

Alliance Health Benefit Plan

1997

**A Managed Fee-for-Service Plan
with a Preferred Provider Organization**

Sponsored by: The National Alliance of Postal and Federal Employees

Who may enroll in this Plan: All eligible civilian employees and annuitants who become members or associate members of the National Alliance of Postal and Federal Employees (NAPFE).

To become a member or associate member: At installations and subdivisions where there is a NAPFE local, you may join as a regular or associate member. If there is no local, or you are an annuitant, you will automatically become an associate member of the NAPFE.

Membership dues: \$170 per year. New members will be billed for annual dues when the Plan receives notice of enrollment. Continuing members will be billed by the Plan for the annual membership.

Enrollment code for this Plan:

YQ1 Self only

YQ2 Self and family

The National Alliance of Postal and Federal Employees (Carrier) has entered into Contract No. CS 1164 with the Office of Personnel Management (OPM) to provide a health benefits plan (Plan) authorized by the Federal Employees Health Benefits (FEHB) law. The Plan is underwritten by Aetna Life Insurance Company **which administers this Plan on behalf of the Carrier and is referred to as Carrier in this brochure.** The FEHB contract specifies the manner in which it may be modified or terminated.

This brochure is based on text incorporated into the contract between OPM and the Carrier as of January 1, 1997 and is intended to be a complete statement of benefits available to FEHB members. It describes the benefits, exclusions, limitations, and maximums of the Alliance Health Benefit Plan for 1997 and until amended by future benefit negotiations between OPM and the **Carrier**. It also describes procedures for obtaining benefits. You should use this brochure to determine your entitlement to benefits. However, if conflicts are discovered between the **language** of this brochure and **the contract, the contract will control.** Oral statements cannot modify the benefits described in this brochure.

An enrollee does not have a vested right to receive the benefits in this brochure in 1998 or later years, and does not have a right to benefits available prior to 1997 unless those benefits are contained in this brochure.

Inspector General Advisory: Stop Health Care Fraud!

Fraud increases the cost of health care for everyone. Anyone who intentionally makes a false statement or a false claim in order to obtain FEHB benefits or increase the amount of **FEHB** benefits is subject to prosecution for FRAUD which may result in CRIMINAL PENALTIES.

Please review all medical bills, medical records and claims statements carefully. If you find that a provider, such as a doctor, hospital, pharmacy, etc., charged your Plan for services you did not receive, billed for the same service twice, or misrepresented any other information, take the following actions:

- Call the provider (doctor, hospital, etc.) and ask for an explanation - sometimes the problem is a simple error.
- If the provider does not resolve the matter, or if you remain concerned, call your **Carrier** at (202) 939-6325 and explain the situation.
- If the matter is not resolved after speaking to your Carrier (and you still suspect fraud has been committed), call or write:

THE HEALTH CARE FRAUD HOTLINE 202/418-3300

The Office of Personnel Management
Office of the Inspector General Fraud Hotline
1900 E Street, N.W., Room 6400
Washington, D.C., 20415

The inappropriate use of membership identification cards, e.g., to obtain benefits for a person who is not an

eligible family member or after you are no longer **enrolled in the Plan**, is also subject to review by the Inspector General **and may result in an adverse administrative action by your agency**.

Using This Brochure

The Table of Contents will help you find the information you need to make the best use of your benefits. To get the best value for your money, you should read Facilities and Other Providers. It will help you understand how your choice of doctors and hospitals will affect how much you pay for services under this Plan.

This brochure explains all of your benefits. It's important that you read about your benefits so you will know what to expect when a claim is filed. Most of the benefit headings are self-explanatory. Other Medical Benefits and Additional Benefits, on the other hand, both include a variety of unrelated benefits. What is different about these benefits is how they are paid: Other Medical Benefits are paid after you satisfy the calendar year deductible and Additional Benefits are generally not subject to the calendar year deductible.

You will find that some benefits are listed in more than one section of the brochure. This is because how they are paid depends on which provider bills for the service. For example, physical therapy is paid one way if it is billed by an inpatient facility and paid another way when it is billed by a doctor, physical therapist or outpatient facility.

The last part of the brochure contains information useful to you under certain circumstances. For example, if you have to go to the hospital you need to read Precertification; hospital stays must be precertified for all payable benefits to apply. If you are enrolled in Medicare, take a look at This Plan and Medicare. And, the Enrollment Information section tells you about several FEHB enrollment requirements that could affect your future coverage.

Table of Contents

	Page
How This Plan Works	
Help Contain Costs.....	xx
Ways you and the Carrier can work together to keep costs down	
Facilities and Other Providers.....	xx
Medical personnel and facilities covered by this Plan and how your choice of provider will affect what you pay for benefits	
Cost Sharing.....	xx
What you need to know about deductibles, coinsurance and copayments , your share of covered health care expenses, and the maximum amounts this Plan will pay for certain types of care	
General Limitations.....	xx
How the Plan works if you have other health care coverage or receive health care services through another Government program; limit on your costs if you are 65 or older and don't have Medicare	
General Exclusions.....	xx
What is not covered by this Plan	

Benefits

Inpatient Hospital Benefits.....	xx
Your benefits for inpatient hospital care (see below for mental conditions/substance abuse care)	
Surgical Benefits.....	xx
Your benefits for doctors' services for inpatient and outpatient surgery and related procedures	

Table of Contents continued

Maternity Benefits.....	xx
Your benefits for prenatal care and childbirth, contraceptives, and fertility treatment	

Mental Conditions/Substance Abuse Benefits..... xx
 Your benefits for outpatient, inpatient and other facility care for mental conditions, alcoholism, and drug abuse

Other Medical Benefits (deductible applies) xx
 Your benefits for doctors’ home and office visits, routine screening services, ambulance service, durable medical equipment (e.g., crutches and hospital beds), home nursing services, allergy tests and injections, chemotherapy, radiation therapy and physical, occupational and speech therapy

Additional Benefits (deductible generally does not apply) xx
 Your benefits for outpatient care for accidental injury, chiropractors, home health care, hospice care, medical emergency, and well child care

Prescription Drug Benefits..... xx
 Your benefits for prescription drugs and supplies you get from pharmacies or by mail order

Dental Benefits..... xx
 Your benefits for dental care

How to Claim Benefits..... xx
 Getting your claims paid when your provider does not file them for you; how to ask OPM to review a claims dispute between you and the Carrier

Protection Against Catastrophic Costs..... xx
 The maximum amount of covered expenses you can expect to pay for health care

Precertification xx
 Hospital stays must be precertified to avoid a \$500 benefit reduction

This Plan and Medicare xx
 Information you need if you are covered by Medicare

Enrollment Information..... xx
 Your enrollment in the Federal Employees Health Benefits Program and how to maintain FEHB coverage when enrollment ends

Definitions.....	xx
Explanations of some of the terms used in this brochure	
Non-FEHB Benefits	xx
Other services available to members of this Plan	
How This Plan Changes	
How the Alliance Health Benefit Plan Changes January 1997	xx
Summary of Benefits	
High Option.....	xx

How This Plan Works

Help Contain Costs

You can help

FEHB plans are expected to manage their costs prudently. All FEHB plans have cost containment measures in place. All fee-for-service plans include two specific provisions in their benefits packages: precertification of all inpatient admissions and the flexible **benefits** option. **Some include managed care options, such as PPOs, to help contain costs.**

As a result of your cooperative efforts, the FEHB Program has been able to control premium costs. Please keep up the good work and continue to help keep costs down.

Precertification

Precertification evaluates the medical necessity of proposed admissions and the number of days required to treat your condition. You are responsible for ensuring that the precertification requirement is met. You or your doctor must check with Aetna before being admitted to the hospital. If that doesn't happen, your Plan will reduce benefits by \$500. Be a responsible consumer. Be aware of your Plan's cost containment provisions. You can avoid penalties and help keep premiums under control by following the procedures specified on page of this brochure.

Flexible **benefits** option

Under the flexible **benefits** option, the **Carrier** has the authority to determine the most effective way to provide services. The **Carrier** may identify medically appropriate alternatives to traditional care and coordinate the provision of Plan benefits as a less costly alternative benefit. Alternative benefits are subject to ongoing review. The **Carrier** may decide to resume regular contract benefits at its sole discretion. Approval of an alternative benefit is not a guarantee of any future alternative benefits. The decision to offer an alternative benefit is solely the **Carrier's** and may be withdrawn at any time. It is not subject to OPM review under the disputed claims process.

PPO

This Plan offers most of its members the opportunity to reduce out-of-pocket expenses by choosing providers who participate in the Plan's preferred provider organization (PPO). Consider the PPO cost savings when you review Plan benefits and check with the **Carrier** to see whether PPO providers are available in your area.

Facilities and Other Providers

Covered facilities

Birth Center

A free-standing facility licensed or certified by the State in which it functions, or Plan approved, which offers comprehensive maternity care in a home-like atmosphere.

Hospice

A facility which provides short periods of stay for a terminally ill person in a home-like setting for either direct care or respite. This facility may either be free-standing or affiliated with a hospital. It must operate as an integral part of the hospice care program.

Hospital

An institution licensed by the State or conforming to the standards of, and accredited by, the Joint Commission on Accreditation of Health Care Organizations (JCAHO) providing inpatient diagnostic and therapeutic facilities for surgical and medical diagnosis, treatment and care of injured and sick persons by or under the supervision of a staff of licensed doctors of medicine (M.D.) or licensed doctors of osteopathy (D.O.). The hospital must provide continuous 24-hour-a-day professional registered nursing (R.N.) services and may not be an Extended Care Facility (other than an approved ECF); nursing home; a place for rest; an institution for exceptional children, the aged, drug addicts, or alcoholics; or a custodial or domiciliary institution having the primary purpose of furnishing food, shelter, training, or non-medical personal services. This definition includes college infirmaries and Veterans Administration Hospitals.

Skilled nursing facility

An institution or that part of an institution which provides skilled nursing care 24 hours a day.

Covered providers

For purposes of this Plan, covered providers include:

(1) a licensed doctor of medicine (M.D.), or a licensed doctor of osteopathy (D.O.), and a licensed podiatrist practicing within the scope of the license.

(2) other covered providers include: a Chiropractor, Dentist, Optometrist, Clinical Psychologist, Clinical Social Worker, Nurse Midwife, Nurse Practitioner/Clinical Specialist, Nurse Anesthetist or Nursing School Administered Clinic. For purposes of this FEHB brochure, the term "doctor" includes all of these providers when the services are performed within the scope of their license or certification.

Coverage in medically underserved areas

Within States designated as medically underserved areas, any licensed medical practitioner **will be treated as a covered provider for any covered services performed within the scope of that license.** For 1997 the States designated as medically underserved are: Alabama, Louisiana, Mississippi, New Mexico, North Dakota, South Carolina, South Dakota, West Virginia and Wyoming.

PPO arrangements

Benefits under this Plan are available from facilities, such as hospitals, and from providers, such as pharmacies, doctors and other health care personnel, who provide covered services. This Plan covers two types of facilities and providers: (1) those who participate in a preferred provider organization (PPO) and (2) those who do not. Who these health care providers are, and how benefits are paid for their services, are explained below. **In general, it works like this.**

Facilities and Other Providers continued

PPO facilities and providers have agreed to provide services to Plan members at a lower cost than you'd usually pay a non-PPO provider. Although PPO's are not available in all locations or for all services, when you use **these** providers you help contain health care costs and reduce what you pay out of pocket. The selection of PPO providers is solely the Plan's responsibility: continued participation of any specific provider cannot be guaranteed. **While PPO providers agree with the Carrier to provide covered services, final decisions about health care are the sole responsibility of the doctor and patient and are independent of the terms of the insurance contract.**

PPO benefits apply only when you use a PPO provider. If no PPO provider is available, or you do not use a PPO provider, the standard non-PPO benefits apply.

When you use a PPO hospital, keep in mind that the professionals who provide services to you in the hospital, such as radiologists, anesthesiologists and pathologists, may not all be preferred providers. If they are not they will be paid by this Plan as non-PPO providers.

Non-PPO facilities and providers do not have special agreements with the **Carrier**. The Plan makes its regular payments toward the bills, and you're responsible for any balance.

This Plan's PPO

The Plan has entered into an arrangement with Aetna's Preferred Provider Organization (PPO). This is a group of doctors, hospitals and other providers that have contracted with Aetna to provide medical services at reduced costs. This PPO operates in 43 states plus Puerto Rico. Each time you need medical care you have the choice to use a health care provider who participates in the network or one who doesn't.

When you use a PPO hospital, your benefits increase from 70% after the \$250 inpatient deductible to 90% after the \$150 inpatient deductible. When you use a PPO doctor, your surgery benefits increase to 90% after a \$100 deductible and your office visit benefits increase to paid in full after a \$10 copayment. Non-PPO benefits for both are 70% after a \$300 deductible. Precertification is required as explained on pages 28-30 for all inpatient hospitalizations and the listed non-emergency outpatient surgeries and/or non-emergency diagnostic tests listed on page 28. However, your PPO doctor will initiate precertification and will file your claims for you. Note: PPO benefits are not payable when the Alliance Health Benefit Plan is not the primary payer.

New enrollees living in a PPO area will receive a directory of PPO providers in their service area. Providers who belong to the network must meet specific criteria including location, medical specialty, professional skill and proper credentials. However, inclusion in the network does not represent a guarantee of professional performance nor does it constitute medical advice. The continued availability of any one provider cannot be guaranteed by the Plan. Call 1-800/572-9096 for information on how to nominate or request provider network participation or to obtain a list of PPO providers in your area.

Cost Sharing

Deductibles

A deductible is the amount of expense **an individual** must incur for covered services and supplies before the Plan starts paying benefits for the expense involved. A deductible is not reimbursable by the Plan and benefits paid by the Plan do not count toward a deductible.

Calendar year

The calendar year deductible is the amount of expenses an individual must incur for covered services and supplies each calendar year before the Plan pays certain benefits. The deductible for PPO benefits is \$100 per person; the deductible for non-PPO benefits is \$300. Any expenses incurred through PPO or non-PPO benefits are applied toward both deductibles.

Other

There is a \$150 per admission deductible for PPO benefits and a \$250 per admission deductible for non-PPO benefits which apply to inpatient hospital benefits (page 10) and a separate \$500 deductible per person per confinement which applies to inpatient hospital charges for the treatment of mental conditions (page 17). There is a combined \$200 annual deductible applicable to the mail order and/or retail prescription drug programs.

Carryover

If you changed to this Plan during open season from a plan with a deductible and the effective date of the change was after January 1, any expenses that would have applied to that plan's deductible in the prior year will be covered by your old plan if they are for care you got in January before the effective date of your coverage in this Plan. If you have already met the deductible in full, your old plan will reimburse these covered expenses. If you have not met it in full, your old plan will first apply your covered expenses to satisfy the rest of the deductible and then reimburse you for any additional covered expenses. The old plan will pay these covered expenses according to this year's benefits; benefit changes are effective on January 1.

Cost Sharing continued

Family limit

There is a separate calendar year deductible of \$100 per person for PPO benefits and \$300 per person for non-PPO benefits. Under a family enrollment, the deductible is considered satisfied and benefits are payable for all family members after three members have met their calendar year deductible. If the PPO deductibles are

satisfied, then further deductibles are waived for PPO charges during that calendar year. If the non-PPO deductibles are satisfied, then further PPO and non-PPO deductibles are waived.

If two or more covered members of your family are injured in the same accident, you have to pay only one calendar year deductible for these members during a calendar year for treatment necessitated by the accident.

Coinsurance

Coinsurance is the stated percentage of covered charges you must pay after you have met any applicable deductible. You are required to pay the following coinsurance on benefits under this Plan:

- 30% for non-PPO inpatient hospital room/board, and other hospital charges;
- 10% for PPO inpatient surgical benefits, maternity benefits, and other medical benefits;
- 30% for non-PPO inpatient and outpatient surgical benefits, maternity benefits, and other medical benefits;
- 20% for inpatient treatment of mental conditions;
- 50% for doctors' visits (inpatient and outpatient) for mental conditions;
- 25% for outpatient treatment of substance abuse;
- 20% for skilled nursing facility

After you meet any deductible, the coinsurance is the minimum amount you will have to pay. For instance, when a Plan pays 80% of reasonable and customary charges for a covered service, you are responsible for 20% of the reasonable and customary charges, i.e., the coinsurance. In addition, you may be responsible for any excess charge over the Plan's reasonable and customary allowance. For example, if the provider ordinarily charges \$100 for a service but the Plan's reasonable and customary allowance is \$95, the Plan will pay 80% of the allowance (\$76). You must pay the 20% coinsurance (\$19), plus the difference between the actual charge and the reasonable and customary allowance (\$5), for a total member responsibility of \$24. Remember, if you use preferred providers, your share of covered charges (after meeting any deductible) is limited to the stated coinsurance amount.

Copayment

A copayment is the stated amount the Plan may require you to pay for a covered service, such as \$7.00 per prescription by mail or \$10.00 per office visit charge at a PPO provider.

If provider waives your share

If a provider routinely waives (does not require you to pay) **your share of the charge** for services rendered, the Plan is not obligated to pay the full percentage of the amount of the provider's original charge it would otherwise have paid. A provider or supplier who routinely waives coinsurance, copayments or deductibles is misstating the actual charge. This practice may be in violation of the law. The Plan will base its percentage on the fee actually charged. For example, if the provider **ordinarily** charges \$100 for a service but routinely

waives the 20% coinsurance, the actual charge is \$80. The Plan will pay \$64 (80% of the actual charge of \$80).

Annual maximum

Benefits for inpatient hospital mental conditions are limited to an annual maximum of \$50,000 per person.

Lifetime maximums

Benefits for inpatient substance abuse treatment are limited to two 30-day treatment programs per person per lifetime.

Smoking cessation benefits are limited to one program per member per lifetime.

General Limitations

All benefits are subject to the definitions, limitations and exclusions in this brochure and are payable when determined by the **Carrier** to be medically necessary. Coverage is provided only for services and supplies that are listed in this brochure. **No oral statement of any person shall modify or otherwise affect the benefits, limitations and exclusions of this brochure, convey or void any coverage, increase or reduce any benefits under the Plan or be used in the prosecution or defense of a claim under the Plan.** This brochure is based on text included in the contract between OPM and this Plan and is intended to be the complete statement of benefits available to FEHB members. You should use this brochure to determine your entitlement to benefits. However, if conflicts are discovered between the language of this brochure and the contract, the contract will control.

Other sources of benefits

This section applies when you or **your family members** are entitled to benefits from a **source other than** this Plan. You must disclose information about other sources of benefits to the **Carrier** and **complete all necessary documents and authorizations requested by the Carrier.**

Medicare

If you or a covered family member is enrolled in this Plan and Part A, Part B, or Parts A and B of Medicare, the **provisions** on coordination of benefits with Medicare described on pages **xx** apply.

Group health insurance and automobile insurance

Coordination of benefits (double coverage) applies when a person covered by this Plan also has, or is entitled to **benefits** from, any other group health coverage, or **is entitled to the** payment of medical and hospital costs under no-fault or other automobile insurance that pays benefits without regard to fault. Information about the other coverage must be disclosed to this **Carrier.**

When there is double coverage, one plan normally pays its benefits in full as the primary payer, and the other plan pays a reduced benefit as the secondary payer. When this Plan is the secondary payer, it will pay the lesser of (1) its benefits in full, or (2) a reduced amount that, when added to the benefits payable by the other coverage, will not exceed this Plan's reasonable and customary charge.

The determination of which health coverage is primary (pays its benefits first) is made according to guidelines provided by the National Association of Insurance Commissioners (NAIC). When benefits are payable under automobile insurance, including no-fault, the automobile insurer is primary (pays its benefits first) if it is legally obligated to provide benefits **for health care expenses** without regard to other health benefits coverage the enrollee may have.

This provision applies whether or not a claim is filed under the other coverage. When applicable, authorization must be given this Carrier to obtain information about benefits or services available from the other coverage, or to recover overpayments from other coverages.

CHAMPUS

If you are covered by both this Plan and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), this Plan will pay benefits first.

Medicaid

If you are covered by both this Plan and Medicaid, this Plan will pay benefits first.

Workers' Compensation

The Plan will not pay for benefits or services required as the result of occupational disease or injury for which any medical benefits are **determined by the Office of Workers Compensation Programs (OWCP)** to be payable under workers' compensation (under section 8103 of title 5, U.S.C.) **or by a similar agency under another** Federal or State law. This provision also applies when a third party injury settlement or other similar proceeding provides medical benefits in regard to a claim under workers' compensation or similar laws. If medical benefits provided under such laws are exhausted, medical benefits may be provided for services or supplies covered by this Plan. **The Plan is entitled to be reimbursed by OWCP (or the similar agency) for benefits paid by the Plan that were later found to be payable by OWCP (or the agency).**

DVA facilities, DoD facilities, and Indian Health Service

Facilities of the **Department** of Veterans **Affairs**, the Department of Defense, and **the** Indian Health Service are entitled to seek reimbursement from the Plan for certain services and supplies provided to you or a family member to the extent that reimbursement is required under the Federal statute governing such facilities.

Other Government agencies

The Plan will not provide benefits for services and supplies paid for directly or indirectly by any other local, State, or Federal Government agency.

Liability insurance and third party actions

Subrogation applies when you are sick or injured as a result of the act or omission of another person or party. Subrogation means the Plan's right to recover any benefit payments made to you or your dependent by a third party's insurer, because of an injury or illness caused by the third party. Third party means another person or organization.

If you or your dependent receive Plan benefits and have a right to recover damages from a third party, the Plan is subrogated to this right. All recoveries from a third party (whether by lawsuit, settlement, or otherwise) must be used to reimburse the Plan for benefits paid. Any remainder will be yours or your dependent's. The Plan's share of the recovery will not be reduced because you or your dependent has not received the full damages claimed, unless the Plan agrees in writing to a reduction.

You must promptly advise the Plan whenever a claim is made against a third party with respect to any loss for which the Plan benefits have been or will be paid. You or your dependent must execute any assignments, liens or other documents and provide information as the Plan requests. Plan benefits may be withheld until documents or information is received.

If you need more information about subrogation, the plan will provide you with its subrogation procedures.

Overpayments

The **Carrier** will make reasonably diligent efforts to recover benefit payments made erroneously but in good faith and may apply subsequent benefits otherwise payable to offset any overpayments.

Vested rights

An enrollee does not have a vested right to receive the benefits in this brochure in 1998 or later years, and does not have a right to benefits available prior to 1997 unless those benefits are contained in this brochure.

Limit on your costs if you're age 65 or older and don't have Medicare

The information in the following paragraphs applies to you when 1) you are not covered by either Medicare Part A (hospital insurance) or Part B (medical insurance), or both, 2) you are enrolled in this Plan as an annuitant or as a former spouse or family member covered by the family enrollment of an annuitant or former spouse, and 3) you are not employed in a position which confers FEHB coverage.

Inpatient hospital care

If you are not covered by Medicare Part A, are age 65 or older or become age 65 while receiving inpatient hospital services, and you receive care in a Medicare participating hospital, the law (5 U.S.C. 8904(b)) requires the Plan to base its payment on an amount equivalent to the amount Medicare would have allowed if you had Medicare Part A. This amount is called the equivalent Medicare amount. After the Plan pays, the law prohibits the hospital from charging you more for covered services than any deductibles, coinsurance, or copayments you owe under the Plan. Any coinsurance you owe will be based on the equivalent Medicare amount, not the actual charge.

Physician services

Claims for physician services provided for retired FEHB members age 65 and older who do not have Medicare Part B are also processed in accordance with 5 U.S.C. 8904 (b). This law mandates the use of Medicare Part B limits for covered physician services for those members who are not covered by Medicare Part B.

The Plan is required to base its payment on the Medicare-approved amount (which is the Medicare fee schedule for the service), or actual charge, whichever is lower. If your doctor is a member of the Plan's preferred provider organization (PPO) and participates with Medicare, the Plan will base its payment on the lower of these two amounts and you are responsible only for any deductible and the PPO copayment or coinsurance.

If you go to a PPO doctor who does not participate with Medicare, you are responsible for any deductible and the copayment or coinsurance. In addition, unless the doctor's agreement with the **Carrier** specifies otherwise, you must pay the difference between the Medicare-approved amount and the limiting charge (115% of the Medicare-approved amount).

If your physician is not a Plan PPO doctor but participates with Medicare, the Plan will base its regular benefit payment on the Medicare-approved amount. For instance, under this Plan's high option surgery benefit, the Plan will pay 75% of the Medicare-approved amount. You will only be responsible for any deductible and coinsurance equal to 25% of the Medicare-approved amount.

If your physician does not participate with Medicare, the Plan will still base its payment on the Medicare-approved amount. However, in most cases you will be responsible for any deductible, the coinsurance or copayment amount, **and** any balance up to the limiting charge amount that a provider who does not participate with Medicare is legally permitted to bill under Medicare law (115% of the Medicare-approved amount).

Since a **physician who participates with Medicare** is only permitted to bill you up to the Medicare fee schedule amount even if you do not have Medicare Part B, it is generally to your financial advantage to use a physician who participates with Medicare.

The **Carrier's** explanation of benefits (EOB) will tell you how much the hospital or physician can charge you **in addition to** what the Plan paid. If you are billed more than the hospital or physician is allowed to charge, ask the hospital or physician to reduce the bill. If you have already paid more than you have to pay, ask for a refund. If you cannot get a reduction or refund, or are not sure how much you owe, ask the **Carrier** for guidance.

General Exclusions

These exclusions apply to more than one or to all benefits categories. Exclusions that are primarily identified with a single benefit category are listed along with that benefit category, but may apply to other categories. Therefore, please refer to the specific benefit sections as well to assure that you are aware of all benefit exclusions.

Benefits are provided only for services and supplies that are medically necessary (see definition). The **Carrier** reserves the right to determine medical necessity. The fact that a covered provider has prescribed, recommended, or approved a service or supply does not, in itself, make it medically necessary.

Benefits will not be paid for services and supplies when:

- _ No charge would be made if the **covered individual** had no health insurance coverage
- _ Furnished without charge (except as described on page xx); while in active military service; or required for illness or injury sustained on or after the effective date of enrollment (1) as a result of an act of war within the United States, its territories, or possessions or (2) during combat
- _ Furnished by immediate relatives or household members, such as spouse, parent, child, brother or sister by blood , marriage or adoption.
- _ Furnished or billed by a provider or facility that has been barred from the FEHB Program
- _ Furnished or billed by a noncovered **facility**, except that medically necessary prescription drugs are covered
- _ For or related to sex transformation, sexual dysfunction or sexual inadequacy
- _ Not specifically listed as covered
- _ Investigational or experimental
- _ Not provided in accordance with accepted professional medical standards in the United States

Benefits will not be paid for:

- _ Any portion of a provider's fee or charge ordinarily due from the enrollee but that has been waived. If a provider routinely waives (does not require the enrollee to pay) a deductible, copay or coinsurance, the **Carrier** will calculate the actual provider fee or charge by reducing the fee or charge by the amount waived.
- _ Charges the enrollee or Plan has no legal obligation to pay, such as: excess charges for an annuitant age 65 or

older who is not covered by Medicare Parts A and/or B (see page), doctor charges exceeding the amount specified by the Department of Health and Human Services when benefits are payable under Medicare (limiting charge)(see page), or State premium taxes however applied.

_ Biofeedback

_ Dental services and appliances (except as specified on pages 19 and 25)

_ Exercise equipment, whirlpool baths, sun lamps, heating pads, air conditioners, humidifiers, dehumidifiers and purifiers

_ Services and supplies to the extent the charge exceeds reasonable and customary charges

_ Services by practitioners who do not meet the definition of “covered provider”

_ Services received while not covered by this Plan

_ Charges for stand-by doctor

Benefits

Inpatient Hospital Benefits

What is covered

The Plan pays for inpatient hospital services as shown below.

Precertification

The medical necessity of your hospital admission must be precertified for you to receive full Plan benefits. Emergency admissions not precertified must be reported within two business days following the day of admission even if you have been discharged. Otherwise, the benefits payable will be reduced by \$500. See page for details.

Waiver

This **precertification requirement** does not apply to persons whose primary coverage is Medicare Part A or another health insurance policy or when the hospital admission is outside the United States and Puerto Rico. For information on when Medicare is primary, see pages xx.

Room and board

This Plan provides benefits for the following services:

Semiprivate room accommodations, including general nursing care, meals, and special diets. If a private room is

used, only the hospital's average semiprivate room rate will be considered a covered expense. However, if the patient's isolation is medically necessary to prevent contagion to others, the full charge for a private room will be covered. If a private room is chosen, benefits will be determined based on the hospital's semiprivate room rate, as determined by the Plan. If the hospital has private accommodations only, the Plan will determine benefits based on the lesser of the private room charge or the semiprivate room charge of the hospital which the plan determines to be the most comparable hospital in the area.

PPO benefit

After a \$150 deductible per admission, the Plan pays 90% of room and board charges.

Non-PPO benefit

After a \$250 deductible per admission, the Plan pays 70% of room and board charges.

Other charges

Other hospital charges include but are not limited to:

- _ Ancillary services such as electrocardiograms and electroencephalograms
- _ Intravenous solutions and injections
- _ Oxygen, including use of equipment and administration
- _ Use of operating, recovery, intensive care and cystoscopic rooms
- _ Laboratory tests
- _ Surgical dressings, plaster casts, and sterile tray service
- _ Diagnostic X-rays
- _ Drugs and medicines
- _ Blood or blood plasma, if not donated or replaced, and its administration
- _ Radiation therapy and inhalation therapy
- _ Renal dialysis

PPO benefit

The Plan pays 90% of other hospital charges.

Non-PPO benefit

The Plan pays 70% of other hospital charges.

Limited benefits

Pre-admission testing

The Plan pays 100% of reasonable and customary charges for pre-admission testing within 72 hours of admission to a hospital as an inpatient.

Hospitalization for dental work

The Plan pays hospital benefits as shown on page xx for covered room and board and covered hospital services for hospitalization in connection with dental procedures only when a nondental physical impairment exists

which makes hospitalization necessary to safeguard the health of the patient.

Related benefits

Professional charges

Covered professional services of a doctor or any other covered practitioner, even though billed by a hospital as part of hospital services, are covered only under Other Medical Benefits, pages 18-20.

Take-home items

Drugs, medical supplies, appliances, medical equipment and any covered items billed by a hospital but to be used at home are covered only under Other Medical Benefits, pages 18-20.

What is not covered

_ A hospital admission, or part of a hospital admission, and inpatient doctor care, that is not medically necessary, i.e., the medical services did not require the acute hospital inpatient overnight setting, but could have been provided in a doctor's office, the outpatient department of a hospital, or some other setting without adversely affecting the patient's condition or the quality of medical care rendered

_ Confinement in nursing homes, rest homes, places for the aged, convalescent homes, residential treatment facilities or any place that is not a hospital (see definition on page 5)

_ Custodial care, as defined on page 38

_ Inpatient private duty nursing

_ Personal comfort services of a luxury nature such as radio, telephone, beauty and barber services, ID tags, baby beads, footprints, guest meals, and newspapers

_ Admissions for cosmetic services

- Admissions for rehabilitative services that are not covered by this Plan

The non-PPO benefits are the standard benefits of this plan. PPO benefits apply only when you use a PPO provider. When no PPO provider is available, non-PPO benefits apply.

Surgical Benefits

What is covered

The Plan pays for the following services:

Hospital inpatient

PPO benefit

After the \$100 PPO calendar year deductible has been met, the Plan pays 90% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

Outpatient

The Plan pays reasonable and customary charges to the extent shown below for outpatient covered services and supplies provided by a doctor in relation to, and on the same day as, the covered outpatient surgery. Covered services and supplies rendered prior to or after the date of surgery are eligible for Other Medical Benefits.

Charges for normal postoperative care by the doctor who performs surgery are considered to be part of the surgical charge.

- _ Surgery by a doctor, surgeon, or licensed podiatrist
- _ The initial reconstruction of a breast following mastectomy occurring while covered under the FEHB Program
- _ Voluntary sterilization

PPO benefit

After the \$100 PPO calendar year deductible has been met, the Plan pays 90% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

Precertification

You must follow the precertification procedure described on pages 28-30 in order to receive full Plan benefits. Precertification is a mandatory requirement for the non-emergency outpatient surgeries list on page 28. If precertification is not obtained, the Plan will reduce benefits by \$200 on the outpatient charges otherwise payable.

Waiver

Precertification is not required for any individual who has Medicare Part A and B as primary coverage, or for treatment outside the United States and Puerto Rico. For information on when Medicare is primary, see pages 30-31.

Same-day surgery

The Plan provides benefits for hospital-billed services and supplies when provided by and in a hospital

outpatient department or emergency room in connection with in-and-out surgery, where minor surgery is performed and the patient goes home the same day the surgery is performed.

PPO benefit

After the \$100 PPO calendar year deductible has been met, the Plan pays 90% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

Multiple surgical procedures

When multiple or bilateral surgical procedures that add time or complexity to patient care are performed during the same operative session, the Plan pays as follows:

- If more than one procedure is performed during one operation, through the same incision or natural body orifice or in the same operative field, payment will be made as follows: 100% for the primary procedure, 50% for the second procedure and 25% for procedures thereafter.

Incidental procedures

- If primary and incidental procedures are performed, the Plan pays the full allowance for the primary procedure only. There are no additional benefits for the incidental procedures. Incidental and subset procedures are considered as part of the primary surgery.

Assistant surgeon (inpatient/outpatient)

PPO benefit

After the \$100 PPO calendar year deductible has been met, the Plan pays 90% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

Second opinion (voluntary)

See Other Medical Benefits, pages xx-xx.

Ambulatory surgical facility (surgicenter)

The Plan pays for covered hospital services and supplies received for covered surgical procedures in an Ambulatory Surgical Facility or Surgi-Center as follows:

PPO benefit

After the \$100 PPO calendar year deductible has been met, the Plan pays 90% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

Anesthesia

The Plan pays reasonable and customary charges for the administration of anesthesia as follows:

PPO benefit

After the \$100 PPO calendar year deductible has been met, the Plan pays 90% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

Organ/tissue transplants and donor expenses

All reasonable and customary charges incurred for a covered surgical transplant, whether incurred by the recipient or donor, will be considered expenses of the recipient and will be covered the same as for any other illness or injury when an Institute of Excellence or PPO facility is used. This benefit applies only if the recipient is covered by the Plan, and to the extent the donor's expenses are not otherwise covered.

What is covered

_ Cornea, heart, kidney, heart/lung, liver, pancreas (when condition is not treatable by use of insulin therapy)

- Single or double lung transplants for the following end-stage pulmonary diseases: 1) Primary fibrosis, 2) Primary pulmonary hypertension, and 3) Emphysema. Double lung transplant for cystic fibrosis.

_ Bone marrow and stem cell support as follows:

Allogeneic bone marrow transplants for 1) Acute leukemia, 2) Advanced Hodgkin's lymphoma, 3) Advanced non-Hodgkin's lymphoma, 4) Advanced neuroblastoma (limited to children over age one), 5) Aplastic anemia, 6) Chronic myelogenous leukemia, 7) Infantile malignant osteopetrosis, 8) Severe combined immunodeficiency, 9) Thalassemia major, and 10) Wiskott-Aldrich syndrome

Autologous bone marrow transplants (autologous stem cell support) and autologous peripheral stem cell support for 1) Acute lymphocytic or non-lymphocytic leukemia, 2) Advanced Hodgkin's lymphoma, 3) Advanced non-

Hodgkin's lymphoma, 4) Advanced neuroblastoma, and 5) Testicular, Mediastinal, Retroperitoneal, and Ovarian germ cell tumors, Breast cancer, Multiple myeloma; and Epithelial ovarian cancer.

PPO benefit

After the \$100 PPO calendar year deductible has been met, Plan pays 90% of the reasonable and customary charges for a covered surgical transplant performed in one of the Plan's Institutes of Excellence (IOE) or a PPO facility.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges for a covered surgical transplant performed in a non-PPO/IOE facility up to a maximum, per transplant, of \$150,000 for a liver transplant and \$100,000 for any of the other transplants listed on page 13.

Precertification

The Plan has contracted for access to an Institute of Excellence (IOE) program for transplants. These institutes are located regionally throughout the United States. In order to receive benefits for the transplants listed above, you must follow the precertification procedures described on pages 28-30. When you request precertification, a case management specialist will direct you to one of the Plan's Institutes of Excellence or a PPO hospital in your area.

Travel and lodging

Travel and lodging expenses include the costs incurred by the PPO/IOE patient and one companion for travel to receive services in connection with any approved PPO/IOE procedure or treatment. Maximum lodging expenses are \$50 per night per person. All travel and lodging expenses must be approved by the Plan in advance.

Limitations

For the purposes of the maximum total payment, charges from doctors and hospitals while the patient is confined in a transplant facility will be counted toward the maximum. Charges incurred for prescription drugs and follow-up care outside of the transplant facility/hospital will not be counted toward this maximum. If the Plan cannot refer a member in need of a transplant to a PPO/IOE facility, the \$100,000/\$150,000 maximum will not apply.

What is not covered

Transplants not listed as covered.

Oral and maxillofacial surgery

Surgery by an oral surgeon for operations performed on the jaw for non-dental oral surgery in the mouth, including surgical correction of temporomandibular joint (TMJ) dysfunction.

Benefits are limited to the following procedures:

- Reduction of fractures of the jaws or facial bones

- Reduction of dislocations and excision of TMJ joints
- Surgical correction of cleft lip, cleft palate, or protruding mandible
- Removal of stones from salivary ducts
- Excision of tori, leukoplakia, or malignancies
- Excision of cysts and incision of abscesses not involving teeth
- Other procedures that do not involve a tooth structure, alveolar process, periodontal disease, or disease of gingival tissue

What is not covered

- Acupuncture, except when used as an anesthetic agent for covered surgery.
- Reversal of sterilization
- Radial keratotomy
- Cosmetic surgery (as defined on page 38), except for the repair of accidental injuries sustained while covered under the FEHB Program
- Treatment or removal of corns and calluses, or trimming of toenails
- Treatment of TMJ, including dental appliances, study models, splint and other devices or services associated with the treatment of TMJ dysfunction, except as provided for above.

Maternity Benefits

What is covered

The Plan pays the same benefits for hospital, surgery (delivery or miscarriage), laboratory tests and other medical expenses as for illness or injury.

Inpatient hospital

Hospital bassinet or nursery charges for days on which the mother and child are both confined are considered other hospital charges of the mother and not charges of the child. However, when a newborn requires definitive treatment or evaluation for medical or surgical reasons, during or after the mother's confinement, the newborn is considered a patient in his or her own right. Under these circumstances, expenses of the newborn (including incubation charges by reason of prematurity) are eligible for benefits only if the child is covered by a family enrollment.

Precertification

The medical necessity of your hospital admission must be precertified for you to receive full Plan benefits. Unscheduled or emergency admissions not precertified must be reported within two business days following the day of admission even if you have been discharged. Newborn confinements that extend beyond the mother's discharge must also be precertified. If any of the above are not done, the benefits payable will be reduced by \$500. See page X for details.

Room and board

PPO benefit

After a \$150 deductible per admission, the Plan pays 90% of the charges covered under Inpatient Hospital Benefits.

Non-PPO benefit

After a \$250 deductible per admission, the Plan pays 70% of the charges covered under Inpatient Hospital Benefits.

Other charges

PPO benefit

The Plan pays 90% of the charges covered under Inpatient Hospital Benefits.

Non-PPO benefit

The Plan pays 70% of the charges covered under Inpatient Hospital Benefits.

Pregnancy risk management program

During the first trimester of your pregnancy, you should call the toll free number 1-800/572-9096. A nurse consultant will discuss your pregnancy with you and if you do not have a doctor for your maternity care needs, "Healthy Beginnings" can help you find a doctor and send you important educational material on topics such as prenatal care, diet and exercise. However, it is not intended that "Healthy Beginnings" be utilized as a means of obtaining medical advice.

Outpatient care

The Plan pays 100% of reasonable and customary charges for covered services rendered at the time of delivery when:

- Delivery is on an outpatient basis
- Delivery is at a birthing center

The Plan pays 100% of reasonable and customary charges for two newborn pediatric visits within five days of a

birthing center or outpatient delivery.

If the mother or the newborn child is transferred from a birthing center to a hospital due to medical complications, the birthing center expenses will be paid as shown above.

Obstetrical care

The Plan pays Surgical Benefits for obstetrical care (see page xx) for delivery by a doctor or State licensed midwife and routine circumcision (as part of the mother's maternity claim). Delivery includes associated obstetrical care, anesthesia, sonograms, amniocentesis and related tests on the unborn child. Benefits are provided for two routine newborn pediatric visits while the mother and child are both confined.

Benefits for pre and postnatal care rendered independently of delivery services are provided under Other Medical Benefits.

Procedures, services, drugs and supplies related to abortions are covered only when the life of the mother would be endangered if the fetus were carried to term or when the pregnancy is the result of an act of rape or incest.

Related benefits

Contraceptive devices and drugs

See What is not covered below.

Diagnosis and treatment of infertility

Diagnosis and treatment of infertility (except as described below) is covered under Other Medical Benefits, page xx.

Voluntary sterilization

See Surgical Benefits, page xx.

Well child care

See Additional Benefits, page xx.

For whom

Benefits are payable under Self Only enrollments and for family members under Self and Family enrollments.

What is not covered

- Procedures, services, drugs and supplies related to abortions except when the life of the mother would be endangered if the fetus were carried to term or when the pregnancy is the result of an act of rape or incest.
- Contraceptive drugs (including oral contraceptives or implants, such as Norplant) and devices
- Assisted Reproductive Technology (ART) procedures, such as artificial insemination, in vitro fertilization,

embryo transfer and GIFT, as well as services and supplies related to ART procedures are not covered.

- Reversal of voluntary surgical sterilization

Mental Conditions/Substance Abuse Benefits

What is covered

The Plan pays for the following services:

Mental conditions

Inpatient care

After a \$500 deductible per person, per confinement has been met for inpatient treatment of mental conditions, the Plan will pay 80% of reasonable and customary charges. Benefits for inpatient mental conditions are limited to \$50,000 per person, per calendar year. The Plan provides benefits for inpatient doctor visits as part of the Outpatient care and inpatient visits provision described below.

Precertification

The medical necessity of your admission to a hospital or other covered facility must be precertified for you to receive full Plan benefits. Emergency admissions must be reported within two business days following the day of admission even if you have been discharged. Otherwise, the benefits payable will be reduced by \$500. See page xx for details.

Outpatient care and inpatient visits

After the \$300 non-PPO calendar year deductible has been met, doctors' visits (inpatient and outpatient) for the treatment of mental conditions are paid at 50% of covered charges with a maximum payable of \$750 per person each calendar year. These services are covered only when rendered by a licensed M.D., a licensed clinical psychologist, a clinical social worker, or a licensed psychiatric nurse. Other Medical Benefits are available for related prescription drugs and diagnostic laboratory/X-ray services.

Substance abuse

Inpatient care

The Plan pays 100% of reasonable and customary charges for substance abuse treatment up to \$4,000 for one 30-day inpatient treatment program per calendar year in an approved JCAHO facility. Withdrawal prior to completion constitutes use of one program. All professional fees associated with the inpatient treatment program are included in the \$4,000 maximum.

Precertification

The medical necessity of your admission to a hospital or other covered facility must be precertified for you to receive full Plan benefits. Emergency admissions must be reported within two business days following the day of admission even if you have been discharged. Otherwise, the benefits payable will be reduced by \$500. See pages 28-30 for details.

Outpatient care

After the \$300 non-PPO calendar year deductible has been met, outpatient doctors' visits for the treatment of substance abuse are paid at 75% of reasonable and customary charges up to a \$4,000 maximum per person per calendar year.

Annual maximum

- Benefits for inpatient hospital mental conditions are limited to an annual maximum of \$50,000 per person.

Lifetime maximum

- Benefits for inpatient substance abuse treatment are limited to two 30-day treatment programs per person per lifetime.

Related benefits

Psychological testing

Psychological testing is covered under Other Medical Benefits, pages 19-20.

What is not covered

- Any service rendered in relation to a learning disability
- Treatment of mental conditions and substance abuse except as shown above

Other Medical Benefits

What is covered

The Plan pays as follows:

Precertification

You must follow the precertification procedure described on pages 28-30 in order to receive full Plan benefits. Precertification is a mandatory requirement for the non-emergency outpatient surgeries listed on page 28. If precertification is not obtained, the Plan will reduce benefits by \$200 on the outpatient charges otherwise

payable.

Waiver

Precertification is not required for any individual who has Medicare Part A and B as primary coverage, or for treatment outside the United States and Puerto Rico. For information on when Medicare is primary, see pages 30-31.

PPO benefit

After the \$100 PPO calendar year deductible has been met, the Plan pays 90% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

The Plan provides PPO and non-PPO benefits for the services listed below:

- Doctors' hospital visits
- Services of an independent consulting doctor for a second opinion regarding the necessity for anticipated surgery when not required by the Plan
- Electroshock therapy
- Diagnosis and treatment of infertility except as described on page xx
- Hospital outpatient services and supplies when not covered under other benefit provisions of this Plan
- Allergy treatment, including injections and testing
- B-12 injections for a diagnosis of pernicious anemia
- Drugs, medical supplies, appliances, medical equipment and any covered item billed by a hospital but to be used at home
- Interpretation fees billed by a radiologist or pathologist

Outpatient doctor's visits

The Plan provides benefits for doctors' outpatient services, including office and home visits.

PPO benefit

After the \$10 copay per visit, the Plan pays 100% of reasonable and customary charges for doctors' visits and the routine (screening) services listed below:

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

Routine services

In addition to coverage of diagnostic X-rays, laboratory and pathology services and machine diagnostic tests, the following routine (screening) services are covered as preventive care:

Breast cancer screening

Mammograms are covered for women age 35 and older as follows:

- _ From age 35 through 39, one mammogram screening during this five year period
- _ From age 40 through 49, one mammogram screening every two consecutive calendar years
- _ From age 50 through 64, one mammogram screening every calendar year
- _ At age 65 and older, one mammogram screening every two consecutive calendar years

Cervical cancer screening

Annual coverage of one pap smear for women age 18 and older (not subject to deductible)

Colorectal cancer screening

Annual coverage of one fecal occult blood test for members age 40 and older (not subject to deductible)

Prostate cancer screening

Annual coverage of one PSA (Prostate Specific Antigen) test for men age 40 and older (not subject to deductible)

Routine physical (PPO only)

After the \$10 PPO office visit copay, the Plan pays, up to a \$150 maximum, for charges made by a PPO doctor for one routine physical examination every 24 months.

Sickle cell screening

Screening of newborns for sickle cell anemia (not subject to deductible)

Other services

The Plan provides PPO and non-PPO benefits for the services listed below:

PPO benefit

After the \$100 PPO calendar year deductible has been met, the Plan pays 90% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

- Dentists' services (including initial replacement, repair and dental X-rays) due to accidental injury to jaw or sound natural teeth. The accident must occur while insured under this Plan and the services must be received within 12 months from the date of the accident
- One pair of eyeglasses or contact lenses, and examinations, if required to correct an impairment directly caused by accidental ocular injury or intraocular surgery and obtained within one year
- Diagnostic procedures, including laboratory tests, X-rays, and tests such as electrocardiograms, basal metabolism readings, CAT scans, MRI's, and electroencephalograms
- Local professional ambulance service. If special hospital treatment requiring special equipment is necessary but not locally available, the Plan also covers transportation within the United States and Canada by professional ambulance, railroad, or scheduled commercial airlines to the nearest hospital equipped to furnish the treatment. This benefit does not apply to transportation necessary to obtain the services of a doctor or any other practitioner.
- Rental (or purchase at the option of the Plan) of a hospital-type bed, wheelchair, iron lung, certain types of traction equipment, and other durable medical equipment as determined by the Plan.
- Chemotherapy, radium, radioactive isotopes, and X-ray therapy
- Speech, occupational, and physical therapy visits to restore an attained bodily function or speech when there has been a total or partial loss of bodily function or functional speech due to illness or injury, when the following conditions are met: 1) the care is ordered by the attending doctor; 2) the doctor identifies the specific professional skills required by the patient and the medical necessity for skilled services; and 3) the doctor indicates the length of time the services are needed.
- Oxygen and rental of equipment for its administration
- Artificial eyes and limbs, to replace natural eyes and limbs
- Blood or blood plasma (when not donated or replaced) and its administration
- Renal dialysis not covered under Inpatient Hospital Benefits
- Psychological testing

Limited benefits

Cardiac rehabilitation program

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges for up to 90 outpatient visits during the course of a cardiac rehabilitative treatment plan, when those visits consist of outpatient cardiac rehabilitative exercise, education, and counseling. Patients must be diagnosed as having angina pectoris (chest pain) or must have been hospitalized for a diagnosed myocardial infarction (heart attack), or coronary surgery to be eligible for cardiac rehabilitation benefits.

To be covered, services must be provided by an approved hospital-based or hospital-coordinated cardiac rehabilitation program. Cardiac rehabilitation benefits are renewed by further hospital admissions for diagnosed infarctions or coronary surgeries.

Smoking cessation benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan will pay up to \$100 for enrollment in one smoking cessation program per member per lifetime.

What is not covered

- Orthopedic shoes, orthotics and other supportive devices for the feet
 - Provocative food testing, end point titration techniques and sublingual allergy desensitization
 - Preventive medical care and services, except as shown under the routine services benefit and well child care benefit, (including periodic checkups, associated X-ray and lab tests and immunizations such as polio, flu, mumps, and smallpox shots)
 - Chelation therapy, except for acute arsenic, gold, lead or mercury poisoning
 - Weight control or any treatment of obesity unless obesity is caused by an organic condition
 - Nutritional supplements and vitamins, except B-12 injections for pernicious anemia
 - Eye exercises and visual training (orthoptics or visual therapy)
 - Eyeglasses, contact lenses, or examinations for them when not specifically covered by this Plan
 - Hearing aids and examinations for them, including hearing tests
 - Spare eyeglasses, spare contact lenses, replacement eyeglasses, or replacement contact lenses
 - Routine mammograms for members under age 35
 - Charges for speech therapy, physical therapy, and occupational therapy related to services, treatment, educational testing or training related to learning disabilities or developmental delays.
-

Additional Benefits

Accidental injury

The Plan pays 100% of reasonable and customary charges incurred within 72 hours after an accidental injury for initial emergency treatment (other than surgery) provided by a doctor and outpatient services furnished by a hospital. Other Medical Benefits are available for covered services and supplies provided for follow-up care or care provided more than 72 hours after the accident.

Medical emergency

The Plan pays 100% of reasonable and customary charges for initial treatment in the emergency room of a hospital as a result of a medical emergency (as defined on page 39). Other Medical Benefits are available for covered services and supplies that are provided in a doctor's office or are not the result of a medical emergency.

24-Hour nurse hot line

The Alliance Health Benefit has made available a new program to provide a 24-hour nurse advisory service for your use. You may call toll-free at 1-800/625-3343 and reach registered nurses to discuss an existing medical concern or to receive information on numerous health care issues. This is strictly a voluntary program. To validate eligibility and access this program, you will need to provide your name and health plan identification number.

Chiropractor

The Plan pays 100% of reasonable and customary charges to a maximum of \$225 per calendar year for outpatient services rendered by a licensed chiropractor. No other services of a chiropractor are covered under any other provisions of this Plan.

Home health care

The Plan pays 100% up to \$40 per visit for up to 60 home health care visits in a calendar year.

A home health care visit consists of:

- (1) Less than an 8-hour shift of nursing care; or
- (2) One therapy session; or
- (3) One social worker visit; or
- (4) Less than an 8-hour shift by a home health aide

Covered home health care services are:

- Nursing care provided on a part-time basis (less than an 8-hour shift) by:
 - a) a registered nurse (RN); or

b) a licensed practical nurse (LPN)

- Physical, occupational or speech therapy provided by a licensed therapist
- Services of a licensed social worker (but not more than 2 visits)
- Home health aide services provided on a part-time basis (less than an 8-hour shift) that;
 - a) are performed by a home health aide under the supervision of a registered nurse (RN); and
 - b) consist mainly of medical care and therapy provided solely for the care of the patient.

The home health care services must be furnished:

- a) by a home health care agency (or by visiting nurses where services of a home health care agency are not available);
- b) in accordance with a home health care plan, see definition on page 39; and
- c) in the patient's home.

Hospice Care

What is covered

The Plan will pay 100% of reasonable and customary charges up to a maximum total payment of \$4,500 for hospice care provided and billed by a licensed or certified hospice for a terminally ill patient in the final stages of that illness when such care is recommended by a doctor. This benefit does not apply to services shown as covered under any other provisions of this Plan.

What is not covered

- Bereavement counseling
- Funeral arrangements
- Pastoral counseling
- Financial or legal counseling
- Homemaker or caretaker services

Nursing services

Benefits for services rendered out of a hospital by a registered graduate nurse (R.N.) or a licensed practical nurse (L.P.N.) for private duty nursing are provided for a maximum of 240 units in a calendar year at 100% up to \$15 per unit. One private duty nursing unit consists of up to one hour of private duty nursing care.

Skilled nursing facilities

If a person is confined in a skilled nursing care facility, the Plan will, for a maximum of 60 days, after the deductible is met, pay 80% of the reasonable and customary charges of the skilled nursing care facility when:

- The confinement begins within 14 days after a covered hospitalization of at least 3 days;
- The confinement is for the purpose of receiving care for the condition which caused the hospitalization; and
- The confinement is under the supervision of a doctor

Skilled nursing facility benefits shown above will be restored for each new period of confinement. There is a new period of confinement when:

- The provisions for coverage listed above are met; and
- At least 60 days have elapsed since the patient was last confined in a skilled nursing facility.

Well child care

The Plan provides coverage for 12 well child care visits, including doctors' visits and routine (screening) services, for children up to (and including) age 6, when covered under a Self and Family enrollment.

PPO benefit

After a \$10 copay per visit, the Plan pays 100% of reasonable and customary charges.

Non-PPO benefit

After the \$300 non-PPO calendar year deductible has been met, the Plan pays 70% of reasonable and customary charges.

Immunizations

The Plan will pay 100% of reasonable and customary charges (not subject to a deductible) for the following immunizations for dependent children under age 22: DPT (diphtheria, tetanus, pertussis vaccine); OPV (oral polio vaccine); Hepatitis B vaccine; Haemophilis influenza type b vaccine (flu shot); MMR (measles, mumps, rubella vaccine); and Td (tetanus diphtheria toxoid booster).

Prescription Drug Benefits

What is covered

You may purchase the following medications and supplies prescribed by a doctor from either a pharmacy or by mail:

- Drugs, that by Federal law of the United States require a doctor's prescription for their purchase

- Insulin
- Diabetic diagnostic supplies used to test blood and urine for glucose levels
- Needles and syringes for the administration of covered medications

Prescription drug card program

You will be provided with a combination Alliance-PAID prescription card. You may fill your prescription at any PAID and TelePAID pharmacy. In most cases, you simply present the card together with the prescription to the pharmacist. The pharmacist receives an electronic message displaying the correct copayment to charge you. You may obtain the names of participating pharmacies by calling 1-800/346-1321.

From a pharmacy

Under the prescription drug card program, after you satisfy a combined (retail and/or mail order) \$200 annual prescription drug deductible (per person), you may obtain up to a 30 day supply of the initial prescription and two refills for a \$10 copay per prescription or refill. The copayment increases to 50% of the negotiated prescription drug cost if you continue to use the prescription drug card program with the third and subsequent refills. After the second refill, you should consider use of the mail order drug program. Under the mail order program, through National Pharmacies, Inc., after you satisfy the combined \$200 annual prescription drug deductible (per person), you may purchase up to a 90 day supply (initial prescription is limited to a 45 day supply) for a copay of \$7 per generic drug or \$14 per brand name drug, as described below.

If your doctor prescribes a medication that will be taken over an extended period, you should request two prescriptions - one for immediate use with the local participating pharmacy and the other for up to a 90 day supply for the mail order program.

If you request, but your doctor does not require, a name brand drug and a generic equivalent is available, you will be required to pay the difference in cost between the name brand and the generic substitute.

The deductible, copayments, and any amount you are required to pay if you purchase a name brand drug and a generic is available (at retail or by mail), will not be reimbursed by the Plan and do not count toward the catastrophic protection benefit.

Participating pharmacy

You pay a \$10 copay per prescription or refill, for the initial 30 day supply and two refills. The third and subsequent refills will require that you pay 50% of the Alliance's negotiated cost of the prescription drug.

Be sure to present your card with each prescription. The PAID and TelePAID system files the claim for you.

Non-participating pharmacy

You must pay the full amount of the prescription drug and file a claim to PAID Prescriptions, Inc., as indicated below.

To claim benefits

If a participating pharmacy is not available where you reside or you do not use your identification card, a claim must be filed to:

PAID Prescriptions, Inc.
P.O. Box 702
Parsippany, NJ 07054-0702

Reimbursement will be based on the Alliance's cost had you used a participating pharmacy. The Alliance's cost represents a negotiated fee arrangement. The actual cost to Alliance may not be the retail cost of the prescription drug.

By mail

Through the mail order drug program you will receive an initial 45 day supply and subsequent refills of up to a 90 day supply. After you satisfy the combined (retail and/or mail order) \$200 annual prescription drug deductible (per person), the copayment for mail order drugs will be \$7 for generic and \$14 for name brand drugs.

If you are currently taking a prescription medication on a regular basis, and wish to order your prescription by mail, you should: Ask your doctor to give you a new prescription for up to a 90 day supply of your regular medication plus refills, if appropriate. (Please note: first-time prescriptions will be limited to a 45 day supply.);

To claim benefits

(1) Complete the Patient Profile Questionnaire the first time you order under this program; (2) Complete a mail order envelope; (3) Attach your prescriptions and mail them along with \$14 for a name brand or \$7 for a generic copayment for each prescription or refill to:

National Rx Pharmacies, Inc.
P.O. Box 650322
Dallas, TX 75265-0322

If you have any questions about your mail order prescription, call National Rx Pharmacies toll free at 1-800/346-1321. Service is available from 8:00 a.m. to 8:00 p.m. CST on weekdays and from 8:00 a.m. to 12:00 noon on Saturdays.

Waiver

When Medicare Part B is the primary payer, and you use the Plan's mail order drug program or retail prescription drug program, your \$200 annual (combined) drug deductible is waived after you supply proof of your enrollment in Medicare Part B directly to the pharmacy.

What is not covered

- Medication that does not require a prescription under Federal law even if your doctor prescribes it or a prescription is required under your State law.
- Drugs to aid in smoking cessation except those limited to the \$100 lifetime maximum as part of the smoking cessation benefit, see page 20
- Contraceptive drugs and devices
- Drugs that are investigational or experimental
- Drugs prescribed for weight loss
- Vitamins and nutritional supplements
- Medical supplies such as dressings and antiseptics
- Drugs and supplies for cosmetic purposes

Dental Benefits

What is covered

This Plan will pay actual charges of a dentist (D.D.S. or D.M.D.) for the complete list of dental procedures below, up to the amount shown. There is no deductible for dental benefits. This is a complete list of covered dental services.

Preventive care

The Plan pays up to \$21 each for up to two routine preventive examinations per person per calendar year. A routine preventive examination includes any or all of the following services: routine oral examination, routine prophylaxis, X-rays, diagnosis, and preparation of a treatment plan.

Other care

The Plan pays for dental services and treatment supplied by a licensed dentist as listed below:

Dental Fillings:

One surface \$8

Two surfaces \$10

Three or more surfaces \$12

Extractions

Per tooth \$12

Removal of Impacted Teeth

Soft tissue impactions \$24

Bone impaction \$52

Related benefits

Accidental injury

Other Medical Benefits (page 19) are available for dentists' services (including initial replacement, repair and dental X-ray) due to accidental injury to the jaw or sound natural teeth. The accident must occur while covered under the FEHB Program and the services must be received within 12 months from the date of the accident.

Oral and maxillofacial surgery

For covered oral surgery, see page **XX**.

What is not covered

- Dental services and appliances not listed above
- Periodontal prophylaxis
- Emergency exams

How to Claim Benefits

Claim forms and identification cards

If you do not receive your identification card(s) within 60 days after the effective date of your enrollment, call the Carrier at 1-800/572-9096, (TDD 302/674-7606) to report the delay. In the meantime, use your copy of the SF 2809 enrollment form or your annuitant confirmation letter from OPM as proof of enrollment when you obtain services. This is also the number to call for claim forms or advice on filing claims.

If you made your open season change by using Employee Express and have not received your new ID card by the effective date of your enrollment, call the Employee Express HELP number to request a confirmation letter. Use that letter to confirm your new coverage with providers.

How to file claims

Claims filed by your doctor that include an assignment of benefits to the doctor are to be filed on the form HCFA-1500, Health Insurance Claim Form. **Claims submitted by enrollees may be submitted on the HCFA 1500 or a claim form that includes the information shown** below. Bills and receipts should be itemized and show:

- _ Name of patient and relationship to enrollee
- _ Plan identification number of the enrollee
- _ Name and address of person or firm providing the service or supply
- _ Dates that services or supplies were furnished
- _ Type of each service or supply and the charge
- _ Diagnosis

In addition:

- _ A copy of the **explanation of benefits (EOB)** from any primary payer (such as Medicare) must be sent with your claim.
- _ Bills for private duty nurses must show that the nurse is a registered or licensed practical nurse and must include nursing notes.
- _ Claims for rental or purchase of durable medical equipment, private duty nursing, and physical, occupational and speech therapy require a written statement from the doctor specifying the medical necessity for the service or supply and the length of time needed.
- _ Claims for prescription drugs and medicines that are not ordered through the mail order drug program or purchased with the prescription card must include receipts that include the prescription number, name of drug, prescribing doctor's name, date and charge.
- _ Claims for overseas (foreign) services should include an English translation. Charges should be converted to U.S. dollars using the exchange rate applicable at the time the expense was incurred.

Canceled checks, cash register receipts or balance due statements are not acceptable.

After completing a claim form and attaching proper documentation, send claims to:

Alliance Health Benefit Plan
Aetna Health Plans
Aetna Life Insurance Co.
P.O. Box 7012
Dover, DE 19903-1512

Records

Keep a separate record of the medical expenses of each covered family member as deductibles and maximum allowances apply separately to each person. Save copies of all medical bills, including those you accumulate to satisfy a deductible. In most instances they will serve as evidence of your claim. The Carrier will not provide duplicate or year end statements.

Submit claims promptly

You are strongly encouraged to file your claims within 12 months of the date the service was rendered. All claims must be received by the Plan no later than 24 months after the date of service. Claims for Other Medical Benefits preferably should not be submitted more than once per month. No claims will be considered if received more than 24 months after the date of service unless timely filing was prevented by administrative operations of Government or legal incapacity, provided the claim was submitted as soon as reasonably possible.

If the Plan returns a claim or part of a claim for additional information, it must be resubmitted within 90 days, or within 24 months after the date of service, whichever is later.

A finding of custodial care does not preclude benefits for all covered services and supplies. Some services (such as prescription drugs, X-rays, and laboratory) may still be covered. All bills should be routinely submitted to the Plan for consideration.

Direct payment to hospital or provider of care

Claims for services rendered and submitted by a hospital will be paid directly to the hospital, unless the bill is clearly marked paid, or is accompanied by an official receipt for payment. You may authorize direct payment to any other provider of care by signing the assignment of benefits section at the bottom of the claim form, or by using the assignment form furnished by the provider of care. The provider of care's tax identification number must accompany the claim. The Plan reserves the right to make payment directly to the enrollee and to decline to honor the assignment of payment of any health benefits claim to any person or party.

Submit hospital and doctor bills itemized to show--

- Name of the person for whom service was rendered
- Name of the attending doctor and/or admitting hospital and address
- Date charge was incurred, statement of the diagnosis, treatment rendered and amount of the charge for each service

When more information is needed

Reply promptly when the **Carrier** requests information in connection with a claim. If you do not respond, the **Carrier** may delay processing or limit the benefits available.

Confidentiality

Medical and other information provided to the **Carrier, including claim files**, is kept confidential and will be used only: 1) by the **Carrier** and its subcontractors for internal administration of the Plan, coordination of benefit provisions with other plans, **and** subrogation of claims; 2) by law enforcement officials with authority to investigate and prosecute alleged civil or criminal actions; 3) by OPM **to review** a disputed claim or **perform its** contract administration functions; **4) by OPM and the General Accounting Office when conducting audits as required by the FEHB law; or 5) for bona fide medical research or education. Medical data that does not identify individual members may be disclosed as a result of the bona fide medical research or education.**

How to Claim Benefits continued

Disputed claims review

Reconsideration

If a claim for payment is denied by the **Carrier**, you must ask the **Carrier**, in writing **and** within **six months** of the **date of the denial**, to reconsider its decision before you request a review by OPM. (**This time limit may be extended if you show you were prevented by circumstances beyond your control from making your request within the time limit.**) OPM will not review your request unless you demonstrate that you gave the **Carrier** an opportunity to reconsider your claim. Before you ask the **Carrier** to reconsider, you should first check with your provider or facility to be sure that the claim was filed correctly. For instance, did they use the correct procedure code for the service(s) performed (surgery, laboratory test, X-ray, office visit, etc.)? Indicate any complications of any surgical procedure(s) performed. Include copies of an operative or procedure report, or other documentation that supports your claim. Your written request to the **Carrier must** state why, based on specific benefit provisions in this brochure, you believe the denied claim for payment should have been paid.

Within 30 days after receipt of your request for reconsideration, the **Carrier** must affirm the denial in writing to you, pay the claim, or request additional information that is reasonably necessary to make a determination. If the **Carrier** asks a provider for information it will send you a copy of this request at the same time. The **Carrier** has 30 days after receiving the information to give its decision. If this information is not supplied within 60 days, the **Carrier** will base its decision on the information it has on hand.

OPM review

If the **Carrier** affirms its denial, you have the right to request a review by OPM to determine whether the **Carrier's** actions are in accordance with the terms of its contract. You must request the review within 90 days after the date of the **Carrier's** letter affirming its initial denial.

You may also ask OPM for a review if the **Carrier** fails to respond within 30 days of your written request for reconsideration or 30 days after you have supplied additional information to the **Carrier**. In this case, OPM must receive a request for review within 120 days of your request to the **Carrier** for reconsideration or of the

date you were notified that the **Carrier** needed additional information, either from you or from your doctor or hospital.

This right is available only to you or the executor of a deceased claimant's estate. Providers, legal counsel, and other interested parties may act as your representative **only with your specific written consent to pursue payment of the disputed claim**. OPM must receive a copy of your written consent with their request for review.

Your written request for an OPM review **must** state why, **based on specific benefit provisions in this brochure**, you believe the **Carrier** should have paid the denied claim. If the **Carrier** has reconsidered and denied more than one unrelated claim, clearly identify the documents for each claim.

Your request must include the following information or it will be returned by OPM:

- A copy of your letter to the **Carrier** requesting reconsideration;
- A copy of the **Carrier's** reconsideration decision (if the **Carrier** failed to respond, provide instead (a) the date of your request to the **Carrier**, or (b) the dates the **Carrier** requested and you provided additional information to the **Carrier**);
- Copies of documents that support your claim (such as doctors' letters, operative reports, bills, medical records, explanation of benefit (**EOB**) forms); and
- Your daytime phone number.

Medical documentation received from you or the **Carrier** during the review process becomes a permanent part of the disputed claim file, subject to the provisions of the Freedom of Information Act and the Privacy Act.

Send your request for review to: Office of Personnel Management, Office of Insurance Programs, Contracts Division II, P.O. Box 436, Washington, DC 20044.

You (or a person acting on your behalf) may not bring a lawsuit to recover benefits on a claim for treatment, services, supplies or drugs covered by this Plan until you have exhausted the OPM review procedure, established at section 890.105, title 5, Code of Federal Regulations (CFR). If OPM upholds the **Carrier's** decision on your claim, and you decide to bring a lawsuit based on the denial, the lawsuit must be brought no later than December 31 of the third year after the year in which the services or supplies upon which the claim is predicated were provided. Pursuant to section 890.107, title 5, CFR, such a lawsuit must be brought against the Office of Personnel Management **in Federal court**.

Federal law exclusively governs all claims for relief in a lawsuit that relates to this Plan's benefits or coverage or payments with respect to those benefits. Judicial action on such claims is limited to the record that was before OPM when it rendered its decision affirming the **Carrier's** denial of the benefit. The recovery in such a suit is limited to the amount of benefits in dispute.

Privacy Act statement — If you ask OPM to review a denial of a claim for payment or service, OPM is authorized by chapter 89 of title 5, U.S.C., to use the information collected from you and the **Carrier** to determine if the **Carrier** has acted properly in denying you the payment or service, and the information so collected may be disclosed to you and/or the **Carrier** in support of OPM's decision on the disputed claim.

Protection Against Catastrophic Costs

Catastrophic protection

For those services with coinsurance, the Plan pays 100% of reasonable and customary charges for the remainder of the calendar year after the calendar year deductible is met when out-of-pocket expenses for coinsurance in that calendar year exceed \$2,000 under the PPO benefit. The Plan pays 100% of reasonable and customary charges, if out-of-pocket expenses for the coinsurance in that calendar year exceed \$3,000 under the non-PPO benefit. Any expenses incurred through PPO or non-PPO benefits are applied toward both catastrophic limits.

Out-of-pocket expenses for the purposes of this benefit are:

- The \$100 calendar year deductible for PPO benefits;
- The \$300 calendar year deductible for non-PPO benefits;
- The \$150 PPO per admission inpatient hospital deductible;
- The \$250 non-PPO per admission inpatient hospital deductible;
- The 10% you pay for PPO hospital, surgical, maternity and other medical benefits;
- The 30% you pay for non-PPO hospital, surgical, maternity and other medical benefits;

The following cannot be counted toward out-of-pocket expenses:

Expenses in excess of reasonable and customary charges or maximum benefit limitations;

Expenses for mental conditions, substance abuse or dental care;

Any amounts you pay because benefits have been reduced for non-compliance with this Plan's cost containment requirements (see pages **xx**).

PPO office visit copayments;

Expenses for prescription drugs purchased through retail or mail order program; and

Expenses for skilled nursing facility confinements.

Carryover

If you changed to this Plan during open season from a plan with a catastrophic protection benefit and the effective date of the change was after January 1, any expenses that would have applied to that plan's

catastrophic protection benefit during the prior year will be covered by your old plan if they are for care you got in January before the effective date of your coverage in this Plan. If you have already met the covered out-of-pocket maximum expense level in full, your old plan's catastrophic protection benefit will continue to apply until the effective date. If you have not met this expense level in full, your old plan will first apply your covered out-of-pocket expenses until the prior year's catastrophic level is reached and then apply the catastrophic protection benefit to covered out-of-pocket expenses incurred from that point until the effective date. The old plan will pay these covered expenses according to this year's benefits; benefit changes are effective on January 1.

Other Information

Precertification

Precertify before admission

Precertification is not a guarantee of benefit payments. Precertification of an inpatient admission is a predetermination that, based on the information given, the admission meets the medical necessity requirements of the Plan. It is your responsibility to ensure that precertification is obtained. If precertification is not obtained and benefits are otherwise payable, benefits for the admission will be reduced by \$500.

Precertify outpatient surgery and diagnostic tests

Precertification is required for the following non-emergency outpatient surgeries and diagnostic tests: Bunionectomy, Carpal Tunnel Surgery, Cataract Removal, Colonoscopy, Computerized Axial Tomography (CAT Scan) - Spine, Coronary Angiography, Cystourethroscopy, Dilation/Curettage, Hammertoe Repair, Hemorrhoidectomy, Knee Arthroscopy, Laparoscopy (pelvic), Magnetic Resonance Imaging (MRI)-Knee and Spine, Septoplasty, Strabismus Repair, Tonsillectomy/Adenoidectomy, Tympanostomy, and Upper GI Endoscopy. If precertification is not obtained and benefits are otherwise payable, benefits for these outpatient services will be reduced by \$200.

The following steps must be followed to obtain precertification:

- A telephone call must be made to Aetna by you, your representative, your doctor, or your hospital prior to admission, or prior to receiving one of the non-emergency outpatient surgeries or non-emergency outpatient diagnostic tests listed above. The toll-free number is 1-800/572-9096, (TDD 302/674-7606).
- The following information must be provided: enrollee's name and Plan identification number; patient's name, birth date and phone number; reason for hospitalization, outpatient surgery or diagnostic test; proposed treatment; name of hospital (facility); name and phone number of admitting doctor; and, if applicable, number of planned days of confinement.

When the above requirements are met, Aetna will tell the doctor and hospital the number of approved days of confinement for the care of the patient's condition. In the case of a listed outpatient surgery and/or diagnostic test(s), Aetna will tell your doctor or other appropriate provider that the services have been approved for coverage as medically necessary.

Written confirmation of the Carrier's precertification decision will be sent to you and your provider. If it is determined that the length of stay needs to be extended, follow the procedures listed below.

Need additional days?

If any additional days are required, your doctor or the hospital must call the number indicated on page and request certification for the additional days. If any additional days are approved, Aetna will contact your doctor before the certified length of stay ends to determine if you will be discharged on time or if additional inpatient days are medically necessary. If the admission is precertified but you remain confined beyond the number of days certified as medically necessary, the Plan will not pay for charges incurred on any extra days that are determined to not be medically necessary by the **Carrier** during the claim review.

You don't need to certify an admission when:

_ Medicare Part A, or another group health insurance policy, is the primary payer for the hospital confinement (see pages **xx**). Precertification is required, however, when Medicare hospital benefits are exhausted prior to using lifetime reserve days.

_ You are confined in a hospital outside the United States and Puerto Rico.

_ Medicare Part B is the primary payer for one of the non-emergency outpatient surgeries and/or the outpatient non-emergency diagnostic tests listed on page 28 under "Precertify outpatient surgery and diagnostic tests."

_ For non-emergency outpatient surgery or diagnostic tests not listed on page 28.

Maternity or emergency admissions

When there is an unscheduled maternity admission or an emergency admission due to a condition that puts the patient's life in danger or could cause serious damage to bodily function, you, your representative, the doctor, or the hospital must telephone 1-800/572-9096 within two business days following the day of admission, even if the patient has been discharged from the hospital. Otherwise, inpatient benefits otherwise payable for the admission will be reduced by \$500.

Newborn confinements that extend beyond the mother's discharge date must also be certified. You, your representative, the doctor or hospital must request certification for the newborn's continued confinement within two business days following the day of the mother's discharge.

Other considerations

An early determination of need for confinement (precertification of the medical necessity of inpatient admission) is binding on the **Carrier** unless the **Carrier** is misled by the information given to it. After the claim is received, the **Carrier** will first determine whether the admission was precertified and then provide benefits according to all of the terms of this brochure.

If you do not precertify

If precertification is not obtained before admission to the hospital (or within two business days following the day of a maternity or emergency admission or, in the case of a newborn, the mother's discharge), a medical necessity determination will be made at the time the claim is filed. If the **Carrier** determines that the hospitalization was not medically necessary the inpatient hospital benefits will not be paid. However, medical supplies and services otherwise payable on an outpatient basis will be paid.

If the claim review determines that the admission was medically necessary, any benefits payable according to all of the terms of this brochure will be reduced by \$500 for failing to have the admission precertified.

If the admission is determined to be medically necessary, but part of the length of stay was found not to be medically necessary, inpatient hospital benefits will not be paid for the portion of the confinement that was not medically necessary. However, medical services and supplies otherwise payable on an outpatient basis will be paid.

If you do not precertify the non-emergency outpatient surgeries and/or non-emergency outpatient diagnostic tests listed on page 28, a medical necessity determination will need to be made at the time the claim is filed. If the claim review results in the surgery or test being certified, any benefits payable according to all the terms of this brochure will be reduced by \$200 for failing to have one of the listed non-emergency outpatient surgeries and/or the non-emergency outpatient diagnostic tests precertified.

This Plan and Medicare

Coordinating benefits

The following information applies only to enrollees and covered family members entitled to benefits from both this Plan and Medicare. **You must disclose information about Medicare coverage, including your enrollment in a Medicare prepaid plan, to this Carrier; this applies whether or not you file a claim under Medicare. You must also give this Carrier authorization to obtain information about benefits or services denied or paid by Medicare when they request it. It is also important that you inform the Carrier about other coverage you may have as this coverage may affect the primary/secondary status of this Plan and Medicare (see pages xx-xx).**

This Plan covers most of the same kinds of expenses as Medicare Part A, hospital insurance, and Part B, medical insurance, except that Medicare does not cover prescription drugs.

The following rules apply to enrollees and their family members who are entitled to benefits from both an FEHB plan and Medicare.

This Plan is primary if:

- 1) You are age 65 or over, have Medicare Part A (or Parts A and B), **and are employed by the Federal Government;**

- 2) Your covered spouse is age 65 or over and has Medicare Part A (or Parts A and B) and **you are** employed by the Federal Government;
- 3) The patient (you or a covered family member) is within the first 18 months of eligibility to receive Medicare Part A benefits due to End Stage Renal Disease (ESRD) except when Medicare was the patient's primary payer on the day before he or she became eligible for Medicare Part A due to ESRD; or
- 4) The patient (you or a covered family member) is under age 65 and eligible for Medicare solely on the basis of disability, and you are employed by the Federal Government.

For purposes of this section, "employed by the Federal Government" means that you are eligible for FEHB coverage based on your current employment and that you do not hold an appointment described under Rule 6 of the following "Medicare is primary" section.

Medicare is primary if:

- 1) You are an annuitant age 65 or over, covered by Medicare Part A (or Parts A and B) and are not employed by the Federal Government;
- 2) Your covered spouse is age 65 or over and has Medicare Part A (or Parts A and B) and **you are not** employed by the Federal Government;
- 3) You are age 65 or over and (a) you are a Federal judge who retired under title 28, U.S.C., (b) you are a Tax Court judge who retired under Section 7447 of title 26, U.S.C., or (c) you are the covered spouse of a retired judge described in (a) or (b);
- 4) You are an annuitant not employed by the Federal Government, and either you or a covered family member (who may or may not be employed by the Federal Government) is under age 65 and eligible for Medicare on the basis of disability;
- 5) You are enrolled in Part B only, regardless of your employment status;
- 6) You are age 65 or over and employed by the Federal Government in an appointment that excludes similarly appointed nonretired employees from FEHB coverage, and have Medicare Part A (or Parts A and B);
- 7) **You are a former Federal employee receiving workers' compensation and the Office of Workers Compensation has determined that you are unable to return to duty;**
- 8) The patient (you or a covered family member) has completed the 18-month ESRD coordination period and is still eligible for Medicare due to ESRD; or
- 9) The patient (you or a covered family member) becomes eligible for Medicare due to ESRD after Medicare assumed primary payer status for the patient under rules 1) **through** 7) above.

This Plan and Medicare continued

When Medicare is primary

When Medicare is primary, all or part of your Plan deductibles and coinsurance will be waived as follows:

Inpatient Hospital Benefits: If you are enrolled in Medicare Part A, the Plan will waive the deductible and coinsurance.

Surgical Benefits: If you are enrolled in Medicare Part B, the Plan will waive the deductible and coinsurance.

Mental Conditions/Substance Abuse Benefits: If you are enrolled in Medicare Part A, the Plan will waive the deductible and coinsurance for inpatient care. If you are enrolled in Medicare Part B, the Plan will waive the deductible and coinsurance for outpatient care.

Other Medical Benefits: If you are enrolled in Medicare Part B, the Plan will waive the deductible and coinsurance for medical benefits, except prescription drugs.

Additional Benefits (Prescription Drugs): If you are enrolled in Medicare Part B, the Plan will waive the \$200 annual combined drug deductible under the mail order program or the retail prescription drug program.

When Medicare is the primary payer, this Plan will pay the lesser of (1) its benefits in full, or (2) a reduced amount that, when added to the benefits payable by Medicare, will not exceed 100% of reasonable and customary expenses or, for doctor services, the amount specified by Medicare as described below.

When you also enroll in a Medicare prepaid plan

When you are enrolled in a Medicare prepaid plan while you are a member of this Plan, you may continue to obtain benefits from this Plan. If you submit claims for services covered by this Plan that you receive from providers that are not in the Medicare plan's network, the Plan will not waive any deductibles or coinsurance when paying these claims.

Medicare's payment and this Plan

If you are covered by Medicare Part B and it is primary, you should be aware that your out-of-pocket costs for services covered by both this Plan and Medicare Part B will depend on whether your doctor accepts Medicare assignment for the claim.

Medicare-participating doctors accept assignment; that is, they have agreed not to bill you for more than the Medicare-approved amount for covered services. Some non-Medicare-participating doctors accept assignment on certain claims. If you use a doctor who accepts Medicare assignment for the claim, the doctor is permitted to bill you after the Plan has paid only in those instances where the Medicare and Plan payments combined do not total the Medicare-approved amount.

Non-Medicare-participating doctors do not need to accept assignment. When they do not accept assignment on a claim, they can bill you for more than the Medicare-approved amount - up to a limit set by the Medicare law (the Social Security Act, 42 U.S.C.) called the limiting charge. The limiting charge is 115 percent of the Medicare-approved amount. If you use a doctor who does not accept assignment for the claim, the doctor is

permitted to bill you after the Plan has paid only if the Medicare and Plan payments combined do not total the limiting charge set by the Medicare law for non-Medicare-participating doctors. Neither you nor your FEHB Plan is liable for any amount in excess of the Medicare limiting charge for charges of a non-participating Medicare doctor. The Medicare Explanation of Benefits (EOB) form will have more information about this limit.

How to claim benefits

In most cases, **when services are covered by both Medicare and this Plan, Medicare is the primary payer if you are an annuitant and this Plan is the primary payer if you are an employee. When Medicare is the primary payer, your claims should first be submitted to Medicare.** The Carrier has contracted with most Medicare Part B claims processors (also known as carriers) to receive electronic copies of your claims after Medicare has paid their benefits. This means you do not need to submit your Part B claims to the claims processor. Call the **Carrier** at 1-800/000-0000 to find out if your claims are being filed electronically. If they are not, you should initially submit your claims to Medicare. After Medicare has paid its benefits, **the Carrier** will consider the balance of any covered expenses. To be sure your claims are processed by this **Carrier**, you must submit the EOB form from Medicare and duplicates of all bills along with a completed claim form. The **Carrier** will not process your claim without knowing whether you have Medicare and, if you do, without receiving the Medicare EOB.

Enrollment Information

If you are a new member

Use this brochure as a guide to coverage and obtaining benefits. There may be a delay before you receive your identification card and member information from the Carrier. Until you receive your ID card, you may show your copy of the SF 2809 enrollment form or your annuitant confirmation letter from OPM to a provider as proof of enrollment in this Plan. If you do not receive your ID card within 60 days after the effective date of your enrollment, you should contact the Carrier. See "How to claim benefits" on page xx

If you made your open season change by using Employee Express and have not received your new ID card by the effective date of your enrollment, call the Employee Express HELP number to request a confirmation letter. Use that letter to confirm your new coverage with Plan providers.

If you are a new member of this Plan, benefits and rates begin on the effective date of your enrollment, as set by your employing office or retirement system (see Effective date on page xx). Coverage under your new plan for a hospitalized member may be delayed if you are currently enrolled in another FEHB plan and you or a covered family member **are** hospitalized on the effective date of your enrollment; see If you are hospitalized below.

No FEHB plan may refuse to provide benefits for any condition you or a covered family member may have solely on the basis that it was a condition that existed before you enrolled in a plan under the FEHB Program **except as stated in any cosmetic surgery or dental benefits description in this brochure.**

Enrollment Information continued

If you are hospitalized

If you change plans or options, benefits under your prior plan or option cease on the effective date of your enrollment in your new plan or option unless you or a covered family member **are** confined in a hospital or other covered facility or **are** receiving medical care in an alternative care setting on the last day of your enrollment under the prior plan or option. In that case, the confined person **will continue to receive benefits under the former plan or option until the earliest** of (1) the day the person is discharged from the hospital or other covered facility (a move to an alternative care setting does not constitute a discharge under this provision), or (2) the day after the day all inpatient benefits have been exhausted under the prior plan or option, or (3) the 92nd day after the last day of coverage under the prior plan or option. **However, benefits for other family members under the new plan will begin on the effective date.** If your plan terminates participation in the FEHB Program in whole or in part, or if the Associate Director for Retirement and Insurance orders an enrollment change, this continuation of coverage provision does not apply; in such case, **the hospitalized family member's** benefits under the new plan begin on the effective date of enrollment.

Your responsibility

It is your responsibility to be informed about your health benefits. Your employing office or retirement system can provide information about when you may change your enrollment; who "family members" are; what happens when you transfer, go on leave without pay, enter military service, or retire; when your enrollment terminates; and the next open season for enrollment. Your employing office or retirement system will also **make available to you** an FEHB Guide, brochures and other materials you need to make an informed decision.

Things to keep in mind

- The benefits in this brochure are effective on January 1 **for those already enrolled in this Plan. If you changed plans or plan options, see "If you are a new member" above. In both cases, however, the Plan's** new rates are effective the first day of the enrollee's first full pay period that begins on or after January 1 (January 1 for all annuitants).
- Generally, you **must** be continuously enrolled in the FEHB Program for the last five years before you retire **to continue** your enrollment for you and any eligible family members after you retire.
- **The FEHB Program provides Self Only coverage for the enrollee alone or Self and Family coverage for the enrollee, his or her spouse, and unmarried dependent children under age 22. Under certain circumstances, coverage will also be provided under a family enrollment for a disabled child 22 years of age or older who is incapable of self-support.**
- **An enrollee with Self Only coverage who is expecting a baby or the addition of a child may change to a Self and Family enrollment up to 60 days after the birth or addition. The effective date of the enrollment change is the first day of the pay period in which the child was born or became an eligible family member. The enrollee is responsible for his or her share of the Self and Family**

premium for that time period.

- You will not be informed by your employing office (or your retirement system) or your Carrier when a family member loses eligibility.
- **You must direct questions about enrollment and eligibility, including whether a dependent age 22 or older is eligible for coverage, to your employing office or retirement system. The Carrier does not determine eligibility and cannot change an enrollment status without the necessary information from the employing agency or retirement system.**
- **An employee, annuitant, or family member enrolled in one FEHB plan is not entitled to receive benefits under any other FEHB plan.**
- **Report additions and deletions (including divorces) of covered family members to the Carrier promptly.**
- **If you are an annuitant or former spouse with FEHB coverage and you are also covered by Medicare Part B, you may drop your FEHB coverage and enroll in a Medicare prepaid plan when one is available in your area. If you later change your mind and want to reenroll in FEHB, you may do so at the next open season, or whenever you involuntarily lose coverage in the Medicare prepaid plan or move out of the area it serves.**

Most Federal annuitants have Medicare Part A. If you do not have Medicare Part A, you may enroll in a Medicare prepaid plan, but you will probably have to pay for hospital coverage in addition to the Part B premium. Before you join the plan, ask whether they will provide hospital benefits and, if so, what you will have to pay.

You may also remain enrolled in this Plan when you join a Medicare prepaid plan. See page xx for how this Plan's benefits are affected when you are enrolled in a Medicare prepaid plan.

Contact your local Social Security Administration (SSA) office for information on local Medicare plans (also known as Coordinated Care Plans or Medicare HMOs) or request it from SSA at 1-800/638-6833. Contact your retirement system for information on dropping your FEHB enrollment and changing to a Medicare prepaid plan.

- **Federal annuitants are not required to enroll in Medicare Part B (or Part A) in order to be covered under the FEHB Program nor are their FEHB benefits reduced if they do not have Medicare Part B (or Part A).**

Coverage after enrollment ends

When an employee's enrollment terminates because of separation from Federal service or when a family member is no longer eligible for coverage under an employee or annuitant enrollment, and the person is not otherwise eligible for FEHB coverage, he or she will generally be eligible for a **free** 31-day extension of coverage. The employee or family member **may** also be eligible for one of the following:

Former spouse coverage

When a Federal employee or annuitant **divorces**, the former spouse may **be eligible to** elect coverage under the spouse equity law. If you are recently divorced or anticipate divorcing, contact the employee's employing office (personnel office) or retiree's retirement system to get more facts about electing coverage.

Enrollment Information continued

Temporary continuation of coverage (TCC)

If you are an employee whose enrollment is terminated because you separate from service, you may be eligible to temporarily continue your health benefits coverage under the FEHB Program **in any plan for which you are eligible**. Ask your employing office for **RI 79-27, which describes TCC, and for RI 70-5, the FEHB Guide for individuals eligible for TCC**. **Unless you are separated for gross misconduct**, TCC is available to you if you are not otherwise eligible for continued coverage under the Program. For example, you are eligible for TCC when you **retire** if you are unable to meet the five-year enrollment requirement for continuation of enrollment after retirement.

Your TCC begins after the initial **free 31-day extension of coverage** ends and continues for up to 18 months after your separation from service (**that is, if you use TCC until it expires 18 months following separation, you will only pay for 17 months of coverage**). Generally, you must pay the total premium (both the Government and employee shares) plus a **2 percent administrative charge**. **If you use your TCC until it expires**, you are entitled to another **free 31-day extension of coverage when you may convert** to nongroup coverage. **If you cancel your TCC or stop paying premiums, the free 31-day extension of coverage and conversion option are not available**.

Children or former spouses who lose eligibility for coverage **because they no longer qualify as family members** (and who **are not eligible for benefits under** the FEHB Program as employees or under the spouse equity law) also may qualify for TCC. They also must pay the total premium plus the **2 percent** administrative charge. **TCC for former family members** continues for up to 36 months after the qualifying event occurs, **for example**, the child reaches age 22 or the date of the divorce. **This includes the free 31-day extension of coverage**. When their TCC ends (except by cancellation or nonpayment of premium), they are entitled to another free 31-day extension of coverage **when they may convert** to nongroup coverage.

NOTE: If there is a delay in processing the TCC enrollment, the effective date of the enrollment is still **the 32nd day after regular coverage ends**. The TCC enrollee is responsible for premium payments retroactive to the effective date and coverage may not exceed the 18 or 36-month period noted above.

Notification and election requirements:

- **Separating employees** — Within 61 days after an employee's enrollment terminates because of separation from service, his or her employing office must notify the employee of the opportunity to elect TCC. The employee has 60 days after separation (or after receiving the notice from the employing office, if later) to elect TCC.

- **Children** — You must notify your employing office or retirement system when a child becomes eligible for TCC within 60 days after the qualifying event occurs, **for example**, the child reaches age 22 or marries.
- **Former spouses** — You or your former spouse must notify the employing office or retirement system of the former spouse's eligibility for TCC within 60 days after the termination of the marriage. A former spouse may also qualify for TCC if, during the 36-month period of TCC eligibility, he or she loses spouse equity eligibility because of remarriage before age 55 or loss of the qualifying court order. This applies even if he or she did not elect TCC while waiting for spouse equity coverage to begin. The former spouse must contact the employing office within 60 days of losing spouse equity eligibility to apply for the remaining months of TCC to which he or she is entitled.

The employing office or retirement system **has 14 days after receiving notice from you or the former spouse to notify** the child or the former spouse of his or her rights under TCC. If a child wants TCC, he or she must elect it within 60 days after the date of the qualifying event (or after receiving the notice, if later). If a former spouse wants TCC, he or she must **elect it** within 60 days after any of the following events: the date of the qualifying event **or** the date he or she **receives the notice, whichever is later; or the date he or** she loses coverage under the spouse equity law because of remarriage **before age 55** or loss of the qualifying court order.

Important: The employing office or retirement system **must** be notified of a child's or former spouse's eligibility for TCC within the 60-day time limit. **If the employing office or retirement system is not notified**, the opportunity to elect TCC ends 60 days after the qualifying event in the case of a child and 60 days after the change in status in the case of a former spouse.

Conversion to individual coverage

When none of the above choices is available — or chosen — when coverage as an employee or family member ends, or when TCC coverage ends (except by cancellation or nonpayment of premium), you may be eligible to convert to an individual, nongroup contract. **You will not be required to provide evidence of good health and the plan is not permitted to impose a waiting period or limit coverage for preexisting conditions.** If you wish to convert to an individual contract, you must apply in writing to the carrier of the plan in which **you are** enrolled within 31 days after **receiving notice of the conversion right from your employing agency.** **A family member must apply to convert within the 31-day free extension of coverage that follows the event that terminates coverage, e.g., divorce or reaching age 22.** **Benefits and rates under the individual contract may differ from those under the FEHB Program.**

Definitions

Accidental injury

An injury caused by an external force such as a blow or a fall and which requires immediate medical attention. Also included are animal bites, poisonings and dental care required as a result of accidental injury to sound natural teeth. An injury to teeth while eating is not considered to be an accidental injury.

Admission

The period from entry (admission) into a hospital or other covered facility until discharge. In counting days of inpatient care, the date of entry and the date of discharge are counted as the same day.

Assignment

An authorization by an enrollee or spouse for the **Carrier** to issue payment of benefits directly to the provider. **The Carrier reserves the right to pay the member directly for all covered services.**

Calendar year

January 1 through December 31 of the same year. For new enrollees, the calendar year begins on the effective date of their enrollment and ends on December 31 of the same year.

Confinement

An admission (or series of admissions separated by no less than 60 days) to a hospital as an inpatient for any one illness or injury. There is a new confinement when an admission is separated by at least 60 consecutive days.

Congenital anomaly

A condition existing at or from birth which is a significant deviation from the common form or norm. For purposes of this Plan, congenital anomalies include protruding ear deformities, cleft lips, cleft palates, birthmarks, webbed fingers or toes and other conditions that the **Carrier** may determine to be congenital anomalies. In no event will the term congenital anomaly include conditions relating to teeth or intra-oral structures supporting the teeth.

Cosmetic surgery

Any operative procedure or any portion of a procedure performed primarily to improve physical appearance and/or treat a mental condition through change in bodily form.

Custodial care

Treatment or services, regardless of who recommends them or where they are provided, that could be rendered safely and reasonably by a person not medically skilled, or that are designed mainly to help the patient with daily living activities. These activities include but are not limited to:

1) personal care such as help in: walking; getting in and out of bed; bathing; eating by spoon, tube or gastrostomy; exercising; dressing;

- 2) homemaking, such as preparing meals or special diets;
- 3) moving the patient;
- 4) acting as companion or sitter;
- 5) supervising medication that can usually be self administered; or
- 6) treatment or services that any person may be able to perform with minimal instruction, including but not limited to recording temperature, pulse, and respirations, or administration and monitoring of feeding systems.

The **Carrier** determines which services are custodial care.

Durable medical equipment

Equipment and supplies that:

- 1) are prescribed by your attending doctor;
- 2) are medically necessary;
- 3) are primarily and customarily used only for a medical purpose;
- 4) are generally useful only to a person with an illness or injury;
- 5) are designed for prolonged use; and
- 6) serve a specific therapeutic purpose in the treatment of an illness or injury.

Definitions continued

Effective date

The date the benefits described in this brochure are effective:

- 1) January 1 for continuing enrollments and for all annuitant enrollments;
- 2) the first day of the first full pay period of the new year for enrollees who change plans or options or elect FEHB coverage during the open season for the first time; or
- 3) for new enrollees during the calendar year, but not during the open season, the effective date of enrollment as determined by the employing office or retirement system.

Elective surgery

Any non-emergency surgical procedure requiring inpatient hospital confinement which may be scheduled at the patient's convenience without jeopardizing the patient's life or causing serious impairment to the patient's bodily functions.

Experimental or investigational drug, device and medical treatment or procedure

A drug, device or medical treatment or procedure is experimental or investigational:

- 1) if the drug or device cannot be lawfully marketed without approval of the U.S. Food and Drug Administration and approval for marketing has not been given at the time the drug or device is furnished; or
- 2) if reliable evidence shows that the drug, device or medical treatment or procedure is the subject of ongoing phase I, II, or III clinical trials or under study to determine its maximum tolerated dose, its toxicity, its safety, its efficacy, or its efficacy as compared with the standard means of treatment or diagnosis; or
- 3) if reliable evidence shows that the consensus of opinion among experts regarding the drug, device or medical treatment or procedure is that further studies or clinical trials are necessary to determine its maximum tolerated dose, its toxicity, its safety, its efficacy or its efficacy as compared with the standard means of treatment or diagnosis.

Reliable evidence shall mean only published reports and articles in the authoritative medical and scientific literature; the written protocol or protocols used by the treating facility or the protocol(s) of another facility studying substantially the same drug, device or medical treatment or procedure; or the written informed consent used by the treating facility or by another facility studying substantially the same drug, device or medical treatment or procedure.

Group health coverage

Health care coverage that a member is eligible for because of employment by, membership in, or connection with, a particular organization or group that provides payment for hospital, medical, or other health care services or supplies, or that pays a specific amount for each day or period of hospitalization if the specified amount exceeds \$200 per day, including extension of any of these benefits through COBRA.

Home health care

A plan of continued care and treatment of an injured or sick person who is under the care of a doctor, and whose doctor certifies that without the home health care, confinement in a hospital or skilled nursing facility would be required.

Home health care agency

A public agency or private organization that is licensed as a Home Health Care Agency by the state and is

certified as such under Medicare.

Hospice care program

Professional inpatient and outpatient care rendered by a licensed or certified hospice to terminally ill patients for personal care and relief of pain using technical and related medical procedures.

Initial emergency treatment

Initial emergency treatment is care rendered by a hospital or doctor for an accidental injury. Initial emergency treatment does not include benefits for ambulance transportation or treatment an enrollee receives as a result of an inpatient admission. Once the enrollee is admitted to the hospital, inpatient benefits will be applied.

Medical emergency

The sudden and unexpected onset of a condition requiring non-surgical medical care, which the covered person secures within 72 hours of the onset. The severity of the condition as revealed by the doctor's diagnosis must be such as would normally require emergency care. Medical emergencies include heart attacks, poisonings, loss of consciousness or respiration, convulsions, and such other acute conditions as may be determined by the Plan to be medical emergencies.

Medically necessary

Services, **drugs**, supplies or equipment provided by a hospital or covered provider of the health care services that the **Carrier** determines:

- 1) are appropriate to diagnose or treat the patient's condition, illness or injury;
- 2) are consistent with standards of good medical practice in the United States;
- 3) are not primarily for the personal comfort or convenience of the patient, the family, or the provider;
- 4) are not a part of or associated with the scholastic education or vocational training of the patient; and
- 5) in the case of inpatient care, cannot be provided safely on an outpatient basis.

The fact that a covered provider has prescribed, recommended, or approved a service, supply, drug or equipment does not, in itself, make it medically necessary.

Mental conditions/substance abuse

Conditions and diseases listed in the most recent edition of the International Classification of Diseases (ICD) as psychoses, neurotic disorders, or personality disorders; other nonpsychotic mental disorders listed in the ICD, to be determined by the **Carrier**; or disorders listed in the ICD requiring treatment for abuse of or dependence

upon substances such as alcohol, narcotics, or hallucinogens.

Morbid obesity

A condition in which an individual: (1) is the greater of 100 pounds or 100% over his or her normal weight (in accord with the Carrier's underwriting standards) with complicating medical conditions; and (2) has been so for at least five years, despite documented unsuccessful attempts to reduce under a doctor-monitored diet and exercise program.

Reasonable and customary

The Plan allows benefits, unless otherwise indicated, to the extent that they are reasonable and customary. The reasonable and customary charge for any non-PPO service or supply is the charge determined by the Plan on a semiannual basis to be in the 90th percentile of the prevailing charges made for a service or supply by providers in the geographic area where it is furnished. The prevailing charges data is obtained from prevailing health care charge guides such as that prepared by the Health Insurance Association of America (HIAA) and the Plan's underwriter, Aetna Life Insurance Company. In determining the reasonable charge for a service or supply that is unusual, or not often provided in the area, or provided by only a small number of providers in the area, the Plan may take into account factors such as: the complexity; the degree of skills needed; the type of specialty of the provider; the range of services or supplies provided by a facility; and the prevailing charge in other areas. When a PPO provider is used, the fee that has been negotiated between the Plan and the PPO provider is considered the reasonable and customary charge.

Sound natural teeth

A tooth that is whole or properly restored and is without impairment, periodontal or other conditions and is not in need of treatment provided for any reason other than an accidental injury.

Non-FEHB Benefits Available to Plan Members

The benefits described on this page are neither offered nor guaranteed under the contract with the FEHB Program, but are made available to all enrollees and family members of this Plan. The cost of the benefits described on this page is not included in the FEHB premium and any charges for these services do not count toward any FEHB deductibles out-of-pocket maximum copay charges, etc. These benefits are not subject to the FEHB disputed claims review procedure.

Enrollment in the Alliance Insurance Programs listed below is not a requirement for participation in the Alliance Health Benefit Plan is being offered on a voluntary basis through carriers other than the Health Plan. The Alliance Health Benefit Plan is not responsible for any services or representations made by these carriers outside of these Alliance Insurance Programs. These programs are available to NAPFE Union members and Associate members only.

PLAN FEATURES

NO CLAIM FORMS!

Aetna Preferred Dental Plan	No deductibles No maximums 100% Coverage- Diagnostic and Preventive Care (Exams, X-rays, Cleanings) 50% * Coverage- Basic Restorative Care (Fillings, Periodontics, Endodontics, Simple Extractions) 50% * Coverage- Major Restorations (Onlays, Dentures, Crowns, Bridgework)
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*With Preferred Dental there are fixed copayments. You'll know your cost-copayment-for each procedure before it is performed by a preferred provider. Your cost will be the exact amount shown in the Summary of Benefits and Copayments (sent to you with your enrollment package) and not a percentage of an unknown fee. The copayments will be no more than 50% of the area average charge for each procedure. (Available in AK, AZ, CA, CO, CT, FL, GA, IL, IN, LA, MD/DC, MI, MO, NE, NY, OH, OK, PA, TN, TX, VA)

Call Aetna 1-800-253-1090 for Dental Information!

Benefits on this page are not part of the FEHB contract

How the Alliance Health Benefit Plan Changes January 1997

Do not rely on this page; it is not an official statement of benefits.

Benefit changes

- There are no benefit changes.

Clarifications

- The speech, occupational, and physical therapy benefit is clarified to state that the Plan covers these visits under Other Medical Benefits when necessary to restore an attained bodily function or speech when there has been a total or partial loss of bodily function or functional speech due to illness or injury.
- Procedures, services, drugs and supplies related to abortions are excluded except when the life of the mother would be endangered if the fetus were carried to term or when the pregnancy is the result of rape or incest.
- The retail prescription drug benefit is clarified to state that the Plan will cover every third and subsequent prescription refill from a pharmacy at 50% of the participating pharmacy cost.
- The use of a Plan identification card to obtain benefits after you are no longer enrolled in the Plan is a fraudulent action subject to review by the Inspector General.
- Medical data that does not identify individual members may be disclosed as a result of bona fide medical research or education.
- PPO arrangements This section has been clarified to show that while PPO providers agree with the Plan to provide covered services, final decisions about health care from PPO providers are the sole responsibility of the doctor and patient and are independent of the terms of the insurance contract.
- General Information When a family member is hospitalized on the effective date of an enrollment change and continues to receive benefits under the old plan, benefits under the new plan will begin for other family members on the effective date of the new enrollment.

An enrollee with Self Only coverage who is expecting a baby or the addition of a child may change to a Self and Family enrollment up to 60 days after the birth or addition.

Annuitants and former spouses with FEHB coverage, and who are covered by Medicare Part B, may join a Medicare prepaid plan if they do not have Medicare Part A, but they will probably have to pay for hospital coverage. They may also remain enrolled under an FEHB plan when they enroll in a Medicare prepaid plan.

Federal annuitants are not required to enroll in Medicare Part B (or Part A) in order to be covered under the FEHB Program nor are their FEHB benefits reduced if they do not have Medicare Part B (or Part A).

Temporary continuation of coverage (TCC) for employees or family members who lose

eligibility for FEHB coverage includes one free 31-day extension of coverage and may include a second. How these are coordinated has been clarified; notification and election requirements have also been clarified.

"Conversion to individual coverage" does not require evidence of good health and the plan is not permitted to impose a waiting period or limit coverage for preexisting conditions; benefits and rates under the individual contract may differ from those under the FEHB Program.

- The rules concerning whether this Plan or Medicare pays your claim first when you are entitled to benefits under both this Plan and Medicare have been clarified (see page xx):
 - This Plan is primary if you, the enrollee, are age 65 or over, have Medicare, and are employed by the Federal Government. If your covered spouse is age 65 or over, has Medicare, and is employed by the Federal Government and you, the enrollee, are not, Medicare is primary.
 - Medicare is primary if you are a former Federal employee receiving workers' compensation and the Office of Workers Compensation has determined that you are unable to return to duty.
- Language on the non-FEHB page has been clarified to show that the cost of the benefits described on that page is not included in the FEHB premium.

Other changes

- The "Flexible services option" is now known as the "Flexible benefits option."
- Enrollees who change their FEHB enrollments using Employee Express may call the Employee Express HELP number to obtain a letter confirming that change if their ID cards do not arrive by the effective date of the enrollment change.
- If you are eligible for Medicare, the information about Medicare coverage that you must disclose to the Carrier now includes your enrollment in a Medicare prepaid plan.
- When you are enrolled in both this Plan and a Medicare prepaid plan, this Plan will not waive any deductibles or coinsurance.
- The fact that an enrollee does not have a vested right to receive the benefits in this brochure in 1998 or later years, nor to benefits for years prior to 1997 unless those benefits are in this brochure, is now stated under "General Limitations" as well as on page 2.
- The Plan will not pay for services required as the result of occupational disease or injury for which any medical benefits are determined by the Office of Workers Compensation Programs (OWCP) to be payable under workers' compensation or by a similar agency under another Federal or State law. The Carrier is entitled to be reimbursed by OWCP (or the similar agency) for services it paid that were later found to be payable by OWCP (or the agency).
- Disputed claims If your claim for payment or services is denied by the Carrier, and you

decide to ask OPM to review that denial, you must first ask the Carrier to reconsider their decision. You must now request their reconsideration within six months of the denial (previously, you had one year to do this). This time limit may be extended if you show you were prevented by circumstances beyond your control from making your request within the time limit.

Providers, legal counsel, and other interested parties may act as your representative in pursuing payment of a disputed claim only with your written consent. Any lawsuit to recover benefits on a claim for treatment, services, supplies or drugs covered by this Plan must be brought against the Office of Personnel Management in Federal court and only after you have exhausted the OPM review procedure.

Summary of Benefits for Alliance Health Benefit Plan - 1997

Do not rely on this chart alone. All benefits are subject to the definitions, limitations, and exclusions set forth in the brochure. This chart merely summarizes certain important expenses covered by the Plan. If you wish to enroll or change your enrollment in this Plan, be sure to indicate the correct enrollment code on your enrollment form (codes appear on the cover of this brochure). All items below with an (*) are subject to the \$100 PPO calendar year deductible. Those items designated with a (+) are subject to the \$300 non-PPO calendar year deductible.

Benefits	Plan pays/provides	Page
Inpatient care		
Hospital.....	x	
PPO benefit: After \$150 deductible per admission, 90% Room and board and other hospital charges		
Non-PPO benefit: After \$250 deductible per admission, 70% Room and board and other hospital charges		
Surgical.....		
PPO benefit: 90%* of reasonable and customary charges		
Non-PPO benefit: 70%+ of reasonable and customary charges		
Medical.....		
PPO benefit: 90%* of reasonable and customary charges		
Non-PPO benefit: 70%+ of reasonable and customary charges		
Maternity.....		
Same benefit as for illness or injury		
Mental Conditions		
After you pay the \$500 deductible for covered hospital charges per person per confinement, the Plan will pay 80% of reasonable and customary charges, limited to \$50,000 per person per calendar year		
Substance Abuse.....		
x		

100% of charges up to \$4,000 maximum benefit for one 30-day inpatient treatment program per calendar year in an approved JCAHO facility, limited to two treatment programs per lifetime

Outpatient care

Hospital.....X

PPO benefit: 90% * of reasonable and customary charges

Non-PPO benefit: 70%+ of reasonable and customary charges

Surgical.....X

PPO benefit: 90% * of reasonable and customary charges

Non-PPO benefit: 70%+ of reasonable and customary charges

Medical.....X

PPO benefit: 90% * of covered medical expenses; office visits \$10 per visit copay

Non-PPO benefit: 70%+ of covered medical expenses

Maternity.....X

Same benefit as for illness or injury

Home Health Care.....X

Up to \$40 per visit for up to 60 home health care visits in a calendar year

Mental Conditions

50%+ of covered charges with a maximum payable of \$750 per person each calendar year

Substance Abuse.....X

75%+ of covered charges up to a \$4,000 maximum, per person each calendar year

Emergency care

(accidental injury).....X

100% of reasonable and customary charges for emergency treatment (other than surgery) by a doctor and outpatient services furnished by a hospital when provided within 72 hours after an accidental injury

Prescription drugs.....X

Retail Drug Program

After combined \$200 annual drug deductible, member pays a \$10 copay for the initial prescription and two refills; 50% of charges for the third and subsequent refills; dispensed up to a 30 day supply per prescription or refill

Mail order

After combined \$200 annual drug deductible, member pays \$7 copay for generic drugs, \$14 copay for name brand drugs. Member may receive a new 45 day supply and subsequent refills of up to a 90 day supply

Dental care.....X

\$21 for routine oral exams; two per calendar year; other dental services as listed in fee schedule

Additional benefits.....X
Chiropractic services, Home health care, Hospice care, Nursing services, Well child care, and Skilled nursing facilities

Protection against catastrophic costs.....X
Plan pays 100% of reasonable and customary charges if your out-of-pocket expenses under Maternity, Surgical and Other Medical benefits exceed \$2,000 under PPO, \$3,000 under non-PPO, for Self Only or for Self and Family in a calendar year