional laws related to the use and disclosure of health information related to HIV status, communicable diseases, reproductive health, genetic test results, substance abuse, mental health and mental retardation.

Your Rights Regarding Your Health Information

The following are your rights with respect to your health information. If you would like to exercise the following rights, please call Member/Customer Services at the toll-free number on your health plan identification card.

You have the right to ask us to restrict how we use or share your health information for treatment, payment or health care operations. You also have the right to ask us to restrict health information that we have been asked to give to family members or to others who

Section 14 – Notice of Privacy Practices

are involved in your health care or payment for your health care.

Please note that while we will try to honor your requests, we are not required by law to agree to the type of restrictions described above.

You have the right to request confidential communications of health information. For example, if you believe that sending your information to your current mailing address would put your safety at risk (e.g., in situations involving domestic disputes or violence), you may ask us to send the information by alternative means (such as by fax) or to an alternate address. We will accommodate reasonable requests for confidential communication of your information.

You have the right to inspect and obtain a copy of the health information we maintain about you in a designated record set. A designated record set refers to a group of records that includes enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for PacifiCare. The types of health information included in a designated record set may vary depending on the state in which you reside.

This right does not obligate us to grant you access to certain types of health information. Please note that under most circumstances we will not provide you with copies of the following information:

- Psychotherapy notes
- Information compiled in reasonable anticipation of, or for use in, a civil or criminal administrative action or proceeding
- Information subject to certain federal laws governing biological products and clinical laboratories
- Medical information compiled and used for quality assurance or peer review purposes

If you request a copy of your designated record set, a fee for the costs of copying, mailing or other associated supplies may be charged.

Additionally, under certain circumstances we may deny your request to inspect or obtain a copy of your health information. If we deny your request, we will notify you in writing and may provide you the option to have the denial reviewed.

If you would like to request access to review or copy your patient medical records, please directly contact your Primary Care Physician or the health care Provider who created the records. Patient medical records include records in any form or medium maintained by, or in the custody or control of, a health care Provider relating to health history, diagnosis, or condition of a patient, or relating to treatment provided or proposed to be provided to the patient.

You have the right to ask us to make changes to the health information that we maintain about you in your designated record set. These changes are referred to as amendments. We may require that your request be in writing and that you provide a reason for your request.

If we make the amendment, we will notify you that it was made. If we deny your request to amend, we will notify you in writing of the reason for denial. This written notification will explain your right to file a written statement of disagreement. In return, we have a right to rebut your statement. Furthermore, you have the right to request that your initial written request, our written denial and your statement of disagreement be included with your health information for any future disclosures.

You have the right to receive an accounting of certain disclosures of your health information made by us during the six years prior to your request. We may require that your request for an accounting be in writing. Your first accounting is free. Subsequently, you are allowed one free accounting upon request

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every 12 months. If you request an additional accounting within 12 months of receiving your free accounting, we may charge you a fee. We will inform you in advance of the fee and provide you with an opportunity to withdraw or modify your request.

Please note that, under most circumstances, we are not required to provide you with an accounting of disclosures of the following information:

- Any information collected prior to April 14, 2003
- Information shared for treatment, payment or health care operations
- Information already disclosed to you
- Information shared as part of an authorization request
- Information that is incidental to a use or disclosure that is otherwise permitted
- Information provided for use in a facility directory
- Information that was provided to persons involved in your care or for other notification purposes
- Information shared for national security or intelligence purposes
- Information that was shared or used as part of a limited data set for research, public health or health care operation purposes
- Information disclosed to correctional institutions, law enforcement officials or health oversight agencies

Questions Regarding Use and Disclosure and Your Privacy Rights

How to File a Privacy Complaint

If you believe that your privacy rights have been violated, you may file a complaint with us by calling PacifiCare's Privacy Line at 1-800-481-6982. You may also direct your complaints to the Secretary of the U.S. Department of Health and Human Services.

PacifiCare will not penalize you or take any action against you for filing a complaint.

How to Obtain More Information Regarding Your Rights as Well as the Use and Disclosure of Your Health Information

If you have any questions about how we use or share your health information or your rights regarding your health information, you may call Member/Customer Services at the toll-free number on your health plan identification card during normal business hours.

PacifiCare's Family of Companies

Antero Health Plans, Inc.

PacifiCare of Arizona, Inc.

PacifiCare of California

PacifiCare Behavioral Health of California, Inc.

PacifiCare of Colorado, Inc.

PacifiCare Behavioral Health, Inc.

PacifiCare of Nevada, Inc.

PacifiCare of Oklahoma, Inc.

PacifiCare Dental

PacifiCare of Oregon, Inc.

PacifiCare Dental of Colorado, Inc.

PacifiCare of Texas, Inc.

PacifiCare of Washington, Inc.

Rx Solutions, Inc.

PacifiCare Life and Health Insurance Company

PacifiCare Life Assurance Company

Section 15 – Addendum

Addendum to the 2005 Secure Horizons Group Retiree Medicare Advantage Plan Evidence of Coverage and Disclosure Information

This is an Addendum to the Secure Horizons Group Retiree Medicare Advantage (MA) Plan *Evidence of Coverage and Disclosure Information*. (For spouses, dependents and early retirees who are not entitled to Medicare and who are enrolled in the PacifiCare Commercial Plan through the University of California’s selection of PacifiCare, please refer to the PacifiCare *Evidence of Coverage in the first half of this Combined Evidence of Coverage and Disclosure Information Form*.) The *Combined Evidence of Coverage and Disclosure Information* contains important information. This book, combined with your *Retiree Benefits Summary Brochure* and *Retiree Benefits Summary Insert*, which is mailed to you on your annual renewal date, constitutes your official contract with PacifiCare. Together, these documents explain the details of your health care coverage. Please read them carefully.

The following section titled, “ERISA Requirements,” is applicable to all Group Retiree Plan members:

ERISA Requirements

If your former employer is governed under the Employee Retirement Income Security Act (ERISA), the *Summary Plan Description* for this Plan is your former employer’s booklet for their eligible population from which you retired. The *Summary Plan Description* also includes your *Provider Directory* and the 2005 Secure Horizons Group Retiree MA Plan *Evidence of Coverage and Disclosure Information*.

For detailed information concerning ERISA special disclosures, which includes Retiree and dependent eligibility, enrollment, contributions, coverage terminations, and other general plan information, please refer to your former employer’s *Summary Plan*

Description or contact your former employer who is the plan administrator for assistance.

If your former employer is not governed by ERISA, generally if you retired from a religious organization or a governmental plan, ERISA may not apply to you, although your former employer may be subject to some of the requirements below that look like ERISA but are under the Public Health Service Act. Please feel free to contact your former employer for more information.

Qualified Medical Child Support Order

You may be able to enroll a child on your former employer’s group health plan benefits upon presentation of a request by a District Attorney, State Department of Health Services or a court order to provide medical support for such a dependent child without regard to any enrollment period restrictions.

A person having legal custody of a child or a custodial parent who is not a Secure Horizons Group Retiree MA Plan Member may ask about obtaining dependent coverage as required by a court or administrative order, including a Qualified Medical Child Support Order.

Your Provider Directory – Choice of Physicians and Hospital (Facilities)

Along with listing the Contracting Providers, your *Provider Directory* has detailed information about Contracting Medical Groups, and IPAs. This includes a Quality Index for helping you become familiar with the Contracting Medical Groups. You can also find an online version of the Directory at www.securehorizons.com for Secure Horizons Group Retiree MA Plan Members and at www.pacificare.com for spouses and dependents.

Notifying You of Changes in Your Secure Horizons Group Retiree Medicare Advantage Plan

Amendments, modifications or termination of the employer group agreement by either your former employer group or PacifiCare do not

Section 15 – Addendum

require the consent of a Member. PacifiCare may amend or modify the group health plan, including the applicable Health Plan Premiums, at any time after sending written notice to your former employer, up to 60 days prior to the effective date of any amendment or modification. Your former employer may also change your health plan benefits during the contract year. Your former employer is obligated to notify Retirees who are Secure Horizons Group Retiree MA Plan Members of any such amendment or modification.

Newborn's and Mother's Rights Act

Prenatal and maternity care services are covered, including labor, delivery and recovery room charges, delivery by cesarean section, treatment of miscarriage and complications of pregnancy or childbirth. A minimum 48-hour inpatient stay for normal vaginal delivery and a minimum 96-hour inpatient stay following delivery by cesarean section are covered. Coverage for inpatient hospital care may be for a time period less than the minimum hours if the treating Physician in consultation with the Member makes the decision for an earlier discharge of the mother and newborn. In addition, if the mother and newborn are discharged prior to the 48- or 96-hour minimum time periods, a post-discharge follow-up visit for the mother and newborn will be provided within 48 hours of discharge, when prescribed by the treating Physician. Under the Secure Horizons Group Retiree MA Plan coverage, newborns are not eligible dependents. Newborn care will be the financial responsibility of the Retiree. Please contact your former employer to arrange health plan benefits for your newborn dependent.

Women's Health and Cancer Rights Act

Medically Necessary mastectomy and lymph node dissection are covered, including prosthetic devices and or reconstructive surgery to restore and achieve symmetry for the Member incident to the mastectomy. The attending Physician and surgeon in consultation with the Member, consistent with sound clinical principles and processes, determine the length of a hospital stay. Coverage includes any initial and subsequent reconstructive surgeries or prosthetic devices for the diseased breast on which the mastectomy was performed. Coverage is provided for surgery and reconstruction of the other breast if, in the opinion of the attending surgeon, this surgery is necessary to achieve symmetrical appearance. Medical treatment for any complications from a mastectomy, including lymphedema, is covered.

VISION CARE BENEFIT

Vision benefits include, but are not limited to, the following:

Benefits	Copayment
Vision Examination A complete analysis of the eyes and related restructures to determine abnormalities <i>(one per Calendar Year)</i>	\$10

Benefits

- A. VISION EXAMINATION: A \$10 Copayment for a complete analysis, each Calendar Year, of the eyes and related restructures to determine abnormalities.
- B. LENSES: \$20 Copayment for standard lenses. If lenses cost more than allowed the Member will pay the additional charge. The doctor verifies the accuracy of the finished lenses.
- C. FRAMES: The plan offers a wide selection of frames; however, if the Member selects a frame which costs more than the amount allowed by the plan, there will be an additional charge. Frame allowance is \$75 every 24 months.
- D. CONTACT LENSES: Contact lenses are furnished under the VSP Plan when the VSP Panel Doctor secures prior approval for the following conditions:
 - a. Following cataract surgery
 - b. To correct extreme visual acuity problems that cannot be corrected with spectacle lenses
 - c. Anisometropia
 - d. Keratoconus

When VSP Panel Doctors receive approval for such cases, they are fully covered by VSP.

Limitations

These vision care benefits are designed to cover your routine vision needs rather than cosmetic materials. If you select any of the following items, there will be an extra charge:

Special Lenses

- Blended, oversized, progressive or polycarbonate lenses.
- Photochromic lenses, UV lenses or tinted lenses other than Pink or Rose #1 or #2.

Frames

- A frame that costs more than the plan allowance

Coatings

- Anti-reflective, scratch-resistant or other coatings.

Exclusions

There is no benefit for professional services or materials connected with:

- A. Orthoptics or vision training and any associated supplemental testing.
- B. Plano lenses (nonprescription).
- C. Two pair of glasses in lieu of bifocals.

PART B

- D. Lenses and frames furnished under this program, which are lost or broken, will not be replaced except at the normal intervals when services are otherwise available.
- E. Medical or surgical treatment of the eyes.
- F. Any eye examination or any corrective eye wear, required by an employer as a condition of employment.
- G. If the covered person does not obtain the VSP benefit form in advance, but visits the Panel Doctor as a private patient, the Panel Doctor is not obligated to accept VSP fees as full payment for these services, but may elect to charge his usual and customary fees.
- H. Subnormal (low) vision aids.

This benefit is provided through a contract between PacifiCare and California Vision Service Plan.

HEARING AID BENEFITS

General Features	Copayment
Hearing Exam	\$10 Copayment
Hearing Aid Hardware	1 per ear every 36 months

Benefits:

Hearing Aid Benefits include, but are not limited to, the following:

- A. An audiometric examination by an audiologist when authorized through the Member’s Contracting Medical Group/IPA. The associated Office Visit Copayment applies.
- B. Hearing aids or ear molds – One appliance per ear, payable at usual and customary charges. The Hearing Aid Benefit renews every thirty-six (36) months from last date of service when Medically Necessary to provide functional improvement and when authorized through the Member’s Contracting Medical Group/IPA and obtained from Newport Audiology.

Limitations

Coverage expenses relating to hearing aids are limited to the usual and customary charge of a basic hearing aid to provide functional improvement. Digital hearing aids are covered when medically indicated and provide a functional improvement over analog hearing aids.

Exclusions:

Certain Hearing Aid services are not covered, including, but not limited to, the following:

- A. Replacement of a hearing aid that is lost, broken or stolen within thirty-six (36) months of receipt.
- B. Repair of the hearing aid and related services.
- C. Surgically implanted hearing devices.
- D. Services or supplies for which a Member is entitled to receive reimbursement under any applicable workers’ compensation law.
- E. Services or supplies rendered to a Member after cessation of the coverage except if a Hearing Aid is ordered while coverage is in force and such Hearing Aid is delivered within sixty (60) days after the date of such cessation, the Hearing Aid will be considered a Covered Hearing Aid Expense.
- F. Services or supplies which are not necessary according to professionally accepted standards of practice or which are not recommended or authorized by the Member’s Contracting Medical Group/IPA.
- G. An eyeglass-type Hearing Aid or additional charges for a Hearing Aid designed specifically for cosmetic purposes.

PART B

UNIVERSITY OF CALIFORNIA
MEDICAL SCHEDULE OF BENEFITS

These services are covered as indicated when authorized through your Primary Care Physician in your Contracting Medical Group/IPA.

General Features

Deductible	-0-
Maximum Benefits	Unlimited
Annual Copayments Maximum	Three (3) Inpatient Copayments per person per Calendar Year
Office Visits	\$10 Copayment
Hospitalization	\$250 per admission
Emergency Services <i>(waived if admitted as an inpatient)</i>	\$50 Copayment
Urgently Needed Services <i>(Medically Necessary Services required outside your Service Area; waived if admitted as an inpatient)</i>	\$50 Copayment
Pre-Existing Conditions	All conditions covered provided they are covered benefits

Benefits Available While Hospitalized as an Inpatient

Alcohol, Drug or Other Substance Abuse or Addiction <i>(detoxification only)</i>	\$250 per admission
Bone Marrow Transplant <i>(donor searches limited to \$15,000 per procedure)</i>	\$250 per admission
Hospice Care <i>(Members must elect Hospice Care under Medicare)</i>	Paid in full
Hospital Benefits <i>(autologous (self-donated) blood up to \$120.00 per unit)</i>	\$250 per admission
Mastectomy/Breast Reconstruction <i>(after a mastectomy and complications from a mastectomy)</i>	\$250 per admission
Physician Care	Paid in full
Rehabilitation Care	\$250 per admission
Skilled Nursing Care <i>(up to one-hundred (100) calendar days per Medicare Benefit Period)</i>	Paid in full

Benefits Available on an Outpatient Basis

Alcohol, Drug or Other Substance Abuse or Addiction <i>(detoxification only)</i>	\$10 Copayment
Allergy Testing/Treatment <i>(serum is included)</i>	\$10 Copayment
Ambulance	Paid in full
Attention Deficit Disorder <i>(Medical Management)</i>	\$10 Copayment
Breast Cancer Screening, Diagnosis and Treatment	\$10 Copayment
Cochlear Implants	Paid in full
Dental Treatment Anesthesia	Paid in full
Diabetes Management and Treatment	\$10 Copayment
Durable Medical Equipment, Corrective Appliances and Prosthetics	Paid in full
Eligible Materials and Supplies	Paid in full
Health Education Services	Paid in full
Hearing Screening	\$10 Copayment
Hemodialysis	\$10 Copayment

Benefits Available on an Outpatient Basis (continued)

Home Care	Paid in full
Hospice Care – Outpatient Basis and In-Home Visits	Paid in full as covered by Medicare
Immunizations	\$10 Copayment
Laboratory and Radiology	Paid in full
Medical Social Services	Paid in full
Mental Health Services	\$10 Copayment per visit
<ul style="list-style-type: none"> – For additional benefits, See Behavioral Health Benefits. – Up to twenty (20) visits for crisis intervention during each Calendar Year following your initial date of eligibility. – A Copayment may be charged for missed scheduled appointments. 	
Oral Surgery (when Medically Necessary)	Paid in full
Outpatient Rehabilitation Therapy	\$10 Copayment
Outpatient Surgery	Paid in full
Periodic Health Evaluations	\$10 Copayment
Phenylketonuria (PKU) Testing and Treatment	\$10 Copayment
Surgery	Paid in full
Vision Refractions/Screening	\$10 Copayment
Vision Hardware	\$20 Copayment every 24 months
Well-Woman Care	\$10 Copayment
<i>Includes Pap smear (by your Primary Care Physician or an OB/GYN in your Contracting Medical Group) and referral by the Contracting Medical Group for screening mammography as recommended by the U.S. Preventive Services Task Force.</i>	

Except in the case of Medically Necessary Emergency or an Urgently Needed Service (outside your Service Area), each of the above-noted benefits are covered when authorized by your Primary Care Physician in your Contracting Medical Group/IPA. Where the recommended service involves Hospital admission or referrals, your Physician's recommendation may receive a second opinion review by a Utilization Review Committee. The committee is designed to promote the efficient use of resources while maintaining quality care for a Member. This is a brief summary of your benefits. Please refer to your *Retiree Benefits Summary* for further information.

**OUTPATIENT PRESCRIPTION DRUG PROGRAM
SCHEDULE OF BENEFITS**

Retail

Generic and Selected Brand-Name Formulary Drugs	\$10 Copayment
Brand-Name Formulary Drugs	\$20 Copayment
Non-Formulary Drugs	\$35 Copayment

Mail Service (Up to 90-day supply)

Generic and Selected Brand-Name Formulary Drugs	\$20 Copayment
Brand-Name Formulary Drugs	\$40 Copayment
Non-Formulary Drugs	\$70 Copayment

*Annual prescription drug out-of-pocket maximum of \$2,000 will be applied for combined retail and mail order prescription drugs.

PacifiCare covers Outpatient Prescription Drugs when ordered by a PacifiCare Contracting Physician and filled at a PacifiCare Contracting Pharmacy.

You may purchase up to a one-month supply of Prescription Drugs included on the PacifiCare Formulary through a PacifiCare Contracting Pharmacy for the amount of your Copayment.

The Copayment amount for maintenance medications shall be one Copayment for each one-month supply received through a Contracting Pharmacy for up to a two (2)-month supply. Members may receive up to a three (3)-month supply of maintenance medications through the PacifiCare Mail Service Center for the price of two (2) Copayments.

The Copayment for specified smoking cessation products is \$20 per 30-day supply.

You may also purchase the Prescription Drugs not on the PacifiCare Formulary for the non-Formulary Copayment listed above per one-month supply when ordered by a PacifiCare Contracting Physician and filled at a PacifiCare Contracting Pharmacy.

How To Use the Program

- Present your prescription and Secure Horizons Group Retiree MA Plan membership card at any PacifiCare Contracting Pharmacy.
- Pay your Copayment for each one-month supply of Prescription Drugs you have filled or a retail cost of the prescription, whichever is less.
- Receive your medication(s).

PacifiCare's Formulary

Your PacifiCare Prescription Drug Benefit uses a Formulary. However, under this Plan, non-Formulary drugs are generally covered by PacifiCare without prior authorization.

What You Will Pay

You will need to make the required Copayment each time a prescription is filled. You should never be required to pay more than your Copayment amount for Covered Prescription Drugs at a PacifiCare Contracting Pharmacy.

What Is Covered

When Medically Necessary, the prescription benefit will be provided for the following medications when ordered by a PacifiCare Contracting Physician and filled at a PacifiCare Contracting Pharmacy.

- Federal Legend Drugs: Any medicinal substance which bears the legend:

“Caution: Federal law prohibits dispensing without a prescription.”

- State Restricted Drugs: Any medicinal substance which may be dispensed by prescription only according to State law.
- Compounded Medication: Any medicinal substance which has at least one ingredient that is Federal Legend or State Restricted in a therapeutic amount.
- Insulin, insulin syringes, blood glucose test strips, lancets, inhaler extender devices, EpiPens®, Ana-Kits®.
- Federal Legend oral contraceptives, prescription diaphragms.
- Generic Drugs: Comparable generic drugs will be substituted for brand-name drugs.
- Specified smoking cessation products when a Member meets nicotine dependency criteria and is enrolled and continues to participate in PacifiCare’s StopSmokingSM program.
- Drugs to treat sexual dysfunction are covered with a limitation. For oral medications, up to 8 pills may be covered per month. Contact the plan for dose limits on other types of sexual dysfunction drugs. You pay 50% of the cost of the medication per prescription unit. These drugs must be Medically Necessary and prior authorized by PacifiCare.
- Hormone drugs subject to the Harry Benjamin International Gender Dysphoria Association’s (HBIIGDA) *Standards of Care for Gender Identity Disorder*.

Prior Authorization for Selected Drugs

Coverage for selected drugs will require PacifiCare’s prior authorization. PacifiCare’s prior authorization review process is to ensure that the selected drugs are Medically Necessary and being utilized according to treatment guidelines consistent with good professional practice. For a list of the selected medications that require PacifiCare’s prior authorization, please contact Customer Service.

If a PacifiCare Contracting Pharmacy Is Not Available

The Drug Benefit is honored only at PacifiCare Contracting Pharmacies. You are eligible for direct reimbursement only if a PacifiCare Contracting Pharmacy was not available or accessible. In this situation you will be required to pay the price of the prescription and should file for reimbursement. For direct reimbursement, you must send to PacifiCare the following information:

1. Your prescription receipt from the pharmacy showing the name of the drug, date filled, pharmacy name, name of Member for whom the prescription was written, and proof of payment.
2. A statement describing why a Contracting Pharmacy was not available to the Member.
3. The above information should be sent to the following address:

Prescription Solutions® Claims
P.O. Box 6037
Cypress, CA 90630

If request for reimbursement is determined to be appropriate, payment will be forwarded to you.

Should you have any questions regarding your PacifiCare Prescription Drug Benefit, please call Customer Service.

What is a prescription drug Formulary?

A Formulary is a list of preferred medications used to treat Health Plan Members. Formularies have been used for Inpatient treatment in Hospitals for many years to help ensure quality and affordability. Lately, more and more health care plans have turned to Formularies to help achieve these goals. Health Plans usually print and distribute their Formularies to their contracting health care Providers yearly. PacifiCare’s Formulary is available for your review at www.securehorizons.com or by calling Customer Service.

Please note: The presence of a medication on the Formulary does not guarantee that your doctor will prescribe that drug to treat your particular medical condition. If you

would like additional information about the Formulary or a particular drug, please contact Customer Service or visit Secure Horizons' Web site at www.securehorizons.com.

How Drugs Get on the Formulary

The PacifiCare Formulary includes over 1,600 drugs, both brand name and generic, and has been developed to include medications that cover the majority of medical conditions. In most cases, when a medication is not included on the Formulary, it is because there is a Formulary alternative which can be prescribed for the same condition. The Formulary alternative may be either a brand-name or a generic drug. A panel of pharmacists, medical directors and physicians, known as the Pharmacy and Therapeutics Committee, developed and periodically updates the PacifiCare Formulary.

In general, updates to the PacifiCare Formulary occur quarterly. However, in certain situations, drugs may be added or deleted more frequently. The Committee's criteria for including a drug on the PacifiCare Formulary is based on the following attributes of the drug:

- FDA approved
- Safety
- Quality
- Efficacy (the medication's ability to produce a desired effect)
- Cost

Only after a medication is deemed to be safe and effective is the cost of the medication considered.

For example, if two medications have similar safety and effectiveness factors, but one drug is significantly less expensive than the other, the lower cost medication would be selected for inclusion on the Formulary.

Generic vs. Brand-Name Drugs

The PacifiCare Formulary is made up of two types of medications: generic and brand-name drugs. When a pharmaceutical company applies for a patent for a new drug, a generic equivalent cannot be introduced for 17 years from the time the application is filed. But once that term is up, any manufacturer may

produce and market the drug under its generic name. Since generics don't have to recoup the research and marketing costs that come with the introduction of a brand-name medication, costs are usually significantly lower. In fact, the average generic drug costs 40% to 70% less than its equivalent brand-name counterpart.

Under the PacifiCare pharmacy plan, a comparable generic product will often be substituted for the brand-name drug, if one is available. This is because:

- Generic drugs have the same active ingredients as the brand-name drug. Only the inactive ingredients, such as the fillers, can differ from the brand-name version. This explains why the generic may be a different color or shape than the brand name.
- Generic drugs must meet FDA standards for identity, strength, quality, purity and potency.
- 70% to 80% of all generic drugs are made by the same pharmaceutical company that manufactured the original brand-name products.
- Generic drugs provide greater value for lower cost.

Dispensing Quantity Limitations

The amount of drug which may be dispensed per prescription or refill will be one Prescription Unit as consistent with good professional practice. Prescriptions requiring greater amounts will be completed on a refill basis, except as described under Maintenance Drug Dispensing.

Maintenance Drug Dispensing

Maintenance Drugs may be dispensed for up to a three (3)-month supply through the PacifiCare Mail Service Center. These products include, but are not limited to:

- Antiarthritics;
- Antiasthmatics;
- Anti-clotting drugs;
- Antiepileptic drugs;
- Antihypertensives;
- Antiparkinson drugs;

- Cardiac drugs;
- Cholesterol and lipid lowering agents;
- Diuretics;
- Gastrointestinal drugs;
- Glucose test strips;
- Hormones;
- Insulin and insulin syringes;
- Oral contraceptives;
- Oral hypoglycemics;
- Prenatal vitamins;
- Thyroid suppressants or replacements.

- Albertsons Food & Drug
- Bel Air Pharmacies
- Cardinal/Leadernet Independent Network
- Costco Pharmacies
- Drug Emporium
- EPN Independent Network
- Family Care Network
- Friendly Hills Pharmacy
- Gemmel Pharmacy Group
- Good Neighbor/PlusCare Pharmacies
- Horton & Converse Pharmacies
- K-Mart Pharmacies
- Longs Drug Stores
- Major Value Pharmacies
- Managed Pharmacy Care
- Medicap Pharmacies
- Medicine Shoppe Pharmacies
- Network Pharmacies
- OPEN Independent Pharmacies
- PCP Independent Pharmacies
- Raley's Drug Center
- Ralphs Pharmacies
- Rite Aid Pharmacies
- Safeway Pharmacies
- Save Mart Pharmacies
- Sav-On Drugs
- Sharp Rees-Stealy Pharmacies
- Talbert Pharmacies
- Target Pharmacy
- UniMed Pharmacies
- United Drug Stores
- UPNI Contracted Pharmacies
- Valu-Rite/McKesson Drug Co.
- Vons/Pavilions (A Safeway Company)
- Wal-Mart Pharmacies

PacifiCare Mail Service Program

PacifiCare offers a Mail Service Pharmacy program to Members using maintenance medications (medications that are taken on an ongoing basis). With the Mail Service program, you get the same high-quality prescriptions dispensed by registered pharmacists, without ever leaving your home. Our mail service pharmacists are backed by a sophisticated computerized quality control system to prevent possible drug interactions and duplicate therapy.

- If your doctor prescribes on ongoing medication for you, tell him or her you would like to use the Mail Service Pharmacy. Ask for a 90-day prescription with refills.
- Complete the prescription mail order form enclosed with your benefit materials, which you can also obtain from Secure Horizons' Web site or by calling Customer Service.
- Refer to your *Retiree Benefits Summary* for your Mail Service Copayment.

If you have any questions about the Mail Service Program, please call Customer Service.

Contracting Pharmacy Network

To ensure that Members can conveniently fill Prescription Drugs, PacifiCare's Contracting Pharmacy network includes most major pharmacy and supermarket chains and many independent pharmacies. Below is a list of PacifiCare Contracting Pharmacies.

You can also access the most up-to-date information on Secure Horizons' Web site at www.securehorizons.com.

Exclusions and Limitations

Prescription drug benefits will not be provided for any prescription covering or prescribing the following:

- Drugs or medicines purchased and received prior to the Member's effective date or after the Member's termination.
- Therapeutic devices or appliances, including hypodermic needles, syringes (except insulin syringes), support garments and other nonmedicinal substances.
- All nonprescription (over-the-counter) contraceptive jellies, ointments, foams and devices.
- Medications to be taken or administered to the eligible Member while he/she is a patient in a hospital, rest home, nursing home, sanitarium, etc.
- Drugs or medicines delivered or administered to the Member by prescriber or the prescriber's staff.
- Dietary supplements including vitamins (except prenatal), fluoride supplements, health or beauty aids and anorexiant (i.e. diet pills).
- Medication for which the cost is recoverable under any workers' compensation or occupational disease law, any state or government agency, or medication furnished by any other drug or medical service for which no charge is made to the patient.
- Medications prescribed for experimental or investigational therapies, unless required by an external, independent review panel pursuant to California Health and Safety Code Section 1370.4.
- Medications prescribed for non-FDA-approved indications unless prescribed in a manner consistent with a specific indication in *Drug Information for the Health Care Professional*, published by the United States Pharmacopeial Convention, the *American Medical Association Drug Evaluation*, the American Hospital Formulary Services edition of *Drug Information*, or any other source which reflects community practice standards, medications limited to investigational use by law.
- Medications available without a prescription (over-the-counter) or for which there is a nonprescription equivalent available, even if ordered by a Physician.
- Drugs, medicines or cosmetic aids prescribed primarily to improve or otherwise modify the Member's external appearance.
- Medications prescribed by non-Contracting Physicians (except for prescriptions required as a result of an Emergency or Urgently Needed Service for an acute condition).
- Smoking cessation products (other than those available by participating in PacifiCare's StopSmokingSM program) including, but not limited to nicotine gum and nicotine nasal spray.
- Injectable drugs (except as listed under "Covered Benefits" and in your *Retiree Benefits Summary*).

Please refer to **Section One – Health Care Terms** for definitions of terms used in this section.

BEHAVIORAL HEALTH
SCHEDULE OF BENEFITS

If you would like to receive a Referral for behavioral health services, please contact your Primary Care Physician or Contracting Medical Group/IPA. Authorized behavioral health services will be provided for a specific number of visits for a specific period of time.

Mental Health Services

Inpatient Deductible	None
Inpatient per Admittance	\$250 per admission
Inpatient, Residential and Day Treatment <i>(up to 190 days per lifetime as defined by Medicare)</i>	\$250 per admission
Outpatient Treatment <i>Unlimited visits (based upon Medical Necessity)</i>	\$10 Copayment per visit
Emergency and Urgently Needed Services ¹ <i>(Copayment waived if admitted as inpatient)</i>	Same as medical plan Copayment for Emergency and Urgently Needed Services ¹

Chemical Dependency Health Services

Inpatient Deductible	None
Inpatient Treatment	\$250 per admission
Outpatient Treatment	\$10 Copayment per visit
Emergency and Urgently Needed Services ¹ <i>(Copayment waived if admitted as inpatient)</i>	Same as medical plan Copayment for Emergency and Urgently Needed Services ¹

Serious Mental Illness Benefit²

Inpatient Deductible	None
Inpatient per Admittance	\$250 per admission
Inpatient, Residential and Day Treatment <i>(up to 190 days per lifetime)</i>	\$250 per admission
Outpatient Treatment <i>Unlimited visits (based upon Medical Necessity)</i>	\$10 Copayment per visit
Emergency and Urgently Needed Services ¹ <i>(Copayment waived if admitted as inpatient)</i>	Same as medical plan Copayment for Emergency and Urgently Needed Services ¹

¹ Urgently Needed Services are Medically Necessary Services required outside the Service Area to prevent serious deterioration of a Member's health resulting from an unforeseen illness or injury manifesting itself by acute symptoms of sufficient severity, including severe pain, such that treatment cannot be delayed until the Member returns to the Service Area.

² Severe Mental Illness Diagnoses include: schizophrenia, schizoaffective disorder, bipolar disorder, major depressive disorder, panic disorder, obsessive-compulsive disorder, pervasive developmental disorders (autism), anorexia and bulimia nervosa. In addition, the Severe Mental Illness Benefit includes coverage of Serious Emotional Disturbance of Children (SED).

If you change your Primary Care Physician to one who is in a different Contracting Medical Group/IPA, any Referrals for behavioral health services that you previously received, may no longer be valid. In this situation, you will need to ask your new Primary Care Physician for a new Referral, which may require further evaluation. In some cases, the request for a new Referral will need to have Prior Authorization from your Contracting Medical Group/IPA or PacifiCare.

Since your Primary Care Physician is responsible for the coordination of all of your health care needs, it is important that you notify him or her if you wish to continue to receive behavioral health services from a Provider who was affiliated with your previous Primary Care Physician or Contracting Medical Group/IPA.

If you continue to receive behavioral health services without a new Referral from your new Primary Care Physician, they may be financially responsible for the cost of those services. In certain circumstances, PacifiCare may authorize continued care.

In the event of a Behavioral Health emergency, go to the closest emergency room or call 911. PacifiCare will cover Emergency Services whether they are in or out of the Service Area. Ambulance Services dispatched through 911 are only covered if transportation in any other vehicle could endanger your life. Emergency Services are covered whether or not a Contracting Medical Provider provides them. It is important to notify your Primary Care Physician or PacifiCare within forty-eight (48) hours or as soon as is reasonably possible of a Behavioral Health Medical Emergency, so that your Primary Care Physician or PacifiCare can be involved in the management of your health care. (Please see Section 6 for more information regarding Emergency and Urgently Needed Services).

Secure Horizons Group Retiree Medicare Advantage Plans are offered by PacifiCare® that contracts with the federal government. Limitations, Copayments and Coinsurance will apply. Group Retiree prospects must meet the eligibility requirements to enroll for group coverage. Health Plan Premiums and benefits may vary by employer group. Pharmacy benefits are limited to a Formulary that is subject to change without notice during the contract year. Contact PacifiCare for details.

Notes

PacifiCare
5701 Katella Avenue
P.O. Box 6006
Cypress, California 90630

Customer Service:
800-624-8822
800-442-8833 (TDHI)

Visit our Web site @ www.pacificare.com

SecureHorizons
P.O. Box 489
Cypress, California 90630

Customer Service:
800-228-2144
800-685-9355 (TDHI)
7:00 a.m. to 9:00 p.m., weekdays

Sales Information:
800-610-2660
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