



PEPPERDINE UNIVERSITY HEALTH &
WELFARE PLAN

September 1, 2007



Your Blue Cross HMO Plan

Combined Evidence of Coverage and Disclosure Form

**Blue Cross of California
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Woodland Hills, California 91367
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This booklet, called the “Combined Evidence of Coverage and Disclosure Form”, gives you important information about your health plan. The health plan contract must be consulted to determine the exact terms and conditions of coverage. If you have special health care needs, you should read those sections of the Evidence of Coverage that apply to those needs. You can get a copy of the health plan contract from your employer.

Many words used in this booklet are explained in the “Important Words to Know” section. When reading through this booklet, check that section to be sure that you understand what these words mean. Each time these words are used they are *italicized*.

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Welcome to Blue Cross HMO

Thank you for choosing our health plan.

Blue Cross HMO is here to serve you. This booklet tells you all about your health care plan and its benefits.

- ◆ It tells you about what kinds of care this *plan* covers and doesn't cover.
- ◆ It tells you what you have to do, or what has to happen so you can get benefits.
- ◆ It tells you what kinds of *doctors* and other *health care providers* you can go to for care.
- ◆ It tells you about options you may have if your coverage ends.

Take some time to read it now.

- ◆ Keep this booklet handy for any questions you may have later on.

We're here to help you!!

We want to give you the help you need. If you have any questions,

- ◆ Please call us at the 800 number on your Member ID card for Blue Cross HMO Customer Service.
- ◆ Or write us at:

Blue Cross of California

Attn.: Blue Cross HMO

P.O. Box 60007

Los Angeles, CA 90060-0007

or

e-mail us at: www.bluecrossca.com

We can help you get the health care you need.

Getting Started

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

Choosing Your Primary Care Doctor

When you enroll you should choose a *primary care doctor*. Your *primary care doctor* will be the first *doctor* you see for all your health care needs. If you need special kinds of care, this *doctor* will refer you to other kinds of *health care providers*.

Your *primary care doctor* will be part of a Blue Cross HMO contracting *medical group*. There are two types of Blue Cross HMO *medical groups*.

- ◆ A *primary medical group (PMG)* is a group practice staffed by a team of *doctors*, nurses, and other *health care providers*.
- ◆ An *independent practice association (IPA)* is a group of *doctors* in private offices who usually have ties to the same *hospital*.

You and your family members can enroll in whatever *medical group* is best for you.

- ◆ You must live or work within 30 miles of the *medical group*.
- ◆ You and your family members do not have to enroll in the same *medical group*.

We publish a directory of *Blue Cross HMO providers*. You can get a directory from your plan administrator (usually your employer) or from us. The directory lists all *medical groups*, *IPAs*, and the *primary care doctors* and *hospitals* that are affiliated with each *medical group* or *IPA*. You may call our *Customer Service number* on your Member ID card or you may write to us and ask us to send you a directory. You may also search for a *Blue Cross HMO provider* using the “Provider Finder” function on our website at www.bluecrossca.com. The listings include the credentials of our *primary care doctors* such as specialty designations and board certification.

If You Need Help Choosing

We can help you choose a *doctor* who will meet your needs.

- ◆ Call our *Customer Service number* on your Member ID card.
- ◆ Talk to the *Blue Cross HMO coordinator* at your *medical group*. Your *Blue Cross HMO coordinator* can also help you:
 - Understand the services and benefits you can get through Blue Cross HMO.
 - Get answers to any questions you may have about your *medical group*.

Changing Your Medical Group

You may find out later on that you need to change your *medical group*. You may move or you may have some other reason.

Here's what you can do:

- ◆ Ask your employer for a *membership change form*. Fill out the form, sign it and turn it in to your employer.

OR

- ◆ Call our *Customer service number* on your Member ID card. We will need to know why you want to change your *medical group*.

The change will take place on the first day of the next month as long as you aren't still getting treatment from your *doctor* or specialist within the *medical group*.

If you move to an area not served by Blue Cross HMO, we will not be able to cover your medical care. If you move, let your employer know within 30 days. That way you can enroll in a different health care plan right away, and still get the health care you need.

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 number* listed on your Member ID card to ensure that you can obtain the health care services that you need.

When You Need Care

When You Need Routine Care

◆ **Call your *primary care doctor's* office.**

◆ **Make an appointment.**

When you call:

- Tell them you are a Blue Cross HMO *member*.
- Have your Member ID card handy. They may ask you for:
 - Your group number
 - Member I.D. number
 - Office visit *copay*
- Tell them the reason for your visit.

◆ **When you go for your appointment, bring your Member ID card.**

◆ **Please call your *doctor's office* if you cannot come for your appointment, or if you will be late.**

◆ **If you need care after normal office hours, call your *primary care doctor's* office for instructions.**

When You Need a Referral

Your *doctor* may refer you to another *doctor* or *health care provider* if you need special care. Your *primary care doctor* must OK all the care you get except when you have an *emergency*.

Your *doctor's medical group*, or your *primary care doctor* if they are not part of a *medical group*, has to agree that the service or care you will be getting from the other *health care provider* is *medically necessary*. Otherwise it won't be covered.

◆ You will need to make the appointment at the other *doctor's* or *health care provider's office*.

- ◆ Your *primary care doctor* will give you a referral form to take with you to your appointment. This form gives you the OK to get this care. If you don't get this form, ask for it or talk to your *Blue Cross HMO coordinator*.
- ◆ You may have to pay a *copay*. If your *primary care doctor* refers you to a non-*Blue Cross HMO provider*, and you have to pay a *copay*, any fixed dollar *copay* will be the same as if you had the same service provided by a *Blue Cross HMO provider*. But, if your *copay* is other than a fixed dollar *copay*, while your benefits levels will not change, your out-of-pocket cost may be greater if the services are provided by a non-*Blue Cross HMO provider*. You shouldn't get a bill, unless it is for a *copay*, for this service. If you do, send it to your *Blue Cross HMO coordinator* right away. The *medical group*, or *primary care doctor* if they are not part of a *medical group*, will see that the bill is paid.

Standing Referrals. If you have a condition or disease that requires continuing care from a specialist or is life-threatening, degenerative, or disabling (including HIV or AIDS), your *primary care doctor* may give you a *standing referral* to a *specialist* or *specialty care center*. The referral will be made if your *primary care doctor*, in consultation with you, and a *specialist* or *specialty care center*, if any, determine that continuing specialized care is *medically necessary* for your condition or disease.

If it is determined that you need a *standing referral* for your condition or disease, a treatment plan will be set up for you. The treatment plan:

- ◆ Will describe the specialized care you will receive;
- ◆ May limit the number of visits to the *specialist*; or
- ◆ May limit the period of time that visits may be made to the *specialist*.

If a *standing referral* is authorized, your *primary care doctor* will determine which *specialist* or *specialty care center* to send you to in the following order:

- ◆ First, a Blue Cross HMO contracting *specialist* or *specialty care center* which is associated with your *medical group*;
- ◆ Second, any Blue Cross HMO contracting *specialist* or *specialty care center*; and
- ◆ Last, any *specialist* or *specialty care center*;

that has the expertise to provide the care you need for your condition or disease.

After the referral is made, the *specialist* or *specialty care center* will be authorized to provide you health care services that are within the *specialist's* area of expertise and training in the same manner as your *primary care doctor*, subject to the terms of the treatment plan.

Remember: We only pay for the number of visits and the type of special care that your *primary care doctor* OK's. Call your *doctor* if you need more care. **If your care isn't approved ahead of time, you will have to pay for it (except for emergencies.)**

Ready Access

There are two ways you may get special care without getting an OK from your *medical group*. These two ways are the "Direct Access" and "Speedy Referral." programs. **Not all medical groups take part in the Ready Access program. See your Blue Cross HMO Directory for those that do.**

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

- ◆ Allergy
- ◆ Dermatology

◆ Ear/Nose/Throat

Ask your *Blue Cross HMO 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 *doctor* who works with your *medical group*. The *Blue Cross HMO coordinator* will give you a list of those *doctors*.

Speedy Referral. If you need special care, your *primary care doctor* may be able to refer you for it without getting an OK from your *medical group* first. The types of special care you can get through Speedy Referral depend on your *medical group*.

If You Are A Woman

You can get OB-GYN services from a *doctor* who specializes in caring for women (OB-GYN) or family practice *doctor* who does OB-GYN and works with your *medical group*.

- ◆ You can get these services without an OK from your *primary care doctor*.
- ◆ Ask your *Blue Cross HMO coordinator* for the list of OB-GYN health care providers you must choose from.

Care for Mental or Nervous Disorders

You may get care for the treatment of *mental or nervous disorders* or *severe mental disorders* without getting an OK from your *medical group*. In order for this care to be covered, you must go to a *Blue Cross HMO provider*. Some services may require that we review and OK care in advance. Please see “Mental or Nervous Disorders/Alcoholism or Drug Dependence” in the section called “Your Benefits At Blue Cross HMO” for complete information.

You can get a Blue Cross Behavioral Health Network directory listing these providers from your plan administrator (usually your employer) or from us as follows:

- ◆ You can call our *Customer Service number* shown on your Member ID card or you may write to us and ask us to send you a directory. Ask for the Behavioral Health Network directory.

- ◆ You can also search for a *Blue Cross HMO provider* using the “Provider Finder” function on our website at **www.bluecrossca.com**. Be sure to select the "Behavioral Health Professionals" option on the next screen following your selection of plan category.

In addition, if you are a new *member* and you enrolled in this *plan* because the employer changed health plans, and you are getting care for an acute, serious, or chronic *mental or nervous disorder* from a *doctor* or other *health care provider* who is not part of the Blue Cross HMO network, you may be able to continue your course of treatment with that *doctor* or *health care provider* for a reasonable period of time before transferring to a *Blue Cross HMO provider*. To ask for this continued care or to get a copy of our written policy for this continued care, please call our *Customer Service number* shown on your Member ID card.

When You Want a Second Opinion

You may receive a second opinion about care you receive from:

- ◆ Your *primary care doctor*, or
- ◆ A *specialist* to whom you were referred by your *primary care doctor*.

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

- ◆ Questions about whether recommended surgical procedures are reasonable or necessary.
- ◆ 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 not clear or are complex and confusing.
- ◆ A diagnosis is in doubt because of test results that do not agree.

- ◆ The first *doctor or health care provider* 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 tried to follow the treatment plan or you have talked with the *doctor or health care provider* about serious concerns you have about your diagnosis or plan of care.

To ask for a second opinion about care you received from your *primary care doctor* if your *primary care doctor* is part of a *medical group*, call your *primary care doctor* or your *Blue Cross HMO coordinator* at your *medical group*. The second opinion will be provided by a qualified *doctor or health care provider* of your choice who is part of your *medical group*.

To ask for a second opinion about care you received from:

- ◆ Your *primary care doctor* if he or she is an independently contracting *primary care doctor* (not part of a *medical group*),
or
- ◆ Any *specialist*,

please call the Customer Service number shown on your ID card. The Customer Service Representative will verify your Blue Cross HMO membership, get preliminary information, and give your request to an RN Case Manager. The second opinion will be provided by a qualified *doctor or health care provider* of your choice who is part of the Blue Cross network. Please note that if your *primary care doctor* is part of a *medical group*, the *doctor or health care provider* who provides the second opinion may not necessarily be part of your *medical group*.

For any second opinion, if there is no appropriately qualified *doctor or health care provider* in the Blue Cross network, we will authorize a second opinion by another appropriately qualified *doctor or health care provider*, taking into account your ability to travel.

For all second opinions, a decision will be made promptly after your request and any necessary information are received. Decisions on urgent requests are made within a time frame appropriate to your medical condition but no later than 72 hours after you make your request. For non-urgent requests, a decision will be made within two business days after any necessary information is received.

When approved, your *primary care doctor* or Case Manager helps you with selecting a *doctor* or *health care provider* who will provide the second opinion 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. You must pay only your usual *copay* for the second opinion.

An approval letter is sent to you and the *doctor* or *health care provider* who will provide the second opinion. The letter includes the services approved and the date of your scheduled appointment. It also includes a telephone number to call if you have questions or need additional help. Approval is for the second opinion consultation only. It does not include any other services such as lab, x-ray, or additional treatment. You and your *primary care doctor* or *specialist* will get a copy of the second opinion report, which includes any recommended diagnostic testing or procedures. When you get the report, you and your *primary care doctor* or *specialist* should work together to determine your treatment options and develop a treatment plan. Your *medical group* (or your *primary care doctor*, if he or she is an independently contracting *primary care doctor*) must authorize all follow-up care.

You may appeal a disapproval decision by following our complaint process. Procedures for filing a complaint are described later in this booklet (see “How to Make a Complaint”) and in your denial letter.

If you have questions or need more information about this program, please contact your *Blue Cross HMO coordinator* at your

medical group or call the *Customer Service number* shown on your Member ID card.

When You Need a Hospital Stay

There may be a time when your *primary care doctor* says you need to go to the *hospital*. If it is not an *emergency*, the *medical group* will look into whether or not it is *medically necessary*. If the *medical group* OK's your *hospital stay*, you will need to go to a *hospital* that works with your *medical group*.

When There is an Emergency

If you need *emergency services*, get the medical care you need right away. In some areas, there is a 9-1-1 emergency response system that you may call for *emergency services* (this system is to be used only when there is an *emergency* that requires an emergency response).

Once you are stabilized, your *primary care doctor* must OK any care you need after that.

- ◆ Ask the *hospital* or emergency room *doctor* to call your *primary care doctor*.
- ◆ Your *primary care doctor* will OK any other *medically necessary* care or will take over your care.

You may need to pay a *copay* for emergency room services. A *copay* is a set amount you must pay for services. We cover the rest.

If You Are In-Area. You are in-area if you are 20 miles or less from your *medical group* (or 20 miles or less from your *medical group's hospital*, if your *medical group* is an *independent practice association*).

If you need *emergency services*, get the medical care you need right away. If you want, you may also call your *primary care doctor* and follow his or her instructions.

Your *primary care doctor or medical group* may:

- ◆ Ask you to come into their office;
- ◆ Give you the name of a *hospital* or emergency room and tell you to go there;
- ◆ Order an ambulance for you;
- ◆ Give you the name of another doctor or medical group and tell you to go there; or
- ◆ Tell you to call the 9-1-1 emergency response system.

If You're Out of Area. You can still get *emergency services* if you are more than 20 miles away from your *medical group*.

If you need *emergency services*, get the medical care you need right away (follow the instructions above for When There is an Emergency). In some areas, there is a 9-1-1 emergency response system that you may call for *emergency services* (this system is to be used only when there is an *emergency* that requires an emergency response). You must call us within 48 hours if you are admitted to a *hospital*.

Remember:

- ◆ We won't cover services that don't fit what we mean by *emergency services*.
- ◆ Your *primary care doctor* must OK care you get once you are stabilized, unless Blue Cross HMO OKs it.
- ◆ Once your *medical group* or Blue Cross HMO give an OK for *emergency services*, they cannot withdraw it.

You Need Urgent Care and You're Out of Area

You can get *urgent care* if you are more than 20 miles away from your *primary care doctor or medical group*.

For *urgent care*, if care can't wait until you get back to make an appointment with your *primary care doctor*, get the medical care

you need right away. You must call us within 48 hours if you are admitted to a *hospital*.

If you need a *hospital stay* or long-term care, we'll check on your progress. When you are able to be moved, we'll help you return to your *primary care doctor's* or *medical group's* area.

Remember:

- ◆ We won't cover services that don't fit what we mean by *urgent care*.
- ◆ Your *primary care doctor* must OK care you get once you are stabilized, unless Blue Cross HMO OKs it.

Getting Care When You Are Outside of California

If you or your family members will be away from home for more than 90 days, you may be able to get a *guest membership* in a *medical group* in the city you are visiting.

- ◆ Before you leave home, call the Blue Cross HMO *Customer service number* on your Member ID card.
- ◆ Ask for the Guest Membership Coordinator.
- ◆ We will send you forms to fill out.
- ◆ If there is a *medical group* taking part in the national network in the city you will be visiting, you'll be a guest member while you're away from home.
- ◆ The benefits you will get may not be the same as the benefits you would get at home.

Even without a *guest membership*, you can get *medically necessary* care (*urgent care*, *emergency services*, or follow-up care) when you are away from home.

- ◆ **If you are traveling outside California**, and need health care because of a non-emergency illness or injury, call the BlueCard Access 800 number , 1-800-810-BLUE (2583).

- ◆ **The BlueCard Access Call Center will tell you if there are *doctors or hospitals in the area* that can give you care.** They will give you the names and phone numbers of nearby *doctors* and *hospitals* that you go to or call for an appointment.
- ◆ **If it's an *emergency*, get medical care right away.** You or a member of your family must call us within 48 hours after first getting care.
- ◆ **The provider may bill you for these services.** Send these bills to us. We will make sure the services were *emergency services* or *urgent care*. You may need to pay a *copay*.

Note: Providers available to you through the BlueCard Program have not entered into contracts with Blue Cross of California. If you have any questions or complaints about the BlueCard Program, please call us at the customer service telephone number listed on your ID card.

If You and Your Doctor Don't Agree

If you think you need a certain kind of care, but your *doctor* or *medical group* isn't recommending it, you have a right to the following:

- ◆ **Ask for a written notice** of being denied the care you felt you needed. You should get this notice within 48 hours.
- ◆ **Your *doctor* should give you a written reason** and another choice of care within 48 hours.
- ◆ **You can make a formal appeal** to the *medical group* and to Blue Cross. See "How to Make a Complaint" on a later page.

We Want You to Have Good Health

Ask about our many programs to:

- ◆ Educate you about living a healthy life.
- ◆ Get a health screening.
- ◆ Learn about your health problem.

For more information, please call us at our *Customer service number* shown on your Member ID card.

Working Together for Your Health

Blue Cross of California is committed to maintaining a mutually respectful relationship with our *members* and at the same time we expect our *members* to assume certain responsibilities. Your Member Rights and Responsibilities are described below, and your rights, our legal duties, and our privacy practices related to HIPAA are described in our "Notice of privacy Practices" found on our website at <http://www.bluecrossca.com> or by calling the *Customer Service number* on your Member ID card.

Member Rights. You have the right to:

- ◆ Receive clear and accurate information about Blue Cross of California, your rights and responsibilities, your health plan benefits and services, and how and when you can use them;
- ◆ Receive the names and contact information of participating doctors, *hospitals*, pharmacies, and other *health care providers* available to you;
- ◆ Be treated with courtesy, respect, and dignity;
- ◆ Your privacy and to have your personal health information be kept secure and confidential;
- ◆ Be involved with doctors and other health care professionals in decision-making regarding your health care;
- ◆ Talk over your health care needs with the health care professionals caring for you, including a clear and open discussion about appropriate or *medically necessary* care available for your condition, without concern for the cost or whether it is covered by your health plan benefits;
- ◆ Make a written or spoken suggestion, expression of dissatisfaction, or complaint about the care or service you received from a participating health care professional or provider, or about the service you received from your health

plan, and you may appeal any decision made relating to you or your health plan benefits and/or health plan services; and

- ◆ Write to Blue Cross of California with ideas or questions about this statement on *member* rights and responsibilities. Your letter can be sent to Quality Improvement Department, Attn: Rights and Responsibilities, Mailstop AC 6G, P.O. Box 70000, Van Nuys, CA 91470-0001.

Member Responsibilities. To help participating health care professionals and providers in meeting these responsibilities to you, it's important that you:

- ◆ Give patient identification and medical information, to the best of your ability, that your health care professionals and providers need in order to care for you and for your health plan to provide services to you;
- ◆ To the best of your ability, work with your doctor to be aware of and understand your health issues so you can participate in developing mutually agreed-upon treatment goals;
- ◆ Follow the prescribed medical treatment plan and health care instructions that you have agreed upon with your doctor or other health professional and tell him or her if you decide to take part in any Blue Cross of California-sponsored health activity or program;
- ◆ Treat all health care professionals and staff with courtesy and respect;
- ◆ Keep scheduled appointments for care and give adequate advance notice of delay or cancellation; and
- ◆ Read and understand to the best of your ability all materials concerning your health benefits or ask for clarification as needed.

RelayHealth. We have made arrangements with RelayHealth to provide an online health care information and communication program. This program will allow you to contact your *doctor* on the internet if your *doctor* is a participant in RelayHealth. To see if

your *doctor* is enrolled in the program, use the “Find Your Doctor” function on the website, www.relayhealth.com. Through this private, secure internet program, you can consult your *doctor*, request prescription refills, schedule appointments, and get lab results. You will only be required to pay a *copay* for consultations. This *copay* will be **\$10** and must be paid by credit card. You will not be required to pay a *copay* when you request prescription refills, schedule appointments and get lab results.

Your Benefits at Blue Cross HMO

It’s important to remember:

- ◆ The benefits of this *plan* are given only for those services that the *medical group* finds are *medically necessary*.
- ◆ Just because a *doctor* orders a service, it doesn’t mean that:
 - The service is *medically necessary*; or
 - This *plan* covers it.
- ◆ If you have any questions about what services are covered, read this booklet, or give us a call at the number on your Member ID card.
- ◆ All benefits are subject to coordination with benefits available under certain other plans.
- ◆ We have the right to be repaid by a third party for medical care we cover if your injury, disease or other health problem is their fault or responsibility.

What are Copays?

A *copay* is a set amount you pay for each medical service. You need to pay a *copay* for some services given under this *plan*, but many other supplies and services do not need a *copay*. Usually, you must pay the *copay* at the time you get the services. The *copays* you need to pay for services are shown in the next section.

If you do not pay your *copay* within 31 days from the date it's due, we have the right to cancel your coverage under the *plan*. To find out how your coverage is cancelled if you do not pay your *copay*, see "How Your Coverage Ends", in the section "What You Should Know about Your Coverage", (see Table of Contents).

Here are the Copay Limits

If you pay more than the *Copay Limits* shown below in one calendar year (January through December), you won't need to pay any more *copays* for the rest of the year. You must tell us when you reach a *Copay Limit*.

Per Number of Members	Copay Limits
-----------------------	--------------

- One *Member*.....**\$1,500**
- Two *Members* of the Same Family**\$3,000***
- Three or More *Members* of the Same Family**\$4,500***

*But, not more than \$1,500 for any one *Member* in a Family.

The following *copays* won't apply to the *Copay Limits*:

- ◆ The **\$100 per day** *copay* for an inpatient *stay* for care of *mental or nervous disorders*.
- ◆ The **\$100 per day** *copay* for an inpatient *stay* for detoxification (detox).
- ◆ For *infertility*, any *copay* for diagnosis and testing for finding out about it.

Here's how to tell us.

- ◆ **Get a form from us** by calling our *Customer service number* on your Member ID card.
- ◆ **Keep a record of all the *copays* you and your family pay** on this form.
- ◆ **Keep your receipts and any canceled checks** for those *copays*.
- ◆ **Tell us when you and/or your family reach the *Copay Limit*.**

Mail the form with copies of your receipts and canceled checks to:

Blue Cross of California

P.O. Box 60007

Los Angeles, Ca 90060-0007

After we make sure your receipts are correct, we will let your *medical group* know that:

- ◆ You have reached your *Copay Limit*.
- ◆ You do not need to pay *copays* for the rest of the calendar year.

What We Cover

We list benefits for the services and supplies in this section. Any *copays* you must pay are shown next to the service or supply. We list things **we do NOT cover in the next section.**

Remember:

Your *primary care doctor* and your *medical group* must give or OK all your care.

Doctor Care (or services of a Health Professional)	Copay
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- ◆ Office visits for a covered illness, injury or health problem.....\$15
- ◆ Home visits, when approved by your *medical group*, at the *doctor's* discretion\$15
- ◆ Surgery in *hospital, surgery center or medical group* and surgical assistants **No charge**
- ◆ Anesthesia services **No charge**
- ◆ *Doctor* visits during a *hospital stay* **No charge**
- ◆ Visit to a *specialist*.....\$15
- ◆ *Medically necessary* acupuncture OK'd by your *primary care doctor*.....\$15

Health Care	Copay
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- ◆ Allergy tests and care\$15
- ◆ Full physical exams and periodic check-ups ordered by your *primary care doctor*.....\$15
- ◆ Vision or hearing screenings*\$15
- ◆ Immunizations prescribed by your *primary care doctor*:
 - For children **No charge**
 - For adults..... **No charge**
- ◆ Health education programs given by your *primary care doctor or the medical group*..... **No charge**

- ◆ Health screenings as prescribed by your *doctor*, such as mammograms, Pap tests and any cervical cancer screening tests including human papillomavirus (HPV) screening approved by the federal Food and Drug Administration, prostate cancer screenings, and all other medically accepted cancer screening tests **No charge**

*Vision screening includes a vision check by your *primary care doctor* to see if it is *medically necessary* for you to have a complete vision exam by a vision *specialist*. If OK'd by your *primary care doctor*, this may include an exam with diagnosis, a treatment program and refractions. Hearing screenings include tests to diagnose and correct hearing.

Diabetes	Copay
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- ◆ Equipment and supplies used for the treatment of diabetes (see below)..... **See “Medical Equipment”**
 - Blood glucose monitors, including monitors designed to help the visually impaired, and blood glucose testing strips.
 - Insulin pumps
 - Pen delivery systems for insulin administration (non-disposable).
 - Visual aids (but not eyeglasses) to help the visually impaired to properly dose insulin.
- ◆ Podiatric devices, such as therapeutic shoes and shoe inserts, to treat diabetes-related complications **See “Prosthetic Devices”**
- ◆ Diabetes education program services..... **\$15**
 - Teach you and your family members about the disease process and how to take care of it.

- Include training, education, and nutrition therapy to enable you to use the equipment, supplies, and medicines needed to manage the disease.
- Are supervised by a *doctor*.
- ◆ The following items are covered under your *drug* benefits See “**Getting Prescription Drugs**”
 - Insulin, glucagon, and other *prescription drugs* for the treatment of diabetes.
 - Insulin syringes, disposable pen delivery systems for insulin administration.
 - Testing strips, lancets, and alcohol swabs.

General Medical Care	Copay
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- ◆ Hemodialysis treatment, including treatment at home if OK’d by the *medical group* **No charge**
- ◆ Medical social services **No charge**
- ◆ Chemotherapy and radiation therapy **No charge**
- ◆ X-ray and laboratory tests **No charge**

Pregnancy or maternity care	Copay
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- ◆ Office visit.....**\$15**
- ◆ *Doctor’s* services for normal delivery or cesarean section **No charge**
- ◆ *Hospital* services
 - Inpatient services **No charge**
 - Outpatient covered services..... **No charge**

- ◆ Elective abortions including Mifeprestone taken in the *doctor's* office.....\$150
- ◆ Genetic testing, when *medically necessary*..... No charge
- ◆ *Hospital* services for routine nursery care of your newborn child if the newborn child's natural mother is an enrolled *member*..... No charge

Note: For inpatient *hospital* services related to childbirth, we will provide for at least 48 hours after a normal delivery or 96 hours after a cesarean section, unless the mother and her *doctor* decide on an earlier discharge.

Infertility and Birth Control	Copay
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- ◆ Diagnosis and testing for *infertility*.....50%*
- ◆ Sterilization for females\$150
- ◆ Sterilization for males\$100
- ◆ Family planning services\$15
- ◆ Shots and implants for birth control..... No charge
- ◆ Intrauterine contraceptive devices (IUDs) and diaphragms, dispensed by a *doctor* No charge
- ◆ *Doctor's* services to prescribe, fit and insert an IUD or diaphragm.....\$15

***Note:** The 50% copay made for *infertility* services will not be applied to the “*Copay Limits*.”

Mastectomy	Copay
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- ◆ Mastectomy and lymph node dissection; complications from a mastectomy including lymphedema.....See copays that apply

- ◆ Reconstructive surgery performed to restore symmetry following a mastectomy**See copays that apply**

Reconstructive Surgery	Copay
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- ◆ Reconstructive surgery performed to correct deformities caused by congenital or developmental abnormalities, illness, or injury for the purpose of improving bodily function, reducing symptoms or creating a normal appearance.....**See copays that apply**

Rehabilitative Care	Copay
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You may have **up to a 60 day period of care** after an illness or injury. The 60 day period of care starts with the first visit for rehabilitative care. The 60 day limit does not limit the number of visits or treatments you get within the 60 day period. If you need more than the 60 day period of care, your *primary care doctor* must get the OK from your *medical group* or Blue Cross. It must be shown that more care is *medically necessary*. Your *medical group* or Blue Cross will OK the extra visits or treatments.

- ◆ Visits for rehabilitation, such as physical therapy, chiropractic services, occupational therapy or speech therapy**\$15**

Inpatient Hospital Services	Copay
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- ◆ A *hospital* room with two or more beds, or a private room only if *medically necessary*, ordered by your *primary care doctor* and OK'd by your *medical group* **No charge**
- ◆ Operating room and special treatment room **No charge**
- ◆ Intensive care **No charge**

- ◆ Nursing care **No charge**
- ◆ Blood transfusions. This includes the cost of blood, blood products or blood processing **No charge**
- ◆ Laboratory, cardiology, pathology and radiology services **No charge**
- ◆ Physical therapy, occupational therapy, speech therapy, radiation therapy, chemotherapy and hemodialysis **No charge**
- ◆ *Drugs* and medicines, and supplies you get during your *stay*. This includes oxygen **No charge**

Outpatient (In a Hospital or Surgery Center)	Copay
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- ◆ Emergency room use, supplies, other services, *drugs* and medicines. This includes oxygen **\$100***
 *You don't have to pay the **\$100** if you are admitted as an inpatient.
- ◆ Care given when surgery is done. This includes operating room use, supplies, *drugs* and medicines, oxygen, and other services. **No charge**

Skilled Nursing Facility Services	Copay
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You can get these kinds of care in a *skilled nursing facility* for **up to 100 days in a calendar year**. For the purpose of care provided for the treatment of *mental or nervous disorders* and *severe mental disorders*, the term “skilled nursing facility” includes *residential treatment center*.

- ◆ A room with two or more beds **No charge**
- ◆ Special treatment rooms **No charge**
- ◆ Regular nursing services **No charge**
- ◆ Laboratory tests **No charge**

- ◆ Physical therapy, occupational therapy, speech therapy, or respiratory therapy **No charge**
- ◆ *Drugs* and medicines given during your *stay*. This includes oxygen..... **No charge**
- ◆ Blood transfusions..... **No charge**
- ◆ Needed medical supplies and appliances **No charge**

Note: *Facility-based care* for the treatment of *mental or nervous disorders* is limited to 30 days per calendar year. Any days you spend as an inpatient in a *residential treatment center* will be counted against both this 30 day limit and the 100 day limit that applies to benefits for services in a *skilled nursing facility*.

Home Health Care	Copay
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We will cover home health care furnished by a *home health agency* (HHA) for **up to 100 visits in a calendar year**.

- ◆ Care from a registered nurse or licensed vocational nurse who works under a registered nurse or a *doctor* **\$15**
- ◆ Physical therapy, occupational therapy, speech therapy, or respiratory therapy **\$15**
- ◆ Visits with a medical social service worker..... **\$15**
- ◆ Care from a health aide who works under a registered nurse with the HHA (one visit equals four hours or less)..... **\$15**
- ◆ *Medically necessary* supplies from the HHA..... **No charge**

Hospice Care	Copay
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We will cover *hospice* care if you have an illness that may lead to death within one year. Your *primary care doctor* will work with the *hospice* and help develop your care plan. The *hospice* must send a written care plan to your *medical group* every 30 days.

- ◆ Interdisciplinary team care to develop and maintain a plan of care **No charge**
- ◆ Short-term inpatient hospital care in periods of crisis or as respite care. Respite care is provided on an occasional basis for up to five consecutive days per admission **No charge**
- ◆ Physical therapy, occupational therapy, speech therapy and respiratory therapy **No charge**
- ◆ Social services and counseling services **No charge**
- ◆ Skilled nursing services given by or under the supervision of a registered nurse. **No charge**
- ◆ Certified home health aide services and homemaker services given under the supervision of a registered nurse. **No charge**
- ◆ Diet and nutrition advice; nutrition help such as intravenous feeding or hyperalimentation **No charge**
- ◆ Volunteer services given by trained *hospice* volunteers directed by a *hospice* staff member **No charge**
- ◆ *Drugs* and medicines prescribed by a *doctor* **No charge**
- ◆ Medical supplies, oxygen and respiratory therapy supplies **No charge**
- ◆ Care which controls pain and relieves symptoms **No charge**

- ◆ Bereavement services, including assessing the needs of the bereaved family and developing a care plan to meet those needs, both before and after death. Bereavement services are available to covered members of the immediate family (spouse, children, step-children, parents, brothers and sisters) for up to one year after the employee's or covered family *member's* death..... **No charge**

Dental Care	Copay
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- ◆ Inpatient *hospital* services..... **No charge**

Inpatient *hospital* services are limited to 3 days when the *stay* is:

- Needed for dental care because of other medical problems you may have.
- Ordered by a *doctor* (M.D.) or a dentist (D.D.S. or D.M.D.)
- Approved by the *medical group*.

- ◆ General anesthesia and facility services when dental care must be provided in a *hospital* or *surgery center* **No charge**

These services are covered when:

- You are less than seven years old;
- You are developmentally disabled; or
- Your health is compromised and general anesthesia is *medically necessary*.

Note: No benefits are provided for the dental procedure itself or for the professional services of a dentist to do the dental procedure.

- ◆ Emergency care for accidental injury to natural teeth..... **No charge**
 - The care is not covered if you hurt your teeth while chewing or biting.
 - Blue Cross HMO does not cover any other kind of dental care.

Special Food Products	Copay
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- ◆ Special food products and formulas that are part of a diet prescribed by a *doctor* for the treatment of phenylketonuria (PKU)..... **No charge**

You can get most formulas used in the treatment of PKU from a *drugstore*. These are covered under your *plan's* benefits for *prescription drugs* (see “Getting Prescription Drugs”). Special food products that are not available from a *drugstore* are covered as medical supplies under your *plan's* medical benefits.

Medical Equipment	Copay
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You can rent or buy up to **\$5,000 worth (a calendar year)** of long-lasting medical equipment (called durable medical equipment) and supplies if they are:

- Ordered by your *primary care doctor*.
- Used only for the health problem.
- Used only by the person who needs the equipment or supplies.
- Made only for medical use.

Equipment and supplies are **not** covered if they are:

- Only for your comfort or hygiene.
- For exercise.

- Only for making the room or home comfortable, such as air conditioning or air filters.
- ◆ Medical equipment and supplies..... **No charge**

Pediatric Asthma Equipment and Supplies	Copay
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- ◆ Nebulizers, including face masks and tubing..... **No charge**
 These items are not subject to any limits or maximums that apply to coverage for Medical Equipment.
- ◆ Inhaler spacers and peak flow meters **See "Getting Prescription Drugs"**
 These items are subject to the copay for *brand name drugs*.
- ◆ Pediatric asthma education program services to help you use the items listed above..... **\$15**

Organ and Tissue Transplants	Copay
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Services and supplies are given if:

- You are receiving the organ or tissue, or
- You are the organ or tissue donor, if the person who is receiving it is a *member* of Blue Cross HMO. If you are not a *member*, the benefits are lowered by any amounts paid by your own health plan.
- ◆ Services given with an organ or tissue transplant..... **See copays that apply**

Cancer Clinical Trials	Copay
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Routine patient care costs, as defined below, for phase I, phase II, phase III and phase IV cancer clinical trials**See copays that apply**

All of the following conditions must be met:

- ◆ The treatment you get in a clinical trial must either:
 - Involve a *drug* that is exempt under federal regulations from a new drug application, or
 - Be ok'd 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.
- ◆ You must have cancer to be able to participate in these clinical trials.
- ◆ Participation in these clinical trials must be recommended by your *primary care doctor* after deciding it will help you. If the clinical trial is not provided by or through your *medical group*, your *primary care doctor* will refer you to the *doctor or health care provider* who provides the clinical trial. Please see "When You Need a Referral" in the section called "When You Need Care" for information about referrals. You will only have to pay your normal copays for the services you get.
- ◆ 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 are the costs associated with the services provided, including drugs, items, devices and services which would otherwise be covered under the *plan*, including health care services which are:

- ◆ Typically provided absent a clinical trial.

- ◆ Required solely to provide the investigational drug, item, device or service.
- ◆ Clinically appropriate monitoring of the investigational item or service.
- ◆ Prevention of complications arising from the provision of the investigational drug, item, device, or service.
- ◆ Reasonable and necessary care arising from the provision of the investigational drug, item, device, or service, including the diagnosis or care of the complications.

Routine patient care costs do not include any of the costs associated with any of the following:

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

Note: You will pay for costs of services that are not covered.

If you do not agree with the coverage or medical necessity of possible clinical trial services, please read the “Independent Medical Review of Complaints Involving a Disputed Health Care Service” (see Table of Contents).

Ambulance	Copay
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You can get these services from a licensed ambulance in an *emergency* or when ordered by your *primary care doctor*. (We will provide benefits for these services if you receive them as a result of a 9-1-1 emergency response system call for help if you think you have an *emergency*.) Air ambulance is also covered, but, only if ground ambulance service can't provide the service needed. Air ambulance service, if needed, is provided only to the nearest *hospital* that can give you the care you need.

- ◆ Base charge and mileage **No charge**
- ◆ Disposable supplies **No charge**
- ◆ Monitoring, EKG's or ECG's,
cardiac defibrillation, CPR, oxygen,
and IV solutions **No charge**

IN SOME AREAS, THERE IS A 9-1-1 EMERGENCY RESPONSE SYSTEM. THIS SYSTEM IS TO BE USED ONLY WHEN THERE IS AN *EMERGENCY*.

PLEASE USE THE 9-1-1 SYSTEM FOR MEDICAL EMERGENCIES ONLY.

Prosthetic Devices	Copay
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You can get devices to take the place of missing parts of your body.

- ◆ Surgical implants **No charge**
- ◆ Artificial limbs or eyes **No charge**
- ◆ The first pair of contact lenses or eye glasses
when needed after a covered and
medically necessary eye surgery **No charge**
- ◆ Breast prostheses following a mastectomy **No charge**

- ◆ *Prosthetic devices* to restore a method of speaking when required as a result of a laryngectomy..... **No charge**
- ◆ Therapeutic shoes and inserts designed to treat foot complications due to diabetes..... **No charge**
- ◆ Orthopedic footwear used as an integral part of a brace; shoe inserts that are custom molded to the patient..... **No charge**
- ◆ Colostomy supplies **No charge**
- ◆ Supplies needed to take care of these devices..... **No charge**

Hearing Aid Services	Copay
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- ◆ Covered hearing aids..... **See “Medical Equipment”**

The following hearing aid services are covered when ordered by or purchased as a result of a written recommendation from:

- an otolaryngologist; or
- a state-certified audiologist.

Services include:

- 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 the *plan* benefits for office visits to *doctors*.

- Hearing aids (monaural or binaural) including:
 - ear mold(s), the hearing aid instrument; and
 - batteries, cords and other ancillary equipment.

- Visits for fitting, counseling, adjustments and repairs for a one year period after receiving the covered hearing aid.

No benefits will be provided for the following:

- Charges for a hearing aid which exceeds specifications prescribed for the correction of hearing loss;
- 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").

Mental or Nervous Disorders/ Alcoholism or Drug Dependence	Copay
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You can get services for short term, acute care treatment.

- With these services, there must be a good chance you will get better.
- These services must be given at the lowest level of care that is consistent with safe medical practice.
- These services do not include programs to stop smoking, or to help with nicotine or tobacco abuse.
- *Medically necessary* individual, marriage, family, or group counseling is covered. Each *member* going to the session must pay a *copay*. Each session will count as a visit toward that *member's* number of covered visits.

- ◆ Inpatient detoxification when the person is dependent on drugs and alcohol**\$100****
per day
after the 15th day of confinement

- ◆ For *facility-based care* for treatment of *mental or nervous disorders*\$100*
per day
after the 15th day of confinement
- ◆ Inpatient *doctor* visits (only one visit a day) during a *stay* for the treatment of *mental or nervous disorders*\$35
- ◆ For visits to a *doctor* for outpatient psychotherapy or psychological testing (only one visit a day).....\$35
 - This includes visits for rehabilitation (such as physical therapy, occupational therapy, or speech therapy) for the treatment of *mental or nervous disorders*. Extra visits for rehabilitation will be OK'd by your *medical group* or Blue Cross if *medically necessary*.

***Note:** The **\$100 per day copay** made for an inpatient *stay* for the treatment of *mental or nervous disorders* will not be applied to the “*Copay limits*.”

****Note:** The **\$100 per day copay** made for inpatient detoxification services will not be applied to the “*Copay limits*.”

Before you get services for inpatient detoxification and *facility-based care* for *mental or nervous disorders*, you must get our approval first. Read “Medical Management Programs” to find out how to get approvals.

We will not apply the copay and limits shown above for treatment of *mental or nervous disorders* to services you get for treatment of a *severe mental disorder* (please read the description of *severe mental disorders* in the section called “Important Words to Know”). Services you get for treatment of a *severe mental disorder* will have the same copays and limits that other medical conditions have. But before you get *facility-based care* for the treatment of *severe mental disorders*, you must get our approval first. Please read “Medical Management Programs” to find out how to get approvals.

Medical Management Programs

Medical Management Programs apply only to the treatment of *mental or nervous disorders* and *severe mental disorders* (see “Important Words to Know”) for the following services:

- ◆ Inpatient *hospital* services for detoxification during the acute phase of alcoholism or drug dependence,
- ◆ *Facility-based care* for the treatment of *mental or nervous disorders* and *severe mental disorders* and
- ◆ *Authorized referrals* to non-Blue Cross HMO providers.

The medical management programs are set up to work together with you and your *doctor* to be sure that you get appropriate medical care and avoid costs you weren’t expecting.

You don’t have to get a referral from your *primary care doctor* when you go to a *Blue Cross HMO provider* for professional services, such as counseling, for the treatment of *mental or nervous disorders* and *severe mental disorders*. You can get a directory of *Blue Cross HMO providers* who specialize in the treatment of *mental or nervous disorders* and *severe mental disorders* by calling the *Customer Service number* on your Member ID card.

Your *primary care doctor* must provide or coordinate all other care and your *medical group* must OK it.

We have two medical management programs for treatment of *mental or nervous disorders* or *severe mental disorders*:

- ◆ The Utilization Review Program applies to inpatient *hospital* detoxification services and *facility-based care* for the treatment of *mental or nervous disorders* and *severe mental disorders*.
- ◆ The Authorization Program applies to referrals to non-Blue Cross HMO providers.

We will pay benefits only if you are covered at the time you get services, and our payment will follow the terms and requirements of this *plan*.

Utilization Review Program

The utilization review program looks at whether care is *medically necessary* and appropriate, and the setting in which care is provided. We will let you and your *doctor* know if we have determined that services can be safely provided in an outpatient setting, or if we recommend an inpatient *stay*. We certify and monitor services so that you know when it is no longer *medically necessary* and appropriate to continue those services.

You need to make sure that your *doctor* contacts us before scheduling you for any service that requires utilization review. If you get any such service without following the directions under "How to Get Utilization Reviews," no benefits will be provided for that service.

Utilization review has three parts:

- ◆ **Pre-service review.** We look at non-emergency *facility-based care* for the treatment of *mental or nervous disorders* or *severe mental disorders* and inpatient *hospital detoxification services* and decide if the proposed *facility-based care* is *medically necessary* and appropriate.
- ◆ **Concurrent review.** We look at and decide whether services are *medically necessary* and appropriate when pre-service review is not required or we are notified while service is being provided, such as with an *emergency admission to a hospital*.
- ◆ **Retrospective review.** We look at services that have already been provided:
 - When a pre-authorization, pre-service or concurrent review was not completed; or
 - To examine and audit medical information after services were provided.

Retrospective review may also be done for services that continued longer than originally certified.

Effect on Benefits

- ◆ When you don't get the required pre-service review before you get *facility-based care* for the treatment of *mental or nervous disorders* or *severe mental disorders* or inpatient *hospital detoxification* services, we **will not provide benefits** for those services.
- ◆ *Facility-based care* for the treatment of *mental or nervous disorders* or *severe mental disorders* and inpatient *hospital detoxification* services will be provided only when the type and level of care requested is *medically necessary* and appropriate for your condition. If you go ahead with any services that have been determined to be not *medically necessary* and appropriate at any stage of the utilization review process, we **will not provide benefits** for those services.
- ◆ When services are not reviewed before or during the time you receive the services, we will review those services when we receive the bill for benefit payment. If that review determines that part or all of the services were not *medically necessary* and appropriate, we **will not provide benefits** for those services.

How to Get Utilization Reviews

Remember, you must make sure that the review has been done.

Pre-Service Reviews

No benefits will be provided if you do not get pre-service review before receiving scheduled services, as follows:

- ◆ You must tell your *doctor* that this *plan* requires pre-service review. *Doctors* who are *Blue Cross HMO providers* will ask for the review for you. The toll-free number for pre-service review is on your Member ID card.
- ◆ For all scheduled services that require utilization review, you or your *doctor* must ask for the pre-service review at least three working days before you are to get services.

- ◆ We will certify services that are *medically necessary* and appropriate. For *facility-based care* for the treatment of *mental or nervous disorders* or *severe mental disorders* and inpatient *hospital* detoxification services we will, if appropriate, certify the type and level of services, as well as a specific length of *stay*. You, your *doctor* and the provider of the service will get a written notice showing this information.
- ◆ If you do not get the certified service within 60 days of the certification, or if the type of the service changes, you must get a new pre-service review.

Concurrent Reviews

- ◆ If pre-service review was not done, you, your *doctor* or the provider of the service must contact us for concurrent review. If you have an *emergency* admission or procedure, you need to let us know within one working day of the admission or procedure, unless your condition prevented you from telling us or a member of your family was not available to tell us for you within that time period.
- ◆ When you tell *Blue Cross HMO providers* that you must have utilization review, they will call us for you. You may ask a non-*Blue Cross HMO provider* to call the toll free number on your Member ID card or you may call directly.
- ◆ When we decide that the service is *medically necessary* and appropriate, 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 decide on the medically appropriate setting.
- ◆ If we decide that the service is not *medically necessary* and appropriate, we will tell your *doctor* by telephone no later than 24 hours after the decision. We will send written notice to you and your *doctor* within two business days after our decision. But care will not be stopped until your *doctor* has been notified and a plan of care that meets your needs has been agreed upon.

Retrospective Reviews

- ◆ We will do a retrospective review:
 - If we were not told of the service you received, and were not able to do the appropriate review before your discharge from the *hospital* or *residential treatment center*.
 - If pre-service or concurrent review was done, but services continued longer than originally certified.
 - For the evaluation and audit of medical documentation after you got the services, whether or not pre-service or concurrent review was performed.
- ◆ If such services are determined to not have been *medically necessary* and appropriate, we will deny certification.

Authorization Program

The authorization program provides prior approval for medical care or service by a non-*Blue Cross HMO provider*. The service you receive must be a covered benefit of this *plan*.

You must get approval before you get any non-emergency or non-urgent service from a non-*Blue Cross HMO provider* for the treatment of *mental or nervous disorders* or *severe mental disorders*. The toll-free number to call for prior approval is on your Member ID card.

If you get any such service, and do not follow the procedures set forth in this section, no benefits will be provided for that service.

Authorized Referrals. In order for the benefits of this *plan* to be provided, you must get approval **before** you get services from non-*Blue Cross HMO providers*. When you get proper approvals, these services are called *authorized referral services*.

Effect on Benefits. If you receive *authorized referral* services from a non-Blue Cross HMO provider, the Blue Cross HMO provider copay will apply. When you do not get a referral, **no benefits are provided** for services received from a non-Blue Cross HMO provider.

How to Get an Authorized Referral. You or your *doctor* must call the toll-free telephone number on your Member ID card **before** scheduling an admission to, or before you get the services of, a non-Blue Cross HMO provider.

When an Authorized Referral Will be Provided. Referrals to non-Blue Cross HMO providers will be approved only when all of the following conditions are met:

- ◆ There is no Blue Cross HMO provider who practices the specialty you need, provides the required services or has the necessary facilities within 50-miles of your home; AND
- ◆ You are referred to the non-Blue Cross HMO provider by a doctor who is a Blue Cross HMO provider; AND
- ◆ The services are authorized as *medically necessary* before you get the services.

Disagreements with Medical Management Program Decisions

- ◆ If you or your *doctor* don't agree with a Medical Management Program decision, or question how it was reached, either of you may ask for a review of the decision. To request a review, call the number or write to the address included on your written notice of determination. If you send a written request it must include medical information to support that services are *medically necessary*.
- ◆ If you, your representative, or your *doctor* acting for you, are still not satisfied with the reviewed decision, a written appeal may be sent to us.
- ◆ If you are not satisfied with the appeal decision, you may use *binding arbitration*. Please read "How to Make a Complaint."

What We Do Not Cover

It's important for you to know that we are not able to cover all the care you may want. Some services and supplies are not covered and some have limited benefits.

Remember:

In most cases, you cannot get any care that has not been OK'd by your *primary care doctor*, your *medical group*, or Blue Cross.

Kinds of Services You Cannot Get with this Plan

- ◆ **Care Not Approved.** Care you got from a health care provider without the OK of your *primary care doctor*, except for *emergency services* or *urgent care*.
- ◆ **Care Not Covered.** Services you got before you were on the *plan*, or after your coverage ended.
- ◆ **Care Not Listed.** Services not listed as being covered by this *plan*.
- ◆ **Care Not Needed.** Any services or supplies that are not *medically necessary*.
- ◆ **Crime or Nuclear Energy.** Any health problem caused: (1) while you were committing or trying to commit a felony as long as any injuries are not a result of a medical condition or an act of domestic violence; or (2) by nuclear energy, when the government can pay for treatment.
- ◆ **Experimental or Investigative.** Any *experimental* or *investigative* procedure or medication. But, if you are denied benefits because it is determined that the requested treatment is *experimental* or *investigative*, you may ask that the denial be reviewed by an external independent medical review organization. (See the section "Review of Denials of Experimental or Investigative Treatment" for how to ask for a review of your benefit denial.)

- ◆ **Government Treatment.** Any services actually given to you by a local, state or federal government agency, except when this *plan's* benefits, must be provided by 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.
- ◆ **Services Given by Providers Who Are Not With Blue Cross HMO.** We will not cover these services unless your *primary care doctor* refers you, except for *emergencies* or *urgent care*.
- ◆ **Services Not Needing Payment.** Services you are not required to pay for or are given to you at no charge, except services you got at a charitable research *hospital* (not with the government). This *hospital* must:
 - Be known throughout the world as devoted to medical research.
 - Have at least 10% of its yearly budget spent on research not directly related to patient care.
 - Have 1/3 of its income from donations or grants (not gifts or payments for patient care).
 - Accept patients who are not able to pay.
 - Serve patients with conditions directly related to the *hospital's* research (at least 2/3 of their patients).
- ◆ **Work-Related.** Care for health problems that are work-related if such health problems are or can be covered by workers' compensation, an employer's liability law, or a similar law. We will provide care for a work-related health problem, but, we have the right to be paid back for that care. See "Other Things You Should Know: Getting Repaid by a Third Party" on a later page.

Other Services Not Covered

- ◆ **Acupressure.** Acupressure, or massage to help pain, treat illness or promote health by putting pressure to one or more areas of the body.

- ◆ **Air Conditioners.** Air purifiers, air conditioners, or humidifiers.
- ◆ **Birth Control Devices.** Any devices needed for birth control which can be obtained without a doctor’s prescription such as condoms.
- ◆ **Blood.** Benefits are not provided for the collection, processing and storage of self-donated blood unless it is specifically collected for a planned and covered surgical procedure.
- ◆ **Braces or Other Appliances or Services** for straightening the teeth (orthodontic services).
- ◆ **Chronic Pain Treatment.** Treatment of frequent recurrences of pain, over a long period of time, that is not related to an active medical condition currently being treated.
- ◆ **Clinical Trials.** Services and supplies in connection with clinical trials, unless specifically stated in “Cancer Clinical Trials” under the section, What We Cover.
- ◆ **Consultations** given by telephone or fax.
- ◆ **Cosmetic Surgery.** Surgery or other services done only to make you:
 - Look beautiful:
 - To improve your appearance; or
 - To change or reshape normal parts or tissues of the body.

This does not apply to reconstructive surgery you might need to:

- Give you back the use of a body part.
- Have for breast reconstruction after a mastectomy.
- Correct or repair a deformity caused by birth defects, abnormal development, injury or illness in order to improve function, symptomatology or create a normal appearance.

Cosmetic surgery does not become reconstructive because of psychological or psychiatric reasons.

- ◆ **Custodial Care or Rest Cures.** Room and board charges for a *hospital stay* mostly for a change of scene or to make you feel good. Services given by a rest home, a home for the aged, or any place like that.
- ◆ **Dental Services or Supplies.** Dentures, bridges, crowns, caps, or dental prostheses, dental implants, dental services, tooth extraction, or treatment to the teeth or gums. Cosmetic dental surgery or other dental services for beauty purposes.
- ◆ **Exercise Equipment.** Exercise equipment, or any charges for fitness programs. This includes charges like those from a physical fitness instructor, health club or gym, even if your *doctor* advises you to change your lifestyle.
- ◆ **Eye Exercises or Services and Supplies for Correcting Vision.** Optometry services, eye exercises, and orthoptics, except for eye exams to find out if your vision needs to be corrected. Eyeglasses or contact lenses are not covered. Contact lens fitting is not covered.
- ◆ **Eye Surgery for Refractive Defects.** Any eye surgery just for correcting vision (like nearsightedness and/or astigmatism). Contact lenses and eyeglasses needed after this surgery.
- ◆ **Immunizations.** Immunizations needed to travel outside the USA.
- ◆ **Infertility Treatment.** Any *infertility* treatment including artificial insemination or in vitro fertilization, sperm bank, and any related laboratory tests.
- ◆ **Lifestyle Programs.** Programs to help you change how you live, like fitness clubs, or dieting programs. This does not apply to cardiac rehabilitation programs approved by your *medical group*.

- ◆ **Mental or nervous disorders.** Academic or educational testing, counseling. Remediating an academic or education problem.
- ◆ **Nicotine Use.** Programs to stop smoking or the treatment of nicotine or tobacco use.
- ◆ **Non-Prescription Drugs.** Non-prescription, over-the-counter drugs or medicines.
- ◆ **Nutrition.** Food or nutritional supplements except for special food products and formulas that are part of a special diet prescribed by a *doctor* for the treatment of phenylketonuria.
- ◆ **Orthopedic Shoes.** Orthopedic shoes (except when joined to braces) or shoe inserts (except custom molded orthotics). This does not apply to shoes and inserts designed to prevent or treat foot complications due to diabetes.
- ◆ **Outpatient Drugs.** Outpatient *prescription drugs* or medications including insulin except *drugs* for abortion when taken in the *doctor's* office. (Also see Getting Prescription Drugs for what is covered.)
- ◆ **Personal Care and Supplies.** Services for your personal care, such as: help in walking, bathing, dressing, feeding, or preparing food. Any supplies for comfort, hygiene or beauty purposes.
- ◆ **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.
- ◆ **Routine Exams.** Routine physical or psychological exams or tests asked for by a job or other group, such as a school, camp, or sports program.
- ◆ **Scalp hair prostheses.** Scalp hair prostheses, including wigs or any form of hair replacement.

- ◆ **Sex Change.** Sex change surgery or treatments.
- ◆ **Sexual Problems.** Treatment of any sexual problems unless due to a medical problem, physical defect, or disease.
- ◆ **Sterilization Reversal.** Surgery done to reverse a sterilization.
- ◆ **Surrogacy.** Any services or supplies given for a surrogate pregnancy (i.e., the bearing of a child by another woman for an infertile couple), unless you are the surrogate mother.
- ◆ **Weight Change Programs (Inpatient and Outpatient).** Services, programs, or supplies for losing or gaining weight. This includes, but, is not limited to:

- Dietary evaluations and counseling;
- Exercise programs;
- Behavioral modification programs;
- Surgery;
- Laboratory tests; and
- Food and food supplements, vitamins and other nutritional supplements;

associated with weight loss or weight gain. But, we will cover this kind of *medically necessary* care if:

- It is for the treatment of anorexia nervosa or bulimia nervosa; or
- The treatment is for morbid obesity. (Surgical treatment of morbid obesity will be covered only when our Medical Policy rules are met.)

Getting Prescription Drugs

In addition to the *drugs* or medicines you may need while you are in the *hospital*, we also cover *drugs* or medicines you buy from a *drugstore*, or through our mail service program. The *drug* or medicine must:

- ◆ Be prescribed by a health care provider licensed to prescribe, and be given to you within one year of being prescribed. It must be a *drug* that may only be sold with a *prescription* under federal and state law.
- ◆ Be approved for general use by the State of California Department of Health or the Food and Drug Administration (FDA).
- ◆ Be for the direct care and treatment of your illness, injury, or health problem. (Dietary supplements, health aids or *drugs* for cosmetic purposes are not covered. But: (1) formulas prescribed by a *doctor* for the treatment of phenylketonuria; and (2) the use of this type of *drug* for *medically necessary* treatment of a medical condition other than one that is cosmetic; are covered.)
- ◆ Be dispensed from a licensed retail *drugstore*, by our mail service program or through our specialty pharmacy program.
- ◆ **If it is an approved *compound medication*, be dispensed by a *member drugstore*.** Call 1-800-700-2541 to find out where to take your prescription for an approved *compound medication* to be filled. (You can also find a *member drugstore* at www.bluecrossca.com.) **Some *compound medications* must be approved before you can get them (see “Drugs that need to be approved,” under Prescription Drug Formulary). You will have to pay the full cost of the *compound medications* you get from a *drugstore* that is not a *member drugstore*.**
- ◆ **If it is a *specialty pharmacy drug*, be obtained by using the specialty pharmacy program.** See "Getting Your Medicine Through the Specialty Pharmacy" for how to get your *drugs* by

using the specialty pharmacy program. **You will have to pay the full cost of any *specialty pharmacy drugs* you get from a retail *drugstore* that you should have obtained from the specialty pharmacy program.**

Exceptions to specialty pharmacy program. This requirement does not apply to:

- a. The first two month's supply of a *specialty pharmacy drug* which is available through a *member drugstore*;
- b. *Drugs*, which due to medical necessity, must be obtained immediately; or
- c. A *member* who is unable to pay for delivery of their medication (i.e., no credit card).

How to obtain an exception to the specialty pharmacy program. If you believe that you should not be required to get your medication through the specialty pharmacy program, for any of the reasons listed above, you must complete an Exception to Specialty Drug Program form to request an exception and send it to us. The form can be faxed or mailed to us. If you need a copy of the form, you may call us at 1-800-700-2541 to request one. You can also get the form on-line at www.bluecrossca.com. If we have given you an exception, it will be in writing and will be good for 12 months from the time it is given. After 12 months, if you believe that you should still not be required to get your medication through the specialty pharmacy program, you must again request an exception. If we deny your request for an exception, it will be in writing and will tell you why we did not approve the exception.

Urgent or emergency need of a *specialty pharmacy drug* subject to the specialty pharmacy program. If you are out of a *specialty pharmacy drug* which must be obtained through the specialty pharmacy program, we will authorize an override of the specialty pharmacy program requirement for 72-hours, or until the next business day following a holiday or weekend, to allow you to get an emergency supply of medication if your *doctor* decides that it is appropriate and *medically necessary*.

You may have to pay the applicable *copay* shown in "What You Will Need to Pay" for the 72-hour supply of your *drug*.

- ◆ If you order your *specialty pharmacy drug* through the specialty pharmacy program and it does not arrive, if your *doctor* decides that it is *medically necessary* for you to have the *drug* immediately, we will authorize an override of the specialty pharmacy program requirement for a 30-day supply or less, to allow you to get an emergency supply of medication from a *member drug store* near you. A Dedicated Care Coordinator from the specialty pharmacy program will coordinate the exception and you will not be required to make an additional *copay*.
- ◆ Not be dispensed while you are an inpatient in any facility. It must not be dispensed in or administered by an outpatient facility. While not covered under this *prescription drug* benefit, if you need these *drugs*, they are covered as specified in "Inpatient Hospital Services," "Outpatient (In a Hospital or Surgery Center)," "Health Care," "Home Health Care," "Hospice Care" and "Skilled Nursing Facility Services," subject to all terms of this *plan* that apply to those benefits.
- ◆ Not be more than a 30-day supply if you get it at the *drugstore* or the specialty pharmacy program. But, you can get a 60-day supply of *drugs* at the *drugstore* for treating attention deficit disorder if they:
 - Are FDA approved for treating attention deficit disorder;
 - Are federally classified as Schedule II *drugs*; and
 - Require a triplicate *prescription* form.
- ◆ Not be more than a 90-day supply if you get it from our mail service program.
- ◆ If the *doctor* prescribes a 60-day supply for *drugs* classified as Schedule II for the treatment of attention deficit disorders, you have to pay double the amount of *copay* for retail *drugstores*. If

you get the *drugs* through our mail service program, the *copay* will be the same as for any other *drug*.

◆ *Drugs* for the treatment of impotence and/or sexual dysfunction are:

- Limited to six tablets (or treatments) for a 30-day period; and
- Available at retail *drugstores* only.

You must give us proof that a medical condition has caused the problem.

If such *drugs* are prescribed for *medically necessary* purposes, other than the treatment of impotence and/or sexual dysfunction, they will be provided in quantities as *medically necessary*.

Certain *drugs* are dispensed in specific amounts based on our analysis of *prescription drug* dispensing trends and the Food and Drug Administration dosing recommendations. But, *medically necessary drugs* will be provided based on the *plan's* review consistent with professional practice and Food and Drug Administration guidelines.

Prescription Drug Formulary

A *prescription drug formulary* is used to help your *doctor* make prescribing decisions. The fact that a *drug* is on this list doesn't guarantee that your *doctor* will prescribe you that *drug*. This list, which includes both generic and *brand name drugs*, is updated quarterly so that the list includes *drugs* that are safe and effective in the treatment of disease.

Some *drugs* need to be approved - the *doctor* or *drugstore* will know which *drugs* they are. If you have a question regarding whether a particular *drug* is on our *formulary drug* list or requires prior authorization please call us at 1-800-700-2541.

Drugs that need to be approved. Some *drugs* need to be approved in writing before you can get them. Prior authorization criteria will be based on medical policy and the pharmacy and

therapeutics established guidelines. You may need to try a *drug* other than the one originally prescribed if we determine that it should be clinically effective for you. But, if we determine through prior authorization that the *drug* originally prescribed is *medically necessary*, you will be provided the *drug* originally requested at the applicable copay. (If, when you first become a *member*, you are already being treated for a medical condition by a *drug* that has been appropriately prescribed and is considered safe and effective for your medical condition, we will not require you to try a *drug* other than the one you are currently taking.). If the *drugs* are approved you will be able to get them after you make the required *copay*.

In order for you to get a *drug* that needs to be approved, your *doctor* must send us a request in writing for you to get it using an Outpatient Prescription Drug Prior Authorization of Benefits form. The form can be faxed or mailed to us. If your *doctor* needs a copy of the form, he or she may call us at 1-800-700-2541 to request one. You can also get the form on-line at www.bluecrossca.com.

If the request is for urgently needed *drugs*, after we get the Outpatient Prescription Drug Prior Authorization of Benefits form:

- We will review it and decide if we will approve benefits within 72-hours. (As soon as we can, based on your medical condition, as *medically necessary*, we may take less than 72-hours to decide if we will approve benefits.) We will tell you and your *doctor* what we have decided in writing - by fax to your *doctor* and by mail to you.
- If more information is needed to make a decision, or we can't make a decision for any reason, we will tell your *doctor*, within 24-hours after we get the form, what information is missing and why we can't make a decision. If, for reasons beyond our control, we can't tell your *doctor* what information is missing within 24-hours, we will tell your *doctor* that there is a problem as soon as we know that we can't respond within 24-hours. In either event, we will tell you and your *doctor* that there is a problem – always in writing by facsimile and, when

appropriate, by telephone to your *doctor* and in writing by mail to you.

- As soon as we can, based on your medical condition, as medically necessary, but, not more than 48-hours after we have all the information we need to decide if we will approve benefits, we will tell you and your *doctor* what we have decided in writing - by fax to the *doctor* and by mail to you.

If the request is not for urgently needed *drugs*, after we get the Outpatient Prescription Drug Prior Authorization of Benefits form:

- Based on your medical condition, as medically necessary, we will review it and decide if we will approve benefits within 5-business days. We will tell you and your *doctor* what we have decided in writing - by fax to your *doctor*, and by mail, to you.
- If more information is needed to make a decision, we will tell your *doctor* in writing within 5-business days after we get the request-what information is missing and why we can't make a decision. If, for reasons beyond our control, we can't tell your *doctor* what information is missing within 5-business days, we will tell your *doctor* that there is a problem as soon as we know that we can't respond within 5-business days. In any event, we will tell you and your *doctor* that there is a problem in writing by facsimile, and when appropriate, by telephone to your *doctor*, and in writing to you by mail.
- As soon as we can, based on your medical condition, as medically necessary, within 5-business days after we have all the information we need to decide if we will approve benefits, we will tell you and your *doctor* what we have decided in writing - by fax to your *doctor* and by mail to you.

While we are reviewing the Outpatient Prescription Drug Prior Authorization form, a 72-hour emergency supply of medication may be dispensed to you if your *doctor* or pharmacist decides that it is appropriate and *medically necessary*. You may have to pay the applicable *copay* shown for the 72-hour supply of your *drug*. If we approve the request for the *drug* after you have received a 72-hour

supply, you will receive the remainder of the 30-day supply of the *drug* with no additional *copay*.

If you have any questions regarding whether a *drug* is on our *prescription drug formulary*, or needs to be approved, please call us at 1-800-700-2541.

If we don't approve a request for a *drug* that is not part of our *prescription drug formulary*, you or your *doctor* can appeal the decision by calling us at **1-800-700-2541**. If you are not happy with the result, please see the section called HOW TO MAKE A COMPLAINT.

New *drugs* and changes in the *prescription drugs* covered by the plan. Our Pharmacy and Therapeutics Committee decides which outpatient *prescription drugs* are to be included on the *prescription drug formulary* covered by the *plan*. The Pharmacy and Therapeutics Committee is comprised of independent *doctors* and pharmacists. The Pharmacy and Therapeutics Committee meets quarterly and decides on changes to make in the *prescription drug formulary* list based on our recommendations and a review of relevant information, including current medical literature.

Getting Your Medicine at a Drugstore

To get medicine your *doctor* has prescribed:

- ◆ Go to a *member drugstore*.
- ◆ For help finding a *member drugstore*, call us at **1-800-700-2541**.
- ◆ Show your Member ID card.
- ◆ Pay the *copay* when you get the medicine. You must also pay for any medicine or supplies that are not covered under the *plan*.

Please note that taking a *prescription* to a drugstore or pharmacist does not mean it is a claim for benefit coverage. If you take a *prescription* to a *member drugstore*, and the *member drugstore*:

- Says they cannot give you your medicine; or
- Must have an additional *copay*;

this is not considered an adverse claim decision. If you want your medicine now, you will have to pay the cost for it and submit a claim to us (see Submitting a claim, below). (Please note that we contract with *member drugstores*. They are not employees of Blue Cross. They are independent contractors.)

Submitting a claim. If you believe you should get some *plan* benefits for the medicine that you have paid the cost for, have the pharmacist fill out a claim form and sign it. Send the claim form to us (within 90 days) to:

Prescription Drug Program

P.O. Box 4165

Woodland Hills, CA 91365-4165

If the *member drugstore* doesn't have claims forms, or if you have questions, call **1-800-700-2541**.

It will cost you more if you go to a non-member drugstore.

- ◆ Take a claim form with you to the *non-member drugstore*. If you need a claim form or if you have questions, call **1-800-700-2541**.
- ◆ Have the pharmacist fill out the form and sign it.
- ◆ Then send the claim form (within 90 days) to:

Prescription Drug Program

P.O. Box 4165

Woodland Hills, CA 91365-4165

- ◆ When we first get your claim, we take out:
 - Costs for medicine or supplies not covered under the *plan*,
 - Then any cost more than the *limited fee schedule* we use for *non-member drugstore*, except when the *drugs* are related to *urgent care* or *emergency services*; and
 - Then your *copay*.

The rest of the cost is covered.

If you are out of state, and you need medicine,

- ◆ Call **1-800-700-2541** to find out where there is a *member drugstore*.
- ◆ If there is no *member drugstore*, pay for the *drug* and send us a claim form.

Getting Your Medicine Through the Mail

When you order medicines through the mail, here's what to do:

- ◆ **Get your *prescription* from your health care provider.** He or she should be sure to sign it. It must have the *drug* name, how much and how often to take it, how to use it, the provider's name and address and telephone number along with your name and address.
- ◆ **Fill out the order form.** The **first time** you use the mail service program, you must also send a filled out Patient Profile questionnaire about yourself. Call **1-866-274-6825** for order forms and the Patient Profile questionnaire.
- ◆ **Be sure to send the *copay*** along with the *prescription* and the order form and the Patient Profile. You can pay by check, money order, or credit card.

◆ **Send your order to:**

Prescription Drug Program – Mail Service

P.O. Box 961025

Fort Worth, TX 76161-9863

1-866-274-6825

- ◆ **There may be some medicines you cannot order through this program, for example, *drugs* to treat sexual dysfunction, are not available. Call 1-866-274-6825 to find out if you can order your medicine through the Mail Service.**

Getting Your Medicine Through the Specialty Pharmacy

You can only order your *prescription* for a *specialty pharmacy drug* through the specialty pharmacy program unless you are given an exception from the specialty drug program (see the introduction of this section, Getting Prescription Drugs). Blue Cross of California – Specialty Pharmacy Program only fills *specialty pharmacy drug* prescriptions. Blue Cross of California – Specialty Pharmacy Program will deliver your medication to you by mail or common carrier (you cannot pick up your medication at Blue Cross of California).

The *prescription* for the *specialty pharmacy drug* must state the drug name, dosage, directions for use, quantity, the *doctor's* name and phone number, the patient's name and address, and be signed by a *doctor*.

You or your *doctor* may order your *specialty pharmacy drug* by calling 1-800-870-6419. When you call Blue Cross of California – Specialty Pharmacy Program, a Dedicated Care Coordinator will guide you through the process up to and including actual delivery of your *specialty pharmacy drug* to you. (If you order your *specialty pharmacy drug* by telephone, you will need to use a credit card or debit card to pay for it.) You may also submit your *specialty pharmacy drug* prescription with the appropriate payment

for the amount of the purchase (you can pay by check, money order, credit card or debit card), and a properly completed order form to Blue Cross of California – Specialty Pharmacy Program at the address shown below. Once you have met your deductible, if any, you will only have to pay your *copay*.

The first time you get a *prescription* for a *specialty pharmacy drug* you must also include a completed Intake Referral Form. The Intake Referral Form is to be completed by calling the toll-free number below. You need only enclose the *prescription* or refill notice, and the appropriate payment for any subsequent *specialty pharmacy drug* prescriptions, or call the toll-free number. *Copays* can be made by check, money order, credit card or debit card.

You or your *doctor* may obtain a list of *specialty pharmacy drugs* available through the specialty pharmacy program or order forms by contacting Member Services at the number shown below or online at www.bluecrossca.com.

Blue Cross of California – Specialty Pharmacy Program

8900 Duke Blvd Ste 100

Mason, OH 45040-8943

Phone 1-800-870-6419

Fax 1-800-824-2642

If you don't get your *specialty pharmacy drug* through the specialty pharmacy program, you will not receive any benefits under this *plan* for them.

What You Will Need to Pay

Retail Drug Stores: You will need to pay the following *copays* for each 30-day supply of medication.

Member Drugstores	Copay
◆ <i>Generic Drugs</i>	\$10
◆ <i>Brand Name Drugs:</i>	
<i>Formulary brand name drugs and non-formulary brand name drugs when the doctor writes “dispense as written” or “do not substitute”</i>	\$20
<i>Non-formulary brand name drugs</i>	\$40
◆ <i>Compound Medication</i>	\$40
◆ <i>Self-administered injectable drugs, except insulin</i>	20% of the <i>drug negotiated rate</i> to a maximum <i>copay</i> of \$100 per <i>prescription</i>

Non-Member Drugstores (inside and outside California)	Copay
◆ <i>Generic Drugs</i>	\$10 plus 50% of the remaining <i>limited fee schedule</i>
◆ <i>Brand Name Drugs:</i>	
<i>Formulary brand name drugs and non-formulary brand name drugs when the doctor writes “dispense as written” or “do not substitute”</i>	\$20 plus 50% of the remaining <i>limited fee schedule</i>

Non-formulary brand name drugs\$40
 plus 50% of the remaining
limited fee schedule

- ◆ Self-administered injectable *drugs*, except insulin20%
 of *limited fee schedule*
 to a maximum *copay* of \$100
 per *prescription*
 plus 50% of the remaining
limited fee schedule

Mail Drug Stores: You need to pay the following co-pays for a 90-day supply of medication:

Mail Service Prescriptions	Copay
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- ◆ *Generic Drugs*.....\$10

- ◆ *Brand Name Drugs:*

Formulary *brand name drugs* and
 non-formulary *brand name drugs*
 when the *doctor* writes “dispense as written”
 or “do not substitute”\$20

Non-formulary brand name drugs\$40

- ◆ Self-administered injectable *drugs*, except insulin20%
 of the *drug negotiated rate*
 to a maximum *copay* of \$100
 per *prescription*

Specialty Pharmacy Program: You need to pay the following *copays* for a 30-day supply of medication:

Specialty Pharmacy Drug Prescriptions	Copay
---------------------------------------	-------

- ◆ *Generic Drugs*.....\$10
- ◆ *Brand Name Drugs:*
 - Formulary brand name drugs and non-formulary brand name drugs when the doctor writes “dispense as written” or “do not substitute”*\$20
 - Non-formulary brand name drugs*\$40
- ◆ Self-administered injectable *drugs*, except insulin20% of the *drug negotiated rate* to a maximum *copay* of \$100 per *prescription*

You will always have to pay for costs that this *plan* does not cover.

For your health and safety

For your health and safety, we check the medicines you are using. Some *drugs* may need our OK. If we see that too many *drugs* are being used, we will let your *doctor* and the *drugstore* know. We may also limit the benefits to prevent over-use.

We Cover These Drug Services and Supplies

- ◆ *Drugs* and medicines which need a *prescription* by law. Formulas prescribed by a *doctor* for the treatment of phenylketonuria. These formulas are subject to the *copay* for *brand name drugs*.
- ◆ Insulin.
- ◆ Syringes for use with insulin and other medicines you inject yourself.

- ◆ Birth control pills, and diaphragms. Diaphragms are limited to one per year (unless it is determined that more than one per year is *medically necessary*) and are subject to the *copay* for *brand name drugs*.
- ◆ *Drugs* that have FDA labeling to be injected under the skin by you or a family member.
- ◆ Disposable diabetic supplies (that is, test strips and lancets).
- ◆ *Prescription drugs* for treatment of impotence and/or sexual dysfunction are limited to organic (non-psychological) causes.
- ◆ Inhaler spacers and peak flow meters for the treatment of pediatric asthma. These items are subject to the copay for *brand name drugs*.

Drug Services and Supplies Not Covered

Besides the services and supplies listed under “What We Do Not Cover,” when you buy *drugs* or medicines from a *drugstore*, or through the mail service program, we do not cover:

- ◆ Immunizing agents, biological sera, blood, blood products or blood plasma. While not covered under this *prescription drug* benefit, if you need these items, they are covered as specified in “Health Care,” “Inpatient Hospital Services,” and “Outpatient (In a Hospital or Surgery Center)” under “Your Benefits At Blue Cross HMO,” (see Table of Contents) subject to all terms of this *plan* that apply to those benefits.
- ◆ *Drugs* and medicines used to induce spontaneous and non-spontaneous abortions. While not covered under this *prescription drug* benefit, FDA approved medications that may only be dispensed by or under direct supervision of a *doctor*, such as *drugs* and medications used to induce non-spontaneous abortions, are covered as specified in “Pregnancy or maternity care,” under “Your Benefits At Blue Cross HMO,” (see Table of Contents) subject to all terms of this *plan* that apply to those benefits.

- ◆ Professional charges for giving and injecting *drugs*. While not covered under this *prescription drug* benefit, they are covered as specified in “Doctor Care” and “Health Care” under “Your Benefits At Blue Cross HMO,” (see Table of Contents) subject to all terms of this *plan* that apply to those benefits.
- ◆ *Drugs* and medicines you can get without a *doctor’s prescription*, except insulin or niacin for cholesterol lowering.
- ◆ *Drugs* labeled “Caution, Limited by Federal Law to Investigational Use,” or Non-FDA approved investigational *drugs*. *Drugs* and medicines prescribed for *experimental* indications. If you are denied a *drug* because we determine that the *drug* is *experimental* or *investigative*, you may ask that the denial be reviewed by an external independent medical review organization. (See the section “Independent Medical Review of Denials of Experimental or Investigative Treatment” for how to ask for a review of your *drug* denial.)
- ◆ Any cost for a *drug* or medicine that is higher than what we cover. Your *copay*, shown above, is the only cost you have when you get your *drugs* at a *member drug store*. But, when you get your *drugs* at a *non-member drug store*, your cost may be higher. At a *non-member drug store*, you have to pay the *copay* that applies plus any amount over the *limited fee schedule*, except when the *drugs* are related to *urgent care* or *emergency services*.
- ◆ *Drugs* which haven’t been approved for general use by the state or Food and Drug Administration (FDA). This does not apply to *drugs* that are *medically necessary* for a covered condition.
- ◆ Over-the-counter *drugs* to stop smoking. This does not apply to *medically necessary drugs* that you can only get with a *prescription* under state and federal law.
- ◆ *Drugs* and medicines dispensed or given in an outpatient setting; including, but not limited to inpatient facilities and *doctors’* offices. While not covered under this *prescription drug* benefit, if you need these *drugs*, they are covered as specified in “Outpatient (In a Hospital or Surgery Center),”

“Health Care,” “Home Health Care,” “Hospice Care” and “Skilled Nursing Facility Services,” subject to all terms of this *plan* that apply to those benefits.

- ◆ *Drugs* and medicines dispensed by or while you are confined in a *hospital, skilled nursing facility, rest home, sanitarium, convalescent hospital or similar facility*. While not covered under this *prescription drug* benefit, if you need these *drugs*, they are covered as specified under the section describing benefits for “Inpatient Hospital Services,” “Skilled Nursing Facility Services” and “Hospice Care,” subject to all terms of this *plan* that apply to those benefits.
- ◆ Durable medical equipment, devices, appliances and supplies even if ordered by a *doctor*. This does not apply to covered birth control devices that can only be obtained with a *prescription*. While not covered under this *prescription drug* benefit, if you need any of these items, they are covered as specified in “Diabetes,” “Medical Equipment,” and “Hearing Aid Services” under “Your Benefits at Blue Cross HMO,” subject to all terms of this *plan* that apply to those benefits.
- ◆ Oxygen. While not covered under this *prescription drug* benefit, if you need oxygen, it is covered as specified in “Inpatient Hospital Services,” “Outpatient (In a Hospital or Surgery Center),” “Skilled Nursing Facility Services,” and “Hospice Care” under “Your Benefits at Blue Cross HMO,” subject to all terms of this *plan* that apply to those benefits.
- ◆ Cosmetics, health and beauty aids. While not covered under this *prescription drug* benefit, if a health aid is *medically necessary* and meets the requirements of “Medical Equipment” under “Your Benefits at Blue Cross HMO,” they are covered subject to all terms of this *plan* that apply to those benefits.
- ◆ *Drugs* used mainly for cosmetic purposes (for example, Retin-A for wrinkles). But, this will not apply to the use of this type of *drug* for *medically necessary* treatment of a medical condition other than one that is cosmetic.

- ◆ *Drugs* used mainly for treating *infertility* (for example, Clomid, Pergonal, and Metrodin) unless *medically necessary* for another covered condition.
- ◆ *Drugs* for losing weight, except when needed to treat morbid obesity (for example, diet pills and appetite suppressants).
- ◆ *Drugs* you get outside the United States unless related to *emergency services* or *urgent care*.
- ◆ Allergy serum. While not covered under this *prescription drug* benefit, if you need this item, it is covered as specified in “Health Care” under the section “Your Benefits at Blue Cross HMO,” subject to all terms of this *plan* that apply to those benefits.
- ◆ Infusion *drugs*, except *drugs* you inject under the skin yourself. While not covered under this *prescription drug* benefit, these *drugs* are covered as specified in “Doctor Care,” “Inpatient Hospital Services,” “Outpatient (In a Hospital or Surgery Center),” “Skilled Nursing Facility Services,” and “Hospice Care” under the section “Your Benefits at Blue Cross HMO,” subject to all terms of this *plan* that apply to those benefits.
- ◆ Herbal, nutritional and diet supplements. But, formulas prescribed by a *doctor* for the treatment of phenylketonuria that are obtained from a *pharmacy* are covered as specified in “We Cover These Drug Services and Supplies.” Special food products that are not available from a *drug store* are covered as specified in “Special Food Products” under the section “Your Benefits at Blue Cross HMO,” subject to all terms of this *plan* that apply to the benefit.
- ◆ *Prescription drugs* with an over-the-counter equivalent (the same chemical or active ingredient) other than insulin. This does not apply if an over-the-counter equivalent was tried and it didn’t work.
- ◆ *Compound medications* obtained from other than a *member drugstore*. **You will have to pay the full cost of the**

compound medications you get from a non-member drugstore.

- ◆ ***Specialty pharmacy drugs*** that must be obtained from the specialty pharmacy program, but, which are obtained from a retail *pharmacy* are not covered by this *plan*. **You will have to pay the full cost of the *specialty pharmacy drugs* you get from a retail *pharmacy* that you should have gotten from the specialty pharmacy program.**

What You Should Know about Your Coverage

How Coverage Begins

You can enroll in Blue Cross HMO if:

- ◆ You are an active, regularly assigned, full-time staff employee, who works at least 30 hours a week for your employer.
- ◆ You are an active, regularly assigned staff employee in an approved “9 to 12 month” position who works at least 30 hours a week for your employer.
- ◆ You are an active, regularly assigned, full-time faculty member employed under a regular (non-adjunct) faculty contract, serving at least a half-time appointment (.5 fte) during each academic year, or
- ◆ You are a *retired employee*. This means that you:
 - are between the age of 55 and 65 on your date of retirement; and
 - are retired from active full-time employment; and
 - you were covered under an employer sponsored health plan just before you retired.

You can enroll the following family members in Blue Cross HMO:

- ◆ Your husband or wife, if you are legally married.
- ◆ Your domestic partner if you are in a legally registered and valid domestic partnership.

◆ Your children if they are unmarried, under 19 years old , or under 25 years old if they are full-time students at an accredited school. (An “accredited school” means a two year community college, four year college or university, post-high school trade school, or technical school.)

- They must be your natural, step, or adopted children or children for whom you, your spouse or domestic partner have been appointed legal guardians by a court of law.
- They must depend on you for financial support, unless a court has ordered you to cover them under your health plan. A child is considered financially dependent on you if you can claim them as a dependent for federal income tax purposes.
- 19 years old or more if they are not capable of getting a self-sustaining job due to a physical or mental condition.
 - They are your natural, step, or adopted children. (Children for whom you may be a legal guardian are not covered.)
 - They must depend chiefly on you for support and maintenance. A child is considered chiefly dependent for support and maintenance if he or she qualifies as a dependent for federal income tax purposes.
 - A *doctor* certifies in writing that the child is incapable of getting a self-sustaining job due to a physical or mental condition. We must receive the certification, at no expense to us, within 31-days of the date the child first becomes eligible under this *plan*. After a period of two years has passed from the initial certification to us, we may request proof of continuing dependency and that a physical or mental condition still exists, but, not more often than once each year.
 - They were covered under the *prior plan*, or have six or more months of *creditable coverage*.

You can keep the child covered under the *plan* until they are no longer chiefly dependent on you for support and maintenance due to a continuing physical or mental condition.

Note: Family member includes a previously enrolled spouse or child of a retired employee over age 65, provided the spouse is under age 65.

You can't enroll as a family member:

- ◆ If you are also covered as an employee under the same plan.
- ◆ If you are now on active duty in the armed services.

If you and your spouse, or domestic partner, as the case may be, are both covered as employees under this *plan*, only one of you may enroll your children as family members, not both of you.

You and your family members must live or work in the Blue Cross HMO service area. You and your family members must live in the United States to be covered under this *plan*.

When Are You Covered?

You are eligible to enroll with this health plan on the first day of the month after the date you are hired. (If the date you are hired is the first day of a month, you are eligible to enroll on that day.)

The time you have to wait, if any, before you are able to enroll is your "waiting period." The date you finish your waiting period is your "eligibility date." If you were covered under the *prior plan*, the time that applied to your waiting period under the *prior plan* will be applied to your waiting period under this *plan*.

Your family members are eligible to be covered:

- ◆ For all existing family members, on the date you are covered;
or
- ◆ For a new spouse and step child, if any, the day your spouse and step child, if any, become a family member(s) due to marriage;

- ◆ For a new domestic partner and his or her child, if any, the first day your domestic partner and his or her child, if any, become a family member(s) due to the start of a domestic partnership;
- ◆ For an over age child, the first day of the month after the date your child again becomes a family member (If date your child again becomes a family member is the first day of a month, they would be eligible on that day);
- ◆ The date a child becomes your family member due to birth or adoption; or
- ◆ For a child for whom you or your spouse is a legal guardian, the first day of the month after the date of the court decree.

To enroll, you must give your employer a signed Enrollment Form within 45 days after the initial day you are eligible. We must get this form from your employer within 90 days. If not, you may not be covered.

- ◆ If you enroll before, on, or within 45* days after the date you were eligible, then your coverage will start on your eligibility date.

***Note:** 30 days for mid-year changes.

- ◆ **For Family Members:** If you do not enroll within 30 days of your eligibility date, you cannot enroll. Your next chance to enroll is your employer's next *Open Enrollment*. Sometimes, you may be able to enroll earlier. See "When You Can Enroll Without Waiting."

If you choose to leave this *plan*, you will be eligible to enroll again during your employer's next *Open Enrollment*. You may be able to enroll earlier. See "When You Can Enroll Without Waiting."

Your employer must pay the subscription charges every month in order for you to be covered. Your employer may ask you to pay all or part of these charges. Talk to your employer about how much you must pay.

For you to get benefits we must have an *agreement* with your employer and you must be covered at the time you got the service. The benefits you get will be the benefits in effect at the time the services are provided. Your employer's health plan *agreement* with us may change from time to time, or end, without your consent.

If You Want to Enroll a New Child

Here's how new children are enrolled if you are already covered:

- ◆ Any child born to you will be covered from the moment of birth for 30 days; and
- ◆ Any child being adopted by you will be covered for 30 days from the date:
 - You have financial responsibility for the child OR
 - You have the right to control the child's health care.

You will need to give us legal papers or other proof for either one.

You need to enroll your child, whether newborn or adopted, within those 30 days if you want your child to be covered after the 30 days are over. If you enroll your child, you will need to pay subscription charges, if any, for them from the date their coverage began.

When You Can Enroll Without Waiting

You may enroll family members without waiting for the employer's next *open enrollment* period if all four of the following are true:

- ◆ **They were covered under another health plan** as an employee or dependent, including coverage under *COBRA* or CalCOBRA, the Healthy Families Program, or no share-of-cost Medi-Cal coverage; and
- ◆ **You chose not to enroll them in writing** because they were covered under another health plan as stated above; and
- ◆ **They lost coverage under their other health plan** because you lost eligibility under the other plan or your employer stopped contributing toward the coverage, or the coverage under *COBRA* or CalCOBRA ended, you lost coverage under the Healthy Families Program because you exceeded the program's income or age limits, or you lost no share-of-cost Medi-Cal coverage; and
- ◆ **You enroll within 30 days** from the date on which they stopped being covered by giving your employer a signed Enrollment Form.

You may also enroll without waiting if:

- ◆ A court has ordered that your spouse, domestic partner or child be covered under your employee health plan, and you give your employer a signed Enrollment Form within 30 days from the date the court order was issued.

◆ We don't have a written statement from your employer stating that before you chose not to enroll your family members or not be enrolled you were given and signed a notice that told you:

- If you choose not to enroll for coverage within 30 days after they become eligible; or
- If you choose to cancel their coverage; and
- Later choose to enroll them;

Their coverage may not begin until the first day of the month following the end of your employer's *open enrollment*.

◆ You have a change in family status through either marriage or domestic partnership, or the birth, adoption or placement for adoption of a child:

- If you enroll following marriage or domestic partnership, you and your new spouse or domestic partner must enroll within 30 days of the date of marriage or domestic partnership. Your new spouse or domestic partner's children may also enroll, but your other children may not enroll unless they qualify under another one of these conditions listed above. Coverage will start on the date of marriage or domestic partnership.
- If you enroll following the birth, adoption or placement for adoption of a child, your spouse (if you are already married) or domestic partner may also enroll at that time. Other children may not enroll at that time unless they qualify under another one of these conditions listed above. Application must be made within 30 days of the birth or date of adoption or placement for adoption. Coverage starts as of the date of birth, adoption, or placement for adoption.

◆ All of the following conditions are met:

- You finished the waiting period under the *plan*, but, ceased to be eligible due to the end of your employment;

- You again become eligible to enroll within 6 months of the date your employment ended; and
 - You enroll within 30 days of your return to work.
- ◆ You met or went beyond a lifetime limit on all benefits of another health plan. Your application must be made within 30 days of the date a claim or a portion of a claim is denied because you met or went beyond a lifetime limit on all benefits of another health plan. Coverage starts on the first day of the month following the date you file the enrollment application.

Open Enrollment

If you are eligible to be covered, *Open Enrollment* is a time you can enroll yourself or your family members. Your employer has this time once a year.

You or your family members will be covered on the first day of the month following the end of the *Open enrollment* period. If you had another plan, it would end when this one starts.

When We Cannot Cancel Your Coverage

We cannot cancel your coverage while:

- ◆ This *plan* is in effect;
- ◆ You're eligible;
- ◆ Your subscription charges are paid;
- ◆ You live or work within a *medical group's* service area;
- ◆ You follow your *primary care doctor's* advice and treatment and you work with the *medical group*; and
- ◆ You pay all *copays* within 31 days after you get a bill.

The benefits of this *plan* are only for *medically necessary* services as decided by your *medical group* or Blue Cross.

We are not responsible for any costs you have to pay over the *plan's* benefits.

Only *members* may get benefits under this *plan*. You cannot transfer the right to benefits to another person.

How Your Coverage Ends

We are not required to send you a notice that coverage is ending if you decide, or your employer decides, to end coverage. Coverage may end:

- ◆ **If our *agreement* with your employer ends.** Coverage ends on the date the *agreement* is terminated or cancelled. If we decide to end the coverage provided to you by your employer for any of the reasons shown in the *agreement*, we will give written notice of termination, cancellation or non-renewal to your employer. Your employer will send or give you a copy of the termination, cancellation or non-renewal notice.
- ◆ **If the subscription charges are not paid.** Your coverage ends at the end of the period for which the subscription charges have been paid. If your employer fails to pay the subscription charges as they become due, we may terminate the *agreement* as of the last day of the Grace Period described below. Nevertheless, we will terminate the *agreement* only upon first giving the employer a written Notice of Cancellation that is delivered to them at least 15-days prior to that cancellation.

The Notice of Cancellation shall state that the *agreement* shall not be terminated if the employer makes appropriate payment in full within 15-days after we issue the Notice of Cancellation. The Notice of Cancellation shall also inform the employer that, if the *agreement* is terminated for non-payment and the employer wishes to apply for reinstatement, the employer shall be required to submit a new application for coverage, and that Blue Cross either may decline to permit reinstatement in its sole discretion or may permit reinstatement upon terms and conditions as it shall determine appropriate in its sole discretion, as set forth in the *agreement*. Per the *agreement*, your employer

will mail a copy of our notice to them to you. If you have any questions about your coverage ending, and how it will affect you, please call the customer service phone number on your I.D. card.

Grace Period. For every Subscription Charge Due Date except the first, there is a 31-day grace period in which to pay subscription charges. The *agreement* remains in force during the grace period. The employer is liable for payment of subscription charges covering any period of time that the *agreement* remains in force. If your employer fails to pay us the subscription charges due during the grace period, we will not end your coverage until the end of the grace period. You will not be required by us to pay the subscription charges for your employer nor will you be required to pay more than your copay for any services received during the grace period.

If subscription charges due are not paid by the end of the grace period, the *agreement* will be canceled as described above.

- ◆ **If the *agreement* is changed at your employer's request to stop covering the class of employees to which you belong.** We will no longer cover you or your family members on the date of that change.
- ◆ **If the *agreement* is changed at your employer's request to stop covering family members.** We will no longer cover your family members on the date of that change.
- ◆ **If you are no longer covered.** Your family members will no longer be covered.
- ◆ **If you do not pay your copay.** If you do not pay your *copay* to a provider within 31-days from the date that you are sent a bill by a provider to make your *copay* payment, if requested in writing to us by the provider, Blue Cross will send you a written notice to let you know that you have not paid your *copay*. If you do not pay your *copay* to the provider within 15-days from the date we sent our notice to you, we will terminate your coverage at 12:00 midnight on the fifteenth day following the

date we sent notice to you telling you of this. If your coverage is terminated, Blue Cross will tell your employer not to pay any further subscription charges for you. Within 30-days, we will return the pro-rata portion of any monies paid to us by your employer for your coverage for the unexpired period for which payment has been received together with amounts due on claims, if any, less any amounts due us. Your employer will return your portion of the money returned to them to you.

If your coverage was ended because you didn't pay your *copay*, and you have now paid it, you may have your coverage reinstated by re-enrolling as follows:

- If you paid your *copay* and re-enroll on, or within 31-days after the date your coverage was ended, then your coverage will be reinstated to the date your coverage ended. (There will be no lapse of coverage.)
 - If you do not pay your *copay* within 31-days after your coverage would end due to failure to make the required *copay*, but subsequently paid your *copay* and re-enroll within 31-days after you paid your *copay*, then your coverage will start on the next subscription charge due date shown in the *agreement* under the same terms that apply to others in your classification. (There will be a lapse of coverage for the time period between when we ended your coverage and the date your employer again pays subscription charges for your coverage.)
 - If you did not pay your *copay* within 31-days after the date your coverage ended, and you do not re-enroll within 31-days of the date you paid your *copay*, you will be eligible to enroll again during your employer's next *Open Enrollment*.
- ◆ **If you decide to cancel at any time.** Your coverage ends on the next subscription charge due date after we receive written notice from your employer that you have ended your coverage. You must give your employer written notice to end your coverage.

◆ **If you are a retiree, when you reach age 65.** However, coverage may continue for *family members* until:

- a) The spouse reaches age 65, unless divorced or annulled prior to that date. In the event of the retiree's death, coverage may be continued until the attainment of age 65 or remarriage.
- b) The child ceases to meet the definition of child and is no longer eligible under the plan.
- c) The surviving spouse and child become covered under another employer plan.

◆ **If you or a family member are no longer eligible.** Your coverage ends on the next subscription charge due date following the date you are no longer eligible for coverage, except in these cases:

- **Leave of Absence.** If your employer pays the subscription charges to us, you may be covered (i) for up to 12 months while you take a medical or sabbatical leave of absence your employer allows; or (ii) for up to one month during a personal leave of absence your employer allows.
- **Handicapped Children.** If your child has a physical or mental condition that prevents them from getting a self-sustaining job and reaches an upper age limit for a child (19 years or 25 years), your child can still qualify if he or she is:

⇒ Covered under this *plan*.

⇒ Still chiefly dependent on you, your spouse or your domestic partner for support and maintenance.

⇒ Not able to get a job to self-support him or herself because of the physical or mental condition.

Ask a *doctor* to certify in writing that your child is:

⇒ Incapable of self-sustaining employment due to a physical or mental condition.

⇒ Send this to us within 45 days of the date the child would stop being covered.

After two years have passed since you gave us the first certification, you may need to send us proof that your child is still chiefly dependent on you, your spouse or your domestic partner for support and maintenance and that a physical or mental condition still exists, but, not more than once a year.

We will cover your child until he or she no longer has a physical or mental condition that prevents them from getting a job or no longer depends on you, your spouse or your domestic partner for support and maintenance.

- ◆ **Misconduct by you or a family member.** Termination is effective upon the later of: (1) the date shown in the written notice to you; or (2) the date the written notice was mailed to you:
 - **If your conduct threatens others.** Acting in a way that threatens the safety of Blue Cross employees, providers, other plan members or other patients may result in Blue Cross ending your coverage under the *plan* or your provider asking Blue Cross to end your coverage under the *plan*.
 - **Fraud or deception in the use of services or facilities.** You or a family member may individually have your coverage terminated if any of you commits fraud or deception in the use of services or facilities. If you, as the employee, have your coverage terminated for fraud or deception, coverage for all other family members will also end.
 - **If you purposely give incomplete or incorrect material information.** If you or a family member purposely gives us incorrect or incomplete material information, and we rely on such information in providing health care services to that member, we may end coverage to that member. If you, the employee, furnish incorrect or incomplete material information, you and all family members may have your

coverage ended. No statement made by you, unless it is fraudulent and in writing, will be used in any contest to end your coverage under this *plan*. After your coverage under this plan has been in force for three years, no statement made by you will be used to end your coverage.

Note: If your marriage or domestic partnership ends, you must give or send to your employer written notice that it has ended. Coverage for former spouses and domestic partners, and their dependent children, if any, ends according to the “What You Should Know about Your Coverage” provisions. If Blue Cross has a loss, because you fail to tell your employer your marriage or domestic partnership ended, Blue Cross may recover any actual loss from you. If you fail to give your employer notice in writing that your marriage or domestic partnership ended, it will not delay or prevent the end of your marriage or domestic partnership. If you notify your employer in writing to cancel coverage for a former spouse or domestic partner, and the children of the former spouse or domestic partner, if any, right away at the end of your marriage or domestic partnership, such notice will be considered compliance with the requirements of this provision.

You may be entitled to continued benefits under terms which are specified elsewhere under Keeping Blue Cross HMO After Your Coverage Status Changes, Coverage for Surviving Family Members, Extension, and HIPAA Coverage and Conversion.

A Medical Group Can End its Services to You

- ◆ **If you move away from the area it serves.** You will need to ask to transfer to another *medical group*. If you move outside the Blue Cross HMO service area, you won't be eligible for Blue Cross HMO.
 - Call the *Customer service number* on your Member ID card, or ask your employer for a *membership change form*.
 - The change in your *medical group* will happen on the first day of the month after we get your request.

◆ **If you refuse to follow a treatment** your *doctor* recommends when there is no other better choice, your coverage may end with that *doctor* and/or *medical group*. We will help you get coverage with another *doctor* and/or *medical group*.

You should know that your coverage cannot be ended because of your health or your need for health care services. If you think that your coverage has ended for either of these reasons, ask for a review by the Director of the Department of Managed Health Care.

Keeping Blue Cross HMO After Your Coverage Status Changes

If your employer employs 20 or more people, you may be able to keep on being covered even after you no longer work for that employer. This is called *COBRA*. Ask your employer for more information.

You or Your Family Members May Choose *COBRA*

You can go on being covered by Blue Cross:

- ◆ When your job ends, for any reason other than gross misconduct.
- ◆ When your work hours are reduced.
- ◆ When, as a retiree, your benefits are canceled or reduced because your former employer filed for Chapter 11 bankruptcy.

Your family members, other than a domestic partner, or the child of a domestic partner, can go on being covered by Blue Cross even.

- ◆ If you were to die.
- ◆ If you are divorced or legally separated.
- ◆ If your child is no longer a dependent. For example, your child gets married, stops going to school, or is over the age limit.
- ◆ If you become entitled to Medicare.

***COBRA* does not apply to a domestic partner, or the child of a domestic partner, under this *plan*.**

Your employer will let you or your family members know that you have a right to keep your health plan under *COBRA*. If you marry or have a new child during this time, your new spouse or child can be enrolled as a family member. But only a child born to or placed for adoption with you will have the same rights as

someone who was covered under the *plan* just before *COBRA* was elected.

Your employer will notify you or your family members if you can continue your coverage under *COBRA* when:

- You lose your job or your work hours are lowered.
- Your benefits as a retiree are canceled or reduced because your former employer filed for Chapter 11 bankruptcy.
- You die or become entitled to Medicare. Your employer will notify your family members.

You must inform your employer if your family members want *COBRA* coverage within 60 days from the date:

- You get a divorce or legal separation.
- Your child is no longer a dependent.

If You Want to Keep Your Health Plan

- ◆ Tell your employer within 60 days of the date you get your notice of your right to keep your health plan.
- ◆ You can have coverage for all the *members* of the family, or only some of them.
- ◆ If you don't choose *COBRA* during those 60 days, you cannot have it later.
- ◆ Your employer must send your payment and the *COBRA* forms to keep you covered within 45 days after you choose to keep it.

You may have to pay the whole cost. You should know that you may have to pay the whole cost of staying on the health plan.

- ◆ You must send your payment to the employer every month.
- ◆ Your employer must send it to Blue Cross. This will keep your coverage going.

The subscription charge that applies to the employee will also apply to:

- ◆ A spouse, because of divorce, separation or death.
- ◆ A child, even if you or your spouse do not choose *COBRA* (if more than one child enrolls, subscription charges for the number enrolling will apply).

How Long You Can Be Covered

You can go on being covered until the first of the following events takes place:

- ◆ The end of eighteen months (18) if you lost your job or your hours were lowered. (Note: If your *COBRA* began on or after January 1, 2003 and ends after 18 months, you can keep your medical coverage only under CalCOBRA for up to another 18 months, making a total of 36 months under *COBRA* and CalCOBRA combined. You must completely use up your eligibility under *COBRA* first. Your CalCOBRA rights are explained later in this section.)
- ◆ The date our *agreement* with your employer ends.
- ◆ The date you stop paying the monthly charges.
- ◆ The date you first become covered under another group health plan unless there is a pre-existing condition limitation that applies to you or your family member.
- ◆ The date you first become entitled to Medicare.

Your family members can go on being covered until the first of the following events takes place:

- ◆ Eighteen months (18) if you lost your job, or your hours were lowered. However, this does not apply if coverage did not end when you became entitled to Medicare before you lost your job or your work hours were lowered. *COBRA* coverage ends 36 months from the date you became entitled to Medicare if entitlement occurred within the 18 months before the date your job ended or your work hours were lowered. (Note: If your

COBRA began on or after January 1, 2003 and ends after 18 months, or some longer period if you became entitled to Medicare before you lost your job or your work hours were lowered but sooner than 36 months, you can keep your medical coverage only under CalCOBRA for the balance of 36 months under *COBRA* and CalCOBRA combined. You must completely use up your eligibility under *COBRA* first. Your CalCOBRA rights are explained later in this section.)

- ◆ Thirty-six months (36) if there was a death, divorce, or legal separation.
- ◆ Thirty-six months (36) if the child is no longer dependent.
- ◆ Thirty-six months (36) from your entitlement to Medicare.
- ◆ The date our *agreement* with your employer ends.
- ◆ The date they first become eligible under another group health plan unless there is a pre-existing condition limitation that applies to them.
- ◆ They stop paying monthly charges.
- ◆ They first become entitled to Medicare.

Your family members may be able to get extended *COBRA* coverage if they experience another event described above. If a second event occurs, your family members may extend *COBRA* up to 36 months from the date of the first event if:

- Your family members were originally covered under the first event; and
- Your family members were covered under the *plan* when the second event occurred.

This period may not go beyond 36 months from the date of the first event.

Retirement and COBRA

If you are a retiree and your benefits are canceled or reduced because your former employer filed for Chapter 11 bankruptcy, you may be covered for the remainder of your life. Your covered family members may continue coverage for 36 months after your death. Coverage ends when:

- Our *agreement* with your former employer ends.
- You or your family member stops paying the monthly charges.
- You or your family member first becomes covered under another group health plan that does not have a pre-existing condition limitation that applies to you or your family member.

If You or a Family Member is Disabled

If you or a family member is determined by Social Security to be disabled, your whole family may be able to be covered for up to 29 months. This is an additional 11 months following the 18 months of *COBRA* coverage due to your job loss or reduction of work hours. You may be covered for the additional 11 months if you or a family member is determined to be disabled by Social Security before the job loss or reduction of work hours or during the first 60 days of *COBRA* continuation.

You must show your employer proof that the Social Security Administration (SSA) found that you or your family member was disabled. You must show your employer this proof during the first 18 months of your *COBRA* continuation and no later than 60 days after the later of the following:

- ◆ The date of the Social Security Administration's finding of the disability.
- ◆ The date the original qualifying event happened.
- ◆ The date you lost coverage.
- ◆ The date you are told you must show your employer the disability notice.

For the 19th through 29th months that the disability goes on, the employer must send the monthly charges.

- ◆ This will be **150%** of the applicable rate for the length of time the disabled person is covered, depending on how many family members are being covered.
- ◆ If the disabled person is not covered during this additional 11 months, the charge will stay at **102%** of the applicable rate.
- ◆ The employer must send the charges to us every month.
- ◆ You may have to pay the whole cost.

This coverage will last until the first of the following events takes place:

- ◆ The end of the month following a period of 30 days after the SSA finds that the family member is no longer disabled.
- ◆ The end of 29 months. (Note: If your *COBRA* began on or after January 1, 2003 and ends after 29 months, you can keep your medical coverage only under CalCOBRA for up to another seven (7) months, making a total of 36 months under *COBRA* and CalCOBRA combined. You must completely use up your eligibility under *COBRA* first. Your CalCOBRA rights are explained later in this section.)
- ◆ You stop paying the monthly charges.
- ◆ The *agreement* with your employer ends.
- ◆ You get another health plan that will cover the disability.
- ◆ The disabled person becomes entitled to Medicare.

You must let your employer know within 30 days that the SSA found that you or your family member is no longer disabled.

If a second event occurs during this additional 11 months, *COBRA* may extend for up to 36 months from the date of the first event. The charge will be **150%** of the applicable rate for the 19th through 36th months if the disabled person is covered. This charge

will be **102%** of the applicable rate for any periods of time the disabled person is not covered after the 18th month.

What About After COBRA?

After *COBRA* ends, you may be able to keep your coverage through two more programs. One is called “CalCOBRA” and the other is called “Senior COBRA”. They are explained in the next two sections.

CalCOBRA

If your coverage under federal *COBRA* started on or after January 1, 2003, you can keep on being covered under CalCOBRA if your federal *COBRA* ended:

- ◆ 18 months after your qualifying event, if your job ended or your work hours were reduced; or
- ◆ 29 months after your qualifying event if you qualified for the additional 11 months of federal *COBRA* because of a disability.

You must completely use up your eligibility under federal *COBRA* before you can get coverage under CalCOBRA. You are not eligible for CalCOBRA if:

- ◆ You have Medicare;
- ◆ You have or get coverage under another group plan unless that plan has a pre-existing condition limitation that applies to you; or
- ◆ You are eligible for or covered under federal *COBRA*.

Coverage under CalCOBRA is for medical benefits only.

You will be told about your rights. Within 180 days before your federal *COBRA* ends, we will tell you that you have a right to keep your coverage under CalCOBRA. If you want to keep your coverage, you must tell us in writing within 60 days before the date your federal *COBRA* ends or when you are told of your right to keep your coverage under CalCOBRA, whichever is later. If you

don't tell us in writing during this time period you will not be able to keep your coverage.

You can add family members to your CalCOBRA coverage. For dependents acquired while you are covered under CalCOBRA, coverage begins according to the enrollment provisions of this *plan*.

You may have to pay the whole cost of your CalCOBRA coverage. This cost will be:

- ◆ 110% of the applicable rate if your coverage under federal *COBRA* ended after 18 months; or
- ◆ 150% of the applicable rate if your coverage under federal *COBRA* ended after 29 months.

We must receive your payment every month to keep your coverage going. You must send your payment to us, along with your enrollment form, within 45 days after you tell us you want to keep your coverage. You must send us the payment by first class mail or some other reliable means. Your payment must be enough to pay the amount required and the entire amount due. If we don't get the correct payment within this 45 day period, you won't be able to get coverage under CalCOBRA. After you make the first payment, all other payments are due on the first day of each following month.

If your payment is not received when due, your coverage will be cancelled. We will cancel your coverage only after sending you written notice of cancellation at least 15 days before cancelling your coverage. If you make payment in full within 15 days after we send this notice of cancellation, your coverage will not be cancelled. If you do not make this payment in full within this 15 day period, your coverage will be cancelled as of 12:00 midnight on the fifteenth day after the date the cancellation notice is sent and will not be reinstated. Any payment we get more than 15 days after we send the cancellation notice will be refunded to you within 20 business days.

We may change the amount of your payment as of any payment due date. If we do, we will tell you in writing at least 30 days before the increase takes effect.

You must give us current information. We will rely on the eligibility information you give us as correct without checking on it, but we maintain the right to check any information you give us.

Coverage through a *prior plan*. If you were covered through CalCOBRA under the *prior plan*, you can keep your coverage under this plan for the rest of the continuation period. But your coverage will end if you don't follow the enrollment rules and make the payments within 30 days of being told your CalCOBRA coverage under the *prior plan* will end.

When CalCOBRA starts. When you tell us in writing that you want to keep your coverage through CalCOBRA and pay the first payment, we will reinstate your coverage back to the date federal *COBRA* ended. If you enroll a family member while you are covered through CalCOBRA, the family member's coverage begins according to the enrollment provisions of this *plan*.

When CalCOBRA ends. Your coverage under CalCOBRA will end when the first of the following events takes place:

- ◆ The end of 36 months after the date of your qualifying event under federal *COBRA**
- ◆ The date our *agreement* with your employer ends.
- ◆ The date your employer stops providing coverage to the class of *members* you belong to.
- ◆ The date you stop paying the monthly charges. Your coverage will be cancelled after written notification, as explained above.
- ◆ The date you become covered under another group health plan unless there is a pre-existing condition limitation that applies to you or a family member. In this case, CalCOBRA will end at the end of the period the pre-existing condition limitation applies.

- ◆ The date you become entitled to Medicare.
- ◆ The date you become covered under federal *COBRA*.

CalCOBRA will also end if you move out of our service area or commit fraud.

* If your coverage under CalCOBRA started under a *prior plan*, the 36 month period will be dated from the time of your qualifying event under that *prior plan*.

When your coverage under CalCOBRA ends, you may be able to apply for HIPAA coverage or a conversion plan. You will get more information about these options no more than 180 days before CalCOBRA ends.

Note. Please examine your options carefully before declining this coverage. You should be aware that companies selling individual health insurance typically require a review of your medical history that could result in higher cost or you could be denied coverage entirely.

Senior COBRA

This applies to you and your spouse only. This does not apply to anyone who is not eligible for this continuation before January 1, 2005. If you want to keep on being covered by Blue Cross HMO, even after *COBRA* or CalCOBRA ends, you and your spouse may be able to if:

- ◆ You chose *COBRA* or CalCOBRA for yourself or for yourself and your spouse; and
- ◆ You worked for your employer for the last 5 years; and
- ◆ You were at least 60 years old when you stopped working.

Your former spouse may keep this *plan* if he or she was enrolled with *COBRA* or CalCOBRA.

At least 180 days before your *COBRA* or CalCOBRA will end, your employer must tell you or your spouse or former spouse that you have a right to keep your coverage.

If you want to keep your coverage:

- ◆ Tell us in writing that you want to keep your coverage. Do this within 30 days before the date you will no longer be covered under *COBRA* or Cal*COBRA*.
- ◆ If you don't choose to keep it at this time, you will not be able to have it at a later date.
- ◆ You must send in this notice to us with the subscription charges within 45 days.

You must pay the charges to us. You must pay us on time in order to keep on being covered by Blue Cross HMO.

- ◆ You and your spouse, or former spouse, will have to pay 213% of the usual rate.

You will no longer be covered when the first of the following events takes place:

- ◆ You stop paying the monthly charges.
- ◆ You or your spouse become eligible under another group plan unless there is a pre-existing condition limitation that applies to you or your spouse.
- ◆ Our *agreement* with your employer ends.
- ◆ You or your spouse become entitled to Medicare.
- ◆ You or your spouse are 65 years old.
- ◆ It's been 5 years since your spouse or former spouse's *COBRA* or Cal*COBRA* coverage ended.

You may be able to apply for HIPAA coverage or a conversion plan. We will give you notice of these options no more than 180 days before *COBRA* or Cal*COBRA* ends.

Besides the ways listed above for keeping Blue Cross HMO, your spouse and family members may keep on being covered by it even after *COBRA* ends. If your *COBRA* coverage ends for either of the following reasons, and you are the surviving spouse of an

employee, you may be eligible to enroll yourself and your child(ren) for coverage under the Coverage for Surviving Family Members provision described later.

- ◆ The end of the thirty-six months (36) of *COBRA* coverage if *COBRA* coverage was due to the death of the employee, divorce, or legal separation from the employee.
- ◆ The end of *COBRA* coverage due to first becoming entitled to Medicare.

Coverage for Surviving Family Members

If you die while covered under this *plan* as an employee or retired employee, your spouse or children may continue coverage under the *plan* after your death. It ends when one of the following occurs:

- ◆ Your surviving spouse remarries.
- ◆ The surviving spouse reaches age 65.
- ◆ The surviving spouse and child become covered under another employer plan.
- ◆ The subscription charges aren't paid when they were due.
- ◆ The employer cancels coverage for the class you belonged to.
- ◆ The group benefit agreement ends.
- ◆ In the case of a dependent child, they are no longer eligible.

Note: The employer will pay for the cost of coverage for the first twelve months. Thereafter, the spouse or child will be responsible for payment of the subscription charges. The employer may require that a greater amount of the cost be paid for the coverage under this continuation than they require of employees with, or without, dependents. Check with the employer to find out the amount of your subscription charge under this provision.

Extension

If our *agreement with your employer ends*. Your coverage can be canceled or changed without us telling you.

But, if you or a family member is *totally disabled* and getting the care of a *doctor*, your benefits for treating the totally disabling condition will go on, if:

- ◆ The disabled person is staying in a *hospital* or *skilled nursing facility* as long as the *stay* is *medically necessary*. You will get your benefits until you are no longer staying in the *hospital*.
- ◆ If you are not now in a *hospital* or nursing facility, you may still be able to get total disability benefits. Your *doctor* must send us a written statement of your disability. It must be sent within 90 days and every 90 days after that.

If you get coverage under another health *plan* that provides benefits, without limitation, for your disability, this extension of benefits is not available.

Your benefits will end when:

- ◆ You are no longer disabled.
- ◆ Your *plan* has paid the most it can.
- ◆ You get another health plan which will cover your disability.
- ◆ Twelve (12) months have passed.

HIPAA Coverage and Conversion

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

◆ **HIPAA Coverage**

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

- You must have at least 18 months of continuous health coverage, most recently under a health plan sponsored by an employer, and have had coverage within the last 63 days.
- Your most recent coverage did not end because of non-payment of the monthly charges or fraud.
- If continuation of coverage under the employer *plan* was available under COBRA, CalCOBRA, or a similar state program, you must have elected and exhausted that coverage.
- 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 offering 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 send an application to us and make the first subscription charge payment within 63 days of the date your coverage ends. You do not have to provide proof of good health to us to get a conversion plan.

You cannot convert your *plan* if:

- Your employer got another group plan within 15 days.
- You didn't pay your subscription charges when they were due.
- You are eligible or you already have another health plan.
- You are able to get Medicare.
- You weren't covered for medical benefits under the *plan* for 90 days just before your coverage ended.

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

Important: The reason for a conversion is to give you a health plan after your group health plan ends. The benefits may not be the same, and the rates will not be the same.

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

How to Make a Complaint

While Blue Cross HMO helps you get the care you need, we don't actually give the care.

We contract with *medical groups, doctors, and other health care providers*. They are not employees of Blue Cross. The *hospitals, nursing facilities and other health agencies* are independent contractors.

However, we want to help you get the care and service you need. Here's how:

- ◆ **Talk to your *Blue Cross HMO coordinator*.** If you have questions about your services, call your *Blue Cross HMO coordinator*. He or she may be able to help you right away. You may also call the *Customer Service number* on your member ID card.
- ◆ **Filing a Complaint.** If you are still unhappy and wish to file a complaint, you should fill out a "Member Issue Form." You can get this form from your *Blue Cross HMO coordinator* or from us. Complete the form and mail it to us or you may call us at the *Customer Service number* on your member ID card and ask one of our customer service representatives to fill out the Member Issue Form for you. You may also file a complaint with us online or print the Member Issue Form through the Blue Cross of California website at www.bluecrossca.com.

You must:

- Include the following information from your Member ID Card:
 - Your group number.
 - Your member identification number.
- Explain what happened or what you would like help with.

You must file your complaint with us no later than 180 days after the date you get a denial notice from us or your *medical group* or any other incident or action you are not satisfied with.

When you mail in the Member Issue form or file your complaint online, you are starting the formal complaint process. If you have an acute or urgent condition, you have the right to ask for an expedited review of an appeal for service that has been denied by your *medical group*. Expedited appeals must be resolved within three days.

◆ **Get help from Blue Cross.** You may ask for a review from Blue Cross.

- Just call us at the *Customer Service number* shown on your Member ID card.
- Or write to us at the following address:

Blue Cross of California

Grievance and Appeal Management

P.O. Box 4310

Woodland Hills, CA 91367

- Tell us all about your complaint.
- Send this along with any bills or records.

Within 30 days after we get and look at the facts of your complaint, we will send you a letter to tell you how we have solved the problem. If your case involves a sudden threat to your health, such as severe pain or the loss of life or limb or major bodily function, we'll expedite the review and resolve your complaint within three days.

◆ **We will meet with you.** For issues dealing with whether a service is *medically necessary* or appropriate, you may:

- appear in person before the committee meeting to review your appeal;

- send someone else to represent you before the committee;
or
 - have a telephone conference call with the committee.
- ◆ **If you don't like what the committee decides or it does not decide what to do within 30 days.** You may complain directly to the Department of Managed Health Care (see later page). If your case involves a sudden threat to your health, you do not have to go through this complaint process or wait 30 days to complain to the Department of Managed Health Care. You may do so right away. You may, at any time, use *binding arbitration* to resolve your dispute. (See "Arbitration" on a later page.)
- ◆ **Questions about your outpatient prescription drug coverage.** If you have questions or concerns about your outpatient prescription drug coverage, please call the Pharmacy Customer Service phone number on your ID card. If you are not happy about how your concerns are taken care of, you may use the complaint process above.

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 which has a contract with the California Department of Managed Health Care ("DMHC"). Your request for this review may be sent to the DMHC. You pay no application or processing fees of any kind for this review. You have the right to provide information in support of your request for review. A decision not to participate in this review process may cause you to give up any statutory right to pursue legal action against us regarding the disputed health care service. We will send you an application form and an addressed envelope for you to use to ask for this review with any grievance disposition letter denying coverage for this reason. You may also request an application form by calling us at the telephone number

listed on your identification card or write to us at Blue Cross of California 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. The condition meets either or both of the following descriptions:
 - A life threatening condition or a disease is one where the likelihood of death is high unless the course of the disease is interrupted. A life threatening condition or disease can also be one with a potentially fatal outcome where the end point of clinical intervention is the patient's survival.
 - A seriously debilitating condition or disease is one that causes major irreversible morbidity.
- ◆ Your *medical group* must certify that either (a) standard treatment has not been effective in improving your condition, (b) standard treatment is not medically appropriate, or (c) there is no more beneficial standard treatment covered by this *plan* than the proposed treatment.
- ◆ The proposed treatment must either be:
 - Recommended by a *Blue Cross HMO provider* who certifies in writing that the treatment is likely to be more beneficial than standard treatments, or
 - Requested by you or by a licensed board certified or board eligible *doctor* qualified to treat your condition. The treatment requested must be likely to be more beneficial for you than standard treatments based on two documents of scientific and medical evidence from the following sources:
 - Peer-reviewed scientific studies published in medical journals with nationally recognized standards;
 - 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;

- Medical journals recognized by the Secretary of Health and Human Services, under Section 1861(t)(2) of the Social Security Act;
- 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;
- Findings, studies or research conducted by or under the auspices of federal governmental agencies and nationally recognized federal research institutes; and
- Peer reviewed abstracts accepted for presentation at major medical association meetings.

In all cases, the certification must include a statement of the evidence relied upon.

You must ask for this review within six months of the date you receive a denial notice from us in response to your grievance, or from the end of the 30 day or three day grievance period, whichever applies. This application deadline may be extended by the DMHC for good cause.

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 or your *doctor*. Any newly developed or discovered relevant medical records that we or a *Blue Cross HMO provider* identifies 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 if your *doctor* determines that the proposed treatment would be significantly less effective if not provided promptly). 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 complaint process (see “How to Make a Complaint”).

Independent Medical Review of Complaints Involving a Disputed Health Care Service

You may ask for an independent medical review (“IMR”) of disputed health care services from the Department of Managed Health Care (“DMHC”) if you think that we or your *medical group* have wrongly denied, changed, 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, changed, 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 you may have. 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 give you an IMR application form and an addressed envelope for you to use to ask for IMR with any complaint disposition letter that denies, changes, or delays health care services. A decision not to participate in the IMR process may cause you to lose any lawful right to pursue legal action against us about the disputed health care service.

Eligibility: The DMHC will look at 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 had *urgent care* or *emergency services* that a provider determined was *medically necessary*, or
 - (c) You have been seen by a *Blue Cross HMO provider* for the diagnosis or treatment of the medical condition for which you want independent review;
2. The disputed health care service has been denied, changed, 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 complaint with us or your *medical group* and the disputed decision is upheld or the complaint is not resolved after 30 days. If your complaint requires expedited review you need not participate in our complaint process for more than three days. The DMHC may waive the requirement that you follow our complaint process in extraordinary and compelling cases.

You must apply for IMR within six months of the date you receive a denial notice from us in response to your complaint or from the end of the 30 day or three day complaint period, whichever applies. This application deadline may be extended by the DMHC for good cause.

If your case is eligible for IMR, the dispute will be submitted to a medical specialist or specialists who will make an independent determination of whether or not the care is *medically necessary*. You will get 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.

For non-urgent cases, the IMR organization designated by the DMHC must provide its determination within 30 days of getting 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 days.

For more information regarding the IMR process, or to ask for an application form, please call us at the *Customer Service number* on your Member 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.

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 regarding

a claim for damages within the jurisdictional limits of the small claims court will be resolved in such court.

The Federal Arbitration Act shall govern the interpretation and enforcement of all proceedings under this 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 shall apply.

The *member* and Blue Cross agree to be bound by these arbitration provisions and acknowledge that they are giving up their right to trial by jury for both medical malpractice claims and any other disputes.

California Health & Safety Code section 1363.1 requires that any arbitration agreement include the following notice based on California Code of Civil Procedure 1295(a): **It is understood that any dispute as to medical malpractice, that is, 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 a lawsuit or resort to court process except as California law provides for judicial review of arbitration proceedings and except for disputes regarding a claim for damages within the jurisdictional limits of the small claims court. Both parties to this contract, by entering into it, acknowledge that they are giving up their constitutional right to have any and all disputes, including medical malpractice claims, 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 arbitrations against each other. Even if applicable law permits class actions or class arbitrations:

- ◆ 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 state or federal law provides for the judicial review of arbitration proceedings.

The arbitration is initiated 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 agreement of the *member* and Blue Cross, or by order of the court, if the *member* and Blue Cross cannot agree.

The costs of the arbitration will be allocated per the JAMS Policy on Consumer Arbitrations. If the arbitration is not conducted by JAMS, the costs will be shared equally by the parties, except in cases of extreme financial hardship, upon application to the neutral arbitration entity to which the parties have agreed, in which cases, Blue Cross will assume all or a portion of the costs of the arbitration.

Please send all *binding arbitration* demands in writing 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.

Other Things You Should Know

Using a Claim Form to Get Benefits

Here's what you or your health care provider must do:

- ◆ Fill out the claim form.
- ◆ List and describe clearly the services you got and how much they cost.
- ◆ Send the form to Blue Cross within 90 days of the date you got the service.

If you are not able to send the claim in within 90 days, you may have up to 12 more months. We will not pay for your benefits if you or the health care provider do not send the claims within that time. You must use claim forms; we won't accept canceled checks or receipts.

Getting Repaid by a Third Party

Sometimes someone else may have to pay for your medical care if an injury, disease, or other health problem is their fault or their responsibility. Whatever we cover will depend on the following:

- ◆ Your *medical group* and Blue Cross will automatically have a legal claim (lien) to get back the costs we covered, if you get a settlement or judgment from the other person or their insurer or guarantor. We should get back what we spent on your medical care.
 - If we paid the provider other than on a capitated basis, our lien will not be more than amount we paid for those services.
 - If we paid the provider on a capitated basis, our lien will not be more than 80% of the usual and customary charges for those services in the geographic area in which they were given.

- If you hired an attorney to gain your recovery from the third party, our lien will not be for more than one-third of the money due you under any final judgment, compromise, or settlement agreement.
 - If you did not hire an attorney, our lien will not be for more than one-half of the money due you under any final judgment, compromise or settlement agreement.
 - If a final judgment includes a special finding by a judge, jury, or arbitrator that you were partially at fault, our lien will be reduced by the same comparative fault percentage by which your recovery was reduced.
 - Our lien is subject to a pro rata reduction equal to your reasonable attorney's fees and costs in line with the common fund doctrine.
- ◆ You must write to your *medical group* and Blue Cross about your claim within 60 days of filing a claim against the third party.
- You will need to sign papers and give us the help we need to get back our costs.
 - If you don't do this, you will have to pay us back out of your own money.
- ◆ We will have the right to get our money back, even if what you, or someone acting for you, got back is less than the actual loss you suffered.

Coordination of Benefits

If you're covered by this group health plan, and one or more other medical or dental plans, total benefits may be limited as shown below. These provisions apply separately each calendar year to each person and are based mainly on California law.

Definitions

When used in this section, the following words and phrases have the meanings explained here.

Allowed Expense is any needed, reasonable and customary item of expense which is at least covered in part by at least one other plan. To determine our payment, total allowed expense under all plans won't exceed: (1) the amount we would consider eligible expense if you were covered only under this *plan*; or (2) the amount any other plan would consider eligible expense if there were no other coverage, whichever is more.

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;
4. Medicare, except when by law Medicare's benefits are secondary to those of any private insurance program or another non-governmental program.

Each contract or arrangement for coverage listed above will be considered a separate plan. The rules of these provisions will apply only when the other plan has coordination of benefits provisions.

Primary Plan is the plan which will have its benefits figured first.

This Plan is the part of this *plan* that provides benefits subject to this provision.

Effect on Benefits

1. If This Plan is the primary plan, then we will figure out its benefits first without taking into account any other plan.
2. If This Plan isn't the primary plan, then we may reduce its benefits so that the benefits of all the plans aren't more than the allowed expense.
3. The benefits of This Plan will never be more than the benefits we would have paid if you were covered only under this *plan*.

If This Plan isn't the primary plan, you may be billed by a health care provider. If you receive a bill, you should submit it to your *medical group*.

Order of Benefits Determination

The following rules determine the order in which benefits will be paid:

1. A plan with no coordination provision will pay its benefits first. This always includes Medicare except when by law This Plan must pay before Medicare.
2. A plan which covers you through your employer pays before a plan which covers you as a family member. But if you have Medicare and are also a dependent of an active employee under another employer plan, this rule might change. If Medicare's rules say that Medicare pays after the plan that covers you as a dependent but before your employer's plan, then the plan that covers you as a dependent pays before a plan which covers you through your employer. This might happen if you are covered under This Plan as a retiree.
3. For a dependent child covered under plans of two parents, the plan of the parent whose birthday falls earlier in the calendar year pays before the plan of the parent whose birthday falls later in the year. But if one plan doesn't have a birthday rule

provision, that plan's provisions will determine the order of benefits.

Exception to rule 3: If a dependent child's parents are divorced or separated, the following rules will be used instead of rule 3:

- a. The plan of the parent who has custody, will pay first, unless he or she has remarried.
 - b. If the parent with custody has remarried, then the order is 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. However, if there is a court decree which holds one parent responsible for that child's health care coverage, the plan which covers that child as a dependent of the responsible parent pays first.
4. The plan covering you as a laid-off or retired employee or as such employee's dependent pays after another plan covering you. But if either plan doesn't have a rule about laid-off or retired employees, rule 6 applies.
 5. A plan covering you under a state or federal continuation of coverage pays after another plan. However, if the other plan doesn't have this rule, this rule won't apply.
 6. When the rules above don't apply, the plan that has covered you longer pays first unless two of the plans have the same effective date. In this case, allowed expense is split evenly between the two plans.

Our Rights Under This Provision

Responsibility For Timely Notice. We aren't responsible for coordination of benefits unless we get information from the asking party.

Reasonable Cash Value. If you get benefits from another plan in the form of services, the value of services in cash will be considered allowed expense and a benefit paid.

Facility of Payment. If another plan pays benefits that this plan should have paid, we will pay the other plan an amount determined by us. This will be considered a benefit paid under this *plan*, and will fully satisfy what we are responsible for.

Right of Recovery. If we pay benefits that are more than we should have paid under this provision, the *medical group* and we may recover the extra amounts from one or more of the following:

- ◆ The persons to or for whom payments were made;
- ◆ Insurance companies or service plans; or
- ◆ Other organizations.

If You Qualify for Medicare

Active Employees and Family Members Age 65 or Over Who Are Eligible for Medicare

If you are:

- ◆ Age 65 or over; AND
- ◆ An Employee who is not retired; OR
- ◆ A Dependent of the Employee above who is not retired; AND
- ◆ Eligible for Part A of Medicare; AND
- ◆ Eligible and enrolled under this *plan*;

you will get the benefits of this *plan* without taking into account Medicare unless you've chosen Medicare as your primary plan. If

you've chosen Medicare as your primary health plan, you won't be able to get any benefits under this *plan*.

Other Members Who are Eligible for Medicare

If you are:

- ◆ A *retired employee* age 65 or more and eligible for Part A of Medicare; OR
- ◆ The spouse of a *retired employee* and are age 65 or more; OR
- ◆ Getting treatment for end-stage renal disease after the first 30 months you are entitled to end-stage renal disease benefits under Medicare; OR
- ◆ Entitled to Medicare benefits as a disabled person, unless you have a current employment status (as determined by Medicare's rules) and are enrolled in this *plan* through a group of 100 or more employees;

Medicare is your primary health plan. You will get the benefits of this *plan* if and only if you have actually enrolled in Medicare and completed any consents, assignments, releases, and other documents needed to get Medicare repayments for this *plan* or its *medical groups*. This applies to services covered by those parts of Medicare that you can enroll in without paying any premium. If you must pay any premium for any part of Medicare, this applies to that part of Medicare only if you are enrolled in that part.

If you are enrolled in Medicare, your Medicare coverage will not affect the services provided or covered under this *plan* except as follows:

- ◆ Medicare must provide benefits first for any services covered both by Medicare and under this *plan*.
- ◆ For services you receive that are covered both by Medicare and under this *plan*, that are not prepaid by us, coverage under this *plan* will apply only to Medicare deductibles, coinsurance, and other charges for covered services over and above what Medicare pays.

- ◆ For services you received that are covered both by Medicare and under this *plan*, that are prepaid by us, we make no additional payment.
- ◆ For any given claim, the combination of benefits provided by Medicare and the benefits provided under this *plan* will not be more than what is considered allowed expense for the covered services.

If you have questions about how your benefits will be coordinated with Medicare, please call our *Customer Service number* on your Member ID card.

Other Things You Should Know

Transition Assistance for New Members: Transition Assistance is a process that allows for completion of covered services for new *members* receiving services from a *doctor* who is not a *Blue Cross HMO provider*. If you are a new *member*, you may request Transition Assistance if any one of the following conditions applies:

- ◆ An acute condition. An acute condition is a medical condition that involves a sudden onset of symptoms due to an illness, injury, or other medical problem that requires prompt medical attention and that has a limited duration. Completion of covered services shall be provided for the duration of the acute condition.
- ◆ A serious chronic condition. A serious chronic condition is a medical condition caused by a disease, illness, or other medical problem or medical disorder that is serious in nature and that persists without full cure or worsens over an extended period of time or requires ongoing treatment to maintain remission or prevent deterioration. Completion of covered services shall be provided for a period of time necessary to complete a course of treatment and to arrange for a safe transfer to another provider, as determined by Blue Cross in consultation with you and the *doctor* who is not a *Blue Cross HMO provider* and consistent with good professional practice. Completion of covered

services shall not exceed twelve (12) months from the time you enroll with Blue Cross.

- ◆ A pregnancy. A pregnancy is the three trimesters of pregnancy and the immediate postpartum period. Completion of covered services shall be provided for the duration of the pregnancy.
- ◆ A terminal illness. A terminal illness is an incurable or irreversible condition that has a high probability of causing death within one (1) year or less. Completion of covered services shall be provided for the duration of the terminal illness.
- ◆ The care of a newborn *child* between birth and age thirty-six (36) months. Completion of covered services shall not exceed twelve (12) months from the time the *child* enrolls with Blue Cross.
- ◆ Performance of a surgery or other procedure that we have authorized as part of a documented course of treatment and that has been recommended and documented by the provider to occur within 180 days of the time you enroll with Blue Cross.

Call us at the *Customer Service number* listed on your ID card to ask for Transition Assistance or to get a copy of the written policy. Eligibility is based on your clinical condition and is not determined by diagnostic classifications. Transition Assistance does not provide coverage for services not otherwise covered under the *plan*.

We will notify you by telephone, and the provider by telephone and fax, as to whether or not your request for Transition Assistance is approved. If approved, you will be financially responsible only for applicable deductibles, coinsurance, and copayments under the *plan*. Financial arrangements with doctors who are not *Blue Cross HMO providers* are negotiated on a case-by-case basis. We will ask that the *doctor* agree to accept reimbursement and contractual requirements that apply to *Blue Cross HMO providers*, including payment terms, who are not capitated. If the *doctor* does not agree to accept said reimbursement and contractual requirements, we are not required to continue that *doctor's* services. If you do not meet

the criteria for Transition Assistance, you are afforded due process including having your request reviewed.

Continuity of Care after Termination of *Medical Group*:

Subject to the terms and conditions set forth below, Blue Cross will provide benefits at the *Blue Cross HMO provider* level for covered services (subject to applicable copayments, coinsurance, deductibles and other terms) received from a *medical group* at the time the *medical group's* contract with us terminates (unless the *medical group's* contract terminates for reasons of medical disciplinary cause or reason, fraud, or other criminal activity).

You must be under the care of the *medical group* at the time the *medical group's* contract terminates. The terminated *medical group* must agree in writing to provide services to you in accordance with the terms and conditions of the agreement with Blue Cross prior to termination. The terminated *medical group* must also agree in writing to accept the terms and reimbursement rates that apply to *Blue Cross HMO providers* who are not capitated. If the terminated *medical group* does not agree with these contractual terms and conditions, we are not required to continue the terminated *medical group's* services beyond the contract termination date.

Blue Cross will provide such benefits for the completion of covered services by a terminated *medical group* only for the following conditions:

- ◆ An acute condition. An acute condition is a medical condition that involves a sudden onset of symptoms due to an illness, injury, or other medical problem that requires prompt medical attention and that has a limited duration. Completion of covered services shall be provided for the duration of the acute condition.
- ◆ A serious chronic condition. A serious chronic condition is a medical condition caused by a disease, illness, or other medical problem or medical disorder that is serious in nature and that persists without full cure or worsens over an extended period of time or requires ongoing treatment to maintain remission or prevent deterioration. Completion of covered services shall be

provided for a period of time necessary to complete a course of treatment and to arrange for a safe transfer to another provider, as determined by Blue Cross in consultation with you and the terminated *medical group* and consistent with good professional practice. Completion of covered services shall not exceed twelve (12) months from the date the *medical group's* contract terminates.

- ◆ A pregnancy. A pregnancy is the three trimesters of pregnancy and the immediate postpartum period. Completion of covered services shall be provided for the duration of the pregnancy.
- ◆ A terminal illness. A terminal illness is an incurable or irreversible condition that has a high probability of causing death within one (1) year or less. Completion of covered services shall be provided for the duration of the terminal illness.
- ◆ The care of a newborn *child* between birth and age thirty-six (36) months. Completion of covered services shall not exceed twelve (12) months from the date the *medical group's* contract terminates.
- ◆ Performance of a surgery or other procedure that we have authorized as part of a documented course of treatment and that has been recommended and documented by the provider to occur within 180 days of the date the *medical group's* contract terminates.

Such benefits will not apply to *medical groups* who have been terminated due to medical disciplinary cause or reason, fraud, or other criminal activity.

Please call us at the *Customer Service number* listed on your ID card to ask for continuity of care or to get a copy of the written policy. Eligibility is based on the *member's* clinical condition and is not determined by diagnostic classifications. Continuity of care does not provide coverage for services not otherwise covered under the *plan*.

We will notify you by telephone, and the *medical group* by telephone and fax, as to whether or not your request for continuity of care is approved. If approved, you will be financially responsible only for applicable deductibles, coinsurance, and copayments under the *plan*. Financial arrangements with terminated *medical groups* are negotiated on a case-by-case basis. We will ask that the terminated *medical group* agree to accept reimbursement and contractual requirements that apply to *Blue Cross HMO providers*, including payment terms, who are not capitated. If the terminated *medical group* does not agree to accept the same reimbursement and contractual requirements, we are not required to continue that *medical group's* services. If you disagree with our determination regarding continuity of care, you may file a complaint with us by following the procedures described in the section called "How to Make a Complaint".

This provision also applies if the contractual or employment relationship between your *medical group* or us and the *primary care doctor* or *specialist* from whom you are receiving care terminates. In this situation, please request continuity of care through your *Blue Cross HMO coordinator*.

How we pay your providers. Your *medical group* is paid a set amount for each *member* per month. Your *medical group* may also get added money for some kinds of special care or for overall efficiency, and for managing services and referrals. *Hospitals* and other health care facilities are paid a set amount for the kind of service they give you or an amount based on a negotiated discount from their standard rates. If you want more information, please call us at the telephone number listed on your Member ID Card, or you may call your *medical group*.

You do not have to pay any *Blue Cross HMO provider* for what we owe them, even if we don't pay them. But you may have to pay a non-*Blue Cross HMO provider* any amounts not paid to them by us.

Some Information about the BlueCard Program. When you get covered health care services through the BlueCard Program outside of California, your copay for services, if it is not a flat dollar amount, is usually calculated on the lower of the:

- ◆ Billed charge 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 be a simple discount, which reflects the actual price paid by the Host Blue. But, sometimes it’s an estimate that includes expected settlements, withholds, any contingent payment arrangements and other arrangements, not based on claims, with your provider or a group of providers. The negotiated price might also include billed charges reduced to reflect expected average savings taken from billed charges 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 underestimates of past prices. Regardless of how the negotiated price is determined, the amount you pay is considered a final price.

Laws in a small number of states may require the Host Blue to calculate what a *member* owes for covered services without including the amounts saved, or expected to be saved, on a claim or to add a surcharge. If a state passes a law that requires a method different from the usual BlueCard Program method described in the first paragraph of this section, or requires a surcharge, we would then follow the method required by that state law in effect when you received your care to figure the copay.

When you can’t get care. If there is an epidemic or public disaster and you can’t get care for covered services, we’ll refund the unearned part of the subscription charge paid for you. We must receive a request for the refund in writing and along with proof of the need for care within 31 days. This payment meets our duty under this *plan*.

Right of Recovery. If the reasonable cash value of benefits provided under this *plan* exceeds the maximum amount for which we are liable, your *primary care doctor*, the *medical group* and we have the right to recover the excess amount unless prohibited by law. This excess amount may be recovered from you, the person to whom payment was made or from any other plan.

Who takes care of your COBRA or ERISA coverage. Blue Cross is not the *plan* administrator of your *COBRA* or ERISA coverage. Your employer, or someone your employer hires, most often takes care of administering your employer's health plan. The employer must let you know about any changes, give you notices, or let you know about the details of the health plan.

Workers' Compensation. Our health plan *agreement* with your employer doesn't change your coverage by the Workers' Compensation program. It doesn't take the place of Workers' Compensation.

Renewing our agreement with your employer. We can renew our *agreement* at certain times. We may change the subscription charges, or other terms of the *plan* from time to time without your consent.

Terms of Coverage

- ◆ In order for you to be entitled to benefits, both the *agreement* and your coverage under it must be in effect on the date the expense giving rise to a claim for benefits is incurred.
- ◆ Your benefits will depend on what is covered on the date you get the service or supply for which the charge is made.
- ◆ The *agreement* can be amended, modified or terminated without your consent.

Consumer Relations Committee. We have a special committee made up of people who are covered by our plan, health care providers taking part in Blue Cross HMO, and a member of our Board of Directors. This committee reviews information about finances and any complaints of *members* among other things. It

advises the Board of Directors about how to make sure *members* are served well and with respect.

Confidential Information. We will make every effort and take care to keep your medical data secret. We may use data about services provided to you and others for statistical study and research. If the data is released to a third party, it will not identify you. Medical data about you can only be given to others if you agree to it in writing or if required by law. A consent to release medical data must be signed, dated and describe the kind of data and to who it may be disclosed. You may access your own medical records.

We may release your medical data to:

- ◆ professional peer review organizations; and
- ◆ your employer.

This will only be done to report claims experience to them or for them to audit our operation. We will only give them data that is needed to do 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 New Technology. Blue Cross reviews and evaluates new technology. It does this using criteria set by its medical directors. The criteria it uses helps it decide if:

- ◆ the new technology is still investigational; or
- ◆ has medical necessity.

A committee called Medical Policy and Technology Assessment Committee (MPTAC) gives Blue Cross guidance. They also validate Blue Cross' medical policy. MPTAC is made up of about 20 doctors. They come from various medical specialties and geographic areas. They include Blue Cross' medical directors, doctors in academic medicine and doctors who practice managed care medicine. Blue Cross' conclusions, based on MPTAC

guidance, are incorporated into Blue Cross's medical policy used to:

- ◆ form decision protocols for particular diseases and injuries; or
- ◆ treatments for particular disease or injuries; and
- ◆ determine what is *medically necessary*.

Certificate of Creditable Coverage. Certificates of creditable coverage are issued automatically when your coverage under this *plan* ends. We will also provide a certificate of creditable coverage in response to your request, or to a request made on your behalf, at any time while you are covered under this *plan* and up to 24 months after your coverage under this *plan* ends. The certificate of creditable coverage documents your coverage under this *plan*. Call the *customer service number* listed on your *member ID card* to request a certificate of creditable coverage.

Important Words to Know

The meanings of key terms used in this booklet are shown below.

Agreement is the Group Benefit Agreement between Blue Cross and your employer. In it, we agree to what benefits will be given to you.

Authorized referral occurs when you, because of your medical needs, are referred to a non-*Blue Cross HMO provider* for the treatment of *mental or nervous disorders or severe mental disorders*, but only when:

1. There is no *Blue Cross HMO provider* who practices in the appropriate specialty, provides the required services, or has the necessary facilities within a 50-mile radius of your home;
2. You are referred in writing to the non-*Blue Cross HMO provider* by a *doctor* who is a *Blue Cross HMO provider*, and
3. We have authorized the referral before you receive services.

Binding Arbitration is a process used to resolve complaints. It is used instead of going to a court of law. In binding arbitration, you and Blue Cross agree to meet with an arbitrator and go by the decision of the arbitrator.

Blue Cross HMO coordinator is the person at your *medical group* who can help you with understanding your benefits and getting the care you need.

Blue Cross HMO providers are licensed health care providers who have an agreement with Blue Cross to provide services to you.

Brand name drug is a *prescription drug* that has been patented and is only made by one manufacturer.

COBRA is a special law that gives you a chance to keep your health plan even if you lose your job, have a reduction in hours or a change in dependents status. You will usually have to pay the monthly charges to keep the *plan* under COBRA.

Compound Medication is a mixture of *prescription drugs* and other ingredients, of which at least one of the components is commercially available as a *prescription* product. Compound Medications do not include:

1. Duplicates of existing products and supplies that are mass-produced by a manufacturer for consumers; or
2. Products lacking an NDC number.

All claims for reimbursement for Compound Medications must be submitted electronically (by the drugstores) and will be paid at the negotiated rate. Compound Medications may be limited to distribution at designated drugstores.

Copay is the amount you pay to get a *medically necessary* service with a *Blue Cross HMO provider*. Blue Cross pays the provider the rest. It is also the amount you pay when you buy *drugs* or medicines from a *drugstore* or through the mail service program.

Copay Limit is the most you will have to pay in one calendar year in *copays*.

Creditable coverage is:

- ◆ Any individual or group plan that provides medical, hospital and surgical coverage, including continuation or conversion coverage.
- ◆ Coverage under Medicare or Medicaid, TRICARE, or the Federal Employees Health Benefits Program.
- ◆ Programs of the Indian Health Service or of a tribal organization.
- ◆ A state health benefits risk pool.
- ◆ Coverage through the Peace Corps.
- ◆ The State Children's Health Insurance Program.
- ◆ A public health plan established or maintained by a state, the United States government, or a foreign country.

Creditable coverage does not include:

- ◆ Accident only coverage.
- ◆ Credit insurance.
- ◆ Coverage for on-site medical clinics.
- ◆ Disability income insurance.
- ◆ Coverage only for a specified disease or condition.
- ◆ Hospital indemnity or other fixed indemnity insurance.
- ◆ Medicare supplement coverage.
- ◆ Long-term care insurance.
- ◆ Dental coverage.
- ◆ Vision coverage.
- ◆ Workers' compensation insurance
- ◆ Automobile insurance, including no-fault automobile insurance.
- ◆ Any medical coverage designed to supplement other private or governmental plans.

Creditable coverage is used to reduce the length of the pre-existing condition exclusion period under this *plan* and/or to set up eligibility for rules for children who cannot get a self-sustaining job due to a physical or mental condition.

If your prior coverage was through an employer, you will receive credit for that coverage if:

- ◆ It ended because your employment ended;
- ◆ The availability of medical coverage offered through employment or sponsored by the employer terminated; or
- ◆ The employer's contribution toward medical coverage terminated;

and any lapse between the date that coverage ended and the date you become eligible under this *plan* is no more than 180 days (not including any waiting period imposed under this *plan*).

If your prior coverage was not through an employer, you will receive credit for that coverage if any lapse between the date that coverage ended and the date you become eligible under this *plan* is no more than 63 days (not including any waiting period imposed under this *plan*).

Custodial care is care for your personal needs. This includes help in walking, bathing or dressing. It also includes preparing food or special diets, feeding, giving medicine which you usually do yourself or any other care for which the services of a health care provider are not needed.

Customer Service number is the 800-number you can call at Blue Cross to answer your questions about Blue Cross HMO. You will find the number on your Member ID card.

Doctor means a doctor of medicine (M.D.) or doctor of osteopathy (D.O.) who is licensed to practice medicine or osteopathy where the care is given.

Drug means a prescribed drug approved by the State of California or the federal government for use by the public. Under this *plan*, insulin is thought of as a *prescription drug*.

Drugstore means a store where you get medicine from a licensed pharmacist.

Emergency is a sudden, serious, and unexpected illness, injury, or health problem (including sudden and unexpected severe pain). This includes any illness, injury or health problem you reasonably believe could endanger your health if you don't get medical care right away. We or your *medical group* will make the final decision about whether services were given for an emergency.

Emergency services are services given because of a medical or psychiatric *emergency*.

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

Facility-based care is care provided in a *hospital, psychiatric health facility, or residential treatment center* for the treatment of *mental or nervous disorders or severe mental disorders*.

Formulary drug is a *drug* listed on the *Prescription Drug Formulary*.

Generic drug is the same as one or more *brand name drugs* and is approved by the government. It must be as safe, pure, strong, and work as well as the *brand name drug*.

Guest membership is a special way you can get care when you go out of town for more than 90 days. If you know ahead of time, you can apply for a guest membership in a *medical group* in the city you are going to visit. Call the Blue Cross HMO *Customer service number* on your Member ID card and ask for the Guest Membership Coordinator.

Health care provider means the kinds of providers, other than M.D.s or D.O.s, that take care of your health and are covered under this *plan*. The provider must:

- ◆ Have a license to practice where the care is given.
- ◆ Provide a service covered by that license.
- ◆ Give you a service that is paid for under this *plan* and would be paid if given by a *doctor*.

Home health agencies are licensed providers who give you skilled nursing and other services in your home. Medicare must approve them as home health providers and/or be recognized by the Joint Commission on the Accreditation of Healthcare Organizations.

Hospice is an agency or organization that gives a specialized form of interdisciplinary care that controls pain and relieves symptoms and helps with the physical, emotional, social, and spiritual discomforts of a terminally ill person, as well as giving support to the primary caregiver and the patient's family. A hospice must be currently licensed as a hospice according to Health and Safety

Code section 1747 or a licensed *home health agency* with federal Medicare certification according to Health and Safety Code sections 1726 and 1747.1. You may ask for a list of *hospices*.

Hospital is a place which provides diagnosis, treatment and care supervised by *doctors*. It must be licensed as a general acute care hospital.

The term hospital will also include *psychiatric health facilities* (only for acute care of a *mental or nervous disorder* or *severe mental disorder*).

Independent practice association (IPA) is a *medical group* made up of a group of *doctors* who practice in private offices. The IPA has an agreement with Blue Cross to provide health care.

Infertility means: (1) you have a health problem your *doctor* sees as the reason you are unable to have a baby; or (2) you are unable to get pregnant or to carry a pregnancy to a live birth after a year or more of having sex without birth control.

Investigative 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.

Limited fee schedule shows the maximum amounts we'll allow for *prescriptions* filled at *drugstores* not with Blue Cross. These amounts are the lower of billed charges or the average wholesale price. "Average wholesale price" is a term used by the pharmacy industry as a reference for pricing.

Medical group is a group of *doctors* with an agreement with Blue Cross to provide health care.

Medically necessary procedures, services, supplies or equipment are those that Blue Cross decides are:

- ◆ Appropriate and necessary for the diagnosis or treatment of the medical condition;
- ◆ Provided for the diagnosis or direct care and treatment of the medical condition;

- ◆ Within standards of good medical practice within the organized medical community;
- ◆ Not primarily for your convenience, or for the convenience of your *doctor* or another provider; and
- ◆ 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:
 - 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
 - Generally accepted forms of treatment that are less invasive have been tried and found to be ineffective or are otherwise unsuitable; and
 - 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 person who gets the health plan from his or her employer or an enrolled family member.

Membership Change Form is a form you need to make changes in your health plan. You may need a new *medical group*, or to add a new family member. Ask your employer for the form if you need it.

Member drugstore means a drugstore that has a contract and works with Blue Cross to give you services. Call your local drugstore and ask if it works with Blue Cross. Or call the toll-free customer service telephone number to find a drugstore with Blue Cross.

Mental or nervous disorders are health problems that affect:

- ◆ Your thinking and your ability to figure things out.
- ◆ The way you see or hear things.
- ◆ The way you feel.
- ◆ The way you act.

A mental or nervous disorder is seen mainly as symptoms or signs that are distortions of normal thinking, seeing, feeling, or acting. This is true no matter what the cause of the disorder may be.

Any condition meeting this definition is a mental or nervous disorder no matter what the cause of the condition may be; but medical conditions that are caused by your behavior that may be associated with these mental conditions (such as self-inflicted injuries) and treatment for *severe mental disorders* are not subject to limitations that apply to mental or nervous disorders.

Non-member drugstores mean drugstores that are not part of the Blue Cross network. Most of the time, you will have to pay more out of your pocket when you go to one of these drugstores.

Open Enrollment is a period of time each year that you can change your *plan* options. You can also add or drop eligible family members if you need to. Talk to your employer about when Open Enrollment takes place.

Plan is the set of benefits talked about in this booklet. From time to time, there may be some changes in what is covered depending on the *agreement* we have with your employer. If changes are made to the plan, you will get a new booklet or a copy of an amendment showing the changes that were made.

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

Prescription Drug Formulary is one which we have made of *prescription drugs* for outpatient use that may be cost-effective, therapeutic choices. Any *drug store* with Blue Cross can assist you in buying *drugs* listed on the Prescription Drug Formulary.

Primary care doctor is a *doctor* who is a member of the *medical group* you have chosen to give you health care. *Primary care doctors* include general and family practitioners, internists and pediatricians. Certain *specialists* as we may approve may also be designated *primary care doctors*.

Prior plan is a plan sponsored by your employer which was replaced by this *plan* within 60 days of when it ended. You are considered covered under the prior plan if you:

- ◆ Were covered under the prior plan on the date that plan ended;
- ◆ Properly enrolled for coverage within 31 days of this *plan's* effective date; and
- ◆ Had coverage terminate solely due to the prior plan's ending.

Prosthetic devices take the place of a body part that does not work or is missing. These include orthotic devices, rigid or semi-supportive devices which may support the motion of a weak or diseased part of the body.

Psychiatric health facility is a 24-hour facility, that is:

- ◆ Licensed by the California Department of Health Services.
- ◆ Qualified to provide short-term inpatient treatment.
- ◆ Accredited by the Joint Commission on Accreditation of Health Care Organizations (JCAHCO).
- ◆ Staffed by a professional staff which includes a *doctor* as medical director.

Residential treatment center is an inpatient treatment facility where the *member* resides in a modified community environment and follows a comprehensive medical treatment regimen for treatment and rehabilitation of *mental disorder or nervous disorders* or *severe mental disorder*. The facility must be licensed to provide psychiatric treatment of *mental disorders or nervous disorders* or *severe mental disorders* according to state and local laws.

Retired employee is a former employee of the group employer who meets the group employer's rules for retirement.

Severe mental disorders include the following psychiatric diagnoses listed 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).

Benefits for severe mental disorders will be provided according to the *plan's* benefits for medical conditions, and will not be subject to *plan* provisions for *mental or nervous disorders*.

Skilled nursing facility is a place that gives 24-hour skilled nursing services. It must be licensed and be seen as a skilled nursing facility under Medicare. For the purpose of care given for the treatment of *mental or nervous disorders* or *severe mental disorders*, the term “skilled nursing facility” includes *residential treatment center*.

Stay is when you are admitted as an inpatient to a *hospital* or nursing facility. It starts when you are admitted to a facility and ends when you are discharged from that facility.

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

Specialty care center means a center that is accredited or designated by an agency of the State of California or the federal government or by a voluntary national health organization having special expertise in treating the life-threatening disease or condition or degenerative and disabling disease or condition for which it is accredited or designated.

Specialty pharmacy drugs are high-cost, injectable, infused, oral or inhaled medications that generally require close supervision and monitoring of their effect on the patient by a medical professional. These drugs often require special handling, such as temperature controlled packaging and overnight delivery, and are often unavailable at retail *drugstores*.

Standing referral means a referral by a *primary care doctor* to a *specialist* for more than one visit to the *specialist*, as indicated in the treatment plan, if any, without the *primary care doctor* having to provide a specific referral for each visit.

Surgery center is a facility (not a *hospital* or *doctor's* office) that does surgery when you do not have to stay overnight. The center must be licensed and meet the standards of JCAHCO.

Totally disabled means because of illness or injury, you cannot work for income at any job that you are trained for and you are unemployed. If you are retired, it means you cannot do all the activities usual for a person of your age. For a family member it means he or she cannot do all the activities usual for persons of that age.

Urgent care means the services you get for a sudden, serious, or unexpected illness, injury or condition to keep your health from getting worse. It is not an *emergency*. Care is needed right away to relieve pain, find out what is wrong, or treat the health problem.

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; this can save the lives of as many as eight people and improve the lives of another 50 people. 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. You may register as a donor by obtaining 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. In California, you may also register online at:

www.donatelifecalifornia.org/

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 the 800 number on your identification card or on the Blue Cross of California web site at **www.bluecrossca.com**. To access benefit information, claims payment status, benefit maximum status, participating providers or to order an ID card, simply log on to the web site, select "Member", and click the "Register" button on your first visit to establish a User ID and Password to access the personalized and secure MemberAccess Web site. Once registered, simply click the "Login" button and enter your User ID and Password to access the MemberAccess Web site. Our privacy statement can also be viewed on our website. You may also submit a grievance online or print the Plan Grievance form through the website.

Chiropractic and Acupuncture Care Amendment

Your Blue Cross HMO Combined Evidence of Coverage and Disclosure (Evidence of Coverage) Form is changed by this amendment. All other provisions of the Evidence of Coverage which don't conflict with this amendment remain in effect.

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

These benefits are in addition to the benefits described in the "Rehabilitative Care" and "Doctor Care" provisions in the "What We Cover" section of your Evidence of Coverage. **However, when you are treated by an *ASH Plans Chiropractor* or *ASH Plans Acupuncturist*, services will not be covered other than those benefits specifically described in this amendment.**

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

Words and phrases in italics are described in the "Important Words to Know" sections of your Evidence of Coverage and this amendment.

When You Need Chiropractic or Acupuncture Care

Choosing an *ASH Plans Chiropractor* or *ASH Plans Acupuncturist*. Your employer will give you a directory listing of *ASH Plans chiropractors* or *ASH Plans acupuncturists* in your area. You may also call **1-800-678-9133** to get help in finding an *ASH Plans chiropractor* or *ASH Plans acupuncturist* or to make sure that a *chiropractor* is an *ASH Plans chiropractor* or an *acupuncturist* is an *ASH Plans acupuncturist*.

Your First Visit. You must make an appointment with an *ASH Plans chiropractor* or *ASH Plans acupuncturist* for an examination of your condition. You do not need a referral from your *primary care doctor* to see an *ASH Plans chiropractor* or *ASH Plans acupuncturist*.

Bring your Member ID card. You will be asked to fill out an ASH Plans Eligibility Guarantee and Assignment of Benefits form.

Services Must be Approved. All services must be approved by ASH Plans as *medically/clinically necessary*, except for:

- ◆ An initial new patient exam by an *ASH Plans chiropractor* or *ASH Plans acupuncturist* and the provision or commencement, during the initial new patient exam, of *medically/clinically necessary* services that are chiropractic or acupuncture services, to the extent services are consistent with professionally recognized, valid, evidence-based standards of practice; and
- ◆ Emergency services.

If additional services are required after the initial new patient exam and ASH Plans approves them as *medically/clinically necessary*, you are covered up to the maximum number of visits shown under “What We Cover.”

All visits to an *ASH Plans chiropractor* or *ASH Plans acupuncturist* will be applied towards the maximum number of visits in a calendar year.

Services Not Approved. An *ASH Plans chiropractor* or *ASH Plans acupuncturist* may provide non-covered services. However, you must agree in writing, before receiving non-covered services, to pay for them yourself. If an *ASH Plans chiropractor* or *ASH Plans acupuncturist* provides non-covered services without obtaining your written acknowledgment prior to providing the non-covered services, you will not be financially responsible to pay the provider for such non-covered services.

What We Cover

Chiropractic Care	Copay
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◆ Office visit.....\$10*

* Only one Copay will be required per visit regardless of the number of covered services furnished during the visit.

You may have up to **30** visits, combined with visits for acupuncture services, in a calendar year for covered services that are determined by ASH Plans to be *medically/clinically necessary*. Covered services include:

- An initial new patient exam provided by an *ASH Plans chiropractor* to determine the appropriateness of chiropractic services. An initial new patient exam is only covered if the *member* seeks services from an *ASH Plans chiropractor* for any injury, illness, disease, functional disorder or condition with regard to which the *member* is not, at that time, receiving services from an *ASH Plans chiropractor*. You are required to pay a Copay.
- Follow-up office visits, as set forth in a treatment plan approved by ASH Plans, including manipulation of the spine, joints and/or musculoskeletal soft tissue, re-evaluation, and/or other services, in various combinations, provided by an *ASH Plans chiropractor*. All follow-up office visits must be *medically/clinically necessary*. You are required to pay a Copay.
- An established patient exam performed by an *ASH Plans chiropractor* when determined by ASH Plans to be *medically/clinically necessary* to assess the need to continue, extend or change a treatment plan approved by ASH Plans. An established patient exam is only covered when used to determine the appropriateness of chiropractic services. You are required to pay a Copay.

- Adjunctive physiotherapy modalities and procedures, as set forth in a treatment plan approved by ASH Plans, including therapies such as ultrasound, hot packs, cold packs, electrical muscle stimulation, and other therapies provided by an *ASH Plans chiropractor*. Adjunctive physiotherapy modalities and procedures are covered only when provided during the same course of treatment, and in conjunction with, chiropractic manipulation of the spine, joints and/or musculoskeletal soft tissue. All adjunctive physiotherapy modalities and procedures must be *medically/clinically necessary* for the treatment of neuromusculoskeletal disorders and provided in conjunction with chiropractic services. If adjunctive therapy is provided separately from an office visit, you are required to pay a Copay.

Your *ASH Plans chiropractor* is responsible for submitting a treatment plan to ASH Plans for prior approval.

- ◆ X-rays and laboratory tests when prescribed by an *ASH Plans chiropractor* and approved by ASH Plans.**No Copay**

Covered services include radiological consultations when determined by ASH Plans to be *medically/clinically necessary* and provided by a licensed chiropractic radiologist, medical radiologist, radiology group or hospital which has contracted with ASH Plans to provide those services.

- ◆ Chiropractic appliances, up to **\$50** in a calendar year, when prescribed by an *ASH Plans chiropractor* and approved by ASH Plans as *medically/clinically necessary* by ASH Plans.....**No Copay**

Covered chiropractic appliances are limited to:

- Elbow supports, back supports (thoracic), lumbar braces and supports, rib supports, or wrist supports;
- cervical collars or cervical pillows;
- ankle braces, knee braces, or wrist braces;

- heel lifts;
- hot or cold packs;
- lumbar cushions;
- rib belts or orthotics; and
- home traction units for treatment of the cervical or lumbar regions.

Acupuncture Services	Copay
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◆ Office visit.....\$10*

* Only one Copay will be required per visit regardless of the number of covered services furnished during the visit.

You may have up to **30** visits, combined with visits for chiropractic care, in a calendar year for covered services that are determined by ASH Plans to be *medically/clinically necessary*.

Covered services include:

- An initial new patient exam provided by an *ASH Plans acupuncturist* to determine the appropriateness of acupuncture services. An initial new patient exam is only covered if the *member* seeks services from an *ASH Plans acupuncturist* for any injury, illness, disease, functional disorder or condition with regard to which the *member* is not, at that time, receiving services from an *ASH Plans acupuncturist*. You are required to pay a Copay.
- Follow-up office visits, as set forth in a treatment plan approved by ASH Plans, including acupuncture services and/or re-evaluation provided by an *ASH Plans acupuncturist*. All follow-up visits must be *medically/clinically necessary*. You are required to pay a Copay.
- An established patient exam performed by an *ASH Plans acupuncturist* when determined by ASH Plans to be *medically/clinically necessary* to assess the need to

continue, extend or change a treatment plan approved by ASH Plans. An established patient exam is only covered when used to determine the appropriateness of acupuncture services. You are required to pay a Copay.

- Adjunctive therapy, as set forth in a treatment plan approved by ASH Plans, including therapies such as acupressure, cupping, moxibustion, or breathing techniques provided by an *ASH Plans acupuncturist*. Adjunctive therapy is covered only when provided during the same course of treatment, and in conjunction with, acupuncture. All adjunctive therapy must be *medically/clinically necessary* for the treatment of neuromusculoskeletal disorders, nausea or pain and provided in conjunction with acupuncture services. If adjunctive therapy is provided separately from an office visit, you are required to pay a Copay.

When You Want a Second Opinion. If you would like a second opinion with regard to covered services provided by an *ASH Plans chiropractor* or *ASH Plans acupuncturist*, you will have direct access to another *ASH Plans chiropractor* or *ASH Plans acupuncturist*. If an *ASH Plans chiropractor* or *ASH Plans acupuncturist* refers you to another *ASH Plans chiropractor* or *ASH Plans acupuncturist*, your visit for the second opinion will not be applied towards the maximum visits in a calendar year. If you self-refer to another *ASH Plans chiropractor* or *ASH Plans acupuncturist*, your visit for the second opinion will count towards the calendar year visit maximum, and you must pay any office visit Copay that applies.

What We Do Not Cover

- ◆ **Care Not Approved.** Any services provided by an *ASH Plans chiropractor* or *ASH Plans acupuncturist* that are not approved by ASH Plans, except as specified under “When You Need Chiropractic or Acupuncture Care.” An *ASH Plans chiropractor* or *ASH Plans acupuncturist* is responsible for submitting a treatment plan to ASH Plans for prior approval.

◆ **Care Not Covered.** In addition to any service or supply specifically excluded in the “What We Do Not Cover” section of your Evidence of Coverage, no benefits will be provided for chiropractic or acupuncture services or supplies in connection with:

- Diagnostic scanning, such as magnetic resonance imaging (MRI) or computerized axial tomography (CAT) scans. Diagnostic services for acupuncture.
- Thermography.
- Hypnotherapy.
- Behavior training.
- Sleep therapy.
- Weight programs.
- Any non-medical program or service.
- Pre-employment exams, any chiropractic or acupuncture services required by an employer that are not *medically/clinically necessary*, or vocational rehabilitation.
- Services and/or treatments which are not documented as *medically/clinically necessary*.
- Massage therapy.
- Acupuncture performed with reusable needles.
- Acupuncture services benefits are not provided for magnets used for diagnostic or therapeutic use, ion cord devices, manipulation or adjustments of the joints, physical therapy services, iridology, hormone replacement products, acupuncture point or trigger-point injections (including injectable substances), laser/laser biostim, colorpuncture, NAET diagnosis and/or treatment, and direct moxibustion.
- Any service or supply for the exam and/or treatment by an *ASH Plans chiropractor* for conditions other than those related to neuromusculoskeletal disorders.

- Services from an *ASH Plans acupuncturist* for examination and/or treatment for conditions not related to neuromusculoskeletal disorders, nausea or pain, including, without limitation, asthma or addictions such as nicotine addiction.
 - Transportation costs including local ambulance charges.
 - Education programs, non-medical self-care or self-help, or any self-help physical exercise training or any related diagnostic testing.
 - Hospitalization, surgical procedures, anesthesia, manipulation under anesthesia, proctology, colonic irrigation, injections and injection services, or other related services.
 - All auxiliary aids and services, including, but not limited to, interpreters, transcription services, written materials, telecommunications devices, telephone handset amplifiers, television decoders and telephones compatible with hearing aids.
 - Adjunctive therapy not associated with spinal, muscle or joint manipulation.
 - Laboratory and diagnostic x-ray studies, unless specifically stated in the section “What We Cover.”
- ◆ ***Non-ASH Plans chiropractors or non-ASH Plans acupuncturists.*** Services and supplies provided by a *chiropractor* or an *acupuncturist* who does not have an agreement with ASH Plans to provide covered services under this *plan*.
- ◆ **Work-Related.** Care for health problems that are work-related if such health problems are covered by workers’ compensation, an employer’s liability law, or a similar law. We will provide care for a work-related health problem, but, we have the right to be paid back for that care. See “Getting Repaid by a Third Party” below.

- ◆ **Government Treatment.** Any services actually given to you by a local, state or federal government agency, except when this *plan's* benefits, must be provided by 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.
- ◆ **Drugs.** Prescription drugs or medicines, including a non-legend or proprietary medicine or medication not requiring a prescription.
- ◆ **Supplements.** Vitamins, minerals, dietary and nutritional supplements or other similar products, and any herbal supplements.
- ◆ **Air Conditioners.** Air purifiers, air conditioners, humidifiers, supplies or any other similar devices or appliances. All appliances or durable medical equipment, except as specifically stated in the section "What We Cover."
- ◆ **Personal Items.** Any supplies for comfort, hygiene or beauty purposes, including therapeutic mattresses.
- ◆ **Out-of-Area and Emergency Care.** Out-of-area care is not covered under this Chiropractic and Acupuncture Care benefit, except for emergency services. Please follow the procedures outlined in the "When There is an Emergency" section of your Evidence of Coverage to obtain *emergency* care or out-of-area care.

Getting Repaid by a Third Party

Sometimes someone else may have to pay for your medical care if an injury, disease, or other health problem is their fault or their responsibility. Whatever we cover will depend on the following:

- ◆ Your *medical group* and Blue Cross will automatically have a legal claim (lien) to get back the costs we covered, if you get a settlement or judgment from the other person or their insurer or guarantor. We should get back what we spent on your medical care.

- If we paid the provider other than on a capitated basis, our lien will not be more than amount we paid for those services.
 - If we paid the provider on a capitated basis, our lien will not be more than 80% of the usual and customary charges for those services in the geographic area in which they were given.
 - If you hired an attorney to gain your recovery from the third party, our lien will not be for more than one-third of the money due you under any final judgment, compromise, or settlement agreement.
 - If you did not hire an attorney, our lien will not be for more than one-half of the money due you under any final judgment, compromise or settlement agreement.
 - If a final judgment includes a special finding by a judge, jury, or arbitrator that you were partially at fault, our lien will be reduced by the same comparative fault percentage by which your recovery was reduced.
 - Our lien is subject to a pro rata reduction equal to your reasonable attorney's fees and costs in line with the common fund doctrine.
- ◆ You must write to your *medical group* and Blue Cross about your claim within 60 days of filing a claim against the third party.
 - You will need to sign papers and give us the help we need to get back our costs.
 - If you don't do this, you will have to pay us back out of your own money.
 - ◆ We will have the right to get our money back, even if what you, or someone acting for you, got back is less than the actual loss you suffered.

Important Words to Know

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

ASH Plans acupuncturist means an *acupuncturist* who has entered into an agreement with American Specialty Health Plans of California, Inc. (ASH Plans) to provide acupuncture services under this *plan*.

ASH Plans chiropractor means a *chiropractor* who has entered into an agreement with the American Specialty Health Plans of California, Inc. (ASH Plans) to provide covered services under this *plan*.

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

Medically/clinically necessary services or supplies, for the purposes of this amendment only, are those chiropractic services and/or acupuncture services which are necessary, appropriate, safe, effective, and rendered in accordance with professionally recognized, valid, evidenced-based standards of practice.

Non-ASH Plans acupuncturist means an *acupuncturist* who does not have an agreement with ASH Plans to provide covered services under this *plan*.

Non-ASH Plans chiropractor means a *chiropractor* who does not have an agreement with the ASH Plans to provide covered services under this *plan*.

Summary Plan Description

The following information is provided to you in accordance with the Employee Retirement Income Security Act of 1974 (ERISA) – It is not a part of your Evidence of Coverage and Disclosure (Evidence of Coverage) Form. But, this document together with the attached Evidence of Coverage form, issued by Blue Cross of California, constitutes the Summary Plan Description required by ERISA.

1. **Plan Name.** The designated name of the Plan is Pepperdine University Health and Welfare Plan.
2. **Plan Sponsor.** The name and address of the entity which established and maintains the Plan is:

Pepperdine University
24255 Pacific Coast Highway
Malibu, California 90263

(310) 506-4397

3. **Plan Numbers:**
The Employer's Identification Number (EIN) is 95-1644037.
The Plan Number is 501.
4. **Type of Plan.** The Plan is an employee welfare benefit plan providing group medical benefits.
5. **Source of Plan Contributions.** The contributions necessary to finance the Plan are provided by the employer and the employees. However, any contributions necessary to cover a retiree and/or his dependents are paid entirely by the retiree. Any required employee contributions under this plan are subject to the Pre-Tax Premium Cafeteria Plan of Pepperdine University.

6. **Plan Year.** The Plan's records are maintained on a plan year basis beginning each year on September 1 and ending on the following August 31.
7. **Type of Administration/Funding.** Benefits are furnished under a health care plan purchased by the Plan Sponsor and provided by Blue Cross of California (Blue Cross) under which Blue Cross is financially responsible for the payment of benefits.

Blue Cross' address is:

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

8. **Plan Administrator.** The name, address and telephone number of the Plan Administrator is:

Pepperdine University
24255 Pacific Coast Highway
Malibu, California 90263
(310) 506-4397

9. **Agent for Service of Legal Process.** The name and address of the designated agent for the service of legal process for the Plan is:

Vice President and General Counsel
Pepperdine University
24255 Pacific Coast Highway
Malibu, California 90263

(310) 506-4607

Service of legal process may also be served upon the Plan Administrator, Pepperdine University.

10. Description of Benefits. The Evidence of Coverage pages set forth the benefits, copays, benefit maximums, limitations and exclusions, and the extent to which preventive care is provided under the Blue Cross HMO Plan. An explanation of the benefits, copays, benefit maximums, limitations and exclusions and the extent to which preventive care is covered, may be found in the sections “Getting Started (including the subsections ‘Choosing Your Primary Care Doctor,’ ‘If You Need Help Choosing,’ ‘Changing Your Medical Group,’ and ‘Reproductive Health Care Services’),” “When You Need Care (including the subsections ‘When You Need Routine Care,’ ‘When You Need a Referral,’ ‘If You Are A Woman,’ ‘Care for Mental or Nervous Disorders,’ ‘When You Want a Second Opinion,’ ‘When You Need a Hospital Stay,’ ‘When There is an Emergency,’ ‘You Need Urgent Care and You’re Out of Area,’ ‘Getting Care When You Are Outside of California,’ ‘If You and Your Doctor Don’t Agree,’ and ‘We Want You to Have Good Health’),” “Working Together for Your Health,” “Your Benefits at Blue Cross HMO (including the subsections ‘What are Copays?,’ ‘Here are the Copay Limits,’ and ‘What we Cover’),” “Medical Management Programs (including the subsections ‘Utilization Review Program,’ and ‘Disagreement with Medical Management Program Decisions’)” “What We Do Not Cover (including the subsections ‘Kinds of Services You Cannot Get with this Plan,’ and ‘Other Services Not Covered’),” “How to Make a Complaint,” “Other Things You Should Know (including the subsections ‘Getting Repaid by a Third Party,’ ‘Coordination of Benefits,’ ‘If You Qualify for Medicare’),” and “Important Words to Know.” Information about prescription drug benefits, copays benefit maximums, limitations and exclusions, including what drugs are covered under the Blue Cross HMO Plan, and how it is decided what drugs the plan will cover, is provided in the sections “Getting Prescription Drugs (including the subsections ‘Getting Your Medicine at a Drugstore,’ ‘Getting Your Medicine Through the Mail,’ ‘What You Will Need to Pay,’ ‘We Cover These Drug

Services and Supplies,’ and ‘Drug Services and Supplies Not Covered’).”

If your health care plan includes coverage for pregnancy and maternity care, Federal law prohibits the restriction of benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a normal delivery or 96 hours following a cesarean section, unless the mother and the physician decide on an earlier discharge. A health care provider also may not be required to obtain authorization for prescribing a length of stay for childbirth that does not exceed these time periods.

Statement of Rights Under the Women’s Cancer Rights Act of 1998

Did you know that your plan, as required by the Women’s Cancer Rights Act of 1998, provides benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from mastectomy (including lymphedema)? Call your Plan Administrator (see item 8 above) for more information.

Coverage for a Child Due to a Qualified Medical Support Order (“QMCSO”)

If you or your spouse are required, due to a QMCSO, to provide coverage for your child(ren), you may ask your employer or Plan Administrator to provide you, without charge, a written statement outlining the procedures for getting coverage for such child(ren).

Blue Cross HMO Network

In order to get benefits under this plan, your care must be provided or coordinated by a primary care doctor, who is an independent contractor, who participates in the Blue Cross of California HMO network. Information about choosing a primary care doctor is in the section of the booklet entitled "Getting Started." Directories of primary care doctors and medical groups, that are independent contractors, are given to each employee when they first enroll and as requested after that. The directories are provided to covered members free of charge.

11. **Eligibility for Participation.** The eligibility requirements for participation under the Blue Cross HMO Plan are set forth in the Evidence of Coverage Form in the section entitled "What You Should Know About Your Coverage" under the subsection "How Your Coverage Begins."
12. **Summary Plan Modification Date:** Amended through September 1, 2006.
13. **Grounds for Ineligibility or Loss or Denial of Benefits.** Details describing the circumstances which may result in: (a) disqualification from the Blue Cross HMO Plan; (b) ineligibility for benefits; or (c) denial, loss, forfeiture or suspension of benefits under the Plan are set forth and identified in the Evidence of Coverage Form, as outlined below:
 - Reasons for ineligibility or loss of benefits may be found in the section entitled "What You Should Know About Your Coverage" under the subsection "How Your Coverage Ends."
 - Benefits may be denied or suspended if statements a Plan participant has made in connection with obtaining coverage were false.

- Information concerning situations under which benefits may be reduced or denied may also be found in the sections “Getting Started (including the subsections ‘Choosing Your Primary Care Doctor,’ ‘If You Need Help Choosing,’ ‘Changing Your Medical Group,’ and ‘Reproductive Health Care Services’),” “When You Need Care (including the subsections ‘When You Need Routine Care,’ ‘When You Need a Referral,’ ‘If You Are A Woman,’ ‘Care for Mental or Nervous Disorders,’ ‘When You Want a Second Opinion,’ ‘When You Need a Hospital Stay,’ ‘When There is an Emergency,’ ‘You Need Urgent Care and You’re Out of Area,’ ‘Getting Care When You Are Outside of California,’ ‘If You and Your Doctor Don’t Agree,’ and ‘We Want You to Have Good Health’),” “Working Together for Your Health,” “Your Benefits at Blue Cross HMO (including the subsections ‘What are Copays?,’ ‘Here are the Copay Limits,’ and ‘What we Cover’),” “Medical Management Programs (including the subsections ‘Utilization Review Program,’ and ‘Disagreement with Medical Management Program Decisions’)” “What We Do Not Cover (including the subsections ‘Kinds of Services You Cannot Get with this Plan,’ and ‘Other Services Not Covered’),” “How to Make a Complaint,” “Other Things You Should Know (including the subsections ‘Getting Repaid by a Third Party,’ ‘Coordination of Benefits,’ ‘If You Qualify for Medicare’),” and “Important Words to Know.” Information about prescription drug benefits, copays benefit maximums, limitations and exclusions, including what drugs are covered under the Blue Cross HMO Plan, and how it is decided what drugs the plan will cover, is provided in the sections “Getting Prescription Drugs (including the subsections ‘Getting Your Medicine at a Drugstore,’ ‘Getting Your Medicine Through the Mail,’ ‘What You Will Need to Pay,’ ‘We Cover These Drug Services and Supplies,’ and ‘Drug Services and Supplies Not Covered’).”

14. Claims Procedures. The Evidence of Coverage Form contains information on reporting claims, including the time limitations on submitting a claim. Claim forms may be obtained from the Plan Administrator or Blue Cross. In addition to this information, ERISA applies some additional claim procedure rules. The additional rules required by ERISA are set forth below.

Urgent Care. Blue Cross must notify you, within 72-hours after they receive your request for benefits, that they have it and what they determine your benefits to be. If your request for benefits does not contain all the necessary information, they must notify you within 24-hours after they get it and tell you what information is missing. Any notice to you by them will be orally, by telephone, or in writing by facsimile or other fast means. You have at least 48-hours to give them the additional information they need to process your request for benefits. You may give them the additional information they need orally, by telephone, or in writing by facsimile or other fast means.

If your request for benefits is denied in whole or in part, you will receive a notice of the denial within 72-hours after Blue Cross' receipt of the request for benefits, or 48 hours after receipt of all the information they need to process your request for benefits, if the information is received within the time frame stated above. The notice will explain the reason for the adverse benefit determination and the plan provisions upon which the denial decision was based. You have 180-days to appeal their adverse benefit determination. You may appeal their decision orally, by telephone, or in writing by facsimile or other fast means. Within 72-hours after they receive your appeal, they must notify you of their decision, except as otherwise noted below. They will notify you orally, by telephone, or in writing by facsimile or other fast means. If your request for benefits is no longer considered urgent, it will be handled in the same manner as a Non-Urgent Care Pre-

Service or Post-service appeal, depending upon the circumstances.

Non-Urgent Care Pre-Service (when care has not yet been received). Blue Cross must notify you within 15-days after they receive your request for benefits that they have it and what they have determined your benefits to be. If they need more than 15-days to determine your benefits, due to reasons beyond their control, they must notify you within that 15-day period that they need more time to determine your benefits. But, in any case, even with an extension, they cannot take more than 30-days to determine your benefits. If you do not properly submit all the necessary information for your request for benefits to them, they must notify you, within 5-days after they get it and tell you what information is missing. You have 45-days to provide them with the information they need to process your request for benefits. The time period during which Blue Cross is waiting for receipt of the necessary information is not counted toward the time frame in which Blue Cross must make the benefit determination.

If your request for benefits is denied in whole or in part, you will receive a written notice of the denial within the time frame stated above after Blue Cross has all the information they need to process your request for benefits, if the information is received within the time frame stated above. The written notice will explain the reason for the adverse benefit determination and the plan provisions upon which the denial decision is based. You have 180-days to appeal their adverse benefit determination. Your appeal must be in writing. Within 30-days after they receive your appeal, they must notify you of their decision about it. Their notice of their decision will be in writing.

Concurrent Care Decisions:

- **Reduction of Benefits** – If, after approving a request for benefits in connection with your illness or injury, Blue Cross decides to reduce or end the benefits they have approved for you, in whole or in part:
 - They must notify you sufficiently in advance of the reduction in benefits, or the end of benefits, to allow you the opportunity to appeal their decision before the reduction in benefits or end of benefits occurs. In their notice to you, Blue Cross must explain their reason for reducing or ending your benefits and the plan provisions upon which the decision was made.
 - To keep the benefits you already have approved, you must successfully appeal Blue Cross’ decision to reduce or end those benefits. You must make your appeal to them at least 24-hours prior to the occurrence of the reduction or ending of benefits. If you appeal the decision to reduce or end your benefits when there is less than 24-hours to the occurrence of the reduction or ending of benefits, your appeal may be treated as if you were appealing an urgent care denial of benefits (see the section “Urgent Care,” above), depending upon the circumstances of your condition.
 - If Blue Cross receives your appeal for benefits at least 24-hours prior to the occurrence of the reduction or ending of benefits, they must notify you of their decision regarding your appeal within 24-hours of their receipt of it. If Blue Cross denies your appeal of their decision to reduce or end your benefits, in whole or in part, they must explain the reason for their denial of benefits and the plan provisions upon which the decision was made. You may further appeal the denial of benefits according to the rules for appeal of an urgent care denial of benefits (see the section “Urgent Care,” above).

- **Extension of Benefits** – If, while you are undergoing a course of treatment in connection with your illness or injury, for which benefits have been approved, you would like to request an extension of benefits for additional treatments:
 - You must make a request to Blue Cross for the additional benefits at least 24-hours prior to the end of the initial course of treatment that had been previously approved for benefits. If you request additional benefits when there is less than 24-hours till the end of the initially prescribed course of treatment, your request will be handled as if it was a new request for benefits and not an extension and, depending on the circumstances, it may be handled as an Urgent or Non-Urgent Care Pre-service request for benefits.
 - If Blue Cross receives your request for additional benefits at least 24-hours prior to the end of the initial course of treatment, previously approved for benefits, they must notify you of their decision regarding your request within 24-hours of their receipt of it if your request is for urgent care benefits. If Blue Cross denies your request for additional benefits, in whole or in part, they must explain the reason for their denial of benefits and the plan provisions upon which the decision was made. You may appeal the adverse benefit determination according to the rules for appeal for Urgent, Pre-Service or Post-Service adverse benefit determinations, depending upon the circumstances.

Non - Urgent Care Post-Service (reimbursement for cost of medical care). Blue Cross must notify you, within 30-days after they receive your claim for benefits, that they have it and what they determine your benefits to be. If they need more than 30-days to determine your benefits, due to reasons beyond their control, they must notify you within that 30-day period that they need more time to determine your benefits. But, in any case, even with an extension, they cannot take more than

45-days to determine your benefits. If you do not submit all the necessary information for your claim to them, they must notify you, within 30-days after they get it and tell you what information is missing. You have 45-days to provide them with the information they need to process your claim. The time period during which Blue Cross is waiting for receipt of the necessary information is not counted toward the time frame in which Blue Cross must make the benefit determination.

If your claim is denied in whole or in part, you will receive a written notice of the adverse benefit determination within the time frame stated above, after Blue Cross has all the information they need to process your claim, if the information is received within the time frame noted above. The written notice will explain the reason for the adverse benefit determination and the plan provisions upon which the denial decision is based. You have 180-days to appeal their decision. Your appeal must be in writing. Within 60-days after they receive your appeal, they must notify you of their decision about it. Their notice to you or their decision will be in writing.

Note: You, your beneficiary, or a duly authorized representative may appeal any denial of a claim for benefits with Blue Cross and request a review of the denial. In connection with such a request:

- Documents pertinent to the administration of the Plan may be reviewed free of charge; and
- Issues outlining the basis of the appeal may be submitted.

You may have representation throughout the appeal and review procedure.

For the purposes of this provision, the meanings of the terms “urgent care,” “Non-Urgent Care Pre-Service,” and “Non - Urgent Care Post-Service,” used in this provision, have the meanings set forth by ERISA for a “claim involving urgent

care,” “pre-service claim,” and “post-service claim,” respectively.

15. Amendment and Termination of the Plan. Pepperdine University (Plan Administrator) reserves the right to change, suspend, amend or end the benefits program, and the terms on which benefits, if any, will be available to its employees. The Vice President for Finance and Administration of Pepperdine University is authorized to amend or modify, in a manner consistent with the terms of the Group Benefit Agreement, or terminate the benefits program at any time and from time to time. Any such amendment, modification or termination will be made by written amendment executed by the Vice President for Finance and Administration of the University.

PLEASE NOTE: Please do not interpret any statement in this booklet to mean that your participation in Pepperdine University’s benefits program is a guarantee of continued employment or is intended to be an employment contract of any form.

STATEMENT OF ERISA RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other locations, such as worksites, all Plan documents, including insurance contracts and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies;
- Receive a summary of the Plan's annual financial report; the Plan Administrator is required by law to furnish each participant with a copy of this summary financial report.

Continue Group Health Plan Coverage

- Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this summary plan description and the documents governing the plan on the rules governing your COBRA continuation coverage rights.
- Reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of your benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, your union, or any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials requested and to pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court, except that, any dispute concerning denial or partial denial of a claim must be resolved by binding arbitration as provided in the Plan booklet, unless otherwise prohibited under any applicable state or federal law. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.



***Your Anthem Blue Cross HMO
Plan Amendment***

issued by

Anthem Blue Cross

to

PEPPERDINE UNIVERSITY

Anthem Blue Cross (“Anthem”) agrees to modify your Combined Evidence of Coverage and Disclosure (Evidence of Coverage) Form by this amendment. All other provisions of the Evidence of Coverage Form which are not inconsistent with this amendment remain in effect. Officers of Anthem have approved this amendment to become effective September 1, 2008.

The name of the company providing your benefits has changed.

1. Wherever "Blue Cross of California," appears it is replaced in each instance by “Anthem Blue Cross;”
2. Wherever “Blue Cross,” appears it is replaced in each instance by “Anthem.”

The \$100 per day copay for an inpatient *stay* for detoxification, previously excluded from applying to the *Copay Limits*, now applies to that limit.