



UNIVERSITY OF CALIFORNIA

January 1, 2004

**Blue Cross PLUS Plan
Medicare and Non-Medicare Members**

**COMBINED EVIDENCE OF COVERAGE
AND DISCLOSURE FORM**

**Blue Cross of California
21555 Oxnard Street
Woodland Hills, California 91367**

This Combined Evidence of Coverage and Disclosure (Evidence of Coverage) Form is a summary of the important terms of your health plan. The health plan contract must be consulted to determine the exact terms and conditions of coverage. Your employer will provide you with a copy of the health plan contract upon request.

IMPORTANT INFORMATION ABOUT YOUR MENTAL HEALTH BENEFITS

Benefits for certain *severe mental disorders* and serious emotional disturbances of a child are provided by United Behavioral Health (the BHP), a health care service plan licensed by the California Department of Managed Health Care (the “DMHC”), through a direct arrangement with the *group*. Benefits are provided at the same level, including any deductibles and copayments, as we provide for all other medical conditions. If you believe that United Behavioral Health is not providing these services according to these guidelines, please contact us at the telephone number listed on your ID card and the DMHC as described in this booklet under “Department of Managed Health Care”.

Plan Summary of Changes Effective January 1, 2004

Unless otherwise indicated, effective January 1, 2004, the following is a summary of the most important changes and clarifications that will apply to your Plan coverage for the year 2004.

Infertility Studies and Tests. Infertility studies and tests are no longer covered in-Network. These services are covered only if provided by Out-of-Network *PPO providers*. The services are not subject to a Calendar Year Deductible and are reimbursed at 50% of the *covered expense* incurred.

Pregnancy and Maternity Care. Under the Out-of-Network Medical Benefits, the Calendar Year Deductible will not apply to office visits to a physician who is a PPO provider if those visits are for pregnancy or maternity care.

Prescription Drug Benefits:

- Diabetic Syringes are subject to a \$25 copayment when dispensed by a retail pharmacy, or \$50 if obtained through the Mail Service Program.
- Mail Order provider is changing from Express Pharmacy Service (EPS) to PrecisionRX. The address and phone number are:

P.O. Box 961025
Fort Worth, TX 76161-9863
1-866-274-6825

In-Network Maximum Co-Payment Limits. The address for mailing your Maximum Co-Payment Liability (MCL) Notification Form has been changed to:

Blue Cross PLUS
P.O. Box 60007
Los Angeles, CA 90060-007

Dental Care. The provision has been modified to clarify that coverage for services of a *physician* or *dentist* to treat an *accidental injury* to natural teeth is limited to services that are *medically necessary* to

repair the damage done and/or to restore function lost.

Durable Medical Equipment. Provision has been modified to reflect that this Plan covers custom fitted orthotics that restrict the motion of weak or diseased part the body as well as *medically necessary* therapeutic shoes and inserts.

Medical Care That is Not Covered:

- “Experimental or Investigative” exclusion has been modified to show that: (a) under certain circumstances this exclusion may not apply; and (b) if a claim for *experimental or investigative* procedure or medication is denied, you can request an independent medical review.
- The “Morbid Obesity” exclusion has been replaced by the provision entitled “Weight Alteration Programs.” This new provision clarifies what programs, procedures, services and supplies for weight gain or weight loss are excluded, and under what circumstances they may be covered.

HIPPA Coverage and Conversion. As a result of legislative change AB1401, members must apply for conversion plan within 63 days (was 31 days) of date group coverage ends. Conversion is not available if group plan is replaced within 15 days (was 60 days).

Grievance Procedures. This section has been modified to reflect the following changes:

- As a result of AB2085, the Plan is required to accept grievance submissions using an online form through the Blue Cross web site.
- Regulations require that the Plan allow members a minimum of 180 days to submit a complaint.

TABLE OF CONTENTS

BENEFITS AT A GLANCE	1
ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS	6
INTRODUCTION TO BLUE CROSS PLUS	13
SUMMARY OF BENEFITS	18
NETWORK MEDICAL BENEFITS	19
CO-PAYMENT LIST	19
MAXIMUM CO-PAYMENT LIMITS	21
OUT-OF-NETWORK MEDICAL BENEFITS	22
DEDUCTIBLES	22
CO-PAYMENTS AND OUT-OF-POCKET AMOUNTS	22
MEDICAL BENEFIT MAXIMUMS	24
OUT-OF-NETWORK MEDICAL BENEFIT MAXIMUMS	24
COMBINED NETWORK AND OUT-OF-NETWORK MEDICAL BENEFIT MAXIMUMS	25
PRESCRIPTION DRUG BENEFITS	26
YOUR MEDICAL BENEFITS	28
NETWORK BENEFIT CO-PAYMENTS	28
OUT-OF-NETWORK BENEFITS: HOW COVERED EXPENSE IS DETERMINED	29
OUT-OF-NETWORK BENEFITS: MEDICAL DEDUCTIBLES, CO-PAYMENTS, OUT-OF-POCKET AMOUNTS AND BENEFIT MAXIMUMS	30
COMBINED NETWORK AND OUT-OF-NETWORK MEDICAL BENEFIT MAXIMUMS	31
CONDITIONS OF COVERAGE	32
MEDICAL CARE THAT IS COVERED	33
NETWORK BENEFITS	33
OUT-OF-NETWORK BENEFITS	35
NETWORK AND OUT-OF-NETWORK BENEFITS	40
MEDICAL CARE THAT IS NOT COVERED	47
APPLICABLE TO NETWORK BENEFITS	47
APPLICABLE TO OUT-OF-NETWORK BENEFITS	48
APPLICABLE TO NETWORK AND OUT-OF-NETWORK BENEFITS	49
REIMBURSEMENT FOR ACTS OF THIRD PARTIES	52
USING YOUR NETWORK BENEFITS	53
PRIMARY CARE	53
SECOND OPINIONS	53
HOSPITAL STAYS	54

REFERRAL CARE.....	55
EMERGENCY CARE	55
URGENT CARE.....	56
CARE OUTSIDE OF CALIFORNIA.....	53
EXTRAORDINARY CIRCUMSTANCES	57
MEDICAL MANAGEMENT PROGRAMS	57
UTILIZATION REVIEW PROGRAM.....	57
AUTHORIZATION PROGRAM.....	60
THE MEDICAL NECESSITY REVIEW PROCESS	62
PERSONAL CASE MANAGEMENT.....	63
DISAGREEMENTS WITH MEDICAL MANAGEMENT DECISIONS	65
QUALITY ASSURANCE.....	65
YOUR PRESCRIPTION DRUG BENEFITS.....	66
PRESCRIPTION DRUG COVERED EXPENSE	66
HOW TO USE YOUR PRESCRIPTION DRUG BENEFITS.....	66
PRESCRIPTION DRUG UTILIZATION REVIEW	69
PRESCRIPTION DRUG FORMULARY.....	69
PRESCRIPTION DRUG CONDITIONS OF SERVICE.....	69
PRESCRIPTION DRUG SERVICES AND SUPPLIES THAT ARE COVERED	70
PRESCRIPTION DRUG SERVICES AND SUPPLIES THAT ARE NOT COVERED	70
COORDINATION OF BENEFITS	72
BENEFITS FOR MEDICARE ELIGIBLE MEMBERS.....	75
UNDER THE NETWORK BENEFITS.....	75
UNDER THE OUT-OF-NETWORK BENEFITS	75
EXTENSION OF BENEFITS.....	77
HIPAA COVERAGE AND CONVERSION.....	78
GENERAL PROVISIONS	80
GRIEVANCE PROCEDURES.....	80
BINDING ARBITRATION.....	90
DEFINITIONS.....	91
CHIROPRACTIC CARE AND ACUPUNCTURE TREATMENT AMENDMENT.....	100
MEDCALL.....	98
FOR YOUR INFORMATION	106
INDEX.....	100

University of California - Blue Cross PLUS Plan

BENEFITS AT A GLANCE

This is a brief summary of your medical and prescription drug benefits. For complete information, including the terms and conditions of this plan and the complete exclusions and limitations, please refer to the entire Evidence of Coverage and Disclosure Form.

Calendar Year Deductible	Network	Out-of-Network Providers	
	N/A	PPO	Non-PPO
		\$500/member; \$1,500/family (Combined)	
Penalty for not obtaining preauthorization where required (certification)	N/A	\$200/occurrence	
Annual Out-of-Pocket maximums (<i>Network & Out-of-Network</i>) <i>out-of-pocket maximums are exclusive of each other</i>	\$1,500/member \$4,500/family	\$5,000/member \$15,000/family (Combined for PPO & Non-PPO)	

For Network (POS) services – percentage copay for chiropractic services, acupuncture services, family planning services, behavioral health copays or coinsurance, prescription drug copays & non-covered expenses are not applied to the out-of-pocket maximum.

For Out-of-Network (PPO & Non-PPO) services – emergency room deductible, infertility services, family planning services, behavioral health copays or coinsurance, prescription drug copays & non-covered expenses are not applied to the out-of-pocket maximum. After a member reaches the out-of-pocket maximum, the member remains responsible for emergency room deductible, infertility services, family planning services, behavioral health copays or coinsurance, prescription drug copays, non-compliance penalties and, for non-PPO & other health care provider costs in excess of the covered expense.

Lifetime Maximum	Unlimited	\$2,000,000 per member (combined for PPO and non-PPO)	
Covered Services	Network	Out-of-Network	
		PPO	Non-PPO
	Per Member Copay	Per Member Copay	Per Member Copay
Hospital Medical Services (<i>preauthorization required for PPO & non-PPO facilities; waived for emergency admissions</i>)			
➤ Semi-private room, meals, special diets & ancillary services	\$250 copay	30%	30%
➤ Outpatient medical care (<i>hospital care other than emergency room services</i>)	No copay	30%	30%
Ambulatory Surgical Center (<i>preauthorization required for PPO & non-PPO facilities; waived for emergency admissions</i>)			
➤ Outpatient surgery, services & supplies	No copay	30%	30%
Skilled Nursing Facility (<i>PPO & non-PPO providers' services will not be covered if services are not preauthorized</i>)			
➤ Semi-private room & necessary services & supplies (<i>excludes take-home drugs</i>)	No copay	30%	30% (limited to 240 days/calendar year)
Hospice Care			
➤ Inpatient or outpatient services for members with 1 year or less life expectancy	No copay	30%	30%
Home Health Care (<i>PPO & non-PPO providers' services will not be covered if services are not preauthorized, one visit by home health aide equals four hours or less, Out-of-Network benefit limited to 100 visits per calendar year</i>)	No copay	30%	30%
Registered Special Duty Nurse (<i>outpatient only; requires preauthorization or no benefit is payable</i>)	No copay	30%	30%

Covered Services	Network		Out-of-Network	
	Per Member Copay	Per Member Copay	PPO Per Member Copay	Non-PPO Per Member Copay
Physician Medical Service				
➤ Office & home visits	\$20/visit <i>(no copay to age 7)</i>	30%		30%
➤ Hospital & skilled nursing facility visits	No copay	30%		30%
➤ Surgeon & surgical assistant; anesthesiologist or anesthetist	No copay	30%		30%
➤ Specialists & consultants	\$20/visit	30%		30%
➤ Short-term physical therapy, physical medicine, occupational therapy	\$20/visit	30%		30%
➤ Speech therapy following surgery or when due to an injury or organic disease	\$20/visit	30%		30%
➤ Chiropractic care*	\$20 copay	Not covered		Not covered
➤ Acupuncture* services for the treatment of disease, illness or injury	\$20 copay	Not covered		Not covered
*These benefits are available on a self-referral basis to an American Specialty Health Provider (ASHP) network provider only.				
General Medical Services				
➤ Diagnostic X-ray & laboratory procedures <i>(excluding X-ray & lab services performed for a routine exam)</i>	No copay	30%		30%
➤ Radiation therapy, chemotherapy & hemodialysis treatment	No copay	30%		30%
➤ Prosthetic devices	No copay	30%		30%
➤ Durable Medical Equipment	No copay	30%		30%
➤ Hearing Aids <i>(\$2,000 maximum; maximum 2 hearing aids every 36 months, analog and digital devices are covered)</i>	50%	50%		50%
Organ & Tissue Transplants <i>(preauthorization required)</i>				
➤ Inpatient services provided in connection with non-investigative organ or tissue transplants	No copay		<i>(specified organ transplants covered only at Center of Expertise)</i>	
➤ Physician office visits <i>(including specialists & consultants)</i>	\$20/visit			
➤ Transplant travel expense for an authorized, specified transplant at a Center of Expertise <i>(recipient & companion transportation limited to 6 trips/episode & \$250/person/trip for round-trip coach airfare, hotel limited to 1 room double occupancy/\$100/day for 21 days/trip, other expenses limited to \$25/day/person for 21 days/trip; donor transportation limited to 1 trip/episode & \$250 for round-trip coach airfare, hotel limited to \$100/day for 7 days, other expenses limited to \$25/day for 7 days)</i>	No copay		<i>(deductible waived)</i>	
Autologous blood <i>(self-donated blood collection, testing, processing & storage)</i>				
	No copay	30%		30%
Injections & injected substances <i>(administered in physician's office, including allergy serum & medication)</i>				
	No copay	30%		30%
Home Infusion Therapy <i>(preauthorization required)</i>				
Includes medication, ancillary services & supplies; caregiver training & visits by provider to monitor therapy; durable medical equipment; lab services				
Preventive Care				
➤ Well baby care <i>(birth through age 6)</i>	No copay	No copay	No copay <i>(deductible waived)</i>	
➤ Well child care <i>(age 7 through age 18)</i>	\$20/visit	30%		30%
➤ Routine physical exams performed by a physician <i>(age 19 and over)</i>	\$20/visit	30%		30%
➤ Routine gynecological exams for females, including Pap smears & mammograms	\$20/visit	30%		30% <i>(limited to 1 exam/calendar year)</i>
➤ Prostate cancer screenings	\$20/visit	30%		30%
➤ Diagnostic X-ray & lab for routine physical exam	No copay	30%		30%
➤ Hearing exams	\$20/visit	30%		30%
➤ Specified immunizations <i>(birth through age 6)</i>	No copay	No copay		No copay
➤ Specified immunizations <i>(age 7 and above)</i>	\$20/visit	30%		30%
➤ Allergy testing & treatment <i>(including serums)</i>	\$20/visit	30%		30%

Covered Services	Network	Out-of-Network	
	Per Member Copay	PPO Per Member Copay	Non-PPO Per Member Copay
Preventive Care (continued)			
Vision Exams			
➤ Vision screening to determine medical necessity of vision exam; evaluation with initiation of diagnostic & treatment programs & refractions if authorized by the PCP	\$20/visit	Not covered	Not covered
Health Education & Wellness Programs			
➤ Instruction in health maintenance & wellness	No copay	Not covered	Not covered
➤ Health education programs (<i>as announced</i>)	Possible charge	Not covered	Not covered
MedCall			
➤ 24-hour service that connects members to a nurse or audio library with a toll-free call; the number is printed on the member's ID card	No copay	No copay (deductible waived)	No copay
Emergency Care			
➤ Physician & medical services	No copay	No copay	No copay
➤ Outpatient hospital emergency room services (<i>copay waived if admitted</i>)	\$75/visit	\$75/visit	\$75/visit
➤ Inpatient hospital services (<i>for PPO providers, 30% after the first 48 hours unless the member cannot be moved safely</i>)	No copay	No copay	No copay
Ambulance			
➤ Ground or air ambulance transportation when medically necessary, including medical services & supplies	No copay	30%	30% (<i>No copay, if emergency</i>)
Urgent Care (Freestanding)			
	\$20 copay	30%	30%
Pregnancy/Maternity Care/Therapeutic Abortions			
➤ Physician office visits	\$20 (<i>1st visit only</i>)	30% (<i>deductible waived, if PPO</i>)	30%
➤ Inpatient physician services	No copay	30%	30%
➤ Alternative birthing centers	No copay	30%	30%
➤ Hospital & ancillary services	\$250 copay	30%	30%
Elective Abortion (<i>including prescription drug for abortion [mifepristone]</i>)			
	\$150	30%	30%
Genetic Testing of Fetus			
	No copay	30%	30%
Family Planning Services/Birth Control/Infertility			
➤ Family planning (<i>counseling & consultation</i>)	No copay	50%	50%
➤ Tubal ligation	\$150	50%	50%
➤ Vasectomy	\$75	50%	50%
➤ Artificial insemination, subject to criteria as specified in the EOC as covered (<i>maximum of 6 cycles/lifetime</i>) Benefits provided through Out-of-Network PPO providers only. No deductible.	Not covered	\$20/visit	Not covered
➤ <i>Infertility</i> studies & tests. Benefits provided through Out-of-Network PPO providers only. No deductible	Not covered	50%	Not covered
➤ <i>Infertility</i> surgery. Benefits provided through Out-of-Network PPO providers only. No deductible	Not covered	30%	Not covered
➤ Injectable <i>infertility</i> drugs. Benefits provided through Out-of-Network PPO providers only. No deductible	Not covered	30%	Not covered

Mental and Nervous Disorders & Substance Abuse Benefits are provided through United Behavioral Health (UBH).

Medical benefits while traveling out of the country will be reimbursed at the out-of-network benefit level. Members are responsible for 30% of the customary and reasonable allowance plus the difference between billed charges and the allowance.

PRESCRIPTION DRUG BENEFITS

Covered Services (outpatient prescriptions only)	Per Member Copay for Each Prescription or Refill
Retail Pharmacy	
➤ Generic drugs	\$15
➤ Brand name formulary drugs	\$25
➤ Brand name non-formulary drugs	\$40
➤ Diabetic syringes	\$25
➤ Contraceptive devices and Diabetic supplies (i.e. test strips, lancets & alcohol swabs)	No copay
Mail Service	
➤ Generic drugs	\$30
➤ Brand name formulary drugs	\$50
➤ Brand name non-formulary drugs	\$80
➤ Diabetic syringes	\$50
➤ Contraceptive devices and Diabetic supplies (i.e. test strips, lancets & alcohol swabs)	No copay
Non-participating Pharmacies	50% of average wholesale price schedule plus charges above the schedule (<i>waived in an emergency</i>)
Supply Limits	
➤ Retail Pharmacy	30-day supply for retail prescriptions except a 60-day supply for federally classified Schedule II attention deficit disorder drugs that require a triplicate prescription form, but require a double copay; 6 tablets or units/30-day period for impotence and/or sexual dysfunction drugs (available only at retail pharmacies);
➤ Mail Service Program	90-day supply

The copays for *members* traveling out of the country will be the same as for Participating Pharmacies.

UNIVERSITY OF CALIFORNIA

ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS

January 1, 2004

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"). Portions of these 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 nonUniversity Medicare + Choice Managed Care contract is not eligible for this plan.

Subscribers

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.
- (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.

UNIVERSITY OF CALIFORNIA

ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS

Annuitant: A former University Employee receiving monthly benefits from a University-sponsored defined benefit plan.

Survivor Annuitant: A deceased Employee's or Annuitant's family member receiving monthly benefits from a University-sponsored defined benefit plan.

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

- (a) you meet the University's service credit requirements for Annuitant medical eligibility;
- (b) the effective date of your Annuitant status is within 120 calendar days of the date employment ends (or the date of the Employee/Annuitant's death for a Survivor Annuitant); and
- (c) you elect to continue medical coverage at the time of retirement.

If you are eligible for Medicare, see "Effect of Medicare on Annuitant 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, Federal Income Tax Return, or other official documentation. In addition, 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 Family Member and your signature) to the University to verify income tax dependency for those categories where it is a condition of eligibility.

Spouse: Your legal spouse. (Note: if you are a Survivor Annuitant, you may not enroll 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 on 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, dependent on you for at least 50% of their support and are your dependents for income tax purposes.

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 incapacity began before age 23, the child was enrolled in a group medical plan before age 23 and coverage is continuous,
- the child is dependent on you for at least 50% of his or her support and is your dependent for income tax purposes, and

UNIVERSITY OF CALIFORNIA

ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS

- 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 at least 31 days before 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 continued coverage is not required.

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 University coverage during your Period of Initial Eligibility.

Other Eligible Dependents (Family Members): You may enroll as an adult relative or same sex domestic partner (and the same sex domestic partner's children/grandchildren) as set forth in the University of California Group Insurance Regulations. 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, 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, an Annuitant, a Survivor Annuitant or a Family Member, but not under any combination of these. If an Employee and the Employee's spouse or same sex 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. 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 an Annuitant, contact the University's Customer Service Center. Enrollment transactions may be completed by paper form or electronic, 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.

UNIVERSITY OF CALIFORNIA

ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS

- (a) For a spouse, on the date of marriage. Survivor Annuitants may not add Spouses to their coverage.
- (b) For a natural child, on the child's date of birth.
- (c) For an adopted child, the earlier of:
 - the date you or your Spouse has the legal right to control the child's health care, or
 - 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 HMO's service area for more than two 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 For Employees and Annuitants

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

If you opt out of medical coverage or fail to enroll yourself or your eligible Family Members fail to enroll during a PIE or open enrollment period, you may enroll yourself and/or 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 two or more Family Members enrolled in the Plan, you may add a newly eligible Child at any time. See "Effective Date".

If you are an Annuitant, 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 enrolled Family Members before the effective date of retirement (or the date disability or survivor benefits begin).

If you are a Survivor Annuitant, you may not enroll your legal spouse or same-sex 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 an Annuitant 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.

UNIVERSITY OF CALIFORNIA

ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS

- 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 Annuitant 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:

- the date the Child becomes eligible, or
- 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 an Annuitant).

Effect of Medicare on Annuitant Enrollment

If you are an Annuitant 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, Annuitants 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.

Annuitants and their Family Members who were eligible for premium free Medicare Part A, but decline 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 annually, but will stop when the Annuitant or Family Members becomes covered under Part B. Annuitants 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. (Annuitants/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 form. 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 and Welfare Administration – AH Unit, Post Office Box 24570, Oakland, CA 94623-9909.

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

UNIVERSITY OF CALIFORNIA

ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS

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 Annuitants 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 an Annuitant 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 an Annuitant or Survivor Annuitant 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 an Annuitant).

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

UNIVERSITY OF CALIFORNIA

ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS

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 disenrolled while any other Family Member and the Subscriber will be disenrolled for 18 months. If a Subscriber commits fraud or deception, the Subscriber and any Family Members will be disenrolled 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 UCbencom website (www.ucop.edu/bencom). 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 to the University's Customer Service Center if you are an Annuitant.

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 Benefit 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
(800) 888-8267

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

UNIVERSITY OF CALIFORNIA

ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS

Claims under the Plan are processed by Blue Cross of California at the following address and phone number:

Blue Cross of California
21555 Oxnard Street
Woodland Hills, CA 91367

Blue Cross's Customer Service number is (888) 209-7975

Group Case Number. The Group Case Number for this Plan is: 175011

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.

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, Annuitants 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 Blue Cross of California under a Group Benefit 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 Blue Cross of California at the address listed above.

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 Benefit 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 pages 80-84 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 Mattie Williams, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Executive Director Sheila O'Rourke, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

INTRODUCTION TO BLUE CROSS PLUS

PLEASE READ THE FOLLOWING INFORMATION SO YOU WILL KNOW FROM WHOM OR WHAT GROUP OF PROVIDERS HEALTH CARE MAY BE OBTAINED. IF YOU HAVE SPECIAL HEALTH CARE NEEDS, YOU SHOULD CAREFULLY READ THOSE SECTIONS THAT APPLY TO THOSE NEEDS. THE MEANINGS OF WORDS AND PHRASES IN ITALICS ARE DESCRIBED IN THE SECTION OF THIS BOOKLET ENTITLED DEFINITIONS.

With the Blue Cross PLUS Plan, you have access to both the Blue Cross PLUS network of providers, plus Blue Cross's Prudent Buyer Plan network of PPO providers or any licensed provider.

The type of provider you choose, however, will determine the benefits that will be provided for services covered by your Blue Cross PLUS Plan. **You will be entitled to the maximum benefits only when services are received from or authorized by your Primary Care Physician or Medical Group.** You may "opt out" to a *PPO provider* or *non-PPO provider*. You may not "opt out" to your own *primary care physician*, or for Direct Access program services provided by a *physician* who works with your *medical group* (See "Direct Access" later in this section).

When you enroll for the *plan*, you must choose a *medical group* and *primary care provider*. You must also follow our rules when obtaining care from the Network providers. However, you do not need a referral from your *primary care physician* or *medical group* when you are using your Out-of-Network benefits.

We publish a directory of PPO Providers. The directory lists all *PPO providers* in your area, including health care facilities such as *hospitals* and *skilled nursing facilities*, *physicians*, laboratories, and diagnostic x-ray and imaging providers. You may call us at the customer service number listed on your ID card and ask us to send you a directory. You may also search for a *PPO provider* using the "Provider Finder" function on our website at www.bluecrossca.com/uc.

Note: In most cases, if you need to be referred to a *specialist*, it is to your advantage to obtain a referral through your *primary care physician* or *medical group*. Under your Network benefits, you will not be required to satisfy a Calendar Year Deductible.

Physicians. As the term is used in this booklet, "physician" means a number of types of health care providers, in addition to a medical doctor (M.D.). While these providers cannot provide all of the services that an M.D. can provide, when they practice within their specialty their services will be covered in accordance with the provisions of this *plan*. Please read the definition of "physician" in the DEFINITIONS section to determine which health care providers' services are covered. Only providers listed in the definition of "physician" are covered as *physicians*.

When using your Network benefits, *physician* services must be provided or authorized by your *primary care physician* or *medical group*. When using your Out-of-Network benefits, you may select any health care provider listed in the definition of "physician". Please note also that certain providers' services are covered only upon referral of an M.D. (medical doctor) or D.O. (doctor of osteopathy). Providers for whom referral is required are indicated in the definition of "physician" by an asterisk (*).

Your ID Card. Your identification card not only identifies you, but this card also shows the *medical group* to which you belong and gives your *medical group's* address and telephone number. Be sure to keep this card with you at all times and to present it whenever you receive care. You will also need to present this card when you receive care from an Out-of-Network *PPO provider*.

Your Medical Group and Primary Care Physician. When a *subscriber* enrolls, he or she chooses a Blue Cross PLUS *medical group* for himself or herself, plus all covered *family members*. Not every

member in that family must be enrolled at the same *medical group*. However, each *member* must live or work within the *enrollment area* of the *medical group* chosen for him or her.

There are two types of Blue Cross PLUS *medical groups*. A *primary medical group* is a group medical practice staffed by a team of *physicians*, nurses, and other health professionals. We also contract with *independent practice associations* which are medical partnerships, corporations or associations of *physicians* who practice in private offices, and are usually organized around a *hospital* with which they are associated. Either type of *medical group* can provide you with *medically necessary* care, or authorize a referral to another provider or *specialist* if appropriate.

From your *medical group*, you must choose your own *primary care physician*. This *physician* will diagnose and treat most illness, coordinate all your health care, and refer you to *specialists* when necessary. In most cases, the *specialist* will be a member of your *medical group* or will have an arrangement with your *medical group* to provide needed care for its patients. Referrals are made at the sole and absolute discretion of your *primary care physician* and your *medical group*.

Basic obstetrical and gynecological services may be received directly, without obtaining referral from your *primary care physician*, from an obstetrician and gynecologist or family practice physician who is a member of your *medical group* or who has an arrangement with your *medical group* to provide care for its patients, and who has been identified by your *medical group* as available for providing obstetrical and gynecological care.

All other Network care must be provided, or coordinated, by that Primary Care Provider.

You should choose a *primary care physician* immediately upon enrollment and arrange for an appointment with that *physician*, to help establish a patient-to-doctor relationship.

Standing Referrals. If you need continuing care from a *specialist*, your *primary care physician* may provide you with a standing referral to a *specialist*. This referral may be made according to a treatment plan that may limit the number of visits to the *specialist* or the period of time these visits are authorized. If you have a life-threatening, degenerative, or disabling condition (including HIV and AIDS) requiring specialized care for a prolonged period of time, your *primary care physician* may provide you with a referral to a *specialist* or a specialty care center for the purpose of having the *specialist* coordinate your health care. This referral may also be made according to a treatment plan. For both types of standing referrals, the *specialist* or specialty care center to which you are referred will in most cases be part of your *medical group* or will have an arrangement with your *medical group* to provide care for its patients.

ReadyAccess. There are two ways you can access specialists without authorization from your *medical group*. The two programs are Direct Access and Speedy Referral. Not all medical groups participate in the ReadyAccess program. Your Blue Cross PLUS directory and our provider finder on our website will indicate which *medical groups* participate in these programs.

Direct Access. You may be able to get some special care without an approval from your *primary care physician*. We have a program called "Direct Access", which lets you get special care, without an approval from your *primary care physician* for:

- Allergy
- Dermatology
- Ear/Nose/Throat

Ask your *Blue Cross PLUS coordinator* if your *medical group* takes part in the "Direct Access" program. If your *medical group* participates in the Direct Access program, you must still get your care from a *physician* who works with your *medical group*. Your *Blue Cross PLUS coordinator* will give you a list of those *physicians*.

Speedy Referral. Your *primary care physician* can refer you to specialists without further authorization from the *medical group*. Certain specialties are accessible through the Speedy Referral depending on your *medical group*.

Reproductive Health Care Services. Some *hospitals* and other providers do not provide one or more of the following services that may be covered under your *plan* contract and 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, or clinic, or call us at the customer service telephone number listed on your ID card to ensure that you can obtain the health care services that you need.

Changing Medical Groups. There are three ways you can change *medical groups*:

1. During an Open Enrollment Period, you may choose any *medical group* within the *enrollment area* in which you live or work.
2. You must live or work within the *enrollment area* of your *medical group*. If you change your permanent residence or employment location, and your new residence or employment location is not within the *enrollment area* of your current *medical group*, you must request a transfer to another *medical group* by calling the Customer Service number shown on your ID card or by properly filing a membership change form with the *group* within 31 days of your move.

The change in your *medical group* will take effect on the first day of the month if the request is received prior to the 15th of the month, or on the first day of the month following the date we receive the request if we receive it on or after the 15th of the month.

3. You can request a transfer, by calling the Customer Service number shown on your ID card or by properly filing a membership change form with the *group* within 31 days of the special circumstance prompting your request. You must include the reasons for your request. We must approve your request for the transfer to become effective.

The change in your *medical group* will take effect on the first day of the month if the request is received prior to the 15th of the month, or on the first day of the month following the date we receive the request if we receive it on or after the 15th of the month.

Please see the "Enrollment" provision in HOW COVERAGE BEGINS AND ENDS for information on how to properly file a membership change form.

If you move your residence to outside the Blue Cross PLUS service area, you must contact your employer to enroll in a different health care plan.

Your Blue Cross PLUS Coordinator. If you need help selecting a *primary care physician* from the staff of your *medical group* or need information including financial arrangements and any incentives about the *physicians* in your *medical group*, contact the *Blue Cross PLUS coordinator*, located at your *medical group*. Your *Blue Cross PLUS coordinator* will also provide you with any information you may need about Blue Cross PLUS services and procedures. You may contact your *Blue Cross PLUS coordinator* by phone or by letter.

Member Rights. Blue Cross PLUS has a commitment to treat its *members* in a manner that respects their rights. The *member* has the right to:

- Obtain all *medically necessary* care covered under the *plan*;
- Be treated with consideration, courtesy, and respect for personal privacy and dignity;
- Discuss *medically necessary* treatment options for the *member's* conditions, regardless of cost or benefit coverage;

- Be involved in decision-making regarding his or her treatment;
- Confidential treatment of the *member's* illness and health records;
- Receive information about their *medical group*, its services, its practitioners and providers, and his rights and responsibilities; and
- Voice complaints or appeals about the *medical group* or the care provided.

Member Responsibilities. To assist Blue Cross PLUS providers in meeting these obligations, it is the *member's* responsibility to:

- Treat all providers and their staff with courtesy and respect;
- Comply with the prescribed medical treatment and instructions for care that they have agreed on with his practitioners;
- Provide complete health status information for accurate diagnosis and appropriate treatment;
- Keep scheduled appointments for care, and give adequate advance notice of delay or cancellation; and
- Read and understand all materials concerning their health benefits.

Participating and Non-Participating Pharmacies. "Participating Pharmacies" agree to charge only the *prescription drug negotiated rate* to fill the *prescription*. You pay the lesser of your co-payment amount or the cost of the *drug*.

"Non-Participating Pharmacies" have not agreed to the *prescription drug negotiated rate*. The amount that will be covered as *prescription drug covered expense* is significantly lower than what these providers customarily charge.

SUMMARY OF BENEFITS

THE BENEFITS OF THIS PLAN ARE PROVIDED ONLY FOR THOSE SERVICES THAT YOUR MEDICAL GROUP OR WE DETERMINE TO BE MEDICALLY NECESSARY. THE FACT THAT A PHYSICIAN PRESCRIBES OR ORDERS A SERVICE DOES NOT, IN ITSELF, MEAN THAT THE SERVICE IS MEDICALLY NECESSARY OR MEAN THAT THE SERVICE IS A COVERED BENEFIT UNDER THIS PLAN. CONSULT THIS BOOKLET OR TELEPHONE US AT THE NUMBER SHOWN ON YOUR IDENTIFICATION CARD IF YOU HAVE ANY QUESTIONS REGARDING WHETHER SERVICES ARE COVERED.

THIS PLAN CONTAINS MANY IMPORTANT TERMS (SUCH AS "MEDICALLY NECESSARY") THAT ARE DEFINED IN THE DEFINITIONS SECTION. WHEN READING THROUGH THIS BOOKLET, CONSULT THE DEFINITIONS SECTION TO BE SURE THAT YOU UNDERSTAND THE MEANINGS OF THESE ITALICIZED TERMS.

For your convenience, this summary provides a brief outline of your benefits. You need to refer to the entire Combined Evidence of Coverage and Disclosure (Evidence of Coverage) Form for more complete information, and you must consult your employer's health plan contract with us to determine the exact terms and conditions of your coverage.

All benefits are subject to coordination with benefits under certain other plans.

The benefits of this *plan* may be subject to the REIMBURSEMENT FOR ACTS OF THIRD PARTIES section.

NETWORK MEDICAL BENEFITS

CO-PAYMENT LIST

The following is a list of the amounts for which you are responsible for each covered medical service or supply. See YOUR MEDICAL BENEFITS.

Hospital Services

- Inpatient services and supplies..... **\$250**
- Operating room and special treatment room..... **No charge**
- Intensive care..... **No charge**
- Nursing care..... **No charge**
- Blood, blood plasma, derivatives and factors..... **No charge**
- Inpatient drugs, medications and oxygen..... **No charge**
- Outpatient services (except emergency room) **No charge**

Skilled Nursing Facility Services

- Skilled nursing care..... **No charge**

Home Health Care

- Home health care visit..... **No charge**

Outpatient Private Duty Nursing

- Private duty nursing care..... **No charge**

Hospice

- Hospice care..... **No charge**

Ambulatory Surgical Center

- Outpatient surgery..... **No charge**

Physician

- Office visit (**no co-payment to age 7**)..... **\$20**
- Visit to *member's* home (**no co-payment to age 7**)..... **\$20**
- Speech therapy **\$20**
- Specialists and consultants **\$20**
- Inpatient visit..... **No charge**
- Surgeon, including surgical assistant..... **No charge**
- Administration of anesthesia..... **No charge**
- Visit for Physical Therapy, Physical Medicine and Occupational Therapy **\$20**
- Visit for Acupuncture Treatment or Chiropractic Care **\$20***

*These services are available on a self-referral basis through AMERICAN SPECIALTY HEALTH PROVIDER (ASHP) network only. Please see the “Chiropractic Care and Acupuncture Treatment Amendment” at the back of this booklet for specifics.

General Medical Care

- Ambulance **No charge**
- Hemodialysis **No charge**
- Hearing aids **50%**
- Durable medical equipment **No charge**
- Medical social services **No charge**
- Prosthetic devices **No charge**
- Chemotherapy and radiation therapy **No charge**
- X-ray and laboratory procedures **No charge**
- Organ and tissue transplants **The applicable co-payment specified herein**

Urgent Care Services

- Professional services **\$20**

Emergency Services

- Professional services **No charge**
- Hospital emergency room **\$75***
- Hospital inpatient services **No charge**

***Exception:** The emergency room co-payment does not apply if you are admitted as a *hospital* inpatient immediately following emergency room treatment.

Pregnancy and Maternity Care

- Office visit (including therapeutic abortions) **\$20**
(First visit only, no charge thereafter)
- Physician’s services for normal delivery or cesarean section **No charge**
- Hospital services (including therapeutic abortions):
 - Inpatient services **\$250**
 - Outpatient services **No charge**
- Birth Center services **No charge**
- Genetic testing **No charge**
- Elective abortions including Mifeprestone (abortion *drug*) when administered in the *physician’s* office **\$150**

Family Planning Services and Birth Control

- Family planning (counseling and consultation) **No charge**
- Tubal ligation..... **\$150**
- Vasectomy **\$75**

Health Maintenance Care

- Injections administered in *physician's* office, including allergy serums **No charge**
- Office visit for allergy testing and treatment..... **\$20**
- Complete physical examinations ordered by a *primary care physician (no co-payment to age 7)*..... **\$20**
- Periodic routine check-ups ordered by a *primary care physician (no co-payment to age 7)* **\$20**
- Routine gynecological examinations for females..... **\$20**
- Prostate cancer screenings **\$20**
- Specified immunizations (**no co-payment to age 7**)..... **\$20**
- Vision or hearing examinations..... **\$20**
- Diabetes education programs **No charge**
- Other health education programs **Selected programs at no charge**

MAXIMUM CO-PAYMENT LIMITS

Member.....	\$1,500
Family.....	\$4,500

Exceptions: The following co-payments will not be applied to the Maximum Co-Payment Limits:

- The **\$150** co-payment made for tubal ligation.
- The **\$75** co-payment made for vasectomy.
- Co-payments made for chiropractic and acupuncture services covered under the CHIROPRACTIC CARE AND ACUPUNCTURE TREATMENT AMENDMENT included with this booklet.
- Co-payments you make for outpatient *prescription drugs*.
- Co-payments you make for services covered through United Behavioral Health, your mental health care benefits carrier.

OUT-OF-NETWORK MEDICAL BENEFITS

DEDUCTIBLES

Calendar Year Deductibles

- Member Deductible \$500
- Family Deductible..... \$1,500

Additional Deductibles

- Emergency Room Deductible \$75
- Non-Certification Deductible..... \$200

Exceptions: In certain circumstances, one or more of these deductibles may not apply, as described below:

- The Calendar Year Deductible will not apply to *physician's* services for routine examinations or to immunizations for a child under seven years of age.
- The Calendar Year Deductible will not apply to office visits to a *physician* who is a *PPO provider* if those visits are for pregnancy or maternity care. **Note:** This exception only applies to the charge for the visit itself. It does not apply to any other charges made during that visit, such as for testing procedures, surgery, etc.
- The Calendar Year Deductible will not apply to *infertility* studies and tests. **Note:** Charges for *infertility* studies and tests performed by a *non-PPO provider* are NOT COVERED.
- The Calendar Year Deductible will not apply to office visits for covered *infertility* treatment services. **Note:** Charges for *infertility* treatment services by a *non-PPO provider* are NOT COVERED.
- The Calendar Year Deductible will not apply to transplant travel expenses authorized by us. See MEDICAL MANAGEMENT PROGRAMS: AUTHORIZATION PROGRAM for information on how to obtain prior authorization.
- The Emergency Room Deductible will not apply if you are admitted as a *hospital* inpatient immediately following emergency room treatment.
- The Non-Certification Deductible will not apply to *emergency* admissions or services, nor to the services provided by a *PPO provider*. See MEDICAL MANAGEMENT PROGRAMS: UTILIZATION REVIEW PROGRAM.

CO-PAYMENTS AND OUT-OF-POCKET AMOUNTS

Co-Payments. After you have met your Calendar Year Deductible, and any other applicable deductible, you will be responsible for **30%** of *covered expense* you incur PLUS any amount in excess of *covered expense* for services of *other health care providers* or *non-PPO providers*.

Exceptions:

- No Co-Payment will be required for routine examinations or immunizations for a child under seven years of age.
- Your Co-Payment will be **50%** for *infertility* studies and tests. **Note:** Charges for *infertility* studies and tests performed by a *non-PPO provider* are NOT COVERED.
- Your Co-Payment will be **\$20** for each *physician* visit for covered *infertility* treatment services. **Note:** Charges for *infertility* treatment services by a *non-PPO provider* are NOT COVERED.

- Your Co-Payment for the following services will be **50%**, plus charges in excess of *covered expense*:
 - Sterilization for males;
 - Sterilization for females;
 - Family planning (counseling and visit); and
 - Hearing aids.
- You are not required to make a Co-Payment for the following services. You may be responsible for charges that exceed *covered expense*.
 - a. *Emergency services* provided by other than a *hospital*;
 - b. The first 48 hours of *emergency services* provided by a *hospital* (you will not be required to make a Co-Payment beyond the first 48 hours if you, in our judgment, cannot be safely moved);
- No Co-Payment will be required for the transplant travel expenses authorized by us. See MEDICAL MANAGEMENT PROGRAMS: AUTHORIZATION PROGRAM.

Out-of-Pocket Amount. After you have made the following total out-of-pocket payments (including the Calendar Year Deductible) for *covered expense* incurred during a *calendar year*, you will no longer be required to pay a Co-Payment for the remainder of that *year*, but will remain responsible for costs in excess of *covered expense*.

- Member **\$5,000**
- Family **\$15,000**

***Exceptions:**

- You will be required to continue to pay your Co-Payment for the following services even after you have reached your Out-of-Pocket Amount. In addition, any Co-Payments you make for such services will not be applied toward reaching that amount.
 - *Infertility* studies and tests;
 - Office visits for covered *infertility* treatment services;
 - Sterilization for males;
 - Sterilization for females; and
 - Family planning (counseling and visit).
 - Chiropractic and acupuncture services covered under the CHIROPRACTIC CARE AND ACUPUNCTURE TREATMENT AMENDMENT included with this booklet.
 - Outpatient *prescription drugs* covered under YOUR PRESCRIPTION DRUG BENEFITS section of this booklet.
- Co-Payments made for services covered through **United Behavioral Health**, your mental health care benefits carrier cannot be applied toward your Out-of-Pocket Amount under this *plan*.
- Medical Management Program penalties, expense that is applied toward the Emergency Room Deductible, expense which is incurred for non-covered services or supplies, or which is in excess of the amount of *covered expense*, will not be applied toward your Out-of-Pocket Amount.

MEDICAL BENEFIT MAXIMUMS

OUT-OF-NETWORK MEDICAL BENEFIT MAXIMUMS

We will pay for the following services and supplies, up to the maximum amounts or for the maximum number of days or visits shown below:

Home Health Care*

- For covered home health services **100 visits**
per calendar year

*Pre-authorization applied.

Skilled Nursing Facility

- For covered *skilled nursing facility* care **240 days**
per calendar year

Infertility Treatment

- For covered artificial insemination services **6 cycles**
Per lifetime

*These services are NOT covered when provided by a *non-PPO provider*.

Transplant Travel Expense

- For the Recipient and One Companion per Transplant Episode (limited to 6 trips per episode)
 - For transportation to the *COE*..... **\$250**
per trip for each person
for round trip coach airfare
 - For hotel accommodations **\$100**
per day, for up to 21 days per trip,
limited to one room, double occupancy
 - For expenses such as meals **\$25**
per day for each person,
for up to 21 days per trip
- For the Donor per Transplant Episode (limited to one trip per episode)
 - For transportation to the *COE*..... **\$250**
for round trip coach airfare
 - For hotel accommodations **\$100**
per day, for up to 7 days
 - For expenses such as meals **\$25**
per day, up to 7 days

Out-of-Network Lifetime Maximum

- For all medical benefits **\$2,000,000**
during your lifetime

COMBINED NETWORK AND OUT-OF-NETWORK MEDICAL BENEFIT MAXIMUMS

We will pay for the following services and supplies, up to the maximum amounts or for the maximum number of days or visits shown below:

Hearing Aids

- For covered charges**\$2,000**
per set of hearing aids,
every thirty-six (36) month period

IMPORTANT NOTE

Medical benefits while traveling out of the country will be reimbursed at the out-of-network benefit level. Members are responsible for 30% of the customary and reasonable allowance plus the difference between billed charges and the allowance.

PRESCRIPTION DRUG BENEFITS

PRESCRIPTION DRUG CO-PAYMENTS. The following co-payments apply for each *prescription*: or refill:

Participating Pharmacies. The following co-payments apply for a 30-day supply of medication.

- *Generic Drugs* **\$15***
- *Brand Name Drugs:*
 - Formulary drugs* and non-*formulary drugs*
when the prescriber has specified "dispense as written" **\$25***
 - Non-formulary brand name drugs* **\$40***
- Diabetic syringes **\$25***
- Contraceptive diaphragms and Diabetic supplies (i.e. test strips, lancets & alcohol swabs) **No charge**

*You pay the lesser of the Co-Payment above or the cost of the *drug*.

When you present a *prescription* to a *participating pharmacy*, the pharmacist will advise you about the copay that would apply and also if there are any other instructions. If the *participating pharmacy* indicates your *prescription* cannot be filled, you or your pharmacist can call our pharmacy customer services and we will clarify. If you have to pay the full cost of the *prescription drug*, submit a claim for reimbursement from us.

YOU WILL BE REQUIRED TO PAY YOUR CO-PAYMENT AMOUNT TO THE PARTICIPATING PHARMACY AT THE TIME YOUR *PRESCRIPTION* IS FILLED.

Non-Participating Pharmacies. The following co-payments apply for a 30-day supply of medication.

- *Generic Drugs* or *Brand Name Drugs* **50%**
of the *drug limited fee schedule* (that is, the lesser of the billed charges or the *average wholesale price*). In addition, you are responsible for costs in excess of the *drug limited fee schedule*.

Mail Service Program. The following co-payments apply for a 90-day supply of medication.

- *Generic Drugs* **\$30**
- *Brand Name Drugs:*
 - Formulary drugs* and non-*formulary drugs*
when the prescriber has specified "dispense as written" **\$50**
 - Non-formulary brand name drugs* **\$80**
- Diabetic syringes **\$50**
- Contraceptive diaphragms and Diabetic supplies (i.e. test strips, lancets & alcohol swabs) **No charge**

IMPORTANT NOTES ABOUT *PRESCRIPTION DRUG COVERED EXPENSE AND YOUR CO-PAYMENT*:

- The *prescription drug formulary* is a list of outpatient *prescription drugs* which may be particularly cost-effective, therapeutic choices. Your co-payment amount for *non-formulary drugs* is higher than for *formulary drugs*. You can obtain information about the formulary by calling our pharmacy customer service toll-free number or by accessing the Blue Cross UC website (www.bluecrossca.com/uc). Any *participating pharmacy* can assist you in purchasing a *formulary drug*.
- *Prescription drug covered expense* for *non-participating pharmacies* is significantly lower than what providers customarily charge, so you will almost always have a higher out-of-pocket expense when you use a *non-participating pharmacy*.

PRESCRIPTION DRUGS OBTAINED OUTSIDE THE UNITED STATES

When you obtain a *prescription drug* while you are out of the country, you will have to pay the full cost of the *drug* to the *pharmacy* and submit a claim to us at the address below:

Prescription Drug Program
P.O. Box 4165
Woodland Hills, CA 91365-416

We will reimburse you **100%** of the cost of the *drug*, less the applicable Participating Pharmacy copay. (For information on how to submit a claim, please refer to the "When You Go to a Non-Participating Pharmacy" provision in the YOUR PRESCRIPTION DRUG BENEFITS section of this booklet.)

YOUR MEDICAL BENEFITS

NETWORK BENEFIT CO-PAYMENTS

While you are not required to make any payment for most supplies and services provided under the Network Benefit, you are required to pay a co-payment amount for certain services. It is customary to make the co-payment at the time services are rendered.

If you do not make required co-payments within 31 days from the date you are notified of payment due, your coverage may be cancelled as shown in HOW COVERAGE BEGINS AND ENDS: HOW COVERAGE ENDS.

The Network co-payments are listed in the SUMMARY OF BENEFITS: NETWORK BENEFITS.

MAXIMUM CO-PAYMENT LIMITS*

Member. If you pay co-payments during a *calendar year* equal to the Maximum Co-Payment Limit for a *member*, and you notify us as shown below, you will not be required to make any further co-payments for the remainder of the *calendar year* for that *member*.

Family. If the enrolled *members* of a family pay co-payments during a *calendar year* equal to the Maximum Co-Payment Limit shown for a family, not counting more than the Maximum Co-payment Limit that applies to a *member* for any individual *member* of the family, and you notify us as shown below, no further co-payment will be required from any *member* of that family for the remainder of that *year*.

The Maximum Co-Payment Limits are shown in the SUMMARY OF BENEFITS: NETWORK MEDICAL BENEFITS.

*Any co-payments under the "Out-of-Network" benefits will not be applied toward the Maximum Co-Payment Limits.

Notifying Blue Cross. Keep a record of all the co-payments you and your family make, and keep your receipts and any cancelled checks for those co-payments. Notify us when you or your family reaches the Maximum Co-Payment Limit, as follows:

1. Fill out a Maximum Co-Payment Liability (MCL) Notification form. You can obtain this form from either Blue Cross or your *Blue Cross PLUS coordinator*. (You can also use this form to keep track of your Co-Payments.)
2. Mail the notification form with copies of your receipts and cancelled checks to Blue Cross PLUS at:

**Blue Cross PLUS
P.O. Box 60007
Los Angeles, Ca 90060-0007**

After we verify your receipts, we will inform your *medical group* that you have reached the Maximum Co-Payment Amount and are not required to make co-payments for the remainder of the *year*.

OUT-OF-NETWORK BENEFITS: HOW COVERED EXPENSE IS DETERMINED

We will pay for *covered expense* you incur under your Out-of-Network benefits. A charge is incurred when the service or supply giving rise to the charge is rendered or received. *Covered expense* for medical benefits is based on a maximum charge for each covered service or supply that will be accepted by us for each different type of provider. It is not necessarily the amount a provider bills for the service.

PPO Providers and COE. The maximum *covered expense* for services provided by a *PPO provider* or *COE* will be the lesser of the billed charge or the *negotiated rate*. *PPO providers* and *COE* have agreed not to charge you more than the *negotiated rate* for covered services. When you choose a *PPO provider*, you will not be responsible for any amount in excess of the *negotiated rate*. If you receive an authorized, specified organ transplant at a *COE*, you will not be responsible for any amount in excess of the *COE negotiated rate* for the covered services of a *COE*.

If you go to a *hospital* which is a *PPO provider*, you should not assume all providers in that *hospital* are also *PPO providers*. To receive the greater benefits afforded when covered services are provided by a *PPO provider*, you should request that all your provider services (such as services by an anesthesiologist) be performed by *PPO providers* whenever you enter a *hospital*.

If you are planning to have outpatient surgery, you should first find out if the facility where the surgery is to be performed is an *ambulatory surgical center*. An *ambulatory surgical center* is licensed as a separate facility even though it may be located on the same grounds as a *hospital* (although this is not always the case). If the center is licensed separately, you should find out if the facility is a *PPO provider* before undergoing the surgery.

Non-PPO Providers and Other Health Care Providers. The maximum *covered expense* for services provided by a *non-PPO provider* or *other health care provider* will always be the lesser of the billed charge or (1) for a *physician*, the *customary and reasonable charge* or (2) for other than a *physician*, the *reasonable charge*. You will be responsible for any billed charge which exceeds the *customary and reasonable charge* or the *reasonable charge*.

The maximum *covered expense* for *non-PPO providers* for services and supplies provided in connection with Cancer Clinical Trials will be the lesser of the billed charge or the amount that ordinarily applies when services are provided by a *PPO provider*.

Exception: If Medicare is the primary payor, *covered expense* does not include any charge:

1. By a *hospital*, in excess of the approved amount as determined by Medicare; or
2. By a *physician* who is a *PPO provider* who accepts Medicare assignment, in excess of the approved amount as determined by Medicare; or
3. By a *physician* who is a *non-PPO provider* or *other health care provider* who accepts Medicare assignment, in excess of the lesser of maximum *covered expense* stated above, or the approved amount as determined by Medicare; or
4. By a *physician* or *other health care provider* who does not accept Medicare assignment, in excess of the lesser of the maximum *covered expense* stated above, or the limiting charge as determined by Medicare.

You will always be responsible for expense incurred that is not covered under this plan.

OUT-OF-NETWORK BENEFITS: MEDICAL DEDUCTIBLES, CO-PAYMENTS, OUT-OF-POCKET AMOUNTS AND BENEFIT MAXIMUMS

After we subtract any applicable deductible and your Co-Payment, we will pay benefits up to the amount of *covered expense*, not to exceed the applicable Medical Benefit Maximum. The Deductible amounts, Co-Payments, Out-of-Pocket Amounts and Medical Benefit Maximums are set forth in the SUMMARY OF BENEFITS.

DEDUCTIBLES

Each deductible under this *plan* is separate and distinct from the other. Only charges that are considered *covered expense* will apply toward satisfaction of any deductible.

Calendar Year Deductibles. Each *year* you will be responsible for satisfying the *member's* Calendar Year Deductible before we begin to pay benefits. If the *members* of an enrolled family pay deductible expense in a *year* equal to the Family Deductible, the Calendar Year Deductible for all family members will be considered to have been met. For the purposes of the Family Deductible, *covered expense* over an individual *member's* Calendar Year Deductible will not be counted toward the Family Deductible.

The Calendar Year Deductible will not include any Co-Payments you must pay in connection with services provided under your Network Benefits.

Additional Deductibles

1. Each time you visit an emergency room for treatment you will be responsible for paying the Emergency Room Deductible. But this deductible will not apply if you are admitted as a *hospital inpatient* from the emergency room immediately following emergency room treatment.
2. Each time you are admitted to a *hospital* or *residential treatment center* or have outpatient surgery at an *ambulatory surgical center* without properly obtaining certification, you are responsible for paying the Non-Certification Deductible. This deductible will not apply to an *emergency* admission or procedure, nor to services provided at a *PPO provider*. Certification is explained in MEDICAL MANAGEMENT PROGRAMS: UTILIZATION REVIEW PROGRAM.

CO-PAYMENTS

After you have satisfied any applicable deductible, we will subtract your Out-of-Network Co-Payment from the amount of *covered expense* remaining. If your Out-of-Network Co-Payment is a percentage, we will apply the applicable percentage to the amount of *covered expense* remaining after any deductible has been met. This will determine the dollar amount of your Out-of-Network Co-Payment.

OUT-OF-POCKET AMOUNT

If you pay Out-of-Network Co-Payments equal to your Out-of-Pocket Amount during a *calendar year*, you will no longer be required to make Co-Payments for any *covered expense* you incur during the remainder of that *calendar year*, other than for *covered expense* incurred for the following services:

- *Infertility* studies and tests.
- Office visits for covered *infertility* treatment services.
- Sterilization for males
- Sterilization for females
- Family planning (counseling and visit)

- Chiropractic and acupuncture services covered under the CHIROPRACTIC CARE AND ACUPUNCTURE TREATMENT AMENDMENT included with this booklet.
- Outpatient *prescription drugs* covered under YOUR PRESCRIPTION DRUG BENEFITS section of this booklet.

Notes:

- The Calendar Year Deductible **will apply** towards satisfaction of your Out-of-Pocket Amount.
- Medical Management Program penalties and charges applied to the Emergency Room Deductible, or to the services listed above will not be applied toward satisfaction of the Out-of-Pocket Amount.
- Co-Payments made for services covered through **United Behavioral Health**, your mental health care benefits carrier cannot be applied toward your Out-of-Pocket Amount under this *plan*.

OUT-OF-NETWORK MEDICAL BENEFIT MAXIMUMS

We will not make benefit payments under your Out-of-Network in excess of any of the Out-of-Network Medical Benefit Maximums. After you have reached any Medical Benefit Maximum for your Out-of-Network Benefits, any further care must be obtained through your Blue Cross PLUS *medical group*. If you continue to receive care outside of the Blue Cross PLUS network after you have reached a maximum, you will be responsible for any expense incurred for such care.

COMBINED NETWORK AND OUT-OF-NETWORK MEDICAL BENEFIT MAXIMUMS

We will not make benefit payments under this *plan* in excess of any of the Combined Network and Out-of-Network Medical Benefit Maximums. After you have reached any of these Medical Benefit Maximums, you will be responsible for any expense incurred for such care.

CONDITIONS OF COVERAGE

The following conditions of coverage must be met for benefits to be provided under this *plan* for a medical service or supply.

1. You must receive this service or supply while you are covered under this *plan*.
2. The service or supply must be furnished to you as a result of illness or injury or pregnancy, unless a specific exception is made.
3. The service or supply must be included in YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS COVERED.
4. The service or supply must not be listed in YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS NOT COVERED. If the service or supply is partially excluded, then only benefits for the portion which is not excluded will be provided.
5. The service or supply must not exceed any of the maximum benefits or limitations of this *plan*. For covered services or supplies obtained from a PPO *provider*, expense incurred must not exceed the amount of *covered expense*.

Limits are included under specific benefits and in the SUMMARY OF BENEFITS.

6. Any services received must be those which are regularly provided and billed by the provider. In addition, those services must be consistent with the illness, injury, degree of disability and your medical needs. Benefits are provided only for the number of days required to treat your illness or injury.
7. All services and supplies must be authorized by a *physician*. If care is obtained through the Network Benefits, all care must be authorized by your *primary care physician*, or *medical group* except as specifically stated in this booklet.

MEDICAL CARE THAT IS COVERED

NETWORK BENEFITS

Subject to the Co-Payment List and Medical Benefit Maximums in the SUMMARY OF BENEFITS, the requirements set forth under CONDITIONS OF COVERAGE, and the exclusions or limitations listed under MEDICAL CARE THAT IS NOT COVERED, we will provide benefits for the following services and supplies:

Hospital

1. Inpatient services and supplies, provided by a *hospital*. Benefits will not be provided for charges in excess of the *hospital's* prevailing two-bed room rate, unless your *primary care physician* orders, and your *medical group* authorizes, a private room as *medically necessary*.
2. Services in *special care units*.
3. Outpatient services and supplies provided by a *hospital*, including outpatient surgery.

Professional Services

1. Services of a *physician*, including: (a) office visits for a covered illness, injury or condition; and (b) visits to the *member's* home within the *medical group* area, by a *primary care physician*, at that *physician's* discretion.
2. Services of an anesthesiologist (M.D.) or anesthetist (C.R.N.A.).

Outpatient Private Duty Nursing. Private duty nursing services of a licensed nurse (R.N., L.P.N. or L.V.N.) for a non-hospitalized acute illness or injury, provided your *primary care physician* orders, and your *medical group* authorizes, the services as *medically necessary*. "Private duty" means a session of four or more hours that continuous nursing care is furnished to you alone. **Note:** Private duty nursing services for custodial care is not covered.

Hemodialysis Treatment. Hemodialysis treatment, including treatment in your home if authorized by your *medical group*.

Dental Care

1. **Admissions for Dental Care.** Listed inpatient *hospital* services for up to three days during a *hospital stay*, when such *stay* is required for dental treatment, has been ordered by a *physician* (M.D.) and a dentist (D.D.S. or D.M.D.), and is authorized by your *medical group*. *Hospital stays* for the purpose of administering general anesthesia are not considered necessary and are not covered except as specified in #2, below.
2. **General Anesthesia.** General anesthesia and associated facility charges when your clinical status or underlying medical condition requires that dental procedures be rendered in a *hospital* or *ambulatory surgical center*. This applies only if (a) the *member* is less than seven years old, (b) the *member* is developmentally disabled, or (c) the *member's* health is compromised and general anesthesia is *medically necessary*. Charges for the dental procedure itself, including professional fees of a dentist, are not covered.
3. **Dental Injury.** Initial *emergency* care by a *physician* (M.D.) or dentist (D.D.S.) solely to treat an *accidental injury* to natural teeth. Coverage shall be limited to only such services that are *medically necessary* to repair the damage done by the *accidental injury* and/or restore function lost as a direct result of the *accidental injury*. Damage to natural teeth due to chewing or biting is not *accidental injury*.

Pregnancy and Maternity Care

1. All medical benefits when provided for pregnancy or maternity care, including the diagnosis of genetic disorders in cases of high-risk pregnancy. Inpatient *hospital* benefits in connection with childbirth will be provided for at least 48 hours following a normal delivery or 96 hours following a cesarean section, unless the mother and her *physician* decide on an earlier discharge.
2. Medical *hospital* benefits for routine nursery care of a newborn *child*, if the *child's* natural mother is an enrolled *member*.

Family Planning Services and Birth Control. Family planning services, counseling and planning for problems of fertility, as *medically necessary*.

Sexual Dysfunction. Treatment of sexual dysfunction when the dysfunction is due to physical abnormality, defect or disease. Treatment for a dysfunction which is the result of psychological causes is not covered.

Organ and Tissue Transplants. Services provided in connection with a non-investigative organ or tissue transplant, if you are: (1) the organ or tissue recipient; or (2) the organ or tissue donor, provided the recipient is also an enrolled Blue Cross PLUS *member*.

If you are the recipient, an organ or tissue donor who is not an enrolled *member* is also eligible for services as described. Benefits are reduced by any amounts paid or payable by that donor's own coverage.

Routine Gynecological Examinations for Females. *Physician's* gynecological examinations including, when ordered by your *primary care physician*:

- a breast examination;
- cervical cancer screening (including services and supplies provided in connection with the test to detect cervical cancer, including pap smears and any cervical cancer screening test approved by the federal Food and Drug Administration upon referral by your *physician*); and
- a mammogram.

Routine Examinations

1. *Physician's* examinations, including complete physical examinations and check-ups, when ordered by your *primary care physician*.
2. Hearing examinations.

Vision Examinations. Vision screening for determining *medical necessity* of a vision examination. Evaluation with initiation of diagnostic and treatment programs and refractions if authorized by the *primary care physician*.

Breast Cancer. Services and supplies provided in connection with the screening for, diagnosis of, and treatment for breast cancer, including:

6. Routine and diagnostic mammogram examinations.
7. Mastectomy and lymph node dissection; complications from a mastectomy including lymphedema.
8. Reconstructive surgery performed to restore and achieve symmetry following a *medically necessary* mastectomy.
9. Breast prostheses following a mastectomy (see "Prosthetic Devices").

Immunizations. Immunizations, when prescribed by your *primary care physician*: (1) for children, in accordance with the recommendations of the American Academy of Pediatricians; and (2) for adults, as recommended by the U.S. Public Health Services.

Growth Hormone Treatment. Growth hormone treatment when approved by your *primary care physician*.

Health Education. Selected health education programs when provided by your *primary care physician* or your *medical group*. This includes a diabetes instruction program which: (1) is designed to teach a *member* who is a patient and covered members of the patient's family about the disease process and the daily management of diabetic therapy; (2) includes self-management training, education, and medical nutrition therapy to enable the *member* to properly use the equipment, supplies, and medications necessary to manage the disease; and (3) is supervised by a *physician*. Diabetes education services are covered under *plan* benefits for office visits to *physicians*.

OUT-OF-NETWORK BENEFITS

Subject to the Medical Benefit Maximums in the SUMMARY OF BENEFITS, the requirements set forth under CONDITIONS OF COVERAGE and the exclusions or limitations listed under MEDICAL CARE THAT IS NOT COVERED, we will provide benefits for the following services and supplies:

Hospital

1. Inpatient services and supplies, provided by a *hospital*. *Covered expense* will not include charges in excess of the *hospital's* prevailing two-bed room rate unless there is a negotiated per diem rate between us and the *hospital*, or unless your *physician* orders, and we authorize, a private room as *medically necessary*.
2. Services in *special care units*.
3. Outpatient services and supplies provided by a *hospital*, including outpatient surgery.

Home Infusion Therapy. The following services and supplies when provided by a *home infusion therapy provider* in your home for the intravenous administration of your total daily nutritional intake or fluid requirements, medication related to illness or injury, chemotherapy, antibiotic therapy, aerosol therapy, tocolytic therapy, special therapy, intravenous hydration, or pain management:

1. Medication, ancillary medical supplies and supply delivery, (not to exceed a 14-day supply); however, medication which is delivered but not administered is not covered;
2. Pharmacy compounding and dispensing services (including pharmacy support) for intravenous solutions and medications;
3. *Hospital* and home clinical visits related to the administration of infusion therapy, including skilled nursing services including those provided for: (a) patient or alternative caregiver training; and (b) visits to monitor the therapy;
4. Rental and purchase charges for durable medical equipment; maintenance and repair charges for such equipment;
5. Laboratory services to monitor the patient's response to therapy regimen.

Home infusion therapy provider services are subject to prior authorization to determine medical necessity. See MEDICAL MANAGEMENT PROGRAMS.

Professional Services

1. Services of a *physician*.

2. Services of an anesthetist (M.D. or C.R.N.A.).

Private Duty Nursing. Private duty nursing services of a licensed nurse (R.N., L.P.N. or L.V.N.) for a non-hospitalized acute illness or injury. "Private duty" means a session of four or more hours that continuous nursing care is furnished to you alone.

Private duty nursing services are subject to prior authorization to determine medical necessity. Please refer to MEDICAL MANAGEMENT PROGRAMS: AUTHORIZATION PROGRAM for information on how to obtain the proper reviews.

Hemodialysis Treatment

Dental Care

1. **Admissions for Dental Care.** Listed inpatient *hospital* services for up to three days during a *hospital stay*, when such *stay* is required for dental treatment and has been ordered by a *physician* (M.D.) and a dentist (D.D.S. or D.M.D.). We will make the final determination as to whether the dental treatment could have been safely rendered in another setting due to the nature of the procedure or your medical condition. *Hospital stays* for the purpose of administering general anesthesia are not considered necessary and are not covered except as specified in #2, below.
2. **General Anesthesia.** General anesthesia and associated facility charges when your clinical status or underlying medical condition requires that dental procedures be rendered in a *hospital* or *ambulatory surgical center*. This applies only if (a) the *member* is less than seven years old, (b) the *member* is developmentally disabled, or (c) the *member's* health is compromised and general anesthesia is *medically necessary*. Charges for the dental procedure itself, including professional fees of a dentist, are not covered.
3. **Dental Injury.** Services of a *physician* (M.D.) or dentist (D.D.S.) solely to treat an *accidental injury* to natural teeth. Coverage shall be limited to only such services that are *medically necessary* to repair the damage done by *accidental injury* and/or restore function lost as a direct result of the *accidental injury*. Damage to natural teeth due to chewing or biting is not *accidental injury*.

Pregnancy and Maternity Care

1. All medical benefits when provided for pregnancy or maternity care, including diagnosis of genetic disorders in cases of high-risk pregnancy. Inpatient *hospital* benefits in connection with childbirth will be provided for at least 48 hours following a normal delivery or 96 hours following a cesarean section, unless the mother and her *physician* decide on an earlier discharge.
2. Medical *hospital* benefits for routine nursery care of a newborn *child*, if the *child's* natural mother is enrolled under the *plan*.

Organ and Tissue Transplants. Services provided in connection with a non-investigative organ or tissue transplant, if you are:

1. The organ or tissue recipient; or
2. The organ or tissue donor.

If you are the recipient, an organ or tissue donor who is not an enrolled *member* is also eligible for services as described. Benefits are reduced by any amounts paid or payable by that donor's own coverage.

Covered expense does not include charges for services received without first obtaining our prior authorization, or which are provided at a facility other than a transplant center approved by us. See MEDICAL MANAGEMENT PROGRAMS: AUTHORIZATION PROGRAM for details.

You must obtain our prior authorization for all services related to specified organ transplants (heart, liver, lung, heart-lung, kidney-pancreas, or bone marrow, including autologous bone marrow transplant, peripheral stem cell replacement and similar procedures) including, but not limited to preoperative tests and postoperative care. Specified organ transplants must be performed at a *Center of Expertise (COE)*. **Charges for services provided for or in connection with a specified organ transplant performed at a facility other than a COE will not be considered covered expense.** See MEDICAL MANAGEMENT PROGRAMS: AUTHORIZATION PROGRAM for details.

Transplant Travel Expense. The following travel expenses in connection with an authorized, specified organ transplant (heart, liver, lung, heart-lung, kidney-pancreas, or bone marrow, including autologous bone marrow transplant, peripheral stem cell replacement and similar procedures) performed at a COE, provided the expenses are authorized by us (See MEDICAL MANAGEMENT PROGRAMS: AUTHORIZATION PROGRAM for details.):

1. For the recipient and a companion, per transplant episode, up to six trips per episode:
 - a. Round trip coach airfare to the COE, not to exceed **\$250** per person per trip.
 - b. Hotel accommodations, not to exceed **\$100** per day for up to 21 days per trip, limited to one room, double occupancy.
 - c. Other expenses, such as meals, not to exceed **\$25** per day for each person, for up to 21 days per trip.
2. For the donor, per transplant episode, limited to one trip:
 - a. Round trip coach airfare to the COE, not to exceed **\$250**.
 - b. Hotel accommodations, not to exceed **\$100** per day for up to 7 days.
 - c. Other expenses, such as meals, not to exceed **\$25** per day, for up to 7 days.

Routine Gynecological Examinations for Females. *Physician's* gynecological examinations, once a year, including, when ordered by your *physician*:

- a breast examination;
- cervical cancer screening (including services and supplies provided in connection with the test to detect cervical cancer, including pap smears and any cervical cancer screening test approved by the federal Food and Drug Administration upon referral by your *physician*); and
- a mammogram.

Well Baby and Well Child Care (Dependent Children Under 19 Years of Age). The following services for a dependent *child* under 19 years of age:

1. *Physician's* services for routine physical examinations.
2. Immunizations given as standard medical practice for children.
3. Radiology and laboratory services in connection with routine physical examinations.
4. Screening for blood lead levels as prescribed by a *physician*.
10. Hearing examinations.

Preventive Care (Members Age 19 and Over). The following services for *members* age 19 years and over:

1. *Physician's* services for routine physical examinations.
2. Radiology and laboratory services in connection with routine physical examinations.
3. Immunizations.
4. Hearing examinations.

Infertility Studies and Tests. The following services for diagnosis of *infertility*:

- Initial evaluation;
- Ultrasound of ovaries;
- Post-coital test;
- Hysterosalpingogram;
- Endometrial biopsy;
- Hysteroscopy; and
- Semen analysis for a male *member*.

Note: Charges for *infertility* studies and tests performed by a non-PPO provider are NOT COVERED.

Infertility Treatment. The following *infertility* services provided by a *physician* who is a PPO provider:

1. Ovulation induction with bloodwork and ultrasound associated with administration of medication, limited to six (6) cycles per lifetime.*
2. Artificial insemination (AID, AIH, IUI), limited to six (6) cycles per lifetime.*
3. Surgery (diagnostic or therapeutic).
4. Injectable *infertility* drugs administered at the *physician's* office. These include urofollitropin, menotropin, human chronic gonadotropin, progesterone when administered by a *physician* who is a PPO provider.

*Lifetime is defined to include services provided under any plan or any other health insurance or health maintenance organization plan or services that were not covered by any plan.

Note: Charges for *infertility* studies and tests performed by a non-PPO provider are NOT COVERED.

Jaw Joint Disorders. We will pay for splint therapy or surgical treatment for disorders or conditions of the joints linking the jawbones and the skull (the temporomandibular joints), including the complex of muscles, nerves and other tissues related to those joints.

Christian Science Benefits. The following provisions relate only to charges for Christian Science treatment:

1. A Christian Science sanatorium will be considered a *hospital* under the *plan* if it is accredited by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc.
2. The term *physician* includes a Christian Science practitioner approved and accredited by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc.

Benefits for the following services will be provided when a *member* manifests symptoms of a covered illness or injury and receives Christian Science treatment for such symptoms.

1. Services provided by a Christian Science sanatorium if the *member* is admitted for active care of an illness or injury.
2. Office visits for services of a Christian Science practitioner providing treatment for a diagnosed illness or injury according to the healing practices of Christian Science.

NO BENEFITS ARE AVAILABLE FOR SPIRITUAL REFRESHMENT. All other provisions of **MEDICAL CARE THAT IS NOT COVERED** apply equally to Christian Science benefits as to all other benefits and providers of care.

NETWORK AND OUT-OF-NETWORK BENEFITS

Subject to the applicable Co-Payments and the Medical Benefit Maximum in the SUMMARY OF BENEFITS, the requirements set forth under CONDITIONS OF COVERAGE and the exclusions or limitations listed under MEDICAL CARE THAT IS NOT COVERED, we will provide benefits for the following services and supplies:

Skilled Nursing Facility. Inpatient services and supplies provided by a *skilled nursing facility*. Under your Network Benefits, benefits will not be provided for any amount exceeding the prevailing two-bed room rate of the *skilled nursing facility*. Under your Out-of-Network Benefits, the amount by which your room charge exceeds the prevailing two-bed room rate of the *skilled nursing facility* is not considered *covered expense*.

Skilled nursing facility services and supplies under your Out-of-Network Benefits are limited to 240 days per *calendar year* and are subject to prior authorization to determine medical necessity. Please refer to MEDICAL MANAGEMENT PROGRAMS for information on how to obtain the proper reviews.

Home Health Care. The following services provided by a *home health agency*:

1. Services of a registered nurse or licensed vocational nurse under the supervision of a registered nurse or a *physician*.
2. Services of a licensed therapist for physical therapy, occupational therapy, speech therapy, or respiratory therapy.
3. Services of a medical social service worker.
4. Services of a health aide who is employed by (or who contracts with) a *home health agency*. Services must be ordered and supervised by a registered nurse employed by the *home health agency* as professional coordinator. These services are covered only if you are also receiving the services listed in 1 or 2 above.
5. *Medically necessary* supplies provided by the *home health agency*.

Out-of-Network benefits are limited to 100 visits during a *calendar year*. A visit of four hours or less by a home health aide shall be considered as one home health visit.

Out-of-Network home health care services are subject to prior authorization to determine medical necessity. Please refer to MEDICAL MANAGEMENT PROGRAMS: AUTHORIZATION PROGRAM for information on how to obtain the proper reviews.

Home health care services are not covered if received while you are receiving benefits under the "Hospice Care" or "Home Infusion Therapy" provisions of MEDICAL CARE THAT IS COVERED.

Hospice Care. The services and supplies listed below are covered when provided by a *hospice* for the palliative treatment of pain and other symptoms associated with a terminal disease.

1. Interdisciplinary team care with the development and maintenance of an appropriate plan of care.
2. Short-term inpatient *hospital* care when required in periods of crisis or as respite care. Coverage of inpatient respite care is provided on an occasional basis and is limited to a maximum of five consecutive days per admission.
3. Skilled nursing services provided by or under the supervision of a registered nurse. Certified home health aide services and homemaker services provided under the supervision of a registered nurse.
4. Social services and counseling services provided by a qualified social worker.

5. Dietary and nutritional guidance. Nutritional support such as intravenous feeding or hyperalimentation.
6. Physical therapy, occupational therapy, speech therapy, and respiratory therapy provided by a licensed therapist.
7. Volunteer services provided by trained *hospice* volunteers under the direction of a *hospice* staff member.
8. Pharmaceuticals, medical equipment, and supplies necessary for the management of your condition. Oxygen and related respiratory therapy supplies.
9. Bereavement services, including assessment of the needs of the bereaved family and development of a care plan to meet those needs, both prior to and following the *subscriber's* or the *family member's* death. Bereavement services are available to surviving members of the immediate family for a period of one year after the death. Your immediate family means your spouse, children, step-children, parents, and siblings.
10. Palliative care (care which controls pain and relieves symptoms, but does not cure) which is appropriate for the illness.

Under your Network Benefits, you must be suffering from a terminal illness for which the prognosis of life expectancy is one year or less, as certified to your *medical group* by your *primary care physician* and submitted to us. Covered services are available on a 24-hour basis for the management of your condition. Your *primary care physician* must consent to your care by the *hospice* and must be consulted in the development of your treatment plan. The *hospice* must submit a written treatment plan to your *medical group* every 30 days.

Under your Out-of-Network Benefits, you must be suffering from a terminal illness for which the prognosis of life expectancy is one year or less, as certified by your *physician* and submitted to us. Covered services are available on a 24-hour basis for the management of your condition. Your *physician* must consent to your care by the *hospice* and must be consulted in the development of your treatment plan. The *hospice* must submit a written treatment plan to us every 30 days.

Ambulatory Surgical Center. Services and supplies provided by an *ambulatory surgical center* in connection with outpatient surgery.

Reconstructive Surgery. Reconstructive surgery performed to correct deformities caused by congenital or developmental abnormalities, illness, or injury for the purpose of improving bodily function or symptomatology or creating a normal appearance.

Ambulance. The following ambulance services:

1. Base charge, mileage and non-reusable supplies of a licensed ambulance company for ground service to transport you to and from a *hospital*.
2. Emergency services or transportation services that are provided to you by a licensed ambulance company as a result of a "911" emergency response system* request for assistance if you believe you have an *emergency* medical condition requiring such assistance.
3. Base charge, mileage and non-reusable supplies of a licensed air ambulance company to transport you from the area where you are first disabled to the nearest *hospital* where appropriate treatment is provided if, and only if, such services are *medically necessary* and ground ambulance service is inadequate.
4. Monitoring, electrocardiograms (EKGs; ECGs), cardiac defibrillation, cardiopulmonary resuscitation (CPR) and administration of oxygen and intravenous (IV) solutions in connection with ambulance service. An appropriately licensed person must render the services.

* If you have an *emergency* medical condition that requires an emergency response, please call the “911” emergency response system if you are in an area where the system is established and operating.

Diagnostic Services. Outpatient diagnostic radiology and laboratory services. NOTE: Radiology and laboratory tests performed in connection with a routine physical examination are not covered under your Out-of-Network benefits.

Radiation Therapy

Chemotherapy

Prosthetic Devices

1. Breast prostheses following a mastectomy.
2. *Prosthetic devices* to restore a method of speaking when required as a result of a covered *medically necessary* laryngectomy.
3. We will pay for other *medically necessary prosthetic devices*, including:
 - a. Surgical implants;
 - b. Artificial limbs or eyes; and
 - c. The first pair of contact lenses or eye glasses when required as a result of a covered *medically necessary* eye surgery.

Colostomy supplies required to maintain *prosthetic devices*.

Durable Medical Equipment. Rental or purchase of dialysis equipment; dialysis supplies. Custom fitted orthotics that restrict or prevent the motion of a weak or diseased part of the body and *medically necessary* therapeutic shoes and inserts. Rental or purchase of other medical equipment and supplies which are:

1. Of no further use when medical needs end (but not disposable);
2. For the exclusive use of the patient;
3. Not primarily for comfort or hygiene;
4. Not for environmental control or for exercise; and
5. Manufactured specifically for medical use.

We will determine whether the item satisfies the conditions above.

Blood. Blood transfusions, including blood processing and the cost of unreplaced blood and blood products. Charges for the collection, processing and storage of self-donated blood are covered, but only when specifically collected for a planned and covered surgical procedure.

Prostate Cancer Screening. Services and supplies provided in connection with routine tests to detect prostate cancer.

Other Cancer Screening Tests. Services and supplies provided in connection with all generally medically accepted cancer screening tests.

Cancer Clinical Trials. Coverage is provided for services and supplies for routine patient care costs, as defined below, in connection with phase I, phase II, phase III and phase IV cancer clinical trials, if all the following conditions are met:

1. The treatment provided in a clinical trial must either:
 - a. Involve a *drug* that is exempt under federal regulations from a new drug application, or
 - b. Be approved by (i) one of the National Institutes of Health, (ii) the federal Food and Drug Administration in the form of an investigational new drug application, (iii) the United States Department of Defense, or (iv) the United States Veteran's Administration.
2. You must be diagnosed with cancer to be eligible for participation in these clinical trials.
3. Participation in such clinical trials must be recommended by your *physician* after determining participation has a meaningful potential to benefit the *member*.
4. For the purpose of this provision, a clinical trial must have a therapeutic intent. Clinical trials to just test toxicity are not included in this coverage.

Routine patient care costs means the costs associated with the provision of services, including drugs, items, devices and services which would otherwise be covered under the *plan*, including health care services which are:

1. Typically provided absent a clinical trial.
2. Required solely for the provision of the investigational drug, item, device or service.
3. Clinically appropriate monitoring of the investigational item or service.
4. Prevention of complications arising from the provision of the investigational drug, item, device, or service.
5. Reasonable and necessary care arising from the provision of the investigational drug, item, device, or service, including the diagnosis or treatment of the complications.

Routine patient care costs do not include any of the items listed below. You will be responsible for the costs associated with any of the following, in addition to the cost of non-covered services:

1. *Drugs* or devices not approved by the federal Food and Drug Administration that are associated with the clinical trial.
2. Services other than health care services, such as travel, housing, companion expenses and other nonclinical expenses that you may require as a result of the treatment provided for the purposes of the clinical trial.
3. Any item or service provided solely to satisfy data collection and analysis needs not used in the clinical management of the patient.
4. Health care services that, except for the fact they are provided in a clinical trial, are otherwise specifically excluded from the *plan*.
11. Health care services customarily provided by the research sponsors free of charge to *members* enrolled in the trial.

For payment for *non-PPO providers*, the cost will be based on the lesser of the billed charge or the amount that ordinarily applies when services are provided by a *PPO provider*.

Coverage for clinical trials is restricted to *PPO providers* in the state of California unless the protocol for the clinical trial is not provided for at a California *hospital* or by a California *physician*.

Allergy. Allergy testing and treatment.

Mastectomy. Mastectomy and lymph node dissection; complications from a mastectomy including lymphedema. Reconstructive surgery performed to restore symmetry following a *medically necessary* mastectomy.

Physical Therapy, Physical Medicine and Occupational Therapy. The following services provided by a *physician* under a treatment plan which offers a reasonable expectation of significant improvement are covered:

1. Physical therapy and physical medicine provided on an outpatient basis for the treatment of illness or injury including the therapeutic use of heat, cold, exercise, electricity, ultra violet radiation, manipulation of the spine, or massage for the purpose of improving circulation, strengthening muscles, or encouraging the return of motion. (This includes many types of care which are customarily provided by chiropractors, physical therapists and osteopaths.)
2. Occupational therapy provided on an outpatient basis when the ability to perform daily life tasks has been lost or reduced by illness or injury including programs which are designed to rehabilitate mentally, physically or emotionally handicapped persons. Occupational therapy programs are designed to maximize or improve a patient's upper extremity function, perceptual motor skills and ability to function in daily living activities.

Benefits are not payable for care provided to relieve general soreness or for conditions that may be expected to improve without treatment. For the purposes of this benefit, the term "visit" shall include any visit by a *physician* in that *physician's* office, or in any other outpatient setting, during which one or more of the services covered under this limited benefit are rendered, even if other services are provided during the same visit.

Contraceptives. Services and supplies provided in connection with the following methods of contraception:

- Injectable drugs and implants for birth control, administered in a *physician's* office, if *medically necessary*.
- Intrauterine contraceptive devices (IUDs) and diaphragms, dispensed by a *physician* if *medically necessary*.
- Professional services of a *physician* in connection with the prescribing, fitting, and insertion of intrauterine contraceptive devices or diaphragms.

If your *physician* determines that none of these contraceptive methods are appropriate for you based on your medical or personal history, coverage will be provided for another prescription contraceptive method that is approved by the Food and Drug Administration (FDA) and prescribed by your *physician*.

Outpatient Speech Therapy. Outpatient speech therapy following injury or organic disease.

Hearing Aid Services. The following hearing aid services are covered when provided by or purchased as a result of a written recommendation from an otolaryngologist or a state-certified audiologist.

1. Audiological evaluations to measure the extent of hearing loss and determine the most appropriate make and model of hearing aid. These evaluations will be covered under *plan* benefits for office visits to *physicians*.
2. Hearing aids (monaural or binaural) including ear mold(s), the hearing aid instrument, batteries, cords and other ancillary equipment.
3. Visits for fitting, counseling, adjustments and repairs for a one year period after receiving the covered hearing aid.

These items and services are covered under your *plan's* benefits for durable medical equipment (see "Durable Medical Equipment"). Covered charges for hearing aids are limited to **\$2,000** per set of hearing aids, every thirty-six (36) months.

No benefits will be provided for the following:

1. Charges for a hearing aid which exceeds specifications prescribed for the correction of hearing loss.
2. Surgically implanted hearing devices (i.e., cochlear implants, audient bone conduction devices). *Medically necessary* surgically implanted hearing devices may be covered under your *plan's* benefits for prosthetic devices (see "Prosthetic Devices").

Diabetes. Services and supplies provided for the treatment of diabetes, including:

1. The following equipment and supplies:
 - a. Blood glucose monitors, including monitors designed to assist the visually impaired, and blood glucose testing strips.
 - b. Insulin pumps.
 - c. Pen delivery systems for insulin administration (non-disposable).
 - d. Podiatric devices, such as therapeutic shoes and shoe inserts, to treat diabetes-related complications.
 - e. Visual aids (but not eyeglasses) to help the visually impaired to properly dose insulin.

These covered equipment and supplies are covered under your *plan's* benefits for durable medical equipment (see "Durable Medical Equipment").

2. Diabetes education services are covered under your Network benefits (see "Health Education" under MEDICAL CARE THAT IS COVERED: NETWORK BENEFITS).
3. The following items are covered under your *prescription drug* benefits:
 - a. Insulin, glucagon, and other *prescription drugs* for the treatment of diabetes.
 - b. Insulin syringes, disposable pen delivery systems for insulin administration.
 - c. Testing strips, lancets and alcohol swabs.

These items must be obtained either from a retail *pharmacy* or through the mail service program (see YOUR PRESCRIPTION DRUG BENEFITS).

Special Food Products. Special food products and formulas that are part of a diet prescribed by a *physician* for the treatment of phenylketonuria (PKU). Most formulas used in the treatment of PKU are obtained from a *pharmacy* and are covered under your *plan's prescription drug* benefits (see YOUR PRESCRIPTION DRUG BENEFITS). Special food products that are not available from a *pharmacy* are covered as medical supplies under your *plan's* medical benefits.

Prescription Drug for Abortion. Mifepristone is covered when provided under the Food and Drug Administration (FDA) approved treatment regimen.

MEDICAL CARE THAT IS NOT COVERED

No benefits will be provided under this *plan* for services or supplies received for or in connection with any of the items below. (The titles given to these exclusions and limitations are for ease of reference only; they are not meant to be an integral part of the exclusions and limitations and do not modify their meaning.)

APPLICABLE TO NETWORK BENEFITS

Not Authorized. Any services not authorized by your *primary care physician* or your *medical group*, except as specifically stated in USING YOUR NETWORK BENEFITS: EMERGENCY CARE and URGENT CARE.

Services Provided by Non-Participating Providers. Any services provided by a *non-participating provider*, except for referral, *emergency services*, and *urgent care* as specifically stated in USING YOUR NETWORK BENEFITS: REFERRAL CARE, EMERGENCY CARE, URGENT CARE, and CARE OUTSIDE OF CALIFORNIA.

Optometric Services or Supplies. Optometric services, eye exercises, and orthoptics, except for eye examinations to determine the need for vision correction. Eyeglasses or contact lenses, except as specifically stated in the "Prosthetic Devices" provision of MEDICAL CARE THAT IS COVERED. Contact lens fitting.

Surrogacy. Any services or supplies provided in connection with a surrogate pregnancy (i.e., the bearing of a child by another woman for an infertile couple), unless the surrogate mother is an enrolled Blue Cross PLUS *member*.

Sexual Dysfunction. Treatment of any sexual dysfunction except as stated in the "Sexual Dysfunction" provision of MEDICAL CARE THAT IS COVERED.

Infertility. *Infertility* studies and tests. Artificial insemination or in vitro fertilization procedures, and any related laboratory procedures. *Infertility* treatment.

Custodial Care or Rest Cures. Inpatient room and board charges in connection with a *hospital stay* primarily for environmental change or physical therapy. *Custodial care* or rest cures, except as specifically provided under the "Hospice Care" provision of MEDICAL CARE THAT IS COVERED. Services provided by a rest home, a home for the aged, a nursing home or any similar facility. Services provided by a *skilled nursing facility*, except as specifically stated in the "Skilled Nursing Facility" provision of MEDICAL CARE THAT IS COVERED.

Chronic Pain. Treatment of chronic pain, except as specifically provided under the "Hospice Care" provision of MEDICAL CARE THAT IS COVERED.

Nutrition. Food or nutritional supplements, except as specifically stated under the "Special Food Products" provision of MEDICAL CARE THAT IS COVERED.

Routine Examinations. Routine physical or psychological examinations or tests required by employment or government authority, or at the request of a third party such as a school, camp or sport affiliated organization.

Any other routine physical or psychological examination or test which does not directly treat an actual illness, injury or condition, except as specifically stated in the "Routine Gynecological Exams for Females", "Routine Examinations" or "Breast Cancer" provision of MEDICAL CARE THAT IS COVERED.

Immunizations. Immunizations for foreign travel. Immunizations, except as stated in the "Immunizations" provision of MEDICAL CARE THAT IS COVERED.

Spinal Manipulation. Services for manual manipulation of the spine to correct subluxation. These services are provided as described in the "Chiropractic Care and Acupuncture Treatment Amendment" at the end of this booklet.

Acupuncture Treatment. Acupuncture treatment is provided as described in the "Chiropractic Care and Acupuncture Treatment Amendment" at the end of this booklet. Acupressure, or massage to control pain, treat illness or promote health by applying pressure to one or more specific areas of the body based on dermatomes or acupuncture points.

Lifestyle Programs. Programs to alter one's lifestyle which may include but are not limited to diet, exercise, imagery or nutrition. This exclusion will not apply to cardiac rehabilitation programs approved by your *primary medical group*.

APPLICABLE TO OUT-OF-NETWORK BENEFITS

Excess Amounts. Any amounts in excess of *covered expense* or the Out-of-Network Medical Benefit Maximums.

Network Benefits. Services or supplies for which any benefits are authorized, provided and received under your Network Benefits, including any authorized services received for the treatment of an *emergency*. Services and supplies provided by your *primary care physician* or services provided through the Direct Access Program.

Excluded under Network. Services or supplies which are excluded under the Network Benefits, except to the extent that the services of a provider who is not a *participating provider* in the Blue Cross PLUS network are payable under Out-of-Network Benefits.

Services of Relatives. Professional services received from a person who lives in your home or who is related to you by blood or marriage, except as specifically stated in the "Home Infusion Therapy" provision of MEDICAL CARE THAT IS COVERED.

Inpatient Diagnostic Tests. Inpatient room and board charges in connection with a *hospital stay* primarily for diagnostic tests which could have been performed safely on an outpatient basis.

Optometric Services or Supplies. Optometric services, eye exercises including orthoptics, routine eye exams and routine eye refractions. Eyeglasses or contact lenses, except as specifically stated in the "Prosthetic Devices" provision of MEDICAL CARE THAT IS COVERED.

Outpatient Occupational Therapy. Outpatient occupational therapy, except by a *home health agency, hospice or home infusion therapy provider* as specifically stated in the "Home Health Care", "Hospice Care", "Home Infusion Therapy", or "Physical Therapy, Physical Medicine And Occupational Therapy" provisions of MEDICAL CARE THAT IS COVERED.

Custodial Care or Rest Cures. Inpatient room and board charges in connection with a *hospital stay* primarily for environmental change or physical therapy. *Custodial care* or rest cures, except as specifically provided under the "Hospice Care" provision of MEDICAL CARE THAT IS COVERED. Services provided by a rest home, a home for the aged, a nursing home or any similar facility. Services provided by a *skilled nursing facility*, except as specifically stated in the "Skilled Nursing Facility" provision of MEDICAL CARE THAT IS COVERED.

Chronic Pain. Treatment of chronic pain, except as specifically provided under the "Hospice Care" provision of MEDICAL CARE THAT IS COVERED.

Education or Counseling. Educational services, or nutritional counseling, except as specifically stated under the "Home Infusion Therapy" provision of MEDICAL CARE THAT IS COVERED. Food

supplements except as specifically stated under the "Special Food Products" provision of MEDICAL CARE THAT IS COVERED.

Routine Exams or Tests. Routine physical exams or tests which do not directly treat an actual illness, injury or condition, including those required by employment or government authority.

Any other routine physical examination or test which does not directly treat an actual illness, injury or condition, except as specifically stated in the "Routine Gynecological Examinations for Females", "Well Baby and Well Child Care" and "Preventive Care" provisions of MEDICAL CARE THAT IS COVERED.

Treatment. In vitro fertilization procedures, and any related laboratory procedures. *Infertility* treatment, except as specifically stated in the "Infertility Treatment" provision of MEDICAL CARE THAT IS COVERED.

Spinal Manipulation. Services for manual manipulation of the spine to correct subluxation.

Acupuncture. Acupuncture, acupressure, or massage to control pain, treat illness or promote health by applying pressure to one or more specific areas of the body based on dermatomes or acupuncture points.

Lifestyle Programs. Programs to alter one's lifestyle which may include but are not limited to diet, exercise, imagery or nutrition. This exclusion will not apply to cardiac rehabilitation programs approved by us.

APPLICABLE TO NETWORK AND OUT-OF-NETWORK BENEFITS

Not Medically Necessary. Services or supplies that are not *medically necessary*, as defined.

Experimental or Investigative. Any *experimental* or *investigative* procedure or medication. This exclusion will not apply to services and supplies for routine patient care costs in connection with phase I, phase II, phase III and phase IV cancer clinical trials, as specifically stated under the "Cancer Clinical Trials" provision of MEDICAL CARE THAT IS COVERED. In addition, if you have a life-threatening or seriously debilitating condition and we determine that requested treatment is not a covered service because it is *experimental* or *investigative*, you may request an independent medical review as described in GRIEVANCE PROCEDURES.

Crime or Nuclear Energy. Conditions that result from: (1) your commission of or attempt to commit a felony; or (2) any release of nuclear energy, whether or not the result of war, when government funds are available for treatment of illness or injury arising from such release of nuclear energy.

Not Covered. Services received before your *effective date* or after your coverage ends, except as specifically stated under EXTENSION OF BENEFITS.

Work-Related. Work-related conditions if benefits are recovered or can be recovered, either by adjudication, settlement or otherwise, under any workers' compensation, employer's liability law or occupational disease law, even if you do not claim those benefits.

If there is a dispute or substantial uncertainty as to whether benefits may be recovered for those conditions pursuant to workers' compensation, benefits will be provided subject to our right of recovery and reimbursement under California Labor Code Section 4903, and as described in REIMBURSEMENT FOR ACTS OF THIRD PARTIES.

Government Treatment. Any services you actually received that were provided by a local, state or federal government agency, except when payment under this *plan* is expressly required by federal or state law. We will not cover payment for these services if you are not required to pay for them or they are given to you for free.

Voluntary Payment. Services for which you have no legal obligation to pay, or for which no charge would be made in the absence of insurance coverage or other health plan coverage, except services received at a non-governmental charitable research *hospital*. Such a *hospital* must meet the following guidelines:

1. It must be internationally known as being devoted mainly to medical research;
2. At least **10%** of its yearly budget must be spent on research not directly related to patient care;
3. At least one-third of its gross income must come from donations or grants other than gifts or payments for patient care;
4. It must accept patients who are unable to pay; and
5. Two-thirds of its patients must have conditions directly related to the *hospital's* research.

Not Specifically Listed. Services not specifically listed in this *plan* as covered services.

Private Contracts. Services or supplies provided pursuant to a private contract between the *member* and a provider, for which reimbursement under the Medicare program is prohibited, as specified in Section 1802 (42 U.S.C. 1395a) of Title XVIII of the Social Security Act.

Mental Disorders. Academic or educational testing, counseling, and remediation. *Mental disorders* or *chemical dependency*, including rehabilitative care in relation to these conditions.

Note: Services for treatment of *mental or nervous disorders* and substance abuse are not covered by Blue Cross under this *plan*. They are covered through United Behavioral Health (UBH), the supplemental coverage provided by your employer.

Nicotine Use. Smoking cessation programs or treatment of nicotine or tobacco use. Smoking cessation *drugs*.

Outpatient Drugs and Medications. Outpatient prescription drugs or medications and insulin, except as specifically stated in the "Home Health Care" and "Prescription Drug for Abortion" provisions of MEDICAL CARE THAT IS COVERED or under YOUR PRESCRIPTION DRUG BENEFITS section of this booklet. Non-prescription, over-the-counter patent or proprietary drugs or medicines. Cosmetics, health or beauty aids.

Orthodontia. Braces, other orthodontic appliances or orthodontic services.

Dental Services or Supplies. Dental plates, bridges, crowns, caps or other dental prostheses, dental services, extraction of teeth, or treatment to the teeth or gums, except as specifically stated in the "Dental Care" provision of MEDICAL CARE THAT IS COVERED. Cosmetic dental surgery or other dental services for beautification.

Weight Alteration Programs (Inpatient and Outpatient). Weight loss or weight gain programs including, but not limited to, dietary evaluations and counseling, exercise programs, behavioral modification programs, surgery, laboratory tests, food and food supplements, vitamins and other nutritional supplements associated with weight loss or weight gain, unless it is for the treatment of anorexia nervosa or bulimia nervosa. Surgical treatment for morbid obesity will be covered only when criteria are met as recommended by our Medical Policy.

Outpatient Speech Therapy. Outpatient speech therapy except as stated in the "Outpatient Speech Therapy" provision of MEDICAL CARE THAT IS COVERED.

Cosmetic Surgery. Cosmetic surgery or other services performed solely for beautification or to alter or reshape normal (including aged) structures or tissues of the body to improve appearance. This

exclusion does not apply to reconstructive surgery (that is, surgery performed to correct deformities caused by congenital or developmental abnormalities, illness, or injury for the purpose of improving bodily function or symptomatology or to create a normal appearance), including surgery performed to restore symmetry following mastectomy. Cosmetic surgery does not become reconstructive surgery because of psychological or psychiatric reasons.

Sex Transformation. Procedures to change characteristics of the body to those of the opposite sex.

Sterilization Reversal. Reversal of sterilization.

Orthopedic Supplies. Orthopedic shoes (other than shoes joined to braces) or non-custom molded and cast shoe inserts, except as specifically stated in the "Durable Medical Equipment" provision of MEDICAL CARE THAT IS COVERED.

Air Conditioners. Air purifiers, air conditioners, or humidifiers.

Exercise Equipment. Exercise equipment, or any charges for activities, instrumentalities, or facilities normally intended or used for developing or maintaining physical fitness, including, but not limited to, charges from a physical fitness instructor, health club or gym, even if ordered by a *physician*.

Personal Items. Any supplies for comfort, hygiene or beautification.

Nutrition. Food or nutritional supplements, except as specifically stated under the "Special Food Products" provision of MEDICAL CARE THAT IS COVERED.

Telephone and Facsimile Machine Consultations. Consultations provided by telephone or facsimile machine.

Routine Exams or Tests. Routine physical exams or tests which do not directly treat an actual illness, injury or condition, including those required by employment or government authority.

Any other routine physical examination or test which does not directly treat an actual illness, injury or condition, except as specifically stated in the "Prostate Cancer Screening" or "Other Cancer Screening Tests" provisions of MEDICAL CARE THAT IS COVERED.

Eye Surgery for Refractive Defects. Any eye surgery solely or primarily for the purpose of correcting refractive defects of the eye such as nearsightedness (myopia) and/or astigmatism. Contact lenses and eyeglasses required as a result of this surgery.

Physical Therapy or Physical Medicine. Services of a *physician* for physical therapy or physical medicine, except when provided during a covered inpatient confinement, or as specifically stated in the "Home Health Care", "Hospice Care", "Home Infusion Therapy" or "Physical Therapy, Physical Medicine and Occupational Therapy" provisions of MEDICAL CARE THAT IS COVERED.

Contraceptive Devices. Contraceptive devices prescribed for birth control except as specifically stated in the "Contraceptives" provision in MEDICAL CARE THAT IS COVERED.

Scalp hair prostheses. Scalp hair prostheses including wigs or any form of hair replacement.

Private Duty Nursing. Inpatient services of a private duty nurse. Outpatient private duty nursing services except as specifically stated in "Outpatient Private Duty Nursing" provision under the section MEDICAL CARE THAT IS COVERED.

Clinical Trials. Services and supplies in connection with clinical trials, except as specifically stated in the "Cancer Clinical Trials" provision under the section MEDICAL CARE THAT IS COVERED.

REIMBURSEMENT FOR ACTS OF THIRD PARTIES

Under some circumstances, a *member* may need services under this *plan* for which a third party may be liable or legally responsible by reason of negligence, an intentional act or breach of any legal obligation. In that event, we will provide the benefits of this *plan* subject to the following:

1. We will automatically have a lien, to the extent of benefits provided, upon any recovery, whether by settlement, judgment or otherwise, that you receive from the third party, the third party's insurer, or the third party's guarantor. The lien will be in the amount of benefits we paid under this *plan* for the treatment of the illness, disease, injury or condition for which the third party is liable, but, not more than the amount allowed by California Civil Code Section 3040.
2. You must advise us in writing, within 60 days of filing a claim against the third party and take necessary action, furnish such information and assistance, and execute such papers as we may require to facilitate enforcement of our rights. You must not take action which may prejudice our rights or interests under your *plan*. Failure to give us such notice or to cooperate with us, or actions that prejudice our rights or interests will be a material breach of this *plan* and will result in your being personally responsible for reimbursing us.
3. We will be entitled to collect on our lien even if the amount you or anyone recovered for you (or your estate, parent or legal guardian) from or for the account of such third party as compensation for the injury, illness or condition is less than the actual loss you suffered.

For the purposes of the Network Benefits only, the provisions of our right of reimbursement are extended to your *medical group*.

USING YOUR NETWORK BENEFITS

The procedures outlined below describe how you can use your Network Benefits. Please note, your *primary care physician* or *medical group* are responsible for authorizing all the care you receive under your Network Benefits, except as specifically stated in this booklet. If you have questions, contact them or your *Blue Cross PLUS coordinator*.

PRIMARY CARE

Your *primary care physician* is responsible for providing you with primary, or general, medical care. You should consult with him or her first. Your *primary care physician*, and your *medical group*, are also responsible for authorizing referral care and *emergency care*.

You must first select a *primary care physician*. If you have not selected a *primary care physician*, the *medical group* will help you.

To make an appointment with your *primary care physician*, call your *medical group*, in advance, if possible. (If your *medical group* is an *independent practice association*, please call your *primary care physician* directly.)

When you call, identify yourself as a Blue Cross PLUS *member* and give the following information:

- Your name;
- Your certificate number and *group* number from your ID card (Bring your Blue Cross PLUS Identification Card when you come in for your appointment. If you do not have your ID card with you, you may be required to sign an Eligibility Certification form);
- A brief explanation of the reason for your visit.

To cancel or reschedule an appointment, please notify your *primary care physician* as far in advance as possible. Your call may allow the *physician* to provide needed medical attention to another person.

To obtain care after normal hours, see URGENT CARE OR EMERGENCY CARE sections.

SECOND OPINIONS

Your *medical group* is responsible for arranging second opinions and specialty care with providers within or affiliated with your Blue Cross PLUS *medical group*. Working with your *medical group* supports and improves the coordination and quality of your medical care.

When you have seen a *specialist* to whom you were referred by your *primary care physician* (called a "group" *specialist*) and want a second opinion, you have the right to a second opinion by an appropriately qualified health care professional within the Blue Cross PLUS provider network. If there is no appropriately qualified health care professional within the network, we will authorize a second opinion by another appropriately qualified health care professional, taking into account your ability to travel.

Reasons for requesting a second opinion include but are not limited to:

- Questions about the reasonableness or necessity of recommended surgical procedures.
- Questions about the diagnosis or plan of care for a condition that threatens loss of life, loss of limb, loss of bodily function, or substantial impairment, including but not limited to a serious chronic condition.
- The clinical indications are unclear or are complex and confusing.

- A diagnosis is in doubt because of conflicting test results.
- The first *physician* is unable to diagnose the condition.
- The treatment plan in progress is not improving your medical condition within an appropriate period of time.
- You have attempted to follow the treatment plan or you have consulted with the *specialist* regarding serious concerns about your diagnosis or plan of care.

To request a second opinion regarding recommendations by your *primary care physician*, call your *primary care physician* or your *Blue Cross PLUS coordinator* at your *medical group*.

To request a *specialist* second opinion outside your *medical group*, please call the Customer Service number shown on your ID card. The Customer Service Representative will verify your Blue Cross PLUS membership, obtain preliminary information, and give your request to an RN Case Manager.

A decision is made within five business days of receipt of the information necessary to make a decision. Decisions on urgent requests are made within a time frame appropriate to your medical condition and no later than the next business day.

When approved, your Case Manager assists you with selection of a Blue Cross PLUS *specialist* within a reasonable travel distance and makes arrangements for your appointment at a time convenient for you and appropriate to your medical condition. If your medical condition is serious, your appointment will be scheduled within no more than seventy-two (72) hours. Your Case Manager will work with you and your *medical group* to make sure the *specialist* has your medical records before your appointment. Except for your usual co-payment, we cover the *specialist's* fee.

An approval letter is sent to you and the *specialist*. The letter includes the services approved and the date of your scheduled appointment. It also includes a toll free number to call your Case Manager if you have questions or need additional assistance. Approval is for the second opinion consultation only. It does not include any other services such as lab, xray, or treatment by the *specialist*. You and your *primary care physician* receive a copy of the *specialist's* report, which includes any recommended diagnostic testing or procedures. When you receive the report, you and your *primary care physician* or group *specialist* should work together to determine your treatment options and develop a treatment plan. Your *medical group* must authorize all follow-up care.

Only our *physician* Medical Director may decide when we will not cover the fees for a *specialist* you choose. This may happen when you choose a *specialist* who is not part of the Blue Cross PLUS network and the same kind of *specialist* is available within the network. If your request is not approved, your letter will include the names of the *specialists* that can be approved.

You may appeal a disapproval decision by following our grievance procedures. Grievance procedures are described later in this booklet (see GRIEVANCE PROCEDURES) and in your denial letter.

If you have questions or need additional information about this program, please contact your *Blue Cross PLUS coordinator* at your *medical group* or call the Customer Service number shown on your ID card. You may also obtain a second opinion through your Out-of-Network benefits

HOSPITAL STAYS

Your *medical group* or we will review any request by your *primary care physician* that you be admitted to a *hospital* on a non-emergency (elective) basis. If the admission is authorized, you will be directed to a *participating provider hospital*.

REFERRAL CARE

If your *primary care physician* determines that you need care which he or she cannot provide, he or she will arrange to send you to the type of provider who can furnish that care. In most cases, the provider to whom you are referred will be a member of your *medical group* or will have an arrangement with your *medical group* to provide needed care to its patients.

Your *primary care physician* will give you a completed form which authorizes specific treatment or services.

Take this form to the health care provider you have been referred to. That provider will fill in the appropriate parts and will send it back to your *medical group*.

This form is necessary to coordinate payment for referral services. If you do not receive such a form, please ask your *primary care physician* or *Blue Cross PLUS coordinator* for it. Please note, only formal referral forms are acceptable. If you receive a prescription pad paper or other casual referral, request an acceptable form.

You should not be billed for referral services. If you mistakenly receive the bill, send it to your Blue Cross PLUS Coordinator who will see that the appropriate payment is made.

Referrals are made at the sole and absolute discretion of your *primary care physician* and your *medical group*. Payment will only be made for the number of visits and the medical care specifically authorized by your *primary care physician*. Contact your *primary care physician* before obtaining any additional care. **You are responsible for paying for services received but not authorized by your Primary Care Physician.**

EMERGENCY CARE

Please read the definition of "Emergency" in the DEFINITIONS section carefully. This definition will be strictly enforced.

If you need *emergency* care, you should seek medical treatment immediately. You are encouraged to use the 911 emergency response system in areas where it is established and operating if you have an *emergency* medical condition that requires an emergency response.

In Area Emergencies. If you need *emergency* treatment, and you are within 20 miles of your *medical group* (or 20 miles of your *medical group's enrollment area hospital*, if your *medical group* is an *independent practice association*), you should seek medical treatment immediately on your own. You should request your treating provider to contact your *primary care physician* or *medical group* as soon as possible to request *medically necessary* continued care. When your *primary care physician* or *medical group* is contacted, the *physician* will either authorize continued care or will take over your care.

You may choose to call your *primary care physician* or *medical group* first. *Physicians* are available 24 hours a day, seven days a week. If you do, you will be given instructions, which may include the following:

- Your *primary care physician* or *medical group* may ask you to come to the *medical group's* offices;
- Your *primary care physician* or *medical group* may give you the name of a nearby *hospital*, and tell you to go to the emergency room. Any authorized services you receive from that *hospital* will be billed directly to us (remember to bring your Blue Cross PLUS ID card);

- The *primary care physician* or *medical group* may order an ambulance to take you to a specified *hospital*; or
- Your *primary care physician* or *medical group* may give you the name of another *medical group*, and ask you to go to that group's offices.

But if you think the condition is really serious and a threat to your health, do not delay seeking care.

Out of Area Emergencies. If you need *emergency* treatment and you are more than 20 miles from your *medical group* (or your *medical group's enrollment area hospital* if you are enrolled in an *independent practice association*), you must contact us within 48 hours if you are admitted to the *hospital*, unless extraordinary circumstances (see below) prevent such notification. If your condition requires a *hospital stay* or long-term care we will monitor your progress, and when your condition is stable, facilitate your transfer to your *medical group's enrollment area*.

Non-Participating Providers. If a *physician*, or other type of health care provider not connected with Blue Cross PLUS provides treatment because of the need for *emergency care*, you will be responsible for any applicable co-payment.

Non-Covered Services. Coverage will not be provided for the following unauthorized emergency care:

- Services which do not meet our definition of "Emergency Services" (see DEFINITIONS); and
- Continuing or *follow-up care* not provided by your *medical group* after your condition has stabilized (unless otherwise authorized).

Once authorization for emergency services is given, it may not be withdrawn by the *medical group*.

URGENT CARE

We provide coverage for *medically necessary* care provided by *non-participating providers* to prevent serious deterioration of your health resulting from an unforeseen illness or injury when you are more than 20 miles from your *medical group* (or your *medical group's enrollment area hospital* if you are enrolled in an *independent practice association*), and seeking health services cannot be delayed until you return.

If you need *urgent care*, you should seek medical treatment immediately. If you are admitted to a *hospital* for urgently needed care, you should contact us within 48 hours, unless extraordinary circumstances* prevent such notification. Follow-up care will be covered when the care required continues to meet our definition of "Urgent Care" (see DEFINITIONS).

Routine or elective services not authorized by your *primary care physician* and provided by *non-participating providers* are not covered.

CARE OUTSIDE OF CALIFORNIA

We provide *medically necessary* care (follow-up care, *urgent care* and *emergency services*) in many regions of the United States for *members* traveling outside California.

If you are traveling outside of California, and need outpatient care due to an unexpected illness or injury (or follow-up care for an illness or injury) which does not qualify as an *emergency* or as *urgent care*, call the BlueCard Access 800 number, 1-800-810-BLUE (2583).

The BlueCard Access Call Center will give you the names, locations, and telephone numbers of nearby *hospitals* and *physicians* you may call for an appointment.

If your condition is an *emergency*, or if you need *urgent care*, you should seek medical treatment immediately. You, a member of your family or your treating *physician* should contact us as soon as possible after receiving initial *emergency* or *urgent care* services so that we can provide case management.

You may be billed by the health care provider for these services. You should forward these bills to us for processing. We will review all claims to confirm that the services provided were for *emergency care* or *urgent care*.

To obtain Out-of-Network *PPO provider* services while you are outside California, please see the "Out-of-California Providers" provision in the GENERAL PROVISIONS section of this booklet.

EXTRAORDINARY CIRCUMSTANCES

If extraordinary circumstances are present during an *emergency* or when you require *urgent care*, you must notify us as soon as reasonably possible following initial treatment for that condition so we can provide case management.

MEDICAL MANAGEMENT PROGRAMS

Medical management programs described in this section apply to services as specified in this section that are covered under your Out-of-Network benefits.

Benefits are provided only for *medically necessary* and appropriate services. Medical management programs including Utilization Review, Authorization and Case Management are designed to work together with you and your provider to ensure you receive appropriate medical care and avoid unexpected out of pocket expense. The utilization review program applies to inpatient *hospital* and outpatient surgery at an *ambulatory surgical center*. The authorization program applies to certain specialized services or treatments. The personal case management program helps you coordinate and manage long-term intensive medical care.

No benefits are payable, however, unless your coverage is in force at the time services are rendered, and the payment of benefits is subject to all the terms and requirements of this *plan*.

Important: Medical management requirements described in this section do not apply when coverage under this *plan* is secondary to another plan providing benefits for you or your *family members*.

UTILIZATION REVIEW PROGRAM

The utilization review program evaluates the medical necessity and appropriateness of care and the setting in which care is provided. You and your *physician* are advised if we have determined that services can be safely provided in an outpatient setting, or if an inpatient *stay* is recommended. Services that are *medically necessary* and appropriate are certified by us and monitored so that you know when it is no longer *medically necessary* and appropriate to continue those services.

It is your responsibility to see that your *physician* starts the utilization review process before scheduling you for any service subject to the utilization review program. If you receive any such service, and do not follow the procedures set forth in this section, your benefits will be reduced as shown in the "Effect on Benefits" portion of UTILIZATION REVIEW PROGRAM.

UTILIZATION REVIEW REQUIREMENTS

Utilization reviews are conducted for the following services:

- All inpatient *hospital stays* covered under your Out-of-Network benefits; and
- Outpatient surgery at an *ambulatory surgical center* covered under your Out-of-Network benefits;

Exceptions: Utilization review is not required for inpatient *hospital stays* for the following services:

- Maternity care of 48 hours or less following a normal delivery or 96 hours or less following a cesarean section; and
- Mastectomy and lymph node dissection.

There are three stages of utilization review:

1. **Pre-service review** determines the medical necessity and appropriateness of scheduled, non-emergency inpatient *hospital* and *ambulatory surgical center* services.
2. **Concurrent review** determines whether services are *medically necessary* and appropriate when pre-service review is not required or we are notified while service is ongoing, for example, an emergency admission to the hospital.
3. **Retrospective review** is performed to review services that have already been provided. This applies in cases when pre-authorization, pre-service or concurrent review was not completed, or in order to evaluate and audit medical documentation subsequent to services being provided. Retrospective review may also be performed for services that continued longer than originally certified.

EFFECT ON BENEFITS

In order for the full benefits of this *plan* to be payable, the following criteria must be met:

1. The appropriate utilization reviews must be performed in accordance with this *plan*. When pre-service review is not performed as required for an inpatient *hospital* admission or an outpatient surgical procedure at an *ambulatory surgical center*, the benefits to which you would have been otherwise entitled will be subject to the Non-Certification Deductible shown in the SUMMARY OF BENEFITS.
2. The services must be *medically necessary* and appropriate. Inpatient *hospital* benefits will be provided only when an inpatient *stay* is *medically necessary* and appropriate. If you proceed with any services that have been determined to be not *medically necessary* and appropriate at any stage of the utilization review process, benefits will not be provided for those services.
3. Services that are not reviewed prior to or during service delivery will be reviewed retrospectively when the bill is submitted for benefit payment. If that review results in the determination that part or all of the services were not *medically necessary* and appropriate, benefits will not be paid for those services. Remaining benefits will be subject to previously noted reductions that apply when the required reviews are not obtained.

HOW TO OBTAIN UTILIZATION REVIEWS

Remember, it is always your responsibility to confirm that the review has been performed.

Pre-service Reviews. Penalties will result for failure to obtain pre-service review, before receiving scheduled services, as follows:

1. For all scheduled services that are subject to utilization review, you or your *physician* must initiate the pre-service review at least three working days prior to when you are scheduled to receive services.
2. You must tell your *physician* that this *plan* requires pre-service review. *Physicians* who are PPO *providers* or *participating providers* will initiate the review on your behalf. A *non-PPO provider* or *non-participating provider* may initiate the review for you, or you may call us directly. The toll-free number for pre-service review is printed on your identification card.
3. If you do not receive the certified service within 60 days of the certification, or if the nature of the service changes, a new pre-service review must be obtained.
4. We will certify services that are *medically necessary* and appropriate. For inpatient *hospital* and *residential treatment center* stays, we will, if appropriate, certify a specific length of *stay* for approved services.

Concurrent Reviews

1. If pre-service review was not performed, you, your *physician* or the provider of the service must contact us for concurrent review. For an *emergency* admission or procedure, we must be notified within one working day of the admission or procedure, unless extraordinary circumstances* prevent such notification within that time period.
2. When PPO *providers* or *participating providers* have been informed of your need for utilization review, they will initiate the review on your behalf. You may ask a *non-PPO provider* or *non-participating provider* to call the toll free number printed on your identification card or you may call directly.
3. When we determine that the service is *medically necessary* and appropriate, your physician will be notified by telephone we will, depending upon the type of treatment or procedure, certify the service for a period of time that is medically appropriate. We will also determine the medically appropriate setting.
4. If we determine that the service is not *medically necessary* and appropriate, your *physician* will be notified by telephone no later than 24 hours following our decision. We will send written notice to you and your *physician* within two business days following our decision. However, care will not be discontinued until your *physician* has been notified and a plan of care that is appropriate for your needs has been agreed upon.

Extraordinary Circumstances. In determining "extraordinary circumstances", we may take into account whether or not your condition was severe enough to prevent you from notifying us, or whether or not a member of your family was available to notify us for you. You may have to prove that such "extraordinary circumstances" were present at the time of the *emergency*.

Retrospective Reviews

1. Retrospective review is performed when we are not notified of the service you received, and are therefore unable to perform the appropriate review prior to your discharge from the *hospital* or completion of outpatient treatment. It is also performed when pre-service or concurrent review has been done, but services continue longer than originally certified.

It may also be performed for the evaluation and audit of medical documentation after services have been provided, whether or not pre-service or concurrent review was performed.

2. Such services which have been retroactively determined to not be *medically necessary* and appropriate will be retrospectively denied certification.

AUTHORIZATION PROGRAM

The authorization program provides prior authorization for medical care and services under your Out-of-Network benefits, for services by a *non-PPO provider* and for certain "special services".

It is your responsibility to obtain authorization before you receive any service subject to the authorization program. The toll-free number to call for authorization is shown on your plan identification card. If you receive any such service, and do not follow the procedures set forth in this section, your benefits will be reduced as shown in the "Effect on Benefits" portion of AUTHORIZATION PROGRAM.

SERVICES REQUIRING AUTHORIZATION

Authorized Referrals. In order for the maximum benefits of this *plan* to be payable, advance authorization is required for services received from *non-PPO providers* and *non-participating providers* for the services listed above. When the appropriate authorization is obtained, these services are called *authorized referral services*.

Note: *Authorized referrals* are not required for the services of *physicians* of a type not available in our provider networks. A *physician's* written referral is required, however, in order for the services of some *physicians* to be covered under this *plan*. Refer to the definition of "Physician" in the DEFINITIONS section.

Special Services

1. Organ and tissue transplants.
2. Transplant travel expense benefits.
3. Home infusion therapy.
4. Home health care.
5. Admissions to a *skilled nursing facility*.
6. Outpatient private duty services.

EFFECT ON BENEFITS

For Services Requiring Authorized Referral

1. Benefits for *medically necessary* and appropriate *authorized referral* services received from a *non-PPO provider* or *non-participating provider* will be payable at the same level as for PPO *providers* or *participating providers*.
2. Benefits for *covered expense* for referral services received from *non-PPO providers* or *non-participating providers* that have not been authorized in advance will continue to be payable at the *non-PPO provider* level as shown in YOUR MEDICAL BENEFITS: OUT-OF-NETWORK BENEFITS: HOW COVERED EXPENSE IS DETERMINED.

For Special Services. Benefits for special services subject to prior authorization will be provided as stated under the Out-of-Network Benefits for the specific service only when authorization has been obtained as required. No benefits are payable for unauthorized special services.

WHEN AUTHORIZATION WILL BE PROVIDED

Authorized Referrals. Referrals to *non-PPO providers* or *non-participating providers* will be authorized only when all of the following criteria are met:

1. There is no PPO *provider* or *participating provider* who practices the appropriate specialty or provides the required services or has the necessary facilities within a 50-mile radius of your residence;
2. You are referred to the *non-PPO provider* or *non-participating provider* by a *physician* who is a PPO *provider* or *participating provider*; and
3. The services are authorized as *medically necessary* before services are received.

Special Services

1. **Organ and Tissue Transplants.** Authorizations for organ and tissue transplants will be provided as follows:
 - a. For kidney, bone, skin or cornea transplants, only if both of the following criteria are met:
 - i. The services are *medically necessary* and appropriate; and
 - ii. The *physicians* on the surgical team and the facility in which the transplant is to take place are approved for the transplant requested.
 - b. For transplantation of liver, heart, heart-lung, lung, kidney-pancreas or bone marrow, including autologous bone marrow transplant, peripheral stem cell replacement and similar procedures, only if all of the following criteria are met:
 - i. The services are *medically necessary* and appropriate;
 - ii. The providers of related preoperative and postoperative services are approved; and
 - iii. The transplant will be performed at a *Center of Excellence (COE)*.
2. **Transplant Travel Expense Benefits.** Authorizations for transplant travel expense benefits will be provided for the recipient or donor only if all of the following criteria are met:
 - a. It is for transplantation of liver, heart, heart-lung, lung, kidney-pancreas or bone marrow, including autologous bone marrow transplant, peripheral stem cell replacement and similar procedures, authorized by us;
 - b. The organ transplant must be performed at a specific *COE*; and
 - c. The specific *COE* is 250 miles or more from the recipient or donor's home.
3. **Home Infusion Therapy.** Authorizations for services by a *home infusion therapy provider* will be provided only if the following criteria are met:
 - a. The services are *medically necessary* and appropriate; and
 - b. The attending *physician* has submitted both a prescription and a plan of treatment prior to services being rendered.
4. **Home Health Care.** Authorizations for home health care services will be provided only if the following criteria are met:
 - a. The services are *medically necessary* and appropriate and can be safely provided in the *member's* home, as certified by the attending *physician*.
 - b. The attending *physician* manages and directs the *member's* medical care at home.

- c. The attending *physician* must establish a definitive treatment plan which must be consistent with the *member's* medical needs and must list the services to be provided by the *home health agency*.
5. **Skilled Nursing Facility.** We will authorize inpatient services provided in a *skilled nursing facility* if:
- a. You require daily skilled nursing or rehabilitation, as certified by the attending *physician*;
 - b. You were an inpatient in a *hospital* for at least three consecutive days, and are to be admitted to the *skilled nursing facility* within 30 days of your discharge from the *hospital*; and
 - c. You will be treated for the same condition for which you were treated in the *hospital*.
- Note: Admissions to a *residential treatment center* will not be subject to the authorization program. They are instead subject to the utilization review program (see UTILIZATION REVIEW PROGRAM).
6. **Outpatient Private Duty Nursing.** Authorizations for outpatient private duty nursing care services will be provided only if the following criteria are met:
- a. The services are *medically necessary* and appropriate and can be safely provided in the *member's* home, as certified by the attending *physician*.
 - b. The attending *physician* manages and directs the *member's* medical care at home.
 - c. The attending *physician* must establish a definitive treatment plan which must be consistent with the *member's* medical needs and must list the services to be provided by the licensed nurse (R.N., L.P.N. or L.V.N.).

HOW TO OBTAIN AN AUTHORIZATION

For Authorized Referrals. You, or your *physician* must call the toll-free telephone number printed on your identification card prior to scheduling an admission to, or receiving the services of, a *non-PPO provider* or *non-participating provider*.

For Special Services Authorizations. You or your *physician* must call the toll-free telephone number printed on your identification card before the services are rendered.

THE MEDICAL NECESSITY REVIEW PROCESS

We work with you and your health care providers to cover *medically necessary* and appropriate care and services. While the types of services requiring review and the timing of the reviews may vary, we are committed to ensuring that reviews are performed in a timely and professional manner. The following information explains our review process.

1. A decision on the medical necessity of a pre-service request will be made no later than 2 business days from receipt of the information necessary to make the decision.
2. A decision on the medical necessity of a concurrent request will be made no later than one business day from receipt of the information necessary to make the decision.
3. A decision on the medical necessity of a retrospective review will be made and communicated in writing no later than 30 days from receipt of the information necessary to make the decision.
4. If we do not have the information we need, we will make every attempt to obtain that information from you or your *physician*. If we are unsuccessful, and a delay is anticipated, we will notify you and your *physician* of the delay and what we need to make a decision. We will also inform you of when a decision can be expected following receipt of the needed information.

5. All pre-authorization, pre-service, concurrent and retrospective reviews for medical necessity are screened by clinically experienced, licensed personnel (called "Review Coordinators") using pre-established criteria and medical policy. These criteria and policies are developed and approved by practicing providers not employed by us, and are evaluated at least annually and updated as standards of practice or technology changes. Requests satisfying these criteria are certified as *medically necessary*. Review Coordinators are able to approve most requests.
6. A written confirmation including the specific service certified as *medically necessary* will be sent to you and your provider no later than 2 business days from the decision.
7. If the request fails to satisfy these criteria or medical policy, the request is referred to a Peer Clinical Reviewer. Peer Clinical Reviewers are health professionals clinically competent to evaluate the specific clinical aspects of the request and render an opinion specific to the medical condition, procedure and/or treatment under review. Peer Clinical Reviewers are licensed in California with the same license category as the requesting provider. When the Peer Clinical Reviewer is unable to certify the service, the requesting *physician* is contacted telephonically for a discussion of the case. In many cases, services can be certified after this discussion. If the Peer Clinical Reviewer is still unable to certify the service, your provider will be given the option of having the request reviewed by a different Peer Clinical Reviewer.
8. Only the Peer Clinical Reviewer may determine that the proposed services are not *medically necessary* and appropriate. Your *physician* will be notified by telephone within 24 hours of a decision not to certify and will be informed at that time of how to request reconsideration. Written notice will be sent to you and the requesting provider within two business days of the decision. This written notice will include:
 - an explanation of the reason for the decision,
 - reference of the criteria used in the decision to modify or not certify the request,
 - the name and phone number of the Peer Clinical Reviewer making the decision to modify or not certify the request,
 - how to request reconsideration if you or your provider disagree with the decision.
9. Reviewers may be plan employees or an independent third party we choose at our sole and absolute discretion.
10. You or your *physician* may request copies of specific criteria and/or medical policy by writing to the address shown on your plan identification card. We disclose our medical necessity review procedures to health care providers through provider manuals and newsletters.

A determination of medical necessity does not guarantee payment or coverage. The determination that services are *medically necessary* is based on the clinical information provided. Payment is based on the terms of your coverage at the time of service. These terms include certain exclusions, limitations, and other conditions. Payment of benefits could be limited for a number of reasons, including:

- The information submitted with the claim differs from that given by phone;
- The service is excluded from coverage; or
- You are not eligible for coverage when the service is actually provided.

PERSONAL CASE MANAGEMENT

The personal case management program enables us to authorize you to obtain medically appropriate care in a more economical, cost-effective and coordinated manner during prolonged periods of

intensive medical care. We have the right, through a case manager, to recommend an alternative plan of treatment which may include services not covered under this *plan*. It is not your right to receive personal case management, nor do we have an obligation to provide it; we provide these services at our sole and absolute discretion.

HOW PERSONAL CASE MANAGEMENT WORKS

You may be identified for possible personal case management through the *plan's* utilization review procedures, by the attending *physician*, *hospital* staff, or our claims reports. You or your family may also call us.

Benefits for personal case management will be considered only when all of the following criteria are met:

1. You require extensive long-term treatment;
2. We anticipate that such treatment utilizing services or supplies covered under this *plan* will result in considerable cost;
3. Our cost-benefit analysis determines that the benefits payable under this *plan* for the alternative plan of treatment can be provided at a lower overall cost than the benefits you would otherwise receive under this *plan*; and
4. You (or your legal guardian) and your *physician* agree, in a letter of agreement, with our recommended substitution of benefits and with the specific terms and conditions under which alternative benefits are to be provided.

Alternative Treatment Plan. If we determine that your needs could be met more efficiently, an alternative treatment plan may be recommended. This may include providing benefits not otherwise covered under this plan. A case manager will review your medical records and discuss your treatment with the attending *physician*, you and your family.

We make treatment recommendations only; any decision regarding treatment belong to you and your *physician*. The *group* will, in no way, compromise the your freedom to make such decisions.

EFFECT ON BENEFITS

1. Any alternative benefits are accumulated toward the Lifetime Maximum.
2. Benefits are provided for an alternative treatment plan on a case-by-case basis only. We have absolute discretion in deciding whether or not to authorize services in lieu of benefits for any *member*, which alternatives may be offered and the terms of the offer.
3. Our authorization of services in lieu of benefits in a particular case in no way commits us to do so in another case or for another *member*.
4. The personal case management program does not prevent us from strictly applying the expressed benefits, exclusions and limitations of this *plan* at any other time or for any other *member*.

Note: We reserve the right to use the services of one or more third parties in the performance of the services outlined in the letter of agreement. No other assignment of any rights or delegation of any duties by either party is valid without the prior written consent of the other party.

DISAGREEMENTS WITH MEDICAL MANAGEMENT DECISIONS

1. If you or your *physician* disagree with a decision, or question how it was reached, you or your *physician* may request reconsideration. Requests for reconsideration (either by telephone or in writing) must be directed to the reviewer making the determination. The address and the telephone number of the reviewer are included on your written notice of determination. Written requests must include medical information that supports the medical necessity of the services.
2. If you, your representative, or your *physician* acting on your behalf find the reconsidered decision still unsatisfactory, a request for an appeal of a reconsidered decision may be submitted in writing to us.
3. If the appeal decision is still unsatisfactory, your remedy is binding arbitration. (See BINDING ARBITRATION.)

QUALITY ASSURANCE

Medical management programs are monitored, evaluated, and improved on an ongoing basis to ensure consistency of application of screening criteria and medical policy, consistency and reliability of decisions by reviewers, and compliance with policy and procedure including but not limited to timeframes for decision making, notification and written confirmation. Our Board of Directors is responsible for medical necessity review processes through its oversight committees including the Resource Management Committee, Quality Management Committee, and Physician Relation's Committee. Oversight includes approval of policies and procedures, review and approval of self-audit tools, procedures, and results. Monthly process audits measure the performance of reviewers and Peer Clinical Reviewers against approved written policies, procedures, and timeframes. Quarterly reports of audit results and, when needed, corrective action plans are reviewed and approved through the committee structure.

YOUR PRESCRIPTION DRUG BENEFITS

PRESCRIPTION DRUG COVERED EXPENSE

Prescription drug covered expense is the maximum charge for each covered service or supply that we will accept for each different type of *pharmacy*. It is not necessarily the amount a *pharmacy* bills for the service.

You may avoid higher out-of-pocket expenses by choosing a *participating pharmacy*, or by utilizing the mail service program whenever possible. In addition, you may also reduce your costs by asking your *physician*, and your pharmacist, for the more cost-effective *generic* form of *prescription drugs*.

Prescription drug covered expense will always be the lesser of the billed charge or the amount shown below. Expense is incurred on the date you receive the *drug* for which the charge is made.

	Maximum Prescription
Drug Type of Provider is:	Covered Expense

Participating Pharmacies and Mail Service Program.....	Prescription Drug Negotiated Rate
Non-Participating Pharmacies.....	Drug Limited Fee Schedule Amount

When we receive a claim for *drugs* supplied by a *non-participating pharmacy*, we will first subtract any expense which is not covered under your *prescription drug* benefits, and then any expense exceeding the *drug limited fee schedule*. (That is, the lesser of the billed charges or the *average wholesale price*.) The remainder is the amount of *prescription drug covered expense* for that claim. **You will always be responsible for expense incurred which is not covered under this plan or which is in excess of prescription drug covered expense.**

HOW TO USE YOUR PRESCRIPTION DRUG BENEFITS

When You Go to a Participating Pharmacy. To identify you as a *member* covered for *prescription drug* benefits, you will be issued an identification card. You must present this card to *participating pharmacies* when you have a *prescription* filled. Provided you have properly identified yourself as a *member*, a *participating pharmacy* will only charge your Co-Payment.

Generic drugs will be dispensed by *participating pharmacies* when the *prescription* indicates a *generic drug*. When a *brand name drug* is specified, but a *generic drug* equivalent exists, the *generic drug* will be substituted. *Brand name drugs* will be dispensed by *participating pharmacies* when the *prescription* specifies a *brand name* and states “dispense as written” or no *generic drug* equivalent exists. For all *prescriptions*, you will be charged the lesser of the cost of the drug or the stated copayment.

Many *participating pharmacies* display an "Rx" decal with our logo in their window. For information on how to locate a *participating pharmacy* in your area, call 1-800-700-2541.

Please note that presentation of a prescription to a pharmacy or pharmacist does not constitute a claim for benefit coverage. If you present a *prescription* to a *participating pharmacy*, and the *participating pharmacy* indicates your *prescription* cannot be filled, or requires an additional Co-Payment, this is not considered an adverse claim decision. If you want the *prescription* filled, you will have to pay either the full cost, or the additional Co-Payment, for the *prescription drug*. If you

believe you are entitled to some *plan* benefits in connection with the *prescription drug*, submit a claim for reimbursement to at the address shown below:

**Prescription Drug Program
P.O. Box 4165
Woodland Hills, CA 91365-4165**

Participating pharmacies usually have claims forms, but, if the *participating pharmacy* does not have claim forms, you may receive a claim form by calling the customer service department at 1-800-700-2541, or by visiting our web site at www.bluecrossca.com/uc. Mail your claim, with the appropriate portion completed by the pharmacist, to within 90 days of the date of purchase. If it is not reasonably possible to submit the claim within that time frame, an extension of up to 12 months will be allowed.

When You Go to a Non-Participating Pharmacy. If you purchase a *prescription drug* from a *non-participating pharmacy*, you will have to pay the full cost of the *drug* and submit a claim, at the address below:

**Prescription Drug Program
P.O. Box 4165
Woodland Hills, CA 91365-4165**

Non-participating pharmacies do not have Blue Cross' prescription drug claim forms. You must take a claim form with you to a *non-participating pharmacy*. The pharmacist must complete the *pharmacy's* portion of the form and sign it.

Claim forms and customer service are available by calling 1-800-700-2541. Mail your claim with the appropriate portion completed by the pharmacist to within 90 days of the date of purchase. If it is not reasonably possible to submit the claim within that time frame, an extension of up to 12 months will be allowed.

When You are Out of State. If you need to purchase a *prescription drug* out of the state of California, you may locate a *participating pharmacy* by calling 1-800-700-2541. If you cannot locate a *participating pharmacy*, you must pay for the *drug* and submit a claim to us. (See "When You Go to a Non-Participating Pharmacy" above.)

When You Order Your Prescription Through the Mail. You can order your *prescription* through the mail service *prescription drug* program. Not all medications are available through the mail service pharmacy.

The *prescription* must state the drug name, dosage, directions for use, quantity, the *physician's* name and phone number, the patient's name and address, and be signed by a *physician*. You must submit it with the appropriate payment for the amount of the purchase, and a properly completed order form. You need only pay the cost of your Co-Payment.

Your first mail service *prescription* must also include a completed Patient Profile questionnaire. The Patient Profile questionnaire can be obtained by calling the toll-free number below. You need only enclose the *prescription* or refill notice, and the appropriate payment for any subsequent mail service prescriptions, or call the toll-free number. Co-payments can be paid by check, money order or credit card.

Order forms can be obtained by contacting:

Prescription Drug Program - Mail Service
P.O. Box 961025
Fort Worth, TX 76161-9863
1-866-274-6825

PRESCRIPTION DRUG UTILIZATION REVIEW

Your *prescription drug* benefits include utilization review of *prescription drug* usage for your health and safety. Certain *drugs* may require prior authorization (e.g., Viagra, Enbrel, Celebrex, Vioxx, Growth Hormone and Lotronex). If there are patterns of over-utilization or misuse of *drugs*, our medical consultant will notify your personal *physician* and your pharmacist. We reserve the right to limit benefits to prevent over-utilization of *drugs*.

PRESCRIPTION DRUG FORMULARY

The *plan* uses a *prescription drug formulary* to help your doctor make prescribing decisions. This list of outpatient *prescription drugs* is developed by a committee of *physicians* and pharmacists to determine which medications are sound, therapeutic and cost effective choices. These medications, which include both generic and *brand name drugs*, are listed in the *prescription drug formulary*. The committee updates the *formulary* quarterly to ensure that the list includes *drugs* that are safe and effective. Note: The *formulary drugs* may change from time to time.

Some *drugs* may require prior authorization. If you have a question regarding whether a particular *drug* is on the *formulary drug* list or requires prior authorization please call 1-800-700-2541. You may also use the Blue Cross website at www.bluecrossca.com/uc to view the formulary or get information about a specific *drug*.

If we deny a request for prior authorization of a *drug* that is not part of the *formulary drug* list, you or your prescribing *physician* may appeal our decision by calling 1-800-700-2541.

PRESCRIPTION DRUG CONDITIONS OF SERVICE

To be covered, the *drug* or medication must satisfy all of the following requirements:

1. It must be prescribed by a licensed prescriber and be dispensed within one year of being prescribed, subject to federal and state laws.
2. It must be approved for general use by the Food and Drug Administration (FDA).
3. It must be for the direct care and treatment of your illness, injury or condition. Dietary supplements, health aids or drugs for cosmetic purposes are not included. However formulas prescribed by a *physician* for the treatment of phenylketonuria are covered.
4. It must be dispensed from a licensed retail *pharmacy*, or through your mail service program.
5. It must not be used while you are an inpatient in any facility. Also, it must not be dispensed in or administered by an outpatient facility.
6. For retail *pharmacies*, the *prescription* must not exceed a 30-day supply.

Prescription drugs federally-classified as Schedule II which are FDA-approved for the treatment of attention deficit disorder and that require a triplicate prescription form must not exceed a 60-day supply. If the *physician* prescribes a 60-day supply for *drugs* classified as Schedule II for the treatment of attention deficit disorders, the *member* has to pay double the amount of copayment for retail *pharmacies*. If the *drugs* are obtained through the mail service program, the copayment will remain the same as for any other *prescription drug*.

7. Certain *drugs* have specific quantity supply limits based on our analysis of prescription dispensing trends and the Food and Drug Administration dosing recommendations.
8. For the mail service program, the *prescription* must not exceed a 90-day supply.
9. The *drug* will be covered under YOUR PRESCRIPTION DRUG BENEFITS only if it is not covered under another benefit of your *plan*.
10. *Drugs* for the treatment of impotence and/or sexual dysfunction are limited to six tablets/units for a 30-day period and are available at retail *pharmacies* only. Documented evidence of contributing medical condition must be submitted to us for review.

PRESCRIPTION DRUG SERVICES AND SUPPLIES THAT ARE COVERED

1. Outpatient *drugs* and medications which the law restricts to sale by *prescription*. Formulas prescribed by a *physician* for the treatment of phenylketonuria. These formulas are subject to the copayment for *brand name drugs*.
2. Insulin.
3. Syringes when dispensed for use with insulin and other self-injectable *drugs* or medications.
4. *Prescription* oral contraceptives; contraceptive diaphragms. Contraceptive diaphragms are limited to one per *year* and are not subject to any copayment.
5. Injectable *drugs* which are self-administered by the subcutaneous route (under the skin) by the patient or *family member*. *Drugs* with Food and Drug Administration (FDA) labeling for self-administration.
6. All compound *prescription drugs* which contain at least one covered *prescription* ingredient.
7. Diabetic supplies (i.e. test strips, lancets and alcohol swabs). Diabetic supplies are not subject to any copayment.
8. *Prescription drugs* for treatment of impotence and/or sexual dysfunction are limited to organic (non-psychological) causes.

PRESCRIPTION DRUG SERVICES AND SUPPLIES THAT ARE NOT COVERED

In addition to the exclusions and limitations listed under YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS NOT COVERED, *prescription drug* benefits are not provided for or in connection with the following:

1. Immunizing agents, biological sera, blood, blood products or blood plasma.
2. Hypodermic syringes and/or needles except when dispensed for use with insulin and other self-injectable *drugs* or medications.
3. *Drugs* and medications used to induce spontaneous and non-spontaneous abortions.

4. *Drugs* and medications dispensed or administered in an outpatient setting; including, but not limited to, outpatient *hospital* facilities and *physicians'* offices.
5. Professional charges in connection with administering, injecting or dispensing of *drugs*.
6. *Drugs* and medications which may be obtained without a *physician's* written prescription, except insulin or niacin for cholesterol lowering.
7. *Drugs* and medications dispensed by or while you are confined in a *hospital, skilled nursing facility, rest home, sanatorium, convalescent hospital, or similar facility*.
8. Durable medical equipment, devices, appliances and supplies, even if prescribed by a *physician*, except *prescription* contraceptive diaphragms as specified under PRESCRIPTION DRUG SERVICES AND SUPPLIES THAT ARE COVERED.
9. Services or supplies for which you are not charged.
10. Oxygen.
11. Cosmetics and health or beauty aids.
12. *Drugs* that are limited by Federal Law to "Investigational Use" or experimental *drugs*. *Drugs* or medications prescribed for experimental indications.
13. Any expense incurred for a *drug* or medication in excess of: (a) the *drug limited fee schedule* for *drugs* dispensed by *non-participating pharmacies*; or (b) the *prescription drug negotiated rate*, for *drugs* dispensed by *participating pharmacies* or through the mail service program.
14. *Drugs* which have not been approved for general use by the Food and Drug Administration.
15. Smoking cessation *drugs*.
16. *Drugs* used primarily for cosmetic purposes (e.g., Retin-A for wrinkles).
17. *Drugs* used primarily for the purpose of treating *infertility* (including but not limited to Clomid, Pergonal, and Metrodin).
18. Anorexiant and *drugs* used for weight loss except when used to treat morbid obesity (e.g., diet pills and appetite suppressants).
19. Allergy desensitization products or allergy serum.
20. Infusion *drugs*, except *drugs* that are self-administered subcutaneously.
21. Herbal, nutritional and dietary supplements except formulas prescribed by a *physician* for the treatment of phenylketonuria.
22. *Prescription drugs* with a non-prescription (over-the-counter) chemical and dose equivalent except insulin.

COORDINATION OF BENEFITS

If you are covered by more than one group health plan, your benefits under This Plan will be coordinated with the benefits of those Other Plans. These coordination provisions apply separately to each *member*, per *calendar year*, and are largely determined by California law. Any coverage you have for medical or dental benefits, will be coordinated as shown below.

DEFINITIONS

The meanings of key terms used in this COORDINATION OF BENEFITS section are shown below. Whenever any of the key terms shown below appear in these provisions, the first letter of each word will appear in capital letters. When you see these capitalized words, you should refer to this Definitions provision.

Allowable Expense is any necessary, reasonable and customary item of expense which is at least partially covered by at least one Other Plan. For the purposes of determining our payment, the total value of Allowable Expense as provided under This Plan and all Other Plans will not exceed the greater of: (1) the amount which we would determine to be eligible expense, if you were covered under This Plan only; or (2) the amount any Other Plan would determine to be eligible expenses in the absence of other coverage.

Other Plan is any of the following:

1. Group, blanket or franchise insurance coverage;
2. Group service plan contract, group practice, group individual practice and other group prepayment coverages;
3. Group coverage under labor-management trustee plans, union benefit organization plans, employer organization plans, employee benefit organization plans or self-insured employee benefit plans.

The term "Other Plan" refers separately to each agreement, policy, contract, or other arrangement for services and benefits, and only to that portion of such agreement, policy, contract, or arrangement which reserves the right to take the services or benefits of other plans into consideration in determining benefits.

Principal Plan is the plan which will have its benefits determined first.

This Plan is that portion of this *plan* which provides benefits subject to this provision.

EFFECT ON BENEFITS

1. If This Plan is the Principal Plan, then its benefits will be determined first without taking into account the benefits or services of any Other Plan.
2. If This Plan is not the Principal Plan, then its benefits may be reduced so that the benefits and services of all the plans do not exceed Allowable Expense.
3. The benefits of This Plan will never be greater than the sum of the benefits that would have been paid if you were covered under This Plan only.

ORDER OF BENEFITS DETERMINATION

The following rules determine the order in which benefits are payable:

1. A plan which has no Coordination of Benefits provision provides benefits before a plan which has a Coordination of Benefits provision.
2. A plan which covers you as a *subscriber* pays before a plan which covers you as a dependent. But, if you are a Medicare beneficiary and also a dependent of an employee with current

employment status under another plan, this rule might change. If, according to Medicare's rules, Medicare pays after that plan which covers you as a dependent then, the plan which covers you as a dependent pays before a plan which covers you as a *subscriber*.

For example: You are covered as a retired *subscriber* under this plan and a Medicare beneficiary (Medicare would pay first, this plan would pay second). You are also covered as a dependent of an active employee under another plan provided by an employer group of 20 or more employees (then, according to Medicare's rules, Medicare would pay second). In this situation, the plan which covers you as a dependent of an active employee will pay first and the plan which covers you as a retired *subscriber* will pay last, after Medicare.

3. For a dependent *child* covered under plans of two parents, the plan of the parent whose birthday falls earlier in the *calendar year* provides benefits before the plan of the parent whose birthday falls later in the *calendar year*. However, if one plan does not have a birthday rule provision, the provisions of that plan determine the order of benefits.

Exception to rule 3: For a dependent *child* of parents who are divorced or separated, the following rules will be used in place of Rule 3:

- a. If the parent with custody of that *child* for whom a claim has been made has not remarried, then the plan of the parent with custody that covers that *child* as a dependent provides benefits first.
 - b. If the parent with custody of that *child* for whom a claim has been made has remarried, then the order in which benefits are provided will be as follows:
 - i. The plan which covers that *child* as a dependent of the parent with custody.
 - ii. The plan which covers that *child* as a dependent of the stepparent (married to the parent with custody).
 - iii. The plan which covers that *child* as a dependent of the parent without custody.
 - iv. The plan which covers that *child* as a dependent of the stepparent (married to the parent without custody).
 - c. Regardless of a and b above, if there is a court decree which establishes a parent's financial responsibility for that *child's* health care coverage, a plan which covers that *child* as a dependent of that parent provides benefits first.
4. The plan covering the *member* as a laid-off or retired employee or as a dependent of a laid-off or retired employee provides benefits after a plan covering the *member* as other than a laid-off or retired employee or the dependent of such a person. However, if either plan does not have a provision regarding laid-off or retired employees, provision 6 applies.
 5. The plan covering the *member* under a continuation of coverage provision in accordance with state or federal law pays after a plan covering the *member* as an employee, a dependent or otherwise, but not under a continuation of coverage provision in accordance with state or federal law. If the order of benefit determination provisions of the Other Plan do not agree under these circumstances with the order of benefit determination provisions of This Plan, this rule will not apply.
 6. When the above rules do not establish the order of payment, the plan on which you have been enrolled the longest provides benefits first unless two of the plans have the same effective date. In this case, Allowable Expense is split equally between the two plans.

OUR RIGHTS UNDER THIS PROVISION

Responsibility For Timely Notice. We are not responsible for coordination of benefits unless timely information has been provided by the requesting party regarding the application of this provision.

Reasonable Cash Value. If any Other Plan provides benefits in the form of services rather than cash payment, the reasonable cash value of services provided will be considered Allowable Expense. The reasonable cash value of such service will be considered a benefit paid, and our liability reduced accordingly.

Facility of Payment. If payments which should have been made under This Plan have been made under any Other Plan, we have the right to pay that Other Plan any amount we determine to be warranted to satisfy the intent of this provision. Any such amount will be considered a benefit paid under This Plan, and such payment will fully satisfy our liability under this provision.

Right of Recovery. If the benefits provided under This Plan exceed the maximum amount necessary to satisfy the intent of this provision, the *medical group* and we have the right to recover that excess amount from any persons or organizations to or for whom those payments were made, or from any insurance company or service plan.

<p>If you use a Blue Cross PLUS provider, after being authorized by your <i>primary care physician</i>, you will pay the \$20 office visit Co-Payment. You do not have to submit a claim form. After Medicare and Blue Cross PLUS benefits are paid, your <i>medical group</i> may determine that it been overpaid. It will be completely up to your <i>medical group</i> to decide whether it has been overpaid and how much, if any, refund is due you.</p>

BENEFITS FOR MEDICARE ELIGIBLE MEMBERS

UNDER THE NETWORK BENEFITS

For Active Employees and Family Members Age 65 or More Who Are Eligible for Medicare. Any *member* age 65 or more who is an active *employee* or a *family member* of an active *employee*, and eligible for Part A of Medicare, will receive the benefits of this *plan*, without regard to Medicare, except that *members* who have elected Medicare as their primary benefit program shall not be entitled to any benefits under this *plan*.

For Other Members Who Are Eligible for Medicare. Other *members* who are eligible for Medicare and for whom Medicare is their primary benefit coverage, including:

1. *Members* who are retired employees age 65 or more and eligible for Part A of Medicare;
2. *Members* who are *spouses*, or domestic partners, age 65 or more of retired employees and eligible for Part A of Medicare;
3. *Members* who are receiving treatment for end-stage renal disease following the first 30 months they are entitled to end-stage renal disease benefits under Medicare; and
4. *Members* entitled to Medicare benefits as disabled persons; unless the *members* have a current employment status, as determined by Medicare rules, and are enrolled under this *plan* through a *group* of 100 or more employees (according to OBRA legislation);

will receive the benefits of this *plan* if, but only if, they satisfy the following conditions:

1. The *member* has enrolled in Part A and/or Part B of Medicare.
2. The *member* has completed such consents, releases, assignments and other documents as we may require to obtain or assure Medicare reimbursements for this *plan* or its participating providers.

UNDER THE OUT-OF-NETWORK BENEFITS

For Active Employees and Family Members. Any *member* who is an *employee* or a *family member* of an active *employee*, and eligible for Medicare, will receive the full benefits of this *plan*, except for the following:

1. *Members* who are receiving treatment for end-stage renal disease following the first 30 months such *members* are entitled to end-stage renal disease benefits under Medicare; and
2. *Members* who are entitled to Medicare benefits as disabled persons; unless the *members* have a current employment status, as determined by Medicare rules, through a *group* of 100 or more employees (according to OBRA legislation).

For cases where exceptions 1 or 2 apply, we will determine our payment and then subtract the amount of benefits available from Medicare. We will pay the amount that remains after subtracting Medicare's payment. Please note, we will not pay any benefit when Medicare's payment is equal to or more than the amount which we would have paid in the absence of Medicare.

For Retired Employees and Their Spouses or Domestic Partners. If you are a retired employee or the *spouse*, or domestic partner, of a retired employee and you are eligible for Medicare Part A because you made the required number of quarterly contributions to the Social Security System, your benefits under this *plan* will be reduced.

When you incur *covered expense* under this *plan*, we will determine our payment and then subtract the amount of your benefits available from Medicare Parts A and B. We will pay the amount that remains after subtracting Medicare's benefits.

We will apply this method of payment when you are retired and eligible to enroll in Medicare Part A.

For example: Say you are a retired employee, a retired employee's *spouse* or that exceptions 1 or 2 above for active employees and *family members* apply to you. Say also that you are billed for **\$100** of *covered expense*, and in the absence of Medicare we would have paid **\$80**. If Medicare pays **\$50**, we would subtract that amount from the **\$80** and pay **\$30**. The combined amount of benefits from Medicare and this *plan* will equal, but not exceed, what your benefit would have been from this *plan* alone if you were not eligible for Medicare.

Electronic Claims Coordination

If you are covered by Medicare, call us at the Blue Cross Customer Service unit at 1 (888) 209-7975 and tell us your Medicare number. We will load it to the Blue Cross membership system, which will permit us to electronically receive your Medicare EOB. This will allow us to generate your UC benefit without you having to submit a claim to us.

EXTENSION OF BENEFITS

If you are a *totally disabled subscriber* or a *totally disabled family member* and under the treatment of a *physician* on the date of discontinuance of the *agreement*, your benefits may be continued for treatment of the totally disabling condition. This extension of benefits is not available if you become covered under another group health plan that provides coverage without limitation for your disabling condition. Extension of benefits is subject to the following conditions:

1. If you are confined as an inpatient in a *hospital* or *skilled nursing facility*, you are considered totally disabled as long as the inpatient *stay* is *medically necessary*, and no written certification of the total disability is required. If you are discharged from the *hospital* or *skilled nursing facility*, you may continue your total disability benefits by submitting written certification by your *physician* of the total disability within 90 days of the date of your discharge. Thereafter, we must receive proof of your continuing total disability at least once every 90 days while benefits are extended.
2. If you are not confined as an inpatient but wish to apply for total disability benefits, you must do so by submitting written certification by your *physician* of the total disability. We must receive this certification within 90 days of the date coverage ends under this *plan*. At least once every 90 days while benefits are extended, we must receive proof that your total disability is continuing.
3. Your extension of benefits will end when any one of the following circumstances occurs:
 - a. You are no longer totally disabled.
 - b. The maximum benefits available to you under this *plan* are paid.
 - c. You become covered under another group health plan that provides benefits without limitation for your disabling condition.
 - d. A period of up to 12 months has passed since your extension began.

HIPAA COVERAGE AND CONVERSION

If your coverage for medical benefits under this *plan* ends, you may be eligible to enroll for coverage with any carrier or health plan that offers individual medical coverage. HIPAA coverage and conversion coverage are available upon request if you meet the requirements stated below. Both HIPAA coverage and conversion are available for medical benefits only. Please note that the benefits and cost of these plans will differ from your employer's *plan*.

HIPAA Coverage

The Health Insurance Portability and Accountability Act (HIPAA) is a federal law that provides an option for individual coverage when coverage under the employer's group *plan* ends. To be eligible for HIPAA coverage, you must meet all of the following requirements:

1. You must have a minimum of 18 months of continuous health coverage, most recently under an employer-sponsored health plan, and have had coverage within the last 63 days.
2. Your most recent coverage was not terminated due to nonpayment of subscription charges or fraud.
3. If continuation of coverage under the employer *plan* was available under COBRA, CalCOBRA, or a similar state program including Senior COBRA, such coverage must have been elected and exhausted.
4. You must not be eligible for Medicare, Medi-Cal, or any group medical coverage and cannot have other medical coverage.

You must apply for HIPAA coverage within 63 days of the date your coverage under the employer's *plan* ends. Any carrier or health plan that offers individual medical coverage must make HIPAA coverage available to qualified persons without regard to health status. If you decide to enroll in HIPAA coverage, you will no longer qualify for conversion coverage.

Conversion Coverage

To apply for a conversion plan, you must submit an application to us and make the first premium payment within 63 days of the date your coverage under the employer's *plan* ends. Under certain circumstances you are not eligible for a conversion plan. They are:

1. You are not eligible if your coverage under this *plan* ends because the *agreement* between the *group* and us terminates and is replaced by another group plan within 15 days.
2. You are not eligible if your coverage under this *plan* ends because subscription charges are not paid when due because you (or the *subscriber* who enrolled you as a dependent) did not contribute your part, if any.
3. You are not eligible for a conversion plan if you are eligible for health coverage under another group plan when your coverage ends.
4. You are not eligible for a conversion plan if you are eligible for Medicare coverage when your coverage under this *plan* ends, whether or not you have actually enrolled in Medicare.
5. You are not eligible for a conversion plan if you are covered under an individual health plan.
6. You are not eligible for a conversion plan if you were not covered for medical benefits under the *plan* for three consecutive months immediately prior to the termination of your coverage.

The three-month period of coverage requirement does not apply to a *member* who has been covered under another UC plan then switches to this *plan* during Open Enrollment and needs to convert prior to being covered for three consecutive months under this *plan*.

If you decide to enroll in a conversion plan, you will no longer qualify for HIPAA coverage.

Important: The intention of conversion coverage is not to replace the coverage you have under this *plan*, but to make available to you a specified amount of coverage for medical benefits until you can find a replacement. The conversion plan provides lesser benefits than this *plan* and the provisions and rates differ.

When coverage under your employer's group *plan* ends, you will receive more information about how to apply for HIPAA coverage or conversion, including a postcard for requesting an application and a telephone number to call if you have any questions.

CERTIFICATION OF CREDITABLE COVERAGE

In accordance with the statutory requirements of the Health Insurance Portability and Accountability Act of 1996 and Section 1357.51 of the California Health and Safety Code, we will provide certifications of periods of creditable coverage for *members* whose coverage under the *plan* terminates.

GENERAL PROVISIONS

Providing of Care. We are not responsible for providing any type of *hospital*, medical or similar care, nor are we responsible for the quality of any such care received.

Independent Contractors. Our relationship with providers is that of an independent contractor. *Medical groups, physicians,* and other health care professionals, *hospitals, skilled nursing facilities* and other community agencies are not our agents nor are we, or any of our employees, an employee or agent of any *hospital, medical group* or medical care provider of any type.

Non-Regulation of Providers. The benefits of this *plan* do not regulate the amounts charged by providers of medical care, except to the extent that rates for covered services are regulated with *participating providers* or *PPO providers*.

Out-of-California Providers –

Both In-Network and Out-of-Network Medical Benefits. The Blue Cross and Blue Shield Association, of which we are a member, has a program (called the “BlueCard Program”) which allows our *members* to have the reciprocal use of participating providers contracted under other states’ Blue Cross and/or Blue Shield Licensees. If you are outside of California and require medical care or treatment, you may use a local Blue Cross and/or Blue Shield provider. If you use one of these providers, your out-of-pocket expenses may be lower than those incurred when using a provider that does not participate in the BlueCard Program. The rules for the BlueCard Program, including those described below, are set by The Blue Cross and Blue Shield Association. In order for you to receive access to whatever discounts may be available, we must abide by those rules.

When you obtain covered health care services through the BlueCard Program outside of California, your co-payment for such services, if it is not a flat dollar amount, is usually calculated on the lower of the:

- Billed charges for your covered services, or
- Negotiated price that the on-site Blue Cross and/or Blue Shield Licensee (“Host Blue”) passes on to us.

Often, the “negotiated price,” referred to above, will consist of a simple discount, which reflects the actual price paid by the Host Blue. But, sometimes it is an estimated price that factors in expected settlements, withholds, any other contingent payment arrangements and non-claims transactions with your health care provider or with a specified group of providers. The negotiated price may also be billed charges reduced to reflect **average** expected savings with your health care provider or with a specified group of providers. If the negotiated price reflects average expected savings, it may result in greater variation (more or less) from the actual price paid than will the estimated price. The estimated or average price may be adjusted in the future to correct for over- or underestimation of past prices. Regardless of how the negotiated price is determined, the amount you pay is considered a final price.

Statutes in a small number of states may require the Host Blue to use a basis for calculating *member* liability for covered services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or to add a surcharge. Should any state statutes mandate *member* liability calculation methods that differ from the usual BlueCard Program method noted above in the second paragraph of this section, or require a surcharge, we would then calculate your co-payment for any covered health care services using the methods outlined by the applicable state statute in effect at the time you received your care.

Terms of Coverage

1. In order for you to be entitled to benefits under the *agreement*, both the *agreement* and your coverage under the *agreement* must be in effect on the date the expense giving rise to a claim for benefits is incurred.
2. The benefits to which you may be entitled will depend on the terms of coverage in effect on the date the expense giving rise to a claim for benefits is incurred. An expense is incurred on the date you receive the service or supply for which the charge is made.
3. The *agreement* is subject to amendment, modification or termination according to the provisions of the *agreement* without your consent or concurrence.

Medical Group Termination

1. You must live or work within the *enrollment area* of your *medical group*. If you change your permanent residence or employment location, and your new residence or employment location is not within the *enrollment area* of your current *medical group*, your coverage at that *medical group* ends as of the date of your move. You must request a transfer to another *medical group*, by calling the Customer Service number shown on your ID card or by properly filing a membership change form with the *group* within 31 days of your move.

The change in your *medical group* will take effect on the first day of the month following the date we receive the request.

2. If you fail to establish a satisfactory member-provider relationship (as set forth below), you may be terminated at your *medical group*.
3. If you fail to pay the required co-payment within 31 days of the date the provider bills you or otherwise requests payment, your coverage will be cancelled at that *medical group*.
4. Additional reasons for which you could be terminated at a *medical group* include: abusive behavior; acting in a disruptive manner; providing incorrect, or materially incomplete, information; or initiating arbitration or other legal action against the *medical group*.

If you are terminated at your *medical group*, you may be allowed to choose another *medical group* within the *enrollment area* in which you live or work. Whether or not you will be allowed to enroll at another *medical group* will be at our sole and absolute discretion.

In addition, if you move outside the Blue Cross PLUS service area, you will not be eligible for Blue Cross PLUS.

Member-Provider Relationship. You may refuse to accept procedures or treatments by your *medical group's primary care physician*. Your *physician* may regard this action as incompatible with continuing the doctor-patient relationship and the providing of proper medical care.

If you refuse to follow a recommended treatment or procedure, and the *physician* believes that no professionally acceptable alternative exists, we will give you written notice of that fact. If you continue to refuse to follow the recommended treatment or procedure, your coverage will be cancelled. Neither the *medical group*, *hospitals*, nor any *physician* associated with us will have any further responsibility to provide care.

We retain the right to transfer a *member* to another *medical group* if the *member-provider relationship* has deteriorated to the point that the *medical group* does not feel it can render health care objectively and in the best interest of the *member*.

Unfair Termination of Coverage. Your coverage may not be terminated because of your health status or requirements for health care services. If you believe that your coverage has been terminated for either of these reasons, you may request a review of the matter by the Director of the Department of Managed Health Care.

Protection of Coverage. We do not have the right to cancel your coverage under this *plan* while:

1. This *plan* is in effect; and
2. You are eligible; and
3. Your subscription charges are paid according to the terms of the *agreement*; and
4. You live or work within the *medical group enrollment area*; and
5. With respect to your Network benefits, you accept procedures or treatments by the *primary care physician* and *medical group* staff and maintain a satisfactory doctor-patient relationship within the *medical group*; and
6. With respect to your Network benefits, you pay all co-payments due, within 31 days of notification of amounts due.

Continuity of Care. If we terminate our contractual relationship with your *medical group* or with a PPO *provider* and you are undergoing a course of treatment from your *medical group* or PPO *provider* at the time the contract is terminated, you may be able to continue to receive those services (but only if such *medical group* or provider agrees to continue to comply with the same contractual requirements that applied prior to termination). To qualify, you must have an acute or a serious chronic condition, a high risk pregnancy, or a pregnancy in the second or third trimester. You may request this continuity of care by calling us at the customer service telephone number listed on your ID card. If approved, services may be received for a limited period of time, but no longer than 90 days, unless you cannot be safely transferred to a *participating provider*. Coverage is provided according to the terms and conditions of this *plan* applicable to *participating providers* (under your Network benefits) or PPO *providers* (under your Out-of-Network benefits).

This provision also applies if your *medical group* terminates its contractual or employment relationship, or if we terminate our contractual relationship, with a *primary care physician* or *specialist* from whom you are receiving care. In this situation, you must request continued care through your *Blue Cross Plus coordinator*.

Provider Reimbursement. For medical services provided under your Network benefits, participating *medical groups* are generally paid a capitation fee, a set and agreed to dollar amount per *member* each month, for medical services. Participating *medical groups* may also receive additional reimbursement for certain types of specialty care or for overall efficiency. *Medical groups* may also receive additional compensation related to the management of services and referrals. The terms of these arrangements may vary by *medical group*. *Hospitals* and other health care facilities are paid negotiated fixed fees or on the basis of a negotiated discount from their standard fee-for-service rates. For additional information you may contact us at the telephone number listed on your identification card or your *medical group*.

For services provided under your Out-of-Network benefits, *physicians* and other professional providers are paid on a fee-for-service basis, according to an agreed schedule. A participating *physician* may, after notice from us, be subject to a reduced negotiated rate in the event the participating *physician* fails to make routine referrals to PPO *providers*, except as otherwise allowed (such as for *emergency services*). *Hospitals* and other health care facilities may be paid either a fixed fee or on a discounted fee-for-service basis.

Availability of Care. If there is an epidemic or public disaster and you cannot obtain care for covered services, we will refund the unearned part of the subscription charge paid for you. A written request for that refund and satisfactory proof of the need for care must be sent to us within 31 days. This payment fulfills our obligation under this *plan*.

Medical Necessity. The benefits of this *plan* are provided only for services that we determine to be *medically necessary*. The services must be ordered by the *primary care physician* for the direct care and treatment of a covered condition except as specifically stated in this booklet. They must be standard medical practice where received for the condition being treated and must be legal in the United States. The process used to authorize or deny health care services under this *plan* is available to you upon request.

Expense in Excess of Benefits. We are not liable for any expense you incur in excess of the benefits of this *plan*.

Benefits Not Transferable. Only *members* are entitled to receive benefits under this *plan*. The right to benefits cannot be transferred.

Notice of Claim. If the submission of a claim form is required to receive benefits under this *plan*, you or the provider of service must send properly and fully completed claim forms to us within 90 days of the date you receive the service or supply for which a claim is made. Services received and charges for the services must be itemized, and clearly and accurately described. If it is not reasonably possible to submit the claim within that time frame, an extension of up to 12 months will be allowed. We are not liable for the benefits of the *agreement* if you do not file claims within the required time period. Claim forms must be used; cancelled checks or receipts are not acceptable.

Payment to Providers. We will pay the benefits of this *plan* directly to PPO *providers*, COEs and medical transportation providers. Also, we will pay other providers of service directly when you assign benefits in writing. If you are a MediCal beneficiary and you assign benefits in writing to the State Department of Health Services, we will pay the benefits of this *plan* to the State Department of Health Services. These payments will fulfill our obligation to you for those covered services.

Right of Recovery. If the amount we paid exceeds the amount for which we are liable under this *plan*, or the reasonable cash value of benefits provided under this *plan* exceed the maximum amount for which we are liable, the *medical group* and Blue Cross have the right to recover the excess amount. This amount may be recovered from you, the person to whom payment was made or from any other plan.

Plan Administrator. In no event will we be plan administrator for the purposes of compliance with the Consolidated Omnibus Budget Reconciliation Act (COBRA). The term "plan administrator" refers either to the *group* or to a person or entity, other than us, engaged by the *group* to perform or assist in performing administrative tasks in connection with the *group's* health plan. In providing notices and otherwise performing under the CONTINUATION OF COVERAGE section of this booklet, the *group* is fulfilling statutory obligations imposed on it by federal law and, where applicable, acting as your agent.

Workers' Compensation Insurance. The *agreement* does not affect any requirement for coverage by workers' compensation insurance. It also does not replace that insurance.

Prepayment Fees. Your employer is responsible for paying subscription charges to us for all coverage provided to you and your *family members*. Your employer may require that you contribute all or part of the costs of these subscription charges. Please consult your employer for details.

Liability of Subscriber to Pay Providers. In accordance with California law, you will not be required to pay any *participating provider* or *PPO provider* any amounts we owe to that provider (not including co-payments or deductibles), even in the unlikely event that we fail to pay that provider. You may be

liable to pay *non-PPO providers* or *other health care providers* any amounts not paid to them by us. You are, however, liable for services which are not covered by this *plan*.

Renewal Provisions. Your employer's health plan agreement with us is subject to renewal at certain intervals. We may change the subscription charges or other terms of the *plan* from time to time.

Public Policy Participation. We have established a Public Policy Committee (that we call our Consumer Relations Committee) to advise our Board of Directors. This Committee advises the Board about how to assure the comfort, dignity, and convenience of the people we cover. The Committee consists of members covered by our health plan, participating providers and a member of our Board of Directors. The Committee may review our financial information and information about the nature, volume, and resolution of the complaints we receive. The Consumer Relations Committee reports directly to our Board.

Financial Arrangements with Providers. Blue Cross or an affiliate has contracts with certain health care providers and suppliers (hereafter referred to together as "Providers") for the provision of and payment for health care services rendered to its *subscribers* and *members*/insured persons entitled to health care benefits under individual certificates and group policies or contracts to which Blue Cross or an affiliate is a party, including all persons covered under the *agreement*.

Under the above-referenced contracts between Providers and Blue Cross or an affiliate, the negotiated rates paid for certain medical services provided to persons covered under the *agreement* may differ from the rates paid for persons covered by other types of products or programs offered by Blue Cross or an affiliate for the same medical services. In negotiating the terms of the *agreement*, the *group* was aware that Blue Cross or its affiliates offer several types of products and programs. The *subscribers*, *family members* and the *group* are entitled to receive the benefits of only those discounts, payments, settlements, incentives, adjustments and/or allowances specifically applicable to Blue Cross or its affiliates' agreements for insured group accounts.

Under arrangements with some health care providers and suppliers (hereafter referred to together as "Providers") certain discounts, payments, rebates, settlements, incentives, adjustments and/or allowances, may be based on aggregate payments made by Blue Cross or an affiliate in respect to all health care services rendered to all persons who have coverage through a program provided or administered by Blue Cross or an affiliate. They are not attributed to specific claims or plans and do not inure to the benefit of any covered individual or group, but may be considered by Blue Cross or an affiliate in determining its fees or subscription charges or premiums.

Confidentiality and Release of Medical Information. We will use reasonable efforts, and take the same care to preserve the confidentiality of the *member's* medical information. We may use data collected in the course of providing services hereunder for statistical evaluation and research. If such data is ever released to a third party, it shall be released only in aggregate statistical form without identifying the *member*. Medical information may be released only with the written consent of the *member* or as required by law. It must be signed, dated and must specify the nature of the information and to which persons and organizations it may be disclosed. *Members* may access their own medical records.

We may release your medical information to professional peer review organizations and to the *group* for purposes of reporting claims experience or conducting an audit of our operations, provided the information disclosed is reasonably necessary for the *group* to conduct the review or audit.

A statement describing our policies and procedures for preserving the confidentiality of medical records is available and will be furnished to you upon request.

Medical Policy and Technology Assessment. Blue Cross reviews and evaluates new technology according to its technology evaluation criteria developed by its medical directors. Technology

assessment criteria is used to determine the investigational status or medical necessity of new technology. Guidance and external validation of Blue Cross' medical policy is provided by the Medical Policy and Technology Assessment Committee (MPTAC) which consists of approximately 20 physicians from various medical specialties including Blue Cross' medical directors, physicians in academic medicine and physicians in private practice. Conclusions made are incorporated into medical policy used to establish decision protocols for particular diseases or treatments and applied to *medical necessity* criteria used to determine whether a procedure, service, supply or equipment is covered.

GRIEVANCE PROCEDURES

Network Benefits

1. If you have questions or inquiries regarding services under this *plan*, contact your *Blue Cross PLUS* coordinator at your *medical group* or Blue Cross Customer Service at the number printed on your ID card.

If you are dissatisfied and wish to file a grievance, you may request a "Member Issue Form" from your *medical group* or Blue Cross. Complete the form and send it to us, or you may call Customer Service and ask the customer service representative to complete the form for you. You may also submit a grievance to us online or print the Member Issue Form through the Blue Cross of California website at www.bluecrossca.com/uc. You must include all pertinent information from your Blue Cross PLUS Identification Card and the details and circumstances of your concern or problem. You must submit your grievance to us no later than 180 days following the date you receive a denial notice from us or your *medical group* or any other action or incident with which you are dissatisfied. Your issue will then become part of our formal grievance process and will be resolved accordingly. If your condition is acute or urgent, you have the right to request an expedited review of an appeal for service which has been denied by your *medical group*. Expedited appeals must be resolved within three days.

2. To request a review, you may telephone us at the telephone number listed on your I.D. card, or you may write to us at the following address:

**Blue Cross PLUS
Grievance and Appeal Management
P.O. Box 4310
Woodland Hills, CA 91367**

You must document the circumstances surrounding your grievance/appeal, and submit this information along with any medical documents, including bills or records. After we have reviewed your grievance/appeal we will send you a written statement on its resolution within 30 days. If your case involves an imminent threat to your health, including, but not limited to, the potential loss of life, limb, or major bodily function, review of your grievance/appeal will be expedited and resolved within three days.

3. For issues pertaining to *medical necessity* or appropriateness of service, you or your appointed representative has the option of appearing in person before the committee reviewing your appeal. If you request to appear in person, a meeting will be scheduled with you or your representative. You also have the option of a telephone conference with the committee if you are unable to appear in person.

Out-of-Network Benefits

If you have a question or complaint regarding your PLUS benefits, such as your eligibility, your benefits under this *plan*, or concerning a claim, please call the telephone number listed on your identification card, or you may write to us (please address your correspondence to Blue Cross of California, 21555 Oxnard Street, Woodland Hills, CA 91367 marked to the attention of the Customer Service Department listed on your identification card). Our customer service staff will answer your questions or assist you in resolving your issue.

If you are not satisfied with the resolution based on your initial inquiry, you may request a copy of the Plan Grievance Form from the customer service representative. You may complete and return the form to us, or ask the customer service representative to complete the form for you over the telephone. You may also submit a grievance to us online or print the Plan Grievance Form through the Blue Cross of California website at www.bluecrossca.com/uc. You must submit your grievance to us no later than

180 days following the date you receive a denial notice from us or any other incident or action with which you are dissatisfied. Your issue will then become part of our formal grievance process and will be resolved accordingly. All grievances received by us will be acknowledged in writing, together with a description of how we propose to resolve the grievance.

Resolving Your Grievance (Network and Out-of-Network Benefits)

If you are dissatisfied with the resolution of your issue, or if your grievance has not been resolved after at least 30 days, you also have the option of submitting your grievance to the California Department of Managed Health Care for review. If your case involves an imminent threat to your health, as described above, you are not required to complete our grievance/appeal process or to wait at least 30 days, but may immediately submit your grievance to the Department of Managed Health Care for review. You may at any time request binding arbitration (see BINDING ARBITRATION).

Questions about your prescription drug coverage. If you have outpatient *prescription drug* coverage and you have questions or concerns, you may call the Pharmacy Customer Service number listed on your ID card. If you are dissatisfied with the resolution of your inquiry and want to file a grievance, you may write to us at the address listed above and follow the formal grievance process.

Independent Medical Review of Denials of Experimental or Investigative Treatment

If coverage for a proposed treatment is denied because we or your *medical group* determine that the treatment is *experimental* or *investigative*, you may ask that the denial be reviewed by an external independent medical review organization contracting with the Department of Managed Health Care ("DMHC"). Your request for this review may be submitted to the DMHC. To request an application form, please call us at the telephone number listed on your identification card or write to us at one of the following addresses:

- If we deny the proposed treatment, send your request to us at Blue Cross of California, 21555 Oxnard Street, Woodland Hills, CA 91367.
- If proposed treatment is denied by your *medical group*, send your request to us at Blue Cross PLUS Grievance and Appeals Management, P.O. Box 4310, Woodland Hills, CA 91367.

To qualify for this review, all of the following conditions must be met:

- You have a life-threatening or seriously debilitating condition, described as follows:
 - ◆ A life-threatening condition is a condition or disease where the likelihood of death is high unless the course of the disease is interrupted or a condition or disease with a potentially fatal outcome where the end point of clinical intervention is the patient's survival.
 - ◆ A seriously debilitating condition is a disease or condition that causes major, irreversible morbidity.
- The proposed treatment must be recommended by either (a) a *participating provider* or (b) a board certified or board eligible *physician* qualified to treat you who certifies in writing that the proposed treatment is more likely to be beneficial than standard treatment. This certification must include a statement of the evidence relied upon.
- If this review is requested either by you or by a qualified *non-participating provider* (as described above), the requestor must supply two items of acceptable medical and scientific evidence. This evidence consists of the following sources:
 - a) Peer-reviewed scientific studies published in medical journals with nationally recognized standards;

- b) Medical literature meeting the criteria of the National Institute of Health's National Library of Medicine for indexing in Index Medicus, Excerpta Medicus, Medline, and MEDLARS database Health Services Technology Assessment Research;
- c) Medical journals recognized by the Secretary of Health and Human Services, under Section 1861(t)(2) of the Social Security Act;
- d) The American Hospital Formulary Service-Drug Information, the American Medical Association Drug Evaluation, the American Dental Association Accepted Dental Therapeutics, and the United States Pharmacopoeia-Drug Information;
- e) Findings, studies or research conducted by or under the auspices of federal governmental agencies and nationally recognized federal research institutes; and
- f) Peer reviewed abstracts accepted for presentation at major medical association meetings.

Within three business days of receiving notice from the DMHC of your request for review we will send the reviewing panel all relevant medical records and documents in our possession, as well as any additional information submitted by you, your *medical group*, or your *physician*. Information we receive subsequently will be sent to the review panel within three business days. Any newly developed or discovered relevant medical records identified by us or by a *participating provider* after the initial documents are sent will be immediately forwarded to the reviewing panel. The external independent review organization will complete its review and render its opinion within 30 days of its receipt of request for review (or within seven days in the case of an expedited review). This timeframe may be extended by up to three days for any delay in receiving necessary records.

Please note: If you have a terminal illness (an incurable or irreversible condition that has a high probability of causing death within one year or less) and proposed treatment is denied because the treatment is determined to be *experimental*, you may also meet with our review committee to discuss your case as part of the grievance process (see GRIEVANCE PROCEDURES).

Independent Medical Review of Grievances Involving 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 ("DMHC") if you believe that we or your *medical group* have improperly denied, modified, or delayed health care services. A "disputed health care service" is any health care service eligible for coverage and payment under your *plan* that has been denied, modified, or delayed by us or your *medical group*, in whole or in part because the service is not *medically necessary*.

The IMR process is in addition to any other procedures or remedies that may be available to you. 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 IMR. We must 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 us regarding the disputed health care service.

Eligibility: The DMHC will review your application for IMR to confirm that:

1. One or more of the following conditions have been met:
 - (a) Your provider has recommended a health care service as *medically necessary*, or
 - (b) You have received *urgent care* or *emergency services* that a provider determined was *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 independent review;

2. The disputed health care service has been denied, modified, or delayed by us or your *medical group*, based in whole or in part on a decision that the health care service is not *medically necessary*; and
3. You have filed a grievance with us or your *medical group* and the disputed decision is upheld or the grievance remains unresolved after 30 days. If your grievance requires expedited review you may bring it immediately to the DMHC's attention. The DMHC may waive the requirement that you follow our grievance process in extraordinary and compelling cases.

If your case is eligible for 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*, we will provide the health care service under your HMO benefits or provide coverage under your PLUS benefits.

For non-urgent cases, the IMR organization designated by the DMHC must provide its determination within 30 days of receipt of your application and supporting documents. For urgent cases involving an 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 3 business days.

For more information regarding the IMR process, or to request an application form, please call us at the customer service telephone number listed on your ID card.

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 the **telephone number listed on your identification card** 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 (**<http://www.hmohelp.ca.gov>**) has complaint forms, IMR applications forms and instructions online.

BINDING ARBITRATION

Any dispute or claim, of whatever nature, arising out of, in connection with, or in relation to this *plan* or the *agreement* or breach or rescission thereof, or in relation to care or delivery of care, including any claim based on contract, tort, or statute, must be resolved by arbitration if the amount sought exceeds the jurisdictional limit of the small claims court. Any dispute or claim within the jurisdictional limits of the small claims court will be resolved in such court.

The Federal Arbitration Act will govern the interpretation and enforcement of all proceedings under this Binding Arbitration provision. To the extent that the Federal Arbitration Act is inapplicable, or is held not to require arbitration of a particular claim, state law governing agreements to arbitrate will apply.

The *member* and Blue Cross agree to be bound by this Binding Arbitration provision and acknowledge that they are each giving up their right to a trial by court or jury.

California Health & Safety Code section 1363.1 requires that any arbitration agreement include the following notice: "It is understood that any dispute as to medical malpractice, that is as to whether any medical services rendered under this contract were unnecessary or unauthorized or were improperly, negligently or incompetently rendered, will be determined by submission to arbitration as provided by California law, and not by lawsuit or resort to court process except as California law provides for judicial review or arbitration proceedings. Both parties to this contract, by entering into it, are giving up 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."

The *member* and Blue Cross agree to give up the right to participate in class arbitration against each other. Even if applicable law permits class arbitration, the *member* waives any right to pursue, on a class basis, any such controversy or claim against Blue Cross and Blue Cross waives any right to pursue on a class basis any such controversy or claim against the *member*.

The arbitration findings will be final and binding except to the extent that California or Federal law provides for the judicial review of arbitration proceedings.

The arbitration is begun by the *member* making written demand on Blue Cross. The arbitration will be conducted by Judicial Arbitration and Mediation Services ("JAMS") according to its applicable Rules and Procedures. If, for any reason, JAMS is unavailable to conduct the arbitration, the arbitration will be conducted by another neutral arbitration entity, by mutual agreement of the *member* and Blue Cross, or by order of the court, if the *member* and Blue Cross cannot agree. The arbitration shall be held in the State of California.

Blue Cross and the *member* will each be responsible for paying their own shares of the fees and expenses of the arbitration; however, we may pay the *member's* share of these fees in cases of extreme hardship, as determined by JAMS. An application to claim extreme hardship under this section may be obtained from JAMS.

DEFINITIONS

The meanings of key terms used in this booklet are shown below. Whenever any of the key terms shown below appear, it will appear in italicized letters. When any of the terms below are italicized in this booklet, you should refer to this DEFINITIONS section.

Accidental injury is physical harm or disability which is the result of a specific unexpected incident caused by an outside force. The physical harm or disability must have occurred at an identifiable time and place. Accidental injury does not include illness or infection, except infection of a cut or wound.

Agreement is the Group Benefit Agreement issued by Blue Cross to the *group*.

Ambulatory surgical center is a freestanding outpatient surgical facility. It must be licensed as an outpatient clinic according to state and local laws and must meet all requirements of an outpatient clinic providing surgical services. It must also meet accreditation standards of the Joint Commission on Accreditation of Health Care Organizations or the Accreditation Association of Ambulatory Health Care.

Authorized referral occurs when you, because of your medical needs, are referred to a *non-PPO provider* for medical care under your Out-of-Network benefits, but only when:

1. There is no *PPO provider* or *participating provider* who practices in the appropriate specialty, provides the required services, or has the necessary facilities within a 50-mile radius of your residence; and
2. The referral has been authorized by us before services are rendered.

Average wholesale price is a term accepted in the pharmaceutical industry as a benchmark for pricing by pharmaceutical manufacturers.

Blue Cross of California (Blue Cross) is a health care service plan, regulated by the California Department of Managed Health Care.

Blue Cross PLUS coordinator means the representative of your *medical group* who will help you with your Blue Cross PLUS benefits, and provide any information you may need about Blue Cross PLUS services and procedures.

Blue Cross PLUS hospital is a *hospital* which has a Blue Cross PLUS Provider Agreement in effect at the time services are rendered.

Brand name prescription drug (brand name drug) is a *prescription drug* that has been patented and is only produced by one manufacturer.

Centers of Expertise (COE) are health care providers which have a Centers of Expertise Agreement in effect with us at the time services are rendered. COE agree to accept the *COE negotiated rate* as payment in full for covered services. A participating provider in the Prudent Buyer Plan network is not necessarily a COE. A provider's participation in the Prudent Buyer Plan network or other agreement with us is not a substitute for a Centers of Expertise Agreement.

Centers of Expertise negotiated rate (COE negotiated rate) is the fee *COE* agree to accept as payment for covered services. It is usually lower than their normal charge. COE negotiated rates are determined by Centers of Expertise Agreements.

Child meets the *plan's* eligibility requirements for children outlined in the UNIVERSITY OF CALIFORNIA ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS insert attached to this booklet.

Covered expense is the expense you incur for a covered service or supply, but not more than the maximum amounts described in YOUR MEDICAL BENEFITS: OUT-OF-NETWORK BENEFITS: HOW COVERED EXPENSE IS DETERMINED. Expense is incurred on the date you receive the service or supply.

Custodial care is care provided primarily to meet your personal needs. This includes help in walking, bathing or dressing. It also includes preparing food or special diets, feeding, administration of medicine which is usually self-administered or any other care which does not require continuing services of medical personnel.

Customary and reasonable charge, as determined annually by us, is a charge which falls within the common range of fees billed by a majority of *physicians* for a procedure in a given geographic region. If it exceeds that range, the expense must be justified based on the complexity or severity of treatment for a specific case.

Drug (prescription drug) means a prescribed drug approved by the State of California Department of Health or the Food and Drug Administration for general use by the public. For the purposes of this *plan*, insulin will be considered a prescription drug.

Drug limited fee schedule represents the maximum amounts we will allow as *prescription drug covered expense* for *prescriptions* filled at *non-participating pharmacies*. These amounts are the lesser of billed charges or the *average wholesale price*.

Effective date is the date your coverage begins under this *plan*.

Emergency is a sudden, serious, and unexpected acute illness, injury, or condition (including without limitation sudden and unexpected severe pain) which the *member* reasonably perceives, could permanently endanger health if medical treatment is not received immediately. Final determination as to whether services were rendered in connection with an emergency will rest solely with us or your *medical group*.

Emergency services are services provided in connection with the initial treatment of a medical *emergency*.

Enrollment area is the geographical area within a 30-mile radius of the *medical group* selected by the *subscriber*.

Experimental procedures are those that are mainly limited to laboratory and/or animal research.

Follow-up care is care which is provided to the *member* following *emergency services*.

Employee meets the *plan's* eligibility requirements for active employees outlined in the UNIVERSITY OF CALIFORNIA ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS insert attached to this booklet.

Family member meets the *plan's* eligibility requirements for family members as outlined in the UNIVERSITY OF CALIFORNIA ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS insert attached to this booklet.

Formulary drug is a *drug* listed on the *prescription drug formulary*.

Generic prescription drug (generic drug) is a pharmaceutical equivalent of one or more *brand name drugs* and must be approved by the Food and Drug Administration as meeting the same standards of safety, purity, strength, and effectiveness as the *brand name drug*.

Group refers to the business entity to which we have issued this *agreement*. The name of the group is UNIVERSITY OF CALIFORNIA.

Home health agencies are home health care providers which are licensed according to state and local laws to provide skilled nursing and other services on a visiting basis in your home, and recognized as home health providers under Medicare and/or accredited by a recognized accrediting agency such as the Joint Commission on the Accreditation of Healthcare Organizations.

Home infusion therapy provider is a provider licensed according to state and local laws as a pharmacy, and must be either certified as a home health care provider by Medicare, or accredited as a home pharmacy by the Joint Commission on Accreditation of Health Care Organizations.

Hospice is an agency or organization providing a specialized form of interdisciplinary health care that provides palliative care (pain control and symptom relief) and alleviates the physical, emotional, social, and spiritual discomforts of a terminally ill person, as well as providing supportive care to the primary caregiver and the patient's family. A hospice must be: currently licensed as a hospice pursuant to Health and Safety Code section 1747 or a licensed *home health agency* with federal Medicare certification pursuant to Health and Safety Code sections 1726 and 1747.1. A list of hospices meeting these criteria is available upon request.

Hospital is a facility which provides diagnosis, treatment and care of persons who need acute inpatient hospital care under the supervision of *physicians*. It must be licensed as a general acute care hospital according to state and local laws. It must also be registered as a general hospital by the American Hospital Association and meet accreditation standards of the Joint Commission on Accreditation of Health Care Organizations.

Independent practice association is a *medical group*, incorporated as a medical partnership, corporation or association of *physicians* who practice in private offices, and are usually organized around a *hospital* with which they are associated.

Infertility is (1) the presence of a condition recognized by a *physician* as a cause of infertility, or (2) 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.

Investigative or **Investigational** procedures or medications are those that have progressed to limited use on humans, but which are not generally accepted as proven and effective within the organized medical community.

Medical group is a group of *physicians*, organized as a legal entity, which has a Blue Cross PLUS Provider Agreement in effect with us at the time services are rendered.

Medically necessary procedures, supplies, services or equipment are those that Blue Cross determines to be:

1. Appropriate and necessary for the diagnosis or treatment of the medical condition;
2. Provided for the diagnosis or direct care and treatment of the medical condition;
3. Within standards of good medical practice within the organized medical community;
4. Not primarily for your convenience, or for the convenience of your *physician* or another provider; and
5. The most appropriate procedure, supply, equipment or service which can safely be provided. The most appropriate procedure, supply, equipment or service must satisfy the following requirements:

- a. There must be valid scientific evidence demonstrating that the expected health benefits from the procedure, equipment, service or supply are clinically significant and produce a greater likelihood of benefit, without a disproportionately greater risk of harm or complications, for you with the particular medical condition being treated than other possible alternatives; and
- b. Generally accepted forms of treatment that are less invasive have been tried and found to be ineffective or are otherwise unsuitable; and
- c. For *hospital stays*, acute care as an inpatient is necessary due to the kind of services you are receiving or the severity of your condition, and safe and adequate care cannot be received by you as an outpatient or in a less intensified medical setting.

Member is the *subscriber* or *family member*.

Mental disorders, for the purposes of this *plan*, are conditions that affect thinking and the ability to figure things out, perception, mood and behavior. A mental disorder is recognized primarily by symptoms or signs that appear as distortions of normal thinking, distortions of the way things are perceived (e.g., seeing or hearing things that are not there), moodiness, sudden and/or extreme changes in mood, depression, and/or unusual behavior such as depressed behavior or highly agitated or manic behavior.

Any condition meeting this definition is a mental disorder no matter what the cause of the condition may be.

Negotiated rate is the amount PPO *providers* agree to accept as payment in full for covered services. It is usually lower than their normal charge. Negotiated rates are determined by Prudent Buyer Plan Participating Provider Agreements. Note: If Medicare is the primary payor, the negotiated rate may be determined by Medicare's approved amount (see HOW COVERED EXPENSE IS DETERMINED)

Non-participating pharmacy is a *pharmacy* which does not have a Participating Pharmacy Agreement in effect with us at the time services are rendered. In most cases, you will be responsible for a larger portion of your pharmaceutical bill when you go to a non-participating pharmacy.

Non-participating providers are licensed health care providers which are not *participating providers*. They do not have a Blue Cross PLUS Provider Agreement in effect with us at the time services are rendered.

Non-PPO provider is one of the following providers which does NOT have a Prudent Buyer Plan Participating Provider Agreement in effect with us at the time services are rendered:

1. A *hospital*;
2. A *physician*;
3. An *ambulatory surgical center*;
4. A *home health agency*;
5. A facility which provides diagnostic imaging services;
6. A durable medical equipment outlet;
7. A *skilled nursing facility*;
8. A clinical laboratory; or
9. A *home infusion therapy provider*.

Other health care provider is one of the following providers:

1. A certified registered nurse anesthetist;
2. A blood bank;

3. A licensed ambulance company; or
4. A *hospice*.

The provider must be licensed according to state and local laws to provide covered medical services.

Participating pharmacy is a *pharmacy* which has a Participating Pharmacy Agreement in effect with us at the time services are rendered. Call your local *pharmacy* to determine whether it is a participating pharmacy or call the toll-free customer service telephone number. Many participating pharmacies display an "Rx" decal with our logo in their window so that you can easily identify them.

Participating providers are licensed health care providers which have a Blue Cross PLUS Provider Agreement in effect with us at the time services are rendered.

Pharmacy means a licensed retail pharmacy.

Physician means:

1. A doctor of medicine (M.D.) or doctor of osteopathy (D.O.) who is licensed to practice medicine or osteopathy where the care is provided, or
2. One of the following providers, but only when the provider is licensed to practice where the care is provided, is rendering a service within the scope of that license, is providing a service for which benefits are specified in this booklet, and when benefits would be payable if the services were provided by a physician as defined in 1 above:
 - a. A dentist (D.D.S. or D.M.D.)
 - b. An optometrist (O.D.)
 - c. A dispensing optician
 - d. A podiatrist or chiropodist (D.P.M., D.S.P. or D.S.C.)
 - e. A licensed clinical psychologist
 - f. A chiropractor (D.C.)
 - g. An acupuncturist (A.C.)
 - h. A clinical social worker (L.C.S.W.)
 - i. A marriage and family therapist (M.F.T.)
 - j. A physical therapist (P.T. or R.P.T.)*
 - k. A speech pathologist*
 - l. An audiologist*
 - m. An occupational therapist (O.T.R.)*
 - n. A respiratory care practitioner (R.C.P.)*
 - o. A psychiatric mental health nurse*
 - p. A nurse midwife**
 - q. A nurse practitioner
 - r. A physician assistant
 - s. A registered dietitian (R.D.)* for the provision of diabetic medical nutrition therapy only

Note: (1) With respect to Network benefits, the providers listed in 2 above are covered when such providers are available within the selected *medical group*, or by referral of the *primary care physician* if not available within the selected *medical group*; and (2) with respect to Out-of-Network benefits, the providers indicated by asterisks (*) are covered only by referral of a physician as defined in 1 above.

**If there is no nurse midwife who is a PPO *provider* in your area, you may call the Customer Service telephone number on your ID card for a referral to an OB/GYN.

Plan is the set of benefits described in this booklet and in the amendments to this booklet (if any). This plan is subject to the terms and conditions of the *agreement* issued to the *group* by us. (If any changes are made to the plan, an amendment or a revised booklet will be issued to the *group* for distribution to each *subscriber* affected by the change.)

PPO provider is one of the following providers which has a Prudent Buyer Plan Participating Provider Agreement in effect with us at the time services are rendered:

1. A *hospital*;
2. A *physician*;
3. An *ambulatory surgical center*;
4. A *home health agency*;
5. A facility which provides diagnostic imaging services;
6. A durable medical equipment outlet;
7. A *skilled nursing facility*;
8. A clinical laboratory; or
9. A *home infusion therapy provider*.

PPO providers agree to accept the *negotiated rate* as payment for covered services. A directory of *PPO providers* is available upon request.

Prescription means a written order or refill notice issued by a licensed prescriber.

Prescription drug covered expense is the expense you incur for a covered *prescription drug*, but not more than the maximum amounts described in items 1 and 2 below. Expense is incurred on the date you receive the service or supply.

Prescription drug covered expense does not include any expense in excess of: (1) the *drug limited fee schedule* for *drugs* dispensed by *non-participating pharmacies*; or (2) the *prescription drug negotiated rate*, for *drugs* dispensed by *participating pharmacies* or by the mail service program.

Prescription drug formulary (formulary) is a list which we have developed of outpatient *prescription drugs* which may be cost-effective, therapeutic choices. Any *participating pharmacy* can assist you in purchasing *drugs* listed on the formulary.

Prescription drug negotiated rate is the rate that we have negotiated with *participating pharmacies* under a Participating Pharmacy Agreement for *prescription drug covered expense*. *Participating pharmacies* have agreed to charge *members* no more than the prescription drug negotiated rate. It is also the rate which Blue Cross of California Prescription Drug Program - Mail Service accepts as payment in full for mail service *prescription drugs*.

Primary care physician is a *physician* who is a member of the *medical group* the *subscriber* has chosen to provide health care. Primary care physicians include general and family practitioners, internists and pediatricians and such other *specialists* as we may approve to be designated primary care physicians.

Primary medical group is a *medical group*, staffed by a team of *physicians*, nurses, and other health professionals, and organized as a group medical practice.

Prior Plan is a plan sponsored by the *group* which was replaced by this *plan* within 60 days. A member is considered covered under the prior plan if that member: (1) was covered under the prior plan on the date that plan terminated; (2) properly enrolled for coverage within 31 days of this *plan's* Effective Date; and (3) had coverage terminate solely due to the prior plan's termination.

Prosthetic devices are appliances which replace all or part of a function of a permanently inoperative, absent or malfunctioning body part. The term "prosthetic devices" includes orthotic devices, rigid or semi-supportive devices which restrict or eliminate motion of a weak or diseased part of the body.

Reasonable charge is a charge we consider not to be excessive based on the circumstances of the care provided. Such circumstances include: (1) level of skill; experience involved; (2) the prevailing or common cost of similar services or supplies; and (3) any other factors which determine value.

Severe mental disorders include the following psychiatric diagnoses specified in California Health and Safety Code section 1374.72: schizophrenia, schizoaffective disorder, bipolar disorder, major depression, panic disorder, obsessive-compulsive disorder, pervasive developmental disorder or autism, anorexia, and bulimia.

“Severe mental disorders” also includes serious emotional disturbances of a child as indicated by the presence of one or more mental disorders as identified in the Diagnostic and Statistical Manual (DSM) of Mental Disorders, other than primary substance abuse or developmental disorder, resulting in behavior inappropriate to the *child’s* age according to expected developmental norms. The child must also meet one or more of the following criteria:

1. 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 is at risk of being removed from the home or has already been removed from the home or the mental disorder has been present for more than six months or is likely to continue for more than one year without treatment.
2. The child is psychotic, suicidal, or potentially violent.
3. The child meets special education eligibility requirements under California law (Government Code Section 7570).

Skilled nursing facility is an institution that provides continuous skilled nursing services. It must be licensed according to state and local laws and be recognized as a skilled nursing facility under Medicare.

Special care units are special areas of a *hospital* which have highly skilled personnel and special equipment for acute conditions that require constant treatment and observation.

Specialist is a *physician* who is not a general practitioner, internist, family practitioner, pediatrician, gynecologist, or obstetrician.

Spouse meets the *plan’s* eligibility requirements for spouses outlined in the UNIVERSITY OF CALIFORNIA ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS insert attached to this booklet.

Stay is an inpatient confinement which begins when you are admitted to a facility and ends when you are discharged from that facility.

Subscriber is the person who, by meeting the *plan’s* eligibility requirements for subscribers, is allowed to choose membership under this *plan* for himself or herself and his or her eligible *family members*. Such requirements are outlined in the UNIVERSITY OF CALIFORNIA ELIGIBILITY, ENROLLMENT, TERMINATION AND PLAN ADMINISTRATION PROVISIONS insert attached to this booklet.

Totally disabled family member is a *family member* who is unable to perform all activities usual for persons of that age.

Totally disabled retired employee is a retired employee who is unable to perform all activities usual for persons of that age.

Totally disabled subscriber is a *subscriber* who, because of illness or injury, is unable to work for income in any job for which he/she is qualified or for which he/she becomes qualified by training or experience, and who is in fact unemployed.

Urgent care is the services received for a sudden, serious, or unexpected illness, injury or condition, which is not an *emergency*, but which requires immediate care for the relief of pain or diagnosis and treatment of such condition.

We (us, our) refers to Blue Cross of California.

Year or calendar year is a 12 month period starting January 1 at 12:01 a.m. Pacific Standard Time.

You (your) refers to the *subscribers* and *family members* who are enrolled for benefits under this *plan*.

CHIROPRACTIC CARE AND ACUPUNCTURE TREATMENT AMENDMENT

Blue Cross agrees to modify your Network Benefits under your Blue Cross PLUS Combined Evidence of Coverage and Disclosure (Evidence of Coverage) Form by this amendment. All other provisions of the Network Benefits under your Blue Cross PLUS Evidence of Coverage Form that are not inconsistent with this amendment remain in effect.

The benefits described in this amendment are provided through a Health Care Services Agreement between Blue Cross and the American Specialty Health Plans (ASHP). **The services described in this amendment are covered only if provided by an ASHP Chiropractor and/or ASHP Acupuncturist.**

These benefits are provided in addition to the benefits described in the "Physical Therapy, Physical Medicine and Occupational Therapy: provision in YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS COVERED: NETWORK AND OUT-OF-NETWORK BENEFITS section of your Blue Cross PLUS Evidence of Coverage Form. **However, when expenses are incurred for treatment received from an ASHP Chiropractor, no other benefits other than the benefits described in this amendment will be paid.**

PLEASE READ THE FOLLOWING INFORMATION SO YOU WILL KNOW FROM WHOM OR WHAT GROUP OF PROVIDERS HEALTH CARE MAY BE OBTAINED. THE MEANINGS OF WORDS AND PHRASES IN ITALICS ARE DESCRIBED IN THE SECTIONS OF YOUR BLUE CROSS PLUS EVIDENCE OF COVERAGE FORM, AND IN THIS AMENDMENT, ENTITLED DEFINITIONS.

SUMMARY OF BENEFITS

CO-PAYMENTS

- For each office visit..... \$20

HOW TO USE YOUR CHIROPRACTIC AND ACUPUNCTURE CARE BENEFITS

The Initial Examination. You must make an appointment with an *ASHP chiropractor* or *ASHP acupuncturist* for an initial examination of your condition. You do not need a referral from your Blue Cross PLUS Network *primary care doctor* to see an *ASHP chiropractor* or *ASHP acupuncturist*.

You must bring in your Blue Cross PLUS I.D. card, and fill out an ASHP Eligibility Guarantee and Assignment of Benefits form.

Authorization. The *ASHP chiropractor* or *ASHP acupuncturist* will evaluate your condition and request an authorization of additional services if such services are required.

The *ASHP chiropractor* or *ASHP acupuncturist* is responsible for obtaining authorization for any additional services. A new reevaluation is required for each new treatment program. You are required to pay only your co-payment for each visit.

Unauthorized Services. The *ASHP chiropractor* or *ASHP acupuncturist* may provide services prior to receiving the necessary authorization. However, unless you agree in writing, prior to receiving those services, to self-pay for those services, the *ASHP chiropractor* or *ASHP acupuncturist* is financially responsible for any services received for which authorization is not obtained.

How to locate an ASHP Chiropractor or ASHP Acupuncturist. We will provide you with a directory listing *ASHP chiropractors* or *ASHP acupuncturists* in your area. In addition, you may call **1-800-678-9133** to locate an *ASHP chiropractor* or *ASHP acupuncturist* or to confirm that a *chiropractor* is an *ASHP chiropractor* or an *acupuncturist* is an *ASHP acupuncturist*.

MEDICAL CARE THAT IS COVERED

Chiropractor Services. An initial examination by an *ASHP chiropractor* for evaluation of disorders of the neuro-musculoskeletal system.

The following services are covered, if authorized as *medically necessary* by ASHP.

1. Diagnostic services, other than diagnostic scanning, when provided during an initial examination or re-examination;
2. Adjustments;
3. Radiological x-rays and laboratory tests; and
4. *Medically necessary* therapy when provided in conjunction with the visit specifically for spinal or joint adjustment.

Your *ASHP chiropractor* is responsible for obtaining the necessary authorization.

Chiropractic Appliances. We will also pay for support type devices which are ordered by an *ASHP chiropractor*, and authorized as *medically necessary* by ASHP.

Such medical equipment includes: (1) elbow, back, thoracic, lumbar, rib or wrist supports; (2) cervical collars or pillows; (3) ankle, knee, lumbar, or wrist braces; (4) heel lifts; (5) hot or cold packs; (6) lumbar cushions; (7) orthotics; and (8) home traction units for treatment of the cervical or lumbar regions.

Acupuncture Services. An initial examination by an *ASHP acupuncturist*. The following services are covered, if authorized as *medically necessary* by ASHP.

1. Acupuncture. Acupuncture treatment must be provided during each visit, after the initial visit;
2. Radiological x-rays and laboratory tests;
3. *Medically necessary* therapy when provided in conjunction with the visit specifically for acupuncture.

If a *member* would like a second opinion with regard to covered services provided by an *ASHP chiropractor* or *acupuncturist*, the *member* will have direct access to another *ASHP chiropractor* or *acupuncturist*. The *member's* visit for purposes of obtaining a second opinion will count as one visit, for purposes of any maximum benefit, and the *member* must pay any co-payment that applies for an office visit.

If ASHP determines that an additional period of rehabilitative care is both *medically necessary* and likely to result in a significant improvement to your condition by measurably reducing your physical impairment during that period of additional care, ASHP will authorize a specific number of additional visits.

MEDICAL CARE THAT IS NOT COVERED

ASHP Chiropractors and ASHP Acupuncturists. Any services provided by an *ASHP chiropractor* or *ASHP Acupuncturist* not authorized by ASHP except for an initial examination. The *ASHP chiropractor* or *ASHP acupuncturist* is responsible for obtaining the necessary authorization.

Any services of an *ASHP chiropractor* or *ASHP acupuncturist* not specifically stated in the "Chiropractor Services" or "Acupuncture Services" provision of YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS COVERED. Any service or supply provided in connection with:

1. Diagnostic scanning, such as magnetic resonance imaging (MRI) or computerized axial tomography (CAT) scans. Diagnostic services for acupuncture;
2. Thermography;
3. Hypnotherapy;
4. Behavior training;
5. Sleep therapy;
6. Any non-medical program or service;
7. Pre-employment examinations, any non-*medically necessary* chiropractic or acupuncture services that may be required by an employer, or any other non-*medically necessary* examination not intended for diagnosis or treatment of a condition for which there are signs or symptoms;
8. Any office visit other than the initial visit during which a manipulation is not provided;
9. Any service or supply for the examination or treatment of a non-neuro-musculoskeletal condition, or physical therapy not provided in conjunction with a spinal or joint adjustment;
10. Any service or supply excluded elsewhere in the YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS NOT COVERED section of your Blue Cross PLUS Evidence of Coverage Form;
11. Transportation costs including local ambulance charges;
12. Education programs, non-medical self-care or self-help, or any self-help physical exercise training or any related diagnostic testing;
13. Hospitalization, anesthesia, manipulation under anesthesia or other related services;
14. All auxiliary aids and services, including, but not limited to, interpreters, transcription services, written materials, telecommunications devices, telephone handset amplifiers, television decoders and telephone compatible with hearing aids;
15. Adjunctive therapy not associated with spinal, muscle or joint manipulation.

Non-ASHP chiropractors or non-ASHP acupuncturists. The services of *non-ASHP chiropractor* or *non-ASHP acupuncturist*.

Work-Related. Work-related conditions if benefits are recovered or can be recovered, either by adjudication, settlement or otherwise, under any workers' compensation, employer's liability law or occupational disease law, even if you do not claim those benefits.

If there is a dispute or substantial uncertainty as to whether benefits may be recovered for those conditions pursuant to worker's compensation, we will provide the benefits of this *plan* for such conditions, subject to a right of recovery and reimbursement under California Labor Code Section 4903, and as described in the section entitled REIMBURSEMENT FOR ACTS OF THIRD PARTIES.

Government Treatment. Any services provided by a local, state, or federal government agency, except when payment under this *plan* is expressly required by federal or state law.

Chiropractic Appliances. Chiropractic appliances or devices not authorized by ASHP, and as specifically stated in the YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS COVERED section of your Blue Cross PLUS Evidence of Coverage Form.

Herbal Supplement. Vitamins, minerals, or other similar products and any nutritional supplements which are herbal supplements.

Air Conditioners. Air purifiers, air conditioners, humidifiers.

Personal Items. Any supplies for comfort, hygiene or beautification, including therapeutic mattresses.

Out-of-Area and Emergency Care. Out-of-area and *emergency* care are not covered under this chiropractic and acupuncture care benefit. Please follow the procedures outlined in the USING YOUR NETWORK BENEFITS section of your Blue Cross PLUS Evidence of Coverage Form to obtain *emergency* care or out-of-area care.

REIMBURSEMENT FOR ACTS OF THIRD PARTIES

Under some circumstances, a *member* may need services under this *plan* for which a third party may be liable or legally responsible by reason of negligence, an intentional act or breach of any legal obligation. In that event, we will provide the benefits of this *plan* subject to the following:

1. We will automatically have a lien, to the extent of benefits provided, upon any recovery, whether by settlement, judgment or otherwise, that you receive from the third party, the third party's insurer, or the third party's guarantor. The lien will be in the amount of benefits we paid under this *plan* for the treatment of the illness, disease, injury or condition for which the third party is liable, but, not more than the amount allowed by California Civil Code Section 3040.
2. You must advise us in writing, within 60 days of filing a claim against the third party and take necessary action, furnish such information and assistance, and execute such papers as we may require to facilitate enforcement of our rights. You must not take action which may prejudice our rights or interests under your *plan*. Failure to give us such notice or to cooperate with us, or actions that prejudice our rights or interests will be a material breach of this *plan* and will result in your being personally responsible for reimbursing us.
3. We will be entitled to collect on our lien even if the amount you or anyone recovered for you (or your estate, parent or legal guardian) from or for the account of such third party as compensation for the injury, illness or condition is less than the actual loss you suffered.

DEFINITIONS

ASHP chiropractor means a *chiropractor* who has an agreement, in effect on the date services are rendered, with the American Specialty Health Plans (ASHP), to provide chiropractic services under this *plan*.

ASHP acupuncturist means an *acupuncturist* who has an agreement, in effect on the date services are rendered, with the American Specialty Health Plans (ASHP), to provide acupuncture services under this *plan*.

Acupuncturist means a doctor of acupuncture (L.A.C.), qualified and licensed by state law.

Chiropractor means a doctor of chiropractic (D.C.), qualified and licensed by state law.

Medically necessary services or supplies, for the purposes of this amendment only, are those that ASHP or Blue Cross determines to be:

1. Appropriate and necessary for the diagnosis or treatment of the injury, illness or condition;
2. Provided for the diagnosis or direct care and treatment of the injury, illness or condition, and without which your condition would be adversely affected;
3. Within standards of accepted chiropractic or acupuncture treatment standards; and
4. The most appropriate supply or level of service which can safely be provided.

Non-ASHP acupuncturist means an *acupuncturist* who does not have an agreement with the ASHP, to provide acupuncture services under this *plan*.

Non-ASHP chiropractor means a *chiropractor* who does not have an agreement with the ASHP, to provide chiropractic services under this *plan*.

MedCall

Your *plan* includes MedCall, a 24-hour nurse assessment service to help you make decisions about your medical care. When you call MedCall toll free at **800-977-0027**, be prepared to provide your name, the patient's name (if you're not calling for yourself), the *subscriber's* social security number, and the patient's phone number.

The nurse will ask you some questions to help determine your health care needs. Based on the information you provide, the advice may be:

- Home self-care. A follow-up phone call may be made to determine how well home self-care is working.
- Schedule a routine appointment within the next two weeks, or an appointment at the earliest time available (within 64 hours), with your *primary care physician*.
- Call your *primary care physician* for further discussion and assessment.
- To go to an urgent care center used by your *primary care physician*.
- To go to an emergency room used by your *primary care physician*.
- Instructions to immediately call 911.

In addition to providing a nurse to help you make decisions about your health care, MedCall gives you free unlimited access to its Audio Health Library featuring recorded information on more than 100 health care topics. To access the Audio Health Library, call toll free 800-977-0027 and follow the instructions given.

We have made arrangements with an independent company to make MedCall available to you as a special service. It may be discontinued without notice.

Note: MedCall is an optional service. Remember, the best place to go for medical care is your *primary care physician*.

FOR YOUR INFORMATION

ORGAN DONATION

Each year, organ transplantation saves thousands of lives. The success rate for transplantation is rising but there are far more potential recipients than donors. More donations are urgently needed.

Organ donation is a singular opportunity to give the gift of life. Anyone age 18 or older and of sound mind can become a donor when he or she dies. Minors can become donors with parental or guardian consent.

Organ and tissue donations may be used for transplants and medical research. Today it is possible to transplant more than 25 different organs and tissues. Your decision to become a donor could someday save or prolong the life of someone you know, perhaps even a close friend or family member.

If you decide to become a donor, please discuss it with your family. Let your physician know your intentions as well. Obtain a donor card from the Department of Motor Vehicles. Be sure to sign the donor card and keep it with your driver's license or identification card.

While organ donation is a deeply personal decision, please consider making this profoundly meaningful and important gift.

BLUE CROSS WEB SITE

Information specific to your benefits and claims history are available by calling 888-209-7975, printed on your identification card or on the Blue Cross of California web site at www.bluecrossca.com/uc. To access network provider benefit information, claims payment status, benefit maximum status, or to order an ID card, simply log on to the web site. You may also submit a grievance online or print the Plan Grievance form through the website. Access to the "Member Services" segment of the website requires a pin. If you do not have a Personal Identification Number (PIN) from Blue Cross, you can request one at this page and it will be sent to you within seven (7) business days.

INDEX

Acupuncture.....	2, 18, 45, 93
Allergy.....	2, 20, 41
Allowable Expense.....	67
Ambulance.....	3, 19, 39
Appeals.....	See "Grievance Procedures, Binding Arbitration"
Authorization Program.....	56
Authorized Referrals.....	56, 85
Availability of Care.....	77
Average Wholesale Price.....	85
Bereavement Counseling.....	See "Hospice Care"
Binding Arbitration.....	84
Blood and Blood Plasma.....	2, 18, 40
Braces.....	See "Durable Medical Equipment"
Chiropractic.....	2, 18, 42, 93
Christian Science.....	37
Claims Payment.....	63, 78
COBRA.....	11
Conditions of Coverage.....	31
Confidentiality.....	79
Continuity of Care.....	77
Contraceptives.....	4, 25, 42
Coordination of Benefits.....	67
Co-Payments.....	1-4, 18-22, 25
Co-Payment Limits.....	20, 27
Cosmetic Surgery.....	47
Covered Expense.....	28, 86
Covered Services & Supplies.....	32, 65
Crime or Nuclear Energy.....	46
Custodial Care.....	44, 86
Deductibles.....	1, 21, 29
Definitions.....	85
Dental Services.....	32, 35, 47
Dependent Coverage.....	6, 7
Diabetes.....	4, 20, 25, 34, 43
Diagnostic Tests and Laboratory.....	2, 19, 40
Disability.....	See "Totally Disabled"
Disputed Health Care Service.....	61, 80-84
Doctor.....	See "Physician"
Drug Limited Fee Schedule.....	86
Drugs.....	See "Prescription Drugs"
Durable Medical Equipment.....	2, 19, 40
Educational Services.....	3, 20, 34, 43
Effective Date of Coverage.....	8
Eligibility.....	5
Emergency/Emergency Care.....	3, 19, 21, 22, 52, 86
Employee.....	5, 86
Employer, Employer Group.....	See "Group"
Enrolling.....	7
Enrollment Area.....	86
Exclusions.....	44, 65, 95

Experimental or Investigational/Experimental or Investigational Review.....	46, 66, 81, 82, 87
Eye Surgery	48
Eyeglasses.....	40, 44
Formulary Drugs.....	25, 64, 86, 90
Fraud.....	10
Generic Drugs.....	25, 62, 86
Grievance Procedures.....	80
Group.....	86
Hearing Aids.....	2, 19, 21, 24, 42
HIPAA Coverage and Conversion.....	73
Home Health Agency.....	87
Home Health Care Services	1, 18, 23, 38
Hospice Care.....	1, 18, 38
Hospice.....	87
Hospital Care.....	1, 3, 18, 19, 22, 32, 34
Hospital.....	87
In Vitro Fertilization	46
Independent Medical Review.....	81
Independent Practice Association.....	87
Infertility	3, 15, 21-23, 29, 44, 46
Injectable Medications	2, 3, 20, 37, 42, 65
Jaw Joint Disorders (TMJ).....	37
Layoff	11
Leave of Absence	11
Lifetime Maximum.....	1, 24
Limited Anesthesia for Dental Procedures.....	32, 35
Mammograms	2, 33, 34, 36
Maternity Care.....	3, 19, 21, 33, 35
Medical Emergency.....	86
Medical Necessity Review.....	59
Medically Necessary	87
Medicare Private Contracting	10
Medicare.....	9, 10, 28, 70
Member.....	88
Newborn Children.....	33, 35
Not Covered.....	44, 65, 95
Occupational Therapy.....	2, 18, 38, 39, 42
Office Visits.....	2, 3, 18-22
Orthopedic Supplies.....	See "Durable Medical Equipment"
Out-of-Pocket Maximum.....	1, 22, 29
Outpatient Surgery	1, 18, 32, 34, 39, 54
Pap Smear	2, 33, 36
Participating Pharmacy	16, 25, 88
Participating Provider	89
Personal Case Management.....	60
Phenylketonuria.....	See "Special Food Products"
Physical Therapy	2, 18, 38, 39, 42
Physician	89
Plan	89
PPO Providers (Prudent Buyer Plan Providers)	13, 90
Preauthorization.....	54, 56
Precertification Penalty.....	1, 21, 54
Precertification	54

Prepayment Fees.....	78
Prescription Drugs.....	25, 62
Preventive Care.....	2, 3, 20, 21, 33, 36, 40
Primary Care Physician (PCP).....	13, 90
Primary Medical Group.....	13, 90
Private Duty Nursing.....	1, 18, 32, 35
Prosthetic Devices.....	2, 19, 40
Reasonable Charge.....	90
Reconstructive Surgery.....	33, 39, 41
Referrals.....	51, 56
Rehabilitation Therapy.....	See "Physical Therapy"
Routine Eye Exam.....	3, 20, 33
Routine Physical Exam.....	See "Preventive Care"
Second Opinion.....	50
Self-Refer – Acupuncture.....	93
Self-Refer -- Chiropractic.....	93
Severe Mental Disorders.....	91 & Inside Back Cover
Sex Changes.....	48
Skilled Nursing Facility Care.....	1, 18, 23, 38, 56
Skilled Nursing Facility.....	91
Special Food Products.....	43
Speech Therapy.....	2, 18, 38, 39, 42
Speedy Referral.....	14
Standing Referrals.....	14
Subscriber.....	5, 91
Summary of Benefits.....	17-26
Termination of Coverage.....	10
Third Party Liability.....	49, 96
Totally Disabled.....	72, 91
Transplants/Transplant Travel Expense.....	2, 19, 21-23, 33, 35, 36, 56
Travel Benefits - Outside California.....	53, 75
Travel Benefits - Outside of the Country.....	24, 26
Urgent Care.....	53
Utilization Review Program.....	54
War.....	46
Well Baby/Well Child Care.....	2, 20, 21, 33, 34, 36
Year or Calendar Year.....	92
You, Your.....	92