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SUMMARY PLAN DESCRIPTION

Name of Plan:

Peralta Community College District Retiree Benefit Plan

Name, Address and Phone Number of Employer/Plan Sponsor:

Peralta Community College District
333 East Eighth Street
Oakland, CA  94606
(510) 466-7200

Employer Identification Number:

94-1676375

Plan Number:

502

Group Number:

4138

Type of Plan:

Welfare Benefit Plan: medical and prescription drug benefits

Type of Administration:

Contract administration: The processing of claims for benefits under the terms of the Plan is provided through a company contracted by the employer and shall hereinafter be referred to as the claims processor.

Name, Address and Phone Number of Plan Administrator, Fiduciary, and Agent For Service of Legal Process:

Peralta Community College District
333 East Eighth Street
Oakland, CA  94606
(510) 466-7200

Legal process may be served upon the plan administrator.

Union Plans:

This Plan is established in accordance with collective bargaining agreements for the Peralta Federation of Teachers, the Service Retirees International Union, Local 790 or the International Union of Operating Engineers, Local 39, AFL-CIO. Retirees have a right to obtain a copy of the collective bargaining agreement. A written request for such copy should be submitted to the plan administrator. The collective bargaining agreement is available for examination in the plan administrator's office.
Eligibility Requirements:

For detailed information regarding a person's eligibility to participate in the Plan, refer to the following section:

*Eligibility, Enrollment and Effective Date of Coverage*

For detailed information regarding a person being ineligible for benefits through reaching maximum benefit levels, pre-existing conditions, termination of coverage or Plan exclusions, refer to the following sections:

- Schedule of Benefits
- Pre-existing Conditions
- Termination of Coverage
- Plan Exclusions

Source of Plan Contributions:

Contributions for Plan expenses are obtained from the employer and from covered retirees. The employer evaluates the costs of the Plan based on projected Plan expenses and determines the amount to be contributed by the employer and the amount to be contributed by the covered retirees.

Funding Method:

The employer pays Plan benefits and administration expenses directly from general assets. Contributions received from covered persons are used to cover Plan costs and are expended immediately.

Ending Date of Plan Year:

June 30

Procedures for Filing Claims:

For detailed information on how to submit a claim for benefits, or how to file an appeal on a processed claim, refer to the section entitled Claim Filing Procedure.

The designated claims processor is:

CoreSource, Inc.
7830 East Broadway
Tucson, AZ 85710
SCHEDULE OF BENEFITS

The following Schedule of Benefits is designed as a quick reference. For complete provisions of the Plan’s benefits, refer to the following sections: Claim Filing Procedure, Medical Expense Benefit, Prescription Drug Program, Plan Exclusions and Preferred Provider Organization.

**MEDICAL BENEFITS**

<table>
<thead>
<tr>
<th>Maximum Benefit Per Covered Person While Covered By This Plan For:</th>
<th>$2,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible Per Calendar Year:</td>
<td>None</td>
</tr>
<tr>
<td>Out-of-Pocket Expense Limit Per Calendar Year:</td>
<td></td>
</tr>
<tr>
<td>Individual (Per Person)</td>
<td></td>
</tr>
<tr>
<td>Preferred Provider</td>
<td>None</td>
</tr>
<tr>
<td>Nonpreferred Provider</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Refer to Medical Expense Benefit, Out-of-Pocket Expense Limit for a listing of charges not applicable to the out-of-pocket expense limit.

**Coinsurance:**

The Plan pays the percentage listed on the following pages for covered expenses incurred by a covered person during a calendar year after the individual or family deductible has been satisfied and until the individual or family out-of-pocket coinsurance expense limit has been reached. Thereafter, the Plan pays one hundred percent (100%) of covered expenses for the remainder of the calendar year or until the maximum benefit has been reached. Refer to Medical Expense Benefit, Out-of-Pocket Expense Limit, for a listing of charges not applicable to the one hundred percent (100%) coinsurance.

<table>
<thead>
<tr>
<th>BENEFIT DESCRIPTION</th>
<th>Preferred Provider (% of negotiated rate, if applicable, otherwise % of customary and reasonable amount)</th>
<th>Nonpreferred Provider (% of customary and reasonable amount)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Hospital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient Expenses</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Professional Charges (includes physician, surgeons, assistant surgeons, anesthesiologist, pathologist, radiologist)</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>BENEFIT DESCRIPTION</td>
<td>Preferred Provider (% of negotiated rate, if applicable, otherwise % of customary and reasonable amount)</td>
<td>Nonpreferred Provider (% of customary and reasonable amount)</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>Surgery Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surgeon’s fees (inpatient and outpatient)</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Second Opinion Consultation</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Emergency Room Services</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Non-Emergency Use of the Emergency Room</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Office Visit, Illness or Injury</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Diagnostic X-rays &amp; Lab</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Extended Care Facility</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Limitation: 100 days maximum benefit per confinement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Health Care</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Limitation: 100 visits maximum benefit per calendar year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospice Care</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Ambulance Expenses</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Durable Medical Equipment</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Well Child Care</td>
<td>100% after $25 copay</td>
<td>No coverage</td>
</tr>
<tr>
<td>Routine Examination</td>
<td>100% after $25 copay</td>
<td>No coverage</td>
</tr>
<tr>
<td>Limitation: $250 maximum benefit per calendar year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Routine Mammograms</td>
<td>100%</td>
<td>No coverage</td>
</tr>
<tr>
<td>Limitation: one per year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mental &amp; Nervous Disorders and Chemical Dependency Care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient Services</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Limitation: 30 days maximum benefit per calendar year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outpatient Services</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Limitation: 100 visits maximum benefit per calendar year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Therapy Services (Physical, Speech, Occupational, etc.)</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>All Other Covered Expenses</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>United Resources Network Program (Transplants)</td>
<td>Procedures done at an URN DESIGNATED facility</td>
<td>Procedures done at a NON-DESIGNATED facility</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td><strong>Maximum Benefit Per Transplant</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel, lodging and meals</td>
<td>$10,000</td>
<td>Not Covered</td>
</tr>
<tr>
<td><strong>Transplant Procedure Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel, lodging and meals</td>
<td>100%</td>
<td>Not Covered</td>
</tr>
<tr>
<td>All other covered Transplant expenses</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Network Provider</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>100% after deductible</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Non-Network Provider</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>80% after deductible</td>
</tr>
</tbody>
</table>
**PRESCRIPTION DRUG PROGRAM:**

**Pharmacy Option:**
- Prescription Drug Card: 100% after copay
  - Copay
    - Generic: $1 copay
    - Brand Name: $1 copay

Limitation: 30 day supply

**Mail Order Option:**
- Mail Order Prescription: 100% after copay
  - Copay
    - Generic: $1 copay
    - Brand Name: $1 copay

Limitation: 90 supply

Refer to *Prescription Drug Program* for complete details.
PREFERRED PROVIDER OR NONPREFERRED PROVIDER

Covered persons have the choice of using either a preferred provider or a nonpreferred provider.

PREFERRED PROVIDERS

A preferred provider is a physician, hospital or ancillary service provider which has an agreement in effect with the Preferred Provider Organization (PPO) to accept a reduced rate for services rendered to covered persons. This is known as the negotiated rate. The preferred provider cannot bill the covered person for any amount in excess of the negotiated rate. Covered persons should contact the employer's Human Resources Department for a current listing of preferred providers.

NONPREFERRED PROVIDERS

A nonpreferred provider does not have an agreement in effect with the Preferred Provider Organization. This Plan will allow only the customary and reasonable amount as a covered expense. The Plan will pay its percentage of the customary and reasonable amount for the nonpreferred provider services, supplies and treatment. The covered person is responsible for the remaining balance. This results in greater out-of-pocket expenses to the covered person.

EXCEPTIONS

The following listing of exceptions represents services, supplies or treatments rendered by a nonpreferred provider where covered expenses shall be payable at the preferred provider level of benefits:

1. Emergency treatment rendered at a nonpreferred facility or at a preferred provider facility by a nonpreferred provider emergency room physician. If the covered person is admitted to the hospital on an emergency basis, covered expenses shall be payable at the preferred provider level.

2. Nonpreferred anesthesiologist when the facility where such services are rendered is a preferred provider.

3. Nonpreferred assistant surgeons if the operating surgeon is a preferred provider.

4. Radiologist or pathologist services for interpretation of x-rays and diagnostic laboratory and surgical pathology tests rendered by a nonpreferred provider when the facility where such services are rendered is a preferred provider.

5. Diagnostic laboratory and surgical pathology tests referred to a nonpreferred provider by a preferred provider.

6. While the covered person is confined to a preferred provider hospital, the preferred provider physician requests a consultation from a nonpreferred provider or a newborn visit is performed by a nonpreferred provider.

7. Medically necessary specialty services, supplies or treatments which are not available from a provider within the Preferred Provider Organization.

8. When a covered dependent resides outside the service area of the Preferred Provider Organization, for example a full-time student, treatment or services will be paid at the non-preferred provider rate.
However, when a covered dependent resides outside the service area due to a divorce situation, treatment or services will be paid at the preferred provider rate.

9. Covered persons who do not have access to preferred providers within thirty (30) miles of their place of residence, or for emergency treatment rendered while traveling out-of-area.
MEDICAL EXPENSE BENEFIT

This section describes the covered expenses of the Plan. All covered expenses are subject to applicable Plan provisions including, but not limited to: deductible, copay, coinsurance and maximum benefit provisions as shown on the Schedule of Benefits, unless otherwise indicated. Any portion of an expense incurred by the covered person for services, supplies or treatment, that is greater than the customary and reasonable amount for nonpreferred providers or negotiated rate for preferred providers will not be considered a covered expense by this Plan. Specified preventive care expenses will be considered to be covered expenses.

COPAY

The copay is the amount payable by the covered person for certain services, supplies or treatment. The service and applicable copay are shown on the Schedule of Benefits. The copay must be paid each time a treatment or service is rendered. The copay will not be applied toward the following:

1. The maximum out-of-pocket expense limit.
2. Coinsurance expense limit.

COINSURANCE

The Plan pays a specified percentage of covered expenses at the customary and reasonable amount for nonpreferred providers, or the percentage of the negotiated rate for preferred providers. That percentage is specified on the Schedule of Benefits. For nonpreferred providers, the covered person is responsible for the difference between the percentage the Plan paid and one hundred percent (100%) of the billed amount. The covered person's portion of the coinsurance represents the out-of-pocket expense limit.

OUT-OF-POCKET EXPENSE LIMIT

After the covered person has incurred an amount equal to the out-of-pocket expense limit listed on the Schedule of Benefits for covered expenses (after satisfaction of any applicable deductibles), the Plan will begin to pay one hundred percent (100%) for covered expenses for the remainder of the calendar year.

Out-of-Pocket Expense Limit Exclusions

The following items do not apply toward satisfaction of the calendar year out-of-pocket expense limit and will not be payable at one hundred percent (100%) even if the out-of-pocket expense limit has been satisfied:

1. Expenses for services, supplies and treatments not covered by this Plan, to include charges in excess of the customary and reasonable amount or negotiated rate, as applicable.
2. Copays.
3. Expense incurred as a result of failure to obtain precertification.

MAXIMUM BENEFIT

The maximum benefit payable on behalf of a covered person is shown on the Schedule of Benefits. The maximum benefit applies to the entire time the covered person is covered under the Plan, either as an retiree, dependent, alternate recipient or under COBRA. If the covered person's coverage under the Plan terminates and at a later date
he again becomes covered under the Plan, the maximum benefit will include all benefits paid by the Plan for the covered person during any period of coverage.

The Schedule of Benefits contains separate maximum benefit limitations for specified conditions. Any separate maximum benefit will include all such benefits paid by the Plan for the covered person during any and all periods of coverage under this Plan. All separate maximum benefits are part of, and not in addition to, the maximum benefit. No more than the maximum benefit will be paid for any covered person while covered by this Plan.

**HOSPITAL/AMBULATORY SURGICAL FACILITY**

Inpatient hospital admissions are subject to precertification. Failure to obtain precertification will result in a reduction of benefits (refer to Claim Filing Procedure).

Covered expenses shall include:

1. **Room and board** for treatment in a hospital, including intensive care units, cardiac care units and similar medically necessary accommodations. Covered expenses for room and board shall be limited to the hospital's semiprivate rate. Covered expenses for intensive care or cardiac care units shall be the customary and reasonable amount for nonpreferred providers and the percentage of the negotiated rate for preferred providers. A full private room rate is covered if the private room is necessary for isolation purposes and is not for the convenience of the covered person.

2. Miscellaneous hospital services, supplies, and treatments including, but not limited to:
   a. Admission fees, and other fees assessed by the hospital for rendering services, supplies and treatments;
   b. Use of operating, treatment or delivery rooms;
   c. Anesthesia, anesthesia supplies and its administration by an retiree of the hospital;
   d. Medical and surgical dressings and supplies, casts and splints;
   e. Blood transfusions, including the cost of whole blood, the administration of blood, blood processing and blood derivatives (to the extent blood or blood derivatives are not donated or otherwise replaced);
   f. Drugs and medicines (except drugs not used or consumed in the hospital);
   g. X-ray and diagnostic laboratory procedures and services;
   h. Oxygen and other gas therapy and the administration thereof;
   i. Therapy services.

3. Services, supplies and treatments described above furnished by an ambulatory surgical facility, including follow-up care provided within seventy-two (72) hours of a procedure.

4. Charges for preadmission testing (x-rays and lab tests) performed within seven (7) days prior to a hospital admission that are related to the condition which is necessitating the confinement. Such tests shall be payable even if they result in additional medical treatment prior to confinement or if they show that hospital confinement is not medically necessary. Such tests shall not be payable if the same tests are performed again after the covered person has been admitted.

**FACILITY PROVIDERS**

Services provided by a facility are covered if such services would have been covered if performed in a hospital or ambulatory surgical facility.
AMBULANCE SERVICES

Ambulance services must be by a regularly scheduled airline, railroad, or by a licensed air or ground ambulance.

Covered expenses shall include:

1. Ambulance services for air or ground transportation for the covered person from the place of injury or serious medical incident to the nearest hospital where treatment can be given.

2. Ambulance service is covered in a non-emergency situation only to transport the covered person to or from a hospital or between hospitals for required treatment when such transportation is certified by the attending physician as medically necessary. Such transportation is covered only from the initial hospital to the nearest hospital qualified to render the special treatment.

3. Emergency services actually provided by an advance life support unit, even though the unit does not provide transportation.

EMERGENCY SERVICES/EMERGENCY ROOM SERVICES

Coverage for emergency room treatment shall be paid in accordance with the Schedule of Benefits provided the condition meets the definition of emergency herein. Emergency room treatment for conditions that do not meet the definition of emergency, will be considered non-emergency use of the emergency room and will be subject to the coinsurance as shown on the Schedule of Benefits.

Emergency medical or accident care must begin within seventy-two (72) hours of the injury or the onset of the emergency.

PHYSICIAN SERVICES

Covered expenses shall include:

1. Medical treatment, services and supplies including, but not limited to: office visits, inpatient visits, home visits.

2. Surgical treatment. Separate payment will not be made for inpatient pre-operative or post-operative care normally provided by a surgeon as part of the surgical procedure.

For related operations or procedures performed through the same incision or in the same operative field, covered expenses shall include the surgical allowance for the highest paying procedure, plus fifty (50) percent of the surgical allowance for each additional procedure.

When two (2) or more unrelated operations or procedures are performed at the same operative session, covered expenses shall include the surgical allowance for each procedure.

3. Surgical assistance provided by a physician if it is determined that the condition of the covered person or the type of surgical procedure requires such assistance. Covered expenses for the services of an assistant surgeon are limited to twenty percent (20%) of the surgical allowance.

4. Furnishing or administering anesthetics, other than local infiltration anesthesia, by other than the surgeon or his assistant.

5. Consultations requested by the attending physician during a hospital confinement. Consultations do not include staff consultations which are required by a hospital’s rules and regulations.
6. Radiologist or pathologist services for interpretation of x-rays and laboratory tests necessary for diagnosis and treatment.

7. Radiologist or pathologist services for diagnosis or treatment, including radiation therapy and chemotherapy.

**DIAGNOSTIC SERVICES AND SUPPLIES**

*Covered expenses* shall include services and supplies for diagnostic laboratory tests, electronic tests, pathology, ultrasound, nuclear medicine, magnetic imaging, and x-rays.

**TRANSPLANT**

Transplant procedures are subject to precertification. Failure to obtain precertification will result in a reduction of benefits for the *hospital confinement* as specified in *Claim Filing Procedures*.

Services, supplies and treatments in connection with human-to-human organ and tissue transplant procedures will be considered *covered expenses* subject to the following conditions:

1. When the recipient is covered under this *Plan*, the *Plan* will pay the recipient's *covered expenses* related to the transplant.

2. When the donor is covered under this *Plan*, the *Plan* will pay the donor's *covered expenses* related to the transplant.

3. Expenses *incurred* by the donor who is not ordinarily covered under this *Plan* according to eligibility requirements will be *covered expenses* to the extent that such expenses are not payable by any other form of health coverage, including any government plan or individual policy of health coverage, and provided the recipient is covered under this *Plan*. The donor's expense shall be applied to the recipient's *maximum benefit*. In no event will benefits be payable in excess of the *maximum benefit* still available to the recipient.

4. Surgical, storage and transportation costs directly related to procurement of an organ or tissue used in a transplant procedure will be covered for each procedure completed. If an organ or tissue is sold rather than donated, the purchase price of such organ or tissue shall not be considered a *covered expense* under this *Plan*.

5. Transportation, lodging and meals for the covered recipient and one (1) other person (two (2) other persons if the recipient is an eligible *dependent* child) to accompany the recipient to and from a *facility* and for lodging and meals at or near the *facility* where the recipient is confined.

If a *covered person's* transplant procedure is not performed as scheduled due to the intended recipient's medical condition or death, benefits will be paid for organ or tissue procurement as described above.

**Centers of Excellence Program**

In addition to the above transplant benefits, the *covered person* may be eligible to participate in a Centers of Excellence Program. *Covered persons* should contact the *Health Care Management Organization* to discuss this benefit by calling:

1-800-480-6658
A Center of Excellence is a facility within a Centers of Excellence Network that has been chosen for their proficiency in performing one or more transplant procedures. Usually located throughout the United States, the Centers of Excellence facilities have greater transplant volumes and surgical team experience than other similar facilities.

Transplant procedures are subject to precertification. Failure to obtain precertification will result in a reduction of benefits for the hospital confinement as specified in Claim Filing Procedures.

**PREGNANCY**

Covered expenses for pregnancy or complications of pregnancy shall be provided for a covered female retiree or a covered female spouse/domestic partner of a covered retiree.

The Plan shall cover services, supplies and treatments for abortions or complications from an abortion.

**BIRTHING CENTER**

Covered expenses shall include services, supplies and treatments rendered at a birthing center provided the physician in charge is acting within the scope of his license and the birthing center meets all legal requirements. Services of a midwife acting within the scope of his license or registration are a covered expense provided that the state in which such service is performed has legally recognized midwife delivery.

**STERILIZATION**

Covered expenses shall include elective surgical sterilization procedures for the covered retiree or covered spouse/domestic partner. Reversal of surgical sterilization is not a covered expense.

**CONTRACEPTIVES**

Covered expenses shall include charges for medical procedures or supplies related to contraception, including, contraceptive injections and the surgical implantation and removal of contraceptive devices, such as Norplant implants.

Charges for other contraceptives, including oral contraceptives (birth control pills) and contraceptive devices obtainable by prescription (diaphragm) shall be covered under the Prescription Drug Program only.

**WELL NEWBORN CARE**

The Plan shall cover well newborn care as part of the mother's claim while the mother is confined for delivery.

Such care shall include, but is not limited to:

1. Physician services
2. Hospital services
3. Circumcision

**WELL CHILD CARE**

Covered expenses for well child care shall include charges for the following services provided to covered dependent children through age twenty-four (24): routine pediatric examinations for a reason other than to diagnose an injury or illness; immunizations; laboratory and other tests given in connection with pediatric examinations.
**PREVENTIVE CARE/WELLNESS BENEFITS**

Covered expenses shall include the following routine services and supplies which are not required due to illness or injury from age twenty-five (25) and older: physical check-up; one (1) gynecological examination and Papanicolaou test (Pap Smear) per calendar year; prostate examination; pediatric check-ups, etc. Preventive care and wellness benefits are subject to the maximum benefit as specified on the Schedule of Benefits.

**ROUTINE MAMMOGRAMS**

Covered expenses shall include one (1) routine mammogram per calendar year.

**THERAPY SERVICES**

Therapy services must be ordered by a physician to aid restoration of normal function lost due to illness or injury, or for prevention of continued deterioration of function. Covered expenses shall include:

1. Services of a professional provider for physical therapy, occupational therapy, speech therapy or respiratory therapy.
2. Radiation therapy and chemotherapy.
3. Dialysis therapy or treatment.

**EXTENDED CARE FACILITY**

Extended care facility confinement is subject to precertification. Failure to obtain precertification shall result in a reduction of benefits as specified in Claim Filing Procedure.

Extended care facility services, supplies and treatments shall be a covered expense provided the covered person is under a physician's continuous care and the physician certifies that the covered person must have twenty-four (24) hours-per-day nursing care.

If the covered person is discharged from the extended care facility and again becomes an inpatient in such facility within fourteen (14) days of the original discharge, it is considered one (1) period of confinement.

Covered expenses shall include:

1. Room and board (including regular daily services, supplies and treatments furnished by the extended care facility) limited to the facility's average semiprivate room rate; and
2. Other services, supplies and treatment ordered by a physician and furnished by the extended care facility for inpatient medical care.

Extended care facility benefits are subject to the maximum benefit specified on the Schedule of Benefits.

**HOME HEALTH CARE**

Home health care enables the covered person to receive treatment in his home for an illness or injury instead of being confined in a hospital or extended care facility. Covered expenses shall include the following services and supplies provided by a home health care agency:

1. Part-time or intermittent nursing care by a Registered Nurse, Licensed Practical Nurse or a Licensed Vocational Nurse;
2. Physical, respiratory, occupational or speech therapy;

3. Part-time or intermittent home health aide services for a covered person who is receiving covered nursing or therapy services;

4. Medical social service consultations;

5. Nutritional guidance by a registered dietitian and nutritional supplements such as diet substitutes administered intravenously or through hyperalimentation as determined to be medically necessary.

Covered expenses shall be subject to the maximum benefit specified on the Schedule of Benefits.

A visit by a member of a home health care team and four (4) hours of home health aide service will each be considered one (1) home health care visit.

**HOSPICE CARE**

Hospice care is a health care program providing a coordinated set of services rendered at home, in outpatient settings, or in facility settings for a covered person suffering from a condition that has a terminal prognosis.

Hospice benefits will be covered only if the covered person's attending physician certifies that:

1. The covered person is terminally ill, and
2. The covered person has a life expectancy of twelve (12) months or less.

Covered expenses shall include:

1. Confinement in a hospice to include ancillary charges and room and board.
2. Services, supplies and treatment provided by a hospice to a covered person in a home setting.
3. Physician services and/or nursing care by a Registered Nurse, Licensed Practical Nurse or a Licensed Vocational Nurse.
4. Physical therapy, occupational therapy, speech therapy or respiratory therapy.
5. Nutrition services to include nutritional advice by a registered dietitian, and nutritional supplements such as diet substitutes administered intravenously or through hyperalimentation as determined to be medically necessary.
6. Counseling services provided through the hospice.
7. Homemaker services.
8. Respite care by an aide who is employed by the hospice for up to four (4) hours per day. (Respite care provides care of the covered person to allow temporary relief to family members or friends from the duties of caring for the covered person).
9. Bereavement counseling as a supportive service to covered persons in the terminally ill covered person's immediate family. Benefits will be payable, provided:
   
   a. On the date immediately before death, the terminally ill person was covered under the Plan and receiving hospice care benefits; and
b. Services are **incurred** by the **covered person** within twelve (12) months of the terminally ill person's death.

Charges **incurred** during periods of remission are not eligible under this provision of the **Plan**. Any **covered expense** paid under hospice benefits will not be considered a **covered expense** under any other provision of this **Plan**.

**DURABLE MEDICAL EQUIPMENT**

Rental or purchase, whichever is less costly, of **medically necessary durable medical equipment** which is prescribed by a **physician** and required for therapeutic use by the **covered person** shall be a **covered expense**. A charge for the purchase or rental of **durable medical equipment** is considered **incurred** on the date the equipment is received/delivered. **Durable medical equipment** which is received/delivered after the termination date of a **covered person's** coverage under this **Plan** is not covered. Repair or replacement of purchased **durable medical equipment** which is **medically necessary** due to normal use or a physiological change in the patient's condition will be considered a **covered expense**.

Equipment containing features of an aesthetic nature or features of a medical nature which are not required by the **covered person's** condition, or where there exists a reasonably feasible and medically appropriate alternative piece of equipment which is less costly than the equipment furnished, will be covered based on the usual charge for the equipment which meets the **covered person's** medical needs.

**PROSTHESES**

The initial purchase of a prosthesis (other than dental) provided for functional reasons when replacing all or part of a missing body part (including contiguous tissue) or to replace all or part of the function of a permanently inoperative or malfunctioning body organ shall be a **covered expense**. A charge for the purchase of a prosthesis is considered **incurred** on the date the prosthesis is received/delivered. A prosthesis which is received/delivered after the termination date of a **covered person's** coverage under this **Plan** is not covered. Repair or replacement of a prosthesis which is **medically necessary** due to normal use or a physiological change in the patient's condition will be considered a **covered expense**.

**ORTHOTICS**

Orthotic devices and appliances (a rigid or semi-rigid supportive device which restricts or eliminates motion for a weak or diseased body part), including initial purchase, fitting and repair shall be a **covered expense**. Orthopedic shoes or corrective shoes, unless they are an integral part of a leg brace, and other supportive devices for the feet shall not be covered. Replacement will be covered only after five (5) years from the date of original placement, unless a physiological change in the patient's condition necessitates earlier replacement.

**TEMPOROMANDIBULAR JOINT DYSFUNCTION**

Surgical and nonsurgical treatment of temporomandibular joint (TMJ), myofascial pain syndrome shall be a **covered expense**, but shall not include orthodontia or prosthetic devices prescribed by a **physician** or **dentist**.

**DENTAL SERVICES**

**Covered expenses** shall include repair of sound natural teeth or surrounding tissue provided it is the result of an **injury**. Treatment must begin within six (6) months of the date of such **injury**. Damage to the teeth as a result of chewing or biting shall not be considered an **injury** under this benefit. **Note**: any group dental plan that the **covered person** may have is considered primary and must be exhausted before benefits will be considered under this **Plan**.
SPECIAL EQUIPMENT AND SUPPLIES

Covered expenses shall include medically necessary special equipment and supplies including, but not limited to: casts; splints; braces; trusses; surgical and orthopedic appliances; colostomy and ileostomy bags and supplies required for their use; catheters, crutches; electronic pacemakers; oxygen and the administration thereof; the initial pair of eyeglasses or contact lenses due to cataract surgery; soft lenses or sclera shells intended for use in the treatment of illness or injury of the eye; support stockings, such as Jobst stockings; surgical dressings and other medical supplies ordered by a professional provider in connection with medical treatment, but not common first aid supplies.

COSMETIC/RECONSTRUCTIVE SURGERY

Cosmetic surgery or reconstructive surgery shall be a covered expense provided:

1. A covered person receives an injury as a result of an accident and as a result requires surgery. Cosmetic or reconstructive surgery and treatment must be for the purpose of restoring the covered person to his normal function immediately prior to the accident.

2. It is required to correct a congenital anomaly, for example, a birth defect, for a child until age 25.

MASTECTOMY (WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998)

This Plan intends to comply with the provisions of the federal law known as the Women's Health and Cancer Rights Act of 1998.

Covered expenses will include eligible charges related to medically necessary mastectomy.

For a covered person who elects breast reconstruction in connection with such mastectomy, covered expenses will include:

1. Reconstruction of a surgically removed breast; and

2. Surgery and reconstruction of the other breast to produce a symmetrical appearance.

Prostheses (and medically necessary replacements) and physical complications from all stages of mastectomy, including lymphedemas will also be considered covered expenses following all medically necessary mastectomies.

MENTAL AND NERVOUS DISORDERS AND CHEMICAL DEPENDENCY

Covered expenses for inpatient and outpatient treatment, services or supplies for the treatment of mental and nervous disorders and chemical dependency shall be subject to the maximum benefit as shown on the Schedule of Benefits.

Inpatient or Partial Confinement

Subject to the precertification provisions of the Plan, the Plan will pay the applicable coinsurance, as shown on the Schedule of Benefits, for confinement in a hospital or treatment center for treatment, services and supplies related to the treatment of mental and nervous disorders and for chemical dependency. Two days of partial confinement will be considered as one day of inpatient confinement.
Covered expenses shall include:

1. Inpatient hospital confinement;
2. Individual psychotherapy;
3. Group psychotherapy;
4. Psychological testing;
5. Electro-Convulsive therapy (electroshock treatment) or convulsive drug therapy, including anesthesia when administered concurrently with the treatment by the same professional provider;

Outpatient

The Plan will pay the applicable coinsurance, as shown on the Schedule of Benefits, for outpatient treatment, services and supplies related to the treatment of mental and nervous disorders and chemical dependency.

PODIATRY SERVICES

Covered expenses shall include surgical podiatry services, including incision and drainage of infected tissues of the foot, removal of lesions of the foot, removal or débridement of infected toenails, surgical removal of nail root, and treatment of fractures or dislocations of bones of the foot.

CHIROPRACTIC CARE

Covered expenses include initial consultation, x-rays and treatment, subject to the maximum benefit shown on the Schedule of Benefits.

PATIENT EDUCATION

Covered expenses shall include medically necessary patient education programs including, but not limited to diabetic education, lactation training and ostomy care.

SURCHARGES

Any excise tax, sales tax, surcharge, (by whatever name called) imposed by state or federal law, a governmental entity for services, supplies and/or treatments rendered by a professional provider, physician, hospital, facility or any other health care provider shall be a covered expense under the terms of the Plan.

OUTPATIENT CARDIAC/PULMONARY REHABILITATION PROGRAMS

Covered expenses shall include charges for qualified medically necessary outpatient cardiac/pulmonary rehabilitation programs.

SURGICAL TREATMENT OF MORBID OBESITY

Covered expenses shall include charges for surgical treatment of morbid obesity for covered persons with health problems which are aggravated by or related to the morbid obesity, including, but not limited to gastric by-pass, gastric stapling or gastric balloon.
**ACUPUNCTURE**

Acupuncture to induce surgical anesthesia or for therapeutic purposes shall be a **covered expense**.

**SLEEP DISORDERS**

**Covered expenses** shall include charges for sleep studies and treatment of sleep apnea and other sleep disorders, including charges for sleep apnea monitors.

**MEDICAL EXCLUSIONS**

In addition to **Plan Exclusions**, no benefit will be provided under this **Plan** for medical expenses for the following:

1. Charges for **pre-existing conditions** as specified in **Pre-existing Conditions and Certificates of Coverage**.
2. Charges for services, supplies or treatment for the reversal of surgical sterilization procedures.
3. Charges for services, supplies or treatment related to the diagnosis or treatment of infertility and artificial reproductive procedures, including, but not limited to: artificial insemination, invitro fertilization, surrogate mother, fertility drugs when used for treatment of infertility, embryo implantation, or gamete intrafallopian transfer (GIFT).
4. Charges for services, supplies or treatment for transsexualism, gender dysphoria or sexual reassignment or change, including medications, implants, hormone therapy, surgery, medical or psychiatric treatment.
5. Charges for treatment or surgery for sexual dysfunction or inadequacies.
6. Charges for **hospital** admission on Friday, Saturday or Sunday unless the admission is an **emergency** situation, or surgery is scheduled within twenty-four (24) hours. If neither situation applies, **hospital** expenses will be payable commencing on the date of actual surgery.
7. Charges for **inpatient room and board** in connection with a **hospital confinement** primarily for diagnostic tests, unless it is determined by the **Plan** that **inpatient** care is **medically necessary**.
8. Charges for services, supplies or treatment for attention deficit disorders, behavior or conduct disorders, development delay, hyperactivity, learning disorders, mental retardation, autistic disease, or senile deterioration. However, the initial examination, office visit and diagnostic testing to determine the **illness** shall be a **covered expense**.
9. Charges for biofeedback therapy.
10. Charges for services, supplies or treatments which are primarily educational in nature, except as specified in **Medical Expense Benefit, Patient Education**; charges for services for educational or vocational testing or training and work hardening programs regardless of diagnosis or symptoms; charges for self-help training or other forms of non-medical self-care.
11. Charges for marriage, family, career or legal counseling.
12. Except as specifically stated in **Medical Expense Benefit, Dental Services**, charges for or in connection with: treatment of **injury** or disease of the teeth; oral surgery; treatment of gums or structures directly supporting or attached to the teeth; removal or replacement of teeth; or dental implants.
13. Charges for routine vision examinations and eye refractions; vision therapy (orthoptics); eyeglasses or contact lenses; dispensing optician’s services.
14. Charges for any eye surgery solely for the purpose of correcting refractive defects of the eye, such as nearsightedness (myopia) and astigmatism including radial keratotomy by whatever name called; contact lenses and eyeglasses required as a result of such surgery.

15. Except as medically necessary for the treatment of metabolic or peripheral-vascular illness, charges for routine, palliative or cosmetic foot care, including, but not limited to: treatment of weak, unstable, flat, strained or unbalanced feet; subluxations of the foot; treatment of corns or calluses; non-surgical care of toenails.

16. Charges for services, supplies or treatment which constitute personal comfort or beautification items, whether or not recommended by a physician, such as: television, telephone, air conditioners, air purifiers, humidifiers, electric heating units, orthopedic mattresses, blood pressure instruments, scales, elastic bandages, non-hospital adjustable beds, exercise equipment.

17. For nonprescription drugs, such as vitamins, cosmetic dietary aids, and nutritional supplements.

18. Charges for prescription drugs that are covered under the Prescription Drug Program or for the Prescription Drug copay applicable thereto.

19. Charges for outpatient prescription drugs.

20. Charges for orthopedic shoes (except when they are an integral part of a leg brace and the cost is included in the orthotist's charge) or shoe inserts.

21. Expenses for a cosmetic surgery or procedure and all related services, except as specifically stated in Medical Expense Benefit, Cosmetic Surgery.

22. Charges incurred as a result of, or in connection with, any procedure or treatment excluded by this Plan which has resulted in medical complications.

23. Charges incurred as a result of, or in connection with, the pregnancy of a dependent child. However, complications of pregnancy of a dependent child are covered.

24. Charges for services, supplies or treatment primarily for weight reduction or treatment of obesity, including, but not limited to: exercise programs or use of exercise equipment; special diets or diet supplements; appetite suppressants; Nutri/System, Weight Watchers or similar programs; and hospital confinements for weight reduction programs, except as specifically provided herein.

25. Charges for examination to determine hearing loss or the fitting, purchase, repair or replacement of a hearing aid; or for a cochlear implant.

26. Charges for custodial care, domiciliary care or rest cures.

27. Charges for travel or accommodations, whether or not recommended by a physician, except as specifically provided herein.

28. Charges for wigs, artificial hairpieces, artificial hair transplants, or any drug - prescription or otherwise - used to eliminate baldness or stimulate hair growth.

29. Charges for expenses related to hypnosis.

30. Charges for the expenses of the donor of an organ or tissue for transplant to a recipient who is not a covered person under this Plan.
31. Charges for professional services billed by a physician or Registered Nurse, Licensed Practical Nurse or Licensed Vocational Nurse who is an employee of a hospital or any other facility and who is paid by the hospital or other facility for the service provided.

32. Charges for environmental change including hospital or physician charges connected with prescribing an environmental change.

33. Charges for room and board in a facility for days on which the covered person is permitted to leave (a weekend pass, for example).

34. Charges for chelation therapy, except as treatment of heavy metal poisoning.

35. Charges for massage therapy, sex therapy, diversional therapy or recreational therapy.

36. Charges for procurement and storage of one's own blood, unless incurred within three (3) months prior to a scheduled surgery.

37. Charges for holistic medicines or providers or naturopathy.

38. Charges for or related to the following types of treatment:
   a. primal therapy;
   b. rolfing;
   c. psychodrama;
   d. megavitamin therapy;
   e. visual perceptual training.

39. Charges for structural changes to a house or vehicle.

PRESCRIPTION DRUG PROGRAM

PHARMACY OPTION

Participating pharmacies have contracted with the Plan to charge covered persons reduced fees for covered prescription drugs.

PHARMACY OPTION COPAY

The copay is applied to each covered pharmacy drug charge and is shown on the Schedule of Benefits. The copay amount is not a covered expense under the Medical Expense Benefit. Any one prescription is limited to the greater of a thirty (30) day supply or a one hundred (100) unit dose. Drugs to treat impotency (except Yohimbine) for males only age 18 and older limited to 30 days or 8 units whichever is less per claim. Tamiflu capsules limited to 30 days or 10 units whichever is less per claim. Relenza limited to 30 days or 20 units whichever is less per claim.

If a drug is purchased from a nonparticipating pharmacy or a participating pharmacy when the covered person’s ID card is not used, the covered person must pay the entire cost of the prescription, including copay, and then submit the receipt to the prescription drug card vendor for reimbursement. If a nonparticipating pharmacy is used the covered person will be responsible for the copay, plus the difference in cost between the participating pharmacy and nonparticipating pharmacy.

MAIL ORDER OPTION

The mail order drug benefit option is available for maintenance medications (those that are taken for long periods of time, such as drugs which may be prescribed for heart disease, high blood pressure, asthma, etc.).

MAIL ORDER OPTION COPAY

The copay is applied to each covered mail order prescription charge and is shown on the Schedule of Benefits. It is not a covered expense under the Medical Expense Benefit. Any one prescription is limited to a ninety (90) day supply. Drugs to treat impotency (except Yohimbine) for males only age 18 and older limited to 90 days or 24 units whichever is less per claim.

If the covered person purchases a brand name drug when the physician has indicated a generic drug can be dispensed, the covered person will be required to pay the difference between the generic drug and the brand name requested, plus the usual copay.

COVERED PRESCRIPTION DRUGS

1. Federal Legend Drugs.
2. State Restricted Drugs.
3. Compounded medications of which at least one ingredient is a legend drug.
4. Insulin.
5. Needles and Syringes.
6. OTC Diabetic Supplies (except GlucoWatch products)
7. Oral, Transdermal or Intravaginal Contraceptives.
8. Injectable Contraceptives.
10. Yohimbine.
11. Hemophilia Factors.

**LIMITS TO THIS BENEFIT**
This benefit applies only when a *covered person incurs* a covered prescription drug charge. The covered drug charge for any one prescription will be limited to:

1. Refills only up to the number of times specified by a *physician*.
2. Refills up to one year from the date of order by a *physician*.

**EXPENSES NOT COVERED**
1. Non-Federal Legend Drugs.
2. Injectables (except those listed above).
3. Contraceptive jellies, creams, foams, devices, implants.
5. Dental Fluoride preparations.
6. Ostomy supplies.
7. GlucoWatch products.
8. Therapeutic devices or appliances.
9. Drugs whose sole purpose is to promote or stimulate hair growth or for cosmetic purposes only.
10. Allergy Sera.
11. Biologicals, Immunization agents or Vaccines.
13. Drugs labeled “Caution-limited by Federal law to investigational use” or experimental drugs, even though a charge is made to the individual.
14. Medication for which the cost is recoverable under any Workers’ Compensation or Occupational Disease Law or any State or Governmental Agency, or medication furnished by any other Drug or Medical Service for which no charge is made to the member.
15. Medication which is to be taken by or administered to an individual, in whole or in part, while he or she is a patient in a licensed hospital, rest home, sanitarium, extended care facility, skilled nursing facility,
convalescent hospital, nursing home or similar institution which operates on its premises or allows to be operated on its premises, a facility for dispensing pharmaceuticals.

16. Any prescription refilled in excess of the number of refills specified by the physician, or any refill dispensed after one year from the physician’s original order.

17. Charges for the administration or injection of any drug.

Any prescription drug covered under the Prescription Drug Program will not be covered under the Medical Expense Benefit, except as specified in Medical Expense Benefit, Prescription Drugs.

NOTICE OF AUTHORIZED REPRESENTATIVE

The covered person may provide the plan administrator or their designee with a written authorization for an authorized representative to represent and act on behalf of a covered person and consent to release of information related to the covered person to the authorized representative with respect to a claim for benefits or an appeal. Authorization forms may be obtained from the Human Resource Department.

APPELLING A DENIED PRESCRIPTION DRUG CLAIM

The “named fiduciary” for purposes of an appeal of a denied Prescription Drug Post-Service Claim, as described in U. S. Department of Labor Regulations 2560.503-1 (issued November 21, 2000), is the claims processor.

A covered person, or the covered person’s authorized representative, may request a review of a denied claim by making written request to the named fiduciary within one hundred eighty (180) calendar days from receipt of notification of the denial and stating the reasons the covered person feels the claim should not have been denied.

The following describes the review process and rights of the covered person:

1. The covered person has a right to submit documents, information and comments.

2. The covered person has the right to access, free of charge, relevant information to the claim for benefits.

3. The review takes into account all information submitted by the covered person, even if it was not considered in the initial benefit determination.

4. The review by the named fiduciary will not afford deference to the original denial.

5. The named fiduciary will not be:
   a. The individual who originally denied the claim, nor
   b. Subordinate to the individual who originally denied the claim.

6. If original denial was, in whole or in part, based on medical judgment,
   a. The named fiduciary will consult with a professional provider who has appropriate training and experience in the field involving the medical judgment; and
   b. The professional provider utilized by the named fiduciary will be neither:

   i. An individual who was consulted in connection with the original denial of the claim, nor
   ii. A subordinate of any other professional provider who was consulted in connection with the original denial.
7. If requested, the named fiduciary will identify the medical or vocational expert(s) who gave advice in connection with the original denial, whether or not the advice was relied upon.

**NOTICE OF BENEFIT DETERMINATION ON APPEAL**

The plan administrator or their designee shall provide the covered person (or authorized representative) with a written notice of the appeal decision within sixty (60) calendar days of receipt of a written request for the appeal.

If the appeal is denied, the Notice of Appeal Decision will contain an explanation of the Decision, including:

1. The specific reasons for the denial.
2. Reference to specific Plan provisions on which the denial is based.
3. A statement that the covered person has the right to access, free of charge, relevant information to the claim for benefits.
4. If an internal rule, guideline, protocol or other similar criterion was relied upon, the Notice of Appeal Decision will contain either:
   a. A copy of that criterion, or
   b. A statement that such criterion was relied upon and will be supplied free of charge, upon request.
5. If the denial was based on medical necessity, experimental/investigational treatment or similar exclusion or limit, the Plan will supply either:
   a. An explanation of the scientific or clinical judgment, applying the terms of the Plan to the claimant’s medical circumstances, or
   b. A statement that such explanation will be supplied free of charge, upon request.
PLAN EXCLUSIONS

The Plan will not provide benefits for any of the items listed in this section, regardless of medical necessity or recommendation of a physician or professional provider.

1. Charges for services, supplies or treatment from any hospital owned or operated by the United States government or any agency thereof or any government outside the United States, or charges for services, treatment or supplies furnished by the United States government or any agency thereof or any government outside the United States, unless payment is legally required.

2. Charges for an injury sustained or illness contracted while on active duty in military service, unless payment is legally required.

3. Charges for services, treatment or supplies for treatment of illness or injury which is caused by or attributed to by war or any act of war, participation in a riot, civil disobedience or insurrection. "War" means declared or undeclared war, whether civil or international, or any substantial armed conflict between organized forces of a military nature.

4. Any condition for which benefits of any nature are payable or are found to be eligible, either by adjudication or settlement, under any Worker's Compensation law, Employer's liability law, or occupational disease law, even though the covered person fails to claim rights to such benefits or fails to enroll or purchase such coverage.

5. Charges in connection with any illness or injury arising out of or in the course of any employment intended for wage or profit, including self-employment.

6. Charges made for services, supplies and treatment which are not medically necessary for the treatment of illness or injury, or which are not recommended and approved by the attending physician, except as specifically stated herein, or to the extent that the charges exceed customary and reasonable amount or exceed the negotiated rate as applicable.

7. Charges in connection with any illness or injury of the covered person resulting from or occurring during commission or attempted commission of a criminal battery or felony by the covered person.

8. To the extent that payment under this Plan is prohibited by any law of any jurisdiction in which the covered person resides at the time the expense is incurred.

9. Charges for services rendered and/or supplies received prior to the effective date or after the termination date of a person's coverage, except as specifically provided herein.

10. Any services, supplies or treatment for which the covered person is not legally required to pay; or for which no charge would usually be made; or for which such charge, if made, would not usually be collected if no coverage existed; or to the extent the charge for the care exceeds the charge that would have been made and collected if no coverage existed.

11. Charges for services, supplies or treatment that are considered experimental/investigational as determined by a qualified independent vendor.

12. Charges incurred outside the United States if the covered person traveled to such a location for the sole purpose of obtaining services, supplies or treatment.
13. Charges for services, supplies or treatment rendered by any individual who is a close relative of the covered person or who resides in the same household as the covered person.

14. Charges for services, supplies or treatment rendered by physicians or professional providers beyond the scope of their license; for any treatment, confinement or service which is not recommended by or performed by an appropriate professional provider.

15. Charges for illnesses or injuries suffered by a covered person due to the action or inaction of any party if the covered person fails to provide information as specified in Subrogation/Reimbursement.

16. Claims not submitted within the Plan’s filing limit deadlines as specified in Claim Filing Procedure.

17. Charges for telephone or e-mail consultations, completion of claim forms, charges associated with missed appointments.

18. This Plan will not pay for any charge which has been refused by another plan covering the covered person as a penalty assessed due to non-compliance with that plan's rules and regulations, if shown on the primary carrier's explanation of benefits.

19. If the primary plan has a restricted list of healthcare providers and the covered person chooses not to use a provider from the primary plan’s restricted list, this Plan will not pay for any charges disallowed by the primary plan due to the use of such provider, if shown on the primary carrier’s explanation of benefits.
ELIGIBILITY, ENROLLMENT AND EFFECTIVE DATE

This section identifies the Plan's requirements for a person to participate in the Plan.

RETIREE ELIGIBILITY

Retired retirees are eligible if either of the following conditions are met:

1. The retiree is a member of a bargaining unit and the bargaining unit guarantees the retiree with access to this Plan because the retiree met the required years of active service to vest into this Retiree Plan and the retiree retired on or before June 30, 2004.

2. The retiree is a former management or confidential retiree and the retiree’s contract guarantees the retiree with access to this Plan because the retiree met the required years of active service to vest into this Retiree Plan and the retiree retired on or before June 30, 2004.

RETIREE ENROLLMENT

A retiree must file a written application with the employer for coverage hereunder for himself within thirty-one (31) days of becoming eligible for coverage. The retiree shall have the responsibility of timely forwarding to the employer all applications for enrollment hereunder.

RETIREE(S) EFFECTIVE DATE

Eligible retirees, as described in Retiree Eligibility, are covered under the Plan on the retirees eligibility date, provided the retiree has enrolled for coverage as described in Retiree Enrollment.

DEPENDENT(S) ELIGIBILITY

The following describes dependent eligibility requirements. The employer will require proof of dependent status.

1. The term "spouse" means the spouse of the retiree under a legally valid existing marriage between person’s of the opposite sex, unless court ordered separation exists.

The term "domestic partner" means that the dependent is:

a. The same or opposite sex as the retiree; and
b. Is at least eighteen (18) years of age and competent to enter into a contract; and
c. Is not legally married or the domestic partner of another individual; and
d. Is not related to the retiree by blood closer that which would bar marriage in the State of California; and
e. Has allowed at least six (6) months to pass since the termination of any previous domestic partnership; and
f. Has lived together as a couple with the retiree in a shared residence for at least six (6) consecutive months; and
g. Has submitted documentation, as required by the employer, to verify the interdependent relationship with the retiree including a joint affidavit with the retiree that the relationship is an exclusive mutual commitment that is the functional equivalent of a marriage, that is, the domestic partner and retiree:
i. Are jointly responsible for each other for the necessities of life including each others debts; and

ii. Intend to remain in the relationship indefinitely; and

iii. Have agreed that in the event of dissolution of the domestic partnership there will be a substantially equal division of any earning acquired during the partnership and of property acquired with those earnings, i.e. there will be a division of property similar to that required of a married couple in the event of divorce.

2. The term "child" means the retiree's natural child, stepchild, legally adopted child and a child for whom the employee or covered spouse/domestic partner has been appointed legal guardian, provided:

   a. The child is less than twenty-five (25) years of age, and qualifies as a tax dependent under IRC Section 105 (amounts received under accident and health plans) and;

   b. The child is unmarried.

3. An eligible child shall also include any other child of an retiree or their spouse/domestic partner who is recognized in a Qualified Medical Child Support Order (QMCOSO) or National Medical Support Notice (NMSN) which has been issued by any court judgment, decree, or order as being entitled to enrollment for coverage under this Plan, even if the child is not residing in the retiree's household. Such child shall be referred to as an alternate recipient. Alternate recipients are eligible for coverage only if the retiree is also covered under this Plan. An application for enrollment must be submitted to the employer for coverage under this Plan. The employer/plan administrator shall establish written procedures for determining whether a medical child support order is a QMCOSO or NMSN and for administering the provision of benefits under the Plan pursuant to a valid QMCOSO or NMSN. Within a reasonable period after receipt of a medical child support order, the employer/plan administrator shall determine whether such order is a Qualified Medical Child Support Order (as defined in Section 609 of ERISA) or a National Medical Support Notice (NMSN) as defined in Section 401 of the Child Support Performance and Incentive Act of 1998.

The employer/plan administrator reserves the right, waivable at its discretion, to seek clarification with respect to the order from the court or administrative agency which issued the order, up to and including the right to seek a hearing before the court or agency.

4. Adopted children, who are less than 18 years of age at the time of adoption, shall be considered eligible from the date the child is placed for adoption.

5. A child who is unmarried, incapable of self-sustaining employment, and dependent upon the retiree for support due to a mental and/or physical disability, and who was covered under the Plan prior to reaching age nineteen (19) or due to other loss of dependent's eligibility and who lives with the retiree, will remain eligible for coverage under this Plan beyond the date coverage would otherwise be lost.

Proof of incapacitation must be provided within thirty-one (31) days of the child's loss of eligibility and thereafter as requested by the employer or claims processor, but not more than once every two (2) years. Eligibility may not be continued beyond the earliest of the following:

   a. Cessation of the mental and/or physical disability;

   b. Failure to furnish any required proof of mental and/or physical disability or to submit to any required examination.

Every eligible employee may enroll eligible dependents. However, if both the husband and wife are employees, they may choose to have one covered as the employee and the spouse/domestic partner covered as the dependent of the employee, or they may choose to have both covered as employees. Eligible children may be enrolled as dependents of one or both spouses/domestic partners.
**DEPENDENT ENROLLMENT**

A *retiree* must file a written application with the *employer* for coverage hereunder for his eligible *dependents* within thirty-one (31) days of becoming eligible for coverage; and within thirty-one (31) days of marriage or the acquiring of children or birth of a child. The *retiree* shall have the responsibility of timely forwarding to the *employer* all applications for enrollment hereunder.

**DEPENDENT(S) EFFECTIVE DATE**

Eligible *dependent(s)*, as described in *Eligibility*, will become covered under the *Plan* on the later of the dates listed below, provided the *retiree* has enrolled them in the *Plan* within thirty-one (31) days of meeting the *Plan’s* eligibility requirements.

1. The date the *retiree’s* coverage becomes effective.
2. The date the *dependent* is acquired, provided any required contributions are made and the *retiree* has applied for *dependent* coverage within thirty-one (31) days of the date acquired.
3. Newborn children shall be covered from birth, provided the *retiree* has applied for *dependent* coverage within thirty-one (31) days of birth.
4. Coverage for a newly or to be adopted child shall be effective on the date the child is placed for adoption.

**SPECIAL ENROLLMENT PERIOD (OTHER COVERAGE)**

A *retiree* or *dependent* who did not enroll for coverage under this *Plan* because he was covered under other group coverage or had health insurance coverage at the time he was initially eligible for coverage under this *Plan*, may request a special enrollment period if he is no longer eligible for the other coverage. Special enrollment periods will be granted if the individual's loss of eligibility is due to:

1. Termination of the other coverage (including exhaustion of COBRA benefits)
2. Cessation of employer contributions toward the other coverage
3. Legal separation, divorce or termination of domestic partnership.
4. Termination of other employment or reduction in number of hours of other employment
5. Death of *dependent* or spouse/domestic partner.

The end of any extended benefits period, which has been provided due to any of the above, will also be considered a loss of eligibility.

However, loss of eligibility does not include a loss due to failure of the individual to pay premiums or contributions on a timely basis or termination of coverage for cause (such as making a fraudulent claim or an intentional misrepresentation of a material fact in connection with the other coverage).

The *retiree* or *dependent* must request the special enrollment and enroll no later than thirty-one (31) days from the date of loss of other coverage.

The *effective date* of coverage as the result of a special enrollment shall be the first day of the month on or next following the completion of a signed and dated enrollment form.
SPECIAL ENROLLMENT PERIOD (DEPENDENT ACQUISITION)

A retiree who is not covered under the Plan, but who acquires a new dependent may request a special enrollment period. For the purposes of this provision, the acquisition of a new dependent includes:

- marriage
- birth of a dependent child
- adoption or placement for adoption of a dependent child

The retiree must request the special enrollment within thirty-one (31) days of the acquisition of the dependent.

The effective date of coverage as the result of a special enrollment shall be:

1. In the case of marriage/domestic partnership, the date of marriage/domestic partnership;
2. In the case of a dependent's birth, the date of such birth;
3. In the case of adoption or placement for adoption, the date of such adoption or placement for adoption.

OPEN ENROLLMENT

Open enrollment is the period designated by the employer during which the retiree may change benefit plans or enroll in the Plan if he did not do so when first eligible or does not qualify for a special enrollment period. An open enrollment will be permitted once in each calendar year during the month of November.

During this open enrollment period, a retiree and his dependents who are covered under this Plan or covered under any employer sponsored health plan may elect coverage or change coverage under this Plan for himself and his eligible dependents. A retiree must make written application as provided by the employer during the open enrollment period to change benefit plans.

The effective date of coverage as the result of an open enrollment period will be the following January 1.

Except for a status change listed below, the open enrollment period is the only time a retiree may change benefit options or modify enrollment. Status changes include:

1. Change in family status. A change in family status shall include only:
   a. Change in retiree's legal marital status/domestic partnership;
   b. Change in number of dependents;
   c. Termination or commencement of employment by the retiree, spouse/domestic partner or dependent;
   d. Change in work schedule;
   e. Dependent satisfies (or ceases to satisfy) dependent eligibility requirements;
   f. Change in residence or worksite of retiree, spouse/domestic partner or dependent.

2. Change in the cost of coverage under the employer's group medical plan.

3. Cessation of required contributions.

4. Taking or returning from a leave of absence under the Family and Medical Leave Act.

5. Significant change in the health coverage of the retiree or spouse/domestic partner attributable to the spouse/domestic partner's employment.
6. A Special Enrollment Period as mandated by the Health Insurance Portability and Accountability Act.

7. A court order, judgment or decree.

8. Entitlement to Medicare or Medicaid.

9. A COBRA qualifying event.
TERMINATION OF COVERAGE

Except as provided in the Plan’s Continuation of Coverage (COBRA) or Extension of Benefits provision, coverage will terminate on the earliest of the following dates:

TERMINATION OF RETIREE COVERAGE
1. The date the employer terminates the Plan and offers no other group health plan.
2. The date the retiree ceases to meet the eligibility requirements of the Plan.
3. The date the retiree becomes a full-time, active member of the armed forces of any country.
4. The date the retiree ceases to make any required contributions.

TERMINATION OF DEPENDENT(S) COVERAGE
1. The date the employer terminates the Plan and offers no other group health plan.
2. The date the retiree’s coverage terminates.
3. The date such person ceases to meet the eligibility requirements of the Plan.
4. The date the retiree ceases to make any required contributions on the dependent’s behalf.
5. The date the dependent becomes a full-time, active member of the armed forces of any country.
6. The date the Plan discontinues dependent coverage for any and all dependents.
7. The date the dependent becomes eligible as an employee.

COVERAGE FOR SURVIVING DEPENDENTS
If the retiree dies while covered under this Plan as a retired faculty retiree or a retired management retiree, coverage continues for enrolled dependents, including domestic partners, until one of the following occurs:
1. The required monthly contributions are not paid on the participant’s behalf, or
2. The coverage for which the retiree was a member is cancelled, or
3. The Plan terminates, or
4. The child no longer meets all of the conditions of coverage.

CERTIFICATES OF COVERAGE
The plan administrator shall provide each terminating covered person with a Certificate of Coverage, certifying the period of time the individual was covered under this Plan. For retirees with dependent coverage, the certificate provided may include information on all covered dependents. This Plan intends to at all times comply with the provisions of the Health Insurance Portability and Accountability Act of 1996.
CONTINUATION OF COVERAGE

In order to comply with federal regulations, this Plan includes a continuation of coverage option for certain individuals whose coverage would otherwise terminate. The following is intended to comply with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended.

The coverage which may be continued under this provision consists of health coverage. It does not include life insurance benefits, accidental death and dismemberment benefits, or income replacement benefits. Health coverage includes medical, prescription drug, and vision benefits as provided under the Plan.

This Continuation of Coverage provision does not apply to domestic partners or domestic partner’s dependent children.

QUALIFYING EVENTS

Qualifying events are any one of the following events that would cause a covered person to lose coverage under this Plan or cause an increase in required contribution, even if such loss of coverage or increase in required contributions does not take effect immediately, and allow such person to continue coverage beyond the date described in Termination of Coverage:

1. Death of the retiree.
2. Divorce, legal separation or termination of domestic partnership from the retiree.
3. A dependent child no longer meets the eligibility requirements of the Plan.
4. A covered retiree and their covered dependents whose benefits were substantially eliminated within one (1) year of the employer filing for Chapter 11 bankruptcy.

NOTIFICATION REQUIREMENTS

1. When eligibility for continuation of coverage results from a spouse being divorced or legally separated from a covered retiree or termination of a domestic partnership from a covered retiree, or a child's loss of dependent status, the retiree or dependent must submit a completed Qualifying Event Notification form to the plan administrator or its designee within sixty (60) days of the latest of:
   
   (a) The date of the event;
   (b) The date on which coverage under this Plan is or would be lost as a result of that event; or
   (c) The date on which the retiree or dependent is furnished with a copy of this Plan Document and Summary Plan Description.

   A copy of the Qualifying Event Notification form is available from the plan administrator (or its designee). In addition, the retiree or dependent may be required to promptly provide any supporting documentation as may be reasonably requested for purposes of verification. Failure to provide such notice and any requested supporting documentation will result in the person forfeiting their rights to continuation of coverage under this provision.

   Within fourteen (14) days of the receipt of a properly completed Qualifying Event Notification, the plan administrator (or its designee) will notify the dependent of his rights to continuation of coverage, and what process is required to elect continuation of coverage. This notice is referred to below as "Election Notice."
2. When eligibility for continuation coverage results from any qualifying event under this Plan other than the ones described in Paragraph 1 above, the employer must notify the plan administrator (or its designee) not later than thirty (30) days after the date on which the dependent loses coverage under the Plan due to the qualifying event. Within fourteen (14) days of the receipt of the notice of the qualifying event, the plan administrator (or its designee) will furnish the Election Notice to the retiree or dependent.

3. In the event it is determined that an individual seeking continuation coverage (or extension of continuation coverage) is not entitled to such coverage, the plan administrator (or its designee) will provide to such individual an explanation as to why the individual is not entitled to continuation coverage. This notice is referred to here as the "Non-Eligibility Notice." The Non-Eligibility Notice will be furnished in accordance with the same time frame as applicable to the furnishing of the Election Notice.

4. In the event an Election Notice is furnished, the eligible dependent has sixty (60) days to decide whether to elect continued coverage. Each person who is described in the Election Notice and was covered under the Plan on the day before the qualifying event has the right to elect continuation of coverage on an individual basis, regardless of family enrollment. If the dependent chooses to have continuation coverage, he must advise the plan administrator (or its designee) of this choice by returning to the plan administrator (or its designee) a properly completed Election Notice not later than the last day of the sixty (60) day period. If the Election Notice is mailed to the plan administrator (or its designee), it must be postmarked on or before the last day of the sixty (60) day period. This sixty (60) day period begins on the later of the following:

(a) The date coverage under the Plan would otherwise end; or
(b) The date the person receives the Election Notice from the plan administrator (or its designee).

5. Within forty-five (45) days after the date the person notifies the plan administrator (or its designee) that he has chosen to continue coverage, the person must make the initial payment. The initial payment will be the amount needed to provide coverage from the date continued benefits begin, through the last day of the month in which the initial payment is made. Thereafter, payments for the continuation coverage are to be made monthly, and are due in advance, on the first day each month.

COST OF COVERAGE

1. The Plan requires that covered persons pay the entire costs of their continuation coverage, plus a two percent (2%) administrative fee. Except for the initial payment (see above), payments must be remitted to the plan administrator (or its designee) by or before the first day of each month during the continuation period. The payment must be remitted on a timely basis in order to maintain the coverage in force.

2. For a person originally covered as a spouse/domestic partner, the cost of coverage is the amount applicable to a retiree if coverage is continued for himself alone. For a person originally covered as a child and continuing coverage independent of the family unit, the cost of coverage is the amount applicable to a retiree.

WHEN CONTINUATION COVERAGE BEGINS

When continuation coverage is elected and the initial payment is made within the time period required, coverage is reinstated back to the date of the loss of coverage, so that no break in coverage occurs. Coverage for dependents acquired and properly enrolled during the continuation period begins in accordance with the enrollment provisions of the Plan.

FAMILY MEMBERS ACQUIRED DURING CONTINUATION

A spouse/domestic partner or dependent child newly acquired during continuation coverage is eligible to be enrolled as a dependent. The standard enrollment provision of the Plan applies to enrollees during continuation coverage. A
dependent acquired and enrolled after the original qualifying event, other than a child born to or placed for adoption with a covered retiree during a period of COBRA continuation coverage, is not eligible for a separate continuation if a subsequent event results in the person's loss of coverage.

EXTENSION OF CONTINUATION COVERAGE

1. In the event any of the following events occur during the period continuation coverage resulting from an 18-Month Qualifying Event, it is possible for a dependent's continuation coverage to be extended:

   a. The child's loss of dependent status.
   b. Divorce or legal separation from the retiree.

Written notice of such event must be provided by submitting a completed Additional Extension Event Notification form to the plan administrator (or its designee) within sixty (60) days of the latest of:

   (i) The date of that event;
   (ii) The date on which coverage under this Plan would be lost as a result of that event if the first qualifying event had not occurred; or
   (iii) The date on which the dependent is furnished with a copy of this Plan Document and Summary Plan Description.

A copy of the Additional Extension Event Notification form is available from the plan administrator. In addition, the dependent may be required to promptly provide any supporting documentation as may be reasonably required for purposes of verification. Failure to properly provide the Additional Extension Event Notification and any requested supporting documentation will result in the person forfeiting their rights to extend continuation coverage under this provision. In no event will any extension of continuation coverage extend beyond thirty-six (36) months from the later of the date of the first qualifying event or the date as of which continuation coverage began.

Only a person covered prior to the original qualifying event or a child born to or placed for adoption with a covered retiree during a period of COBRA coverage may be eligible to continue coverage through an extension of continuation coverage as described above. Any other dependent acquired during continuation coverage is not eligible to extend continuation coverage as described above.

2. A person who loses coverage on account of an 18-Month Qualifying Event may extend the maximum period of continuation coverage from eighteen (18) months to up to twenty-nine (29) months in the event both of the following occur:

   (a) That person (or another person who is entitled to continuation coverage on account of the same 18-Month Qualifying Event) is determined by the Social Security Administration, under Title II or Title XVI of the Social Security Act, to have been disabled before the sixtieth (60th) day of continuation coverage; and
   (b) The disability status, as determined by the Social Security Administration, lasts at least until the end of the initial eighteen (18) month period of continuation coverage.

The disabled person (or his representative) must submit written proof of the Social Security Administration's disability determination to the plan administrator (or its designee) within the initial eighteen (18) month period of continuation coverage and no later than sixty (60) days after the latest of:
(i) The date of the disability determination by the Social Security Administration;
(ii) The date of the 18-Month Qualifying Event;
(iii) The date on which the person loses (or would lose) coverage under this Plan as a result of the 18-Month Qualifying Event; or
(iv) The date on which the person is furnished with a copy of this Plan Document and Summary Plan Description.

Should the disabled person fail to notify the plan administrator (or its designee) in writing within the time frame described above, the disabled person (and others entitled to disability extension on account of that person) will then be entitled to whatever period of continuation he or they would otherwise be entitled to, if any. The Plan may require that the individual pay one hundred fifty percent (150%) of the cost of continuation coverage during the additional eleven (11) months of continuation coverage. In the event the Social Security Administration makes a final determination that the individual is no longer disabled, the individual must provide notice of that final determination no later than thirty (30) days after the later of:

(A) The date of the final determination by the Social Security Administration; or
(B) The date on which the individual is furnished with a copy of this Plan Document and Summary Plan Description.

END OF CONTINUATION

Continuation of coverage under this provision will end on the earliest of the following dates:

1. Eighteen (18) months [or twenty-nine (29) months if continuation coverage is extended due to certain disability status as describe above] from the date continuation began because of an 18-Month Qualifying Event, or because of the call-up to military duty or the last day of leave under the Family and Medical Leave Act of 1993.

2. Thirty-six (36) months from the date continuation began for dependents whose coverage ended because the divorce of legal separation from the retiree, or the child's loss of dependent status.

3. The end of the period for which contributions are paid if the covered person fails to make a payment by the date specified by the plan administrator (or its designee). In the event continuation coverage is terminated for this reason, the individual will receive a notice describing the reason for the termination of coverage, the effective date of termination, and any rights the individual may have under this Plan or under applicable law to elect an alternative group or individual coverage, such as a conversion right. This notice is referred to below as an "Early Termination Notice."

4. The date coverage under this Plan ends and the employer offers no other group health benefit plan. In the event continuation coverage is terminated for this reason, the individual will receive an Early Termination Notice.

5. The date the covered person first becomes entitled, after the date of the covered person’s original election of continuation coverage, to Medicare benefits under Title XVIII of the Social Security Act. In the event continuation coverage is terminated for this reason, the individual will receive an Early Termination Notice.

6. The date the covered person first becomes covered under any other employer’s group health plan after the original date of the covered person’s election of continuation coverage, but only if such group health plan does not have any exclusion or limitation that affects coverage of the covered person’s pre-existing condition. In the event continuation coverage is terminated for this reason, the individual will receive an Early Termination Notice.
SPECIAL RULES REGARDING NOTICES

1. Any notice required in connection with continuation coverage under this Plan must, at minimum, contain sufficient information so that the plan administrator (or its designee) is able to determine from such notice the retiree and dependent(s) (if any), the qualifying event or disability, and the date on which the qualifying event occurred.

2. In connection with continuation coverage under this Plan, any notice required to be provided by any individual who is a dependent with respect to the qualifying event may be provided by a representative acting on behalf of the dependent, and the provision of the notice by one individual shall satisfy any responsibility to provide notice on behalf of all related eligible individuals with respect to the qualifying event.

3. As to an Election Notice, Non-Eligibility Notice or Early Termination Notice:

   (a) A single notice addressed to both the retiree or the spouse/domestic partner will be sufficient as to both individuals if, on the basis of the most recent information available to the Plan, the spouse/domestic partner resides at the same location as the retiree; and

   (b) A single notice to the retiree or the spouse/domestic partner will be sufficient as to each dependent child of the retiree if, on the basis of the most recent information available to the Plan, the dependent child resides at the same location as the individual to whom such notice is provided.

PRE-EXISTING CONDITIONS

In the event that a covered person becomes eligible for coverage under another employer-sponsored group health plan, and that group health plan has an applicable exclusion or limitation regarding coverage of the covered person’s pre-existing condition, the covered person’s continuation coverage under the Plan will not be affected by enrollment under that other group health plan. This Plan shall be primary payer for the covered expenses that are excluded or limited under the other employer sponsored group health plan and secondary payer for all other expenses.

MILITARY MOBILIZATION

If a retiree or an retiree's dependent is called for active duty by the United States Armed Services (including the Coast Guard, the National Guard or the Public Health Service), the retiree or the retiree's dependent may continue their health coverages, pursuant to the Uniformed Services Employment and Reemployment Rights Act (USERRA).

When the leave is less than thirty-one (31) days, the retiree or retiree's dependent may not be required to pay more than the retiree's share, if any, applicable to that coverage. If the leave is thirty-one (31) days or longer, then the plan administrator (or its designee) may require the retiree or retiree's dependent to pay no more than one hundred two percent (102%) of the full contribution.

The maximum length of the continuation coverage required under the Uniformed Services Employment and Reemployment Rights Act (USERRA) is the lesser of:

1. Twenty-four (24) months beginning on the day that the leave commences, or

2. A period beginning on the day that the leave began and ending on the day after the retiree fails to return to employment within the time allowed.

The period of continuation coverage under USERRA will be counted toward any continuation coverage period concurrently available under COBRA. Upon return from active duty, the retiree or the retiree's dependent will be reinstated without pre-existing conditions exclusions or a waiting period, regardless of their election of COBRA continuation coverage.
PLAN CONTACT INFORMATION

Questions concerning this Plan, including any available continuation coverage, can be obtained from the plan administrator.

ADDRESS CHANGES

In order to help ensure the appropriate protection of rights and benefits under this Plan, covered persons should keep the plan administrator informed of any changes to their current addresses.
CLAIM FILING PROCEDURE

A “pre-service claim” is a claim for a Plan benefit that is subject to the prior certification, as described in the section below, Pre-service Claim Procedure. Note: Those retirees protected by Board Policy 3.91 are exempt from any pre-certification requirements. All other claims for Plan benefits are “post-service claims” and are subject to the rules described in Post-Service Claim Procedure.

POST-SERVICE CLAIM PROCEDURE

FILING A CLAIM

1. Claims should be submitted to the claims processor at the address noted below:

   CoreSource, Inc.
   PO Box 2920
   Clinton, IA  52733-2920

   The date of receipt will be the date the claim is received by the claims processor.

2. All claims submitted for benefits must contain all of the following:
   a. Name of patient
   b. Patient’s date of birth.
   c. Name of retiree.
   d. Address of retiree.
   e. Name of employer and group number.
   f. Name, address and tax identification number of provider.
   g. Retiree Social Security Number.
   h. Date of service.
   i. Diagnosis (applies to medical claims ONLY))
   j. Description of service and procedure number.
   k. Charge for service.
   l. The nature of the accident, injury or illness being treated.

3. All claims not submitted within twelve (12) months from the date the services were rendered will not be a covered expense and will be denied.

The covered person may ask the health care provider to submit the claim directly to the claims processor, or the covered person may submit the bill with a claim form. The date of receipt will be the date the claim is received by the claims processor. It is ultimately the covered person’s responsibility to make sure the claim for benefits has been filed.

NOTICE OF AUTHORIZED REPRESENTATIVE

The covered person may provide the plan administrator or their designee with a written authorization for an authorized representative to represent and act on behalf of a covered person and consent to the release of information related to the covered person to the authorized representative with respect to a claim for benefits or an appeal. Authorization forms may be obtained from the Human Resource Department.
NOTICE OF CLAIM

A claim for benefits should be submitted to the claims processor within ninety (90) calendar days after the occurrence or commencement of any services by the Plan, or as soon thereafter as reasonably possible.

Failure to file a claim within the time provided shall not invalidate or reduce a claim for benefits if: (1) it was not reasonably possible to file a claim within that time; and (2) that such claim was furnished as soon as possible, but no later than one (1) year after the loss occurs or commences, unless the claimant is legally incapacitated.

Notice given by or on behalf of a covered person or his beneficiary, if any, to the plan administrator or to any authorized agent of the Plan, with information sufficient to identify the covered person, shall be deemed notice of claim.

TIME FRAME FOR BENEFIT DETERMINATION

After a completed claim has been submitted to the claims processor, and no additional information is required, the claims processor will generally complete its determination of the claim within thirty (30) calendar days of receipt of the completed claim unless an extension is necessary due to circumstances beyond the Plan’s control.

After a completed claim has been submitted to the claims processor, and if additional information is needed for determination of the claim, the claims processor will provide the covered person (or authorized representative) with a notice detailing information needed. The notice will be provided within thirty (30) calendar days of receipt of the completed claim and will state the date as of which the Plan expects to make a decision. The covered person will have forty-five (45) calendar days to provide the information requested, and the Plan will complete its determination of the claim within fifteen (15) calendar days of receipt by the claims processor of the requested information. Failure to respond in a timely and complete manner will result in the denial of benefit payment.

NOTICE OF BENEFIT DENIAL

If the claim for benefits is denied, the plan administrator or their designee shall provide the covered person or authorized representative with a written Notice of Benefit Denial within the time frames described immediately above.

The Notice of Benefit Denial shall include an explanation of the denial, including:

1. The specific reasons for the denial.
2. Reference to the Plan provisions on which the denial is based.
3. A description of any additional material or information needed and an explanation of why such material or information is necessary.
4. A description of the Plan’s claim review procedure and applicable time limits.
5. If an internal rule, guideline, protocol or other similar criterion was relied upon, the Notice of Benefit Denial will contain either:
   a. A copy of that criterion, or
   b. A statement that such criterion was relied upon and will be supplied free of charge, upon request.
6. If denial was based on medical necessity, experimental/investigational treatment or similar exclusion or limit, the Plan will supply either:
a. An explanation of the scientific or clinical judgment, applying the terms of the Plan to the covered person’s medical circumstances, or
b. A statement that such explanation will be supplied free of charge, upon request.

APPELLING A DENIED CLAIM

The “named fiduciary” for purposes of an appeal of a Post-Service Claim, as described in U. S. Department of Labor Regulations 2560.503-1 (issued November 21, 2000), is the claims processor.

A covered person, or the covered person’s authorized representative, may request a review of a denied claim by making written request to the named fiduciary within one hundred eighty (180) calendar days from receipt of notification of the denial and stating the reasons the covered person feels the claim should not have been denied.

The following describes the review process and rights of the covered person:

1. The covered person has a right to submit documents, information and comments
2. The covered person has the right to access, free of charge, relevant information to the claim for benefits
3. The review takes into account all information submitted by the covered person, even if it was not considered in the initial benefit determination.
4. The review by the named fiduciary will not afford deference to the original denial.
5. The named fiduciary will not be:
   a. The individual who originally denied the claim, nor
   b. Subordinate to the individual who originally denied the claim.
6. If original denial was, in whole or in part, based on medical judgment,
   a. The named fiduciary will consult with a professional provider who has appropriate training and experience in the field involving the medical judgment; and
   b. The professional provider utilized by the named fiduciary will be neither:
      i. An individual who was consulted in connection with the original denial of the claim, nor
      ii. A subordinate of any other professional provider who was consulted in connection with the original denial.
7. If requested, the named fiduciary will identify the medical or vocational expert(s) who gave advice in connection with the original denial, whether or not the advice was relied upon.

NOTICE OF BENEFIT DETERMINATION ON APPEAL

The plan administrator or their designee shall provide the covered person (or authorized representative) with a written notice of the appeal decision within sixty (60) calendar days of receipt of a written request for the appeal.

If the appeal is denied, the Notice of Appeal Decision will contain an explanation of the Decision, including:

1. The specific reasons for the denial.
2. Reference to specific Plan provisions on which the denial is based.
3. A statement that the covered person has the right to access, free of charge, relevant information to the claim for benefits.

4. If an internal rule, guideline, protocol or other similar criterion was relied upon, the Notice of Appeal Decision will contain either:
   a. A copy of that criterion, or
   b. A statement that such criterion was relied upon and will be supplied free of charge, upon request.

5. If the denial was based on medical necessity, experimental/investigational treatment or similar exclusion or limit, the Plan will supply either:
   a. An explanation of the scientific or clinical judgment, applying the terms of the Plan to the claimant’s medical circumstances, or
   b. A statement that such explanation will be supplied free of charge, upon request.

FOREIGN CLAIMS
In the event a covered person incurs a covered expense in a foreign country, the covered person shall be responsible for providing the following information to the claims processor before payment of any benefits due are payable.

1. The claim form, provider invoice and any documentation required to process the claim must be submitted.

2. The charges for services must be converted into U.S. dollars by the claims processor.

PRE-SERVICE CLAIM PROCEDURE

HEALTH CARE MANAGEMENT

Health care management is the process of evaluating whether proposed services, supplies or treatments are medically necessary and appropriate to help ensure quality, cost-effective care.

Certification of medical necessity and appropriateness by the Health Care Management Organization does not establish eligibility under the Plan nor guarantee benefits.

FILING A PRE-CERTIFICATION CLAIM

All inpatient admissions, partial hospitalizations and home health care (excluding supplies and durable medical equipment) are to be certified by the Health Care Management Organization. For non-urgent care, the covered person or their authorized representative must call the Health Care Management Organization at least fifteen (15) calendar days prior to initiation of services. If the Health Care Management Organization is not called at least fifteen (15) calendar days prior to initiation of services for non-urgent care, benefits may be reduced. For urgent care, the covered person or their authorized representative must call the Health Care Management Organization within forty-eight (48) hours or the next business day after the initiation of services.

Covered persons shall contact the Health Care Management Organization by calling:

1-800-480-6658

When a covered person (or authorized representative) calls the Health Care Management Organization, he or she should be prepared to provide all of the following information:

1. Retiree’s name, address, phone number and Social Security Number.
2. **Employer's name.**

3. If not the retiree, the patient’s name, address, phone number.

4. Admitting **physician's** name and phone number.

5. Name of **facility, home health care agency or hospice.**

6. Date of admission or proposed date of admission.

7. Condition for which patient is being admitted.

*Group health plans generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than forty-eight (48) hours following a normal vaginal delivery, or less than ninety-six (96) hours following a cesarean section. However, federal law generally does not prohibit the mother’s or newborn’s attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than forty-eight (48) hours (or ninety-six (96) hours as applicable). In any case, plans may not, under federal law, require that a provider obtain authorization from the Plan for prescribing a length of stay not in excess of the above periods.*

However, hospital maternity stays in excess of forty-eight (48) or ninety-six (96) hours as specified above must be precertified.

If the **covered person** (or authorized representative) fails to contact the **Health Care Management Organization** prior to the hospitalization and within the timelines detailed above, the amount of benefits payable for expenses incurred shall be reduced by twenty-five percent (25%). If the **Health Care Management Organization** declines to grant the full precertification requested, benefits for days not certified as medically necessary by the **Health Care Management Organization** shall be denied. (Refer to Post-Service Claims Procedure discussion above.)

**NOTICE OF AUTHORIZED REPRESENTATIVE**

The **covered person** may provide the **plan administrator** or their designee with a written authorization for an authorized representative to represent and act on behalf of a **covered person** and consent to release of information related to the **covered person** to the authorized representative with respect to a claim for benefits or an appeal. Authorization forms may be obtained from the Human Resource Department.

**TIME FRAME FOR PRE-SERVICE CLAIM DETERMINATION**

1. In the event the **Plan** receives from the **covered person** (or authorized representative) a communication that fails to follow the pre-certification procedure as described above but communicates at least the name of the **covered person**, a specific medical condition or symptom, and a specific treatment, service or product for which prior approval is requested, the **covered person** (or the authorized representative) will be orally notified (and in writing if requested), within five (5) calendar days of the failure of the proper procedure to be followed.

2. After a completed pre-certification request for non-urgent care has been submitted to the **Plan**, and if no additional information is required, the **Plan** will generally complete its determination of the claim within a reasonable period of time, but no later than fifteen (15) calendar days from receipt of the request.

3. After a pre-certification request for non-urgent care has been submitted to the **Plan**, and if an extension of time to make a decision is necessary due to circumstances beyond the control of the **Plan**, the **Plan** will, within fifteen (15) calendar days from receipt of the request, provide the **covered person** (or authorized representative) with a notice detailing the circumstances and the date by which the **Plan** expects to render a
decision. If the circumstances include a failure to submit necessary information, the notice will specifically describe the needed information. The covered person will have forty-five (45) calendar days to provide the information requested, and the Plan will complete its determination of the claim no later than fifteen (15) calendar days after receipt by the Plan of the requested information. Failure to respond in a timely and complete manner will result in a denial.

**CONCURRENT CARE CLAIMS**

If an extension beyond the original certification is required, the covered person (or authorized representative) shall call the Health Care Management Organization for continuation of certification.

If a covered person (or authorized representative) requests to extend a previously approved hospitalization or an ongoing course of treatment, and;

1. The request involves non-urgent care, then the extension request must be processed within fifteen (15) calendar days after the request was received.

2. The inpatient admission or ongoing course of treatment involves urgent care, and
   a. The request is received at least twenty-four (24) hours before the scheduled end of a hospitalization or course of treatment, then the request must be ruled upon and the covered person (or authorized representative) notified as soon as possible but no later than twenty-four (24) hours after the request was received; or
   b. The request is received less than twenty-four (24) hours before the scheduled end of the hospitalization or course of treatment, then the request must be ruled upon and the covered person (or authorized representative) notified no later than seventy-two (72) hours after the request was received.

If the Health Care Management Organization determines that the hospital stay or course of treatment should be shortened or terminated before the end of the fixed number of days and/or treatments, or the fixed time period that was previously approved, then the Health Care Management Organization shall:

1. Notify the covered person of the proposed change, and

2. Allow the covered person to file an appeal and obtain a decision, before the end of the fixed number of days and/or treatments, or the fixed time period that was previously approved.

If, at the end of a previously approved hospitalization or course of treatment, the Health Care Management Organization determines that continued confinement is no longer medically necessary, additional days will not be certified. (Refer to Appealing a Denied Pre-Service Claim discussion below.)

**NOTICE OF PRE-SERVICE CLAIM DENIAL**

If a pre-certification request is denied in whole or in part, the plan administrator or their designee shall provide the covered person (or authorized representative) with a written Notice of Pre-Service Denial within the time frames above.

The Notice of Pre-Service Denial shall include an explanation of the denial, including:

1. The specific reasons for the denial.

2. Reference to the Plan provisions on which the denial is based.
3. A description of any additional material or information needed and an explanation of why such material or information is necessary.

4. A description of the Plan’s claim review procedure and applicable time limits.

5. If an internal rule, guideline, protocol or other similar criterion was relied upon, the Notice of Benefit Denial will contain either:
   a. A copy of that criterion, or
   b. A statement that such criterion was relied upon and will be supplied free of charge, upon request.

6. If denial was based on medical necessity, experimental/investigational treatment or similar exclusion or limit, the Plan will supply either:
   a. An explanation of the scientific or clinical judgment, applying the terms of the Plan to the covered person’s medical circumstances, or
   b. A statement that such explanation will be supplied free of charge, upon request.

**APPEALING A DENIED PRE-SERVICE CLAIM**

The named fiduciary for purposes of an appeal of a Pre-service claim, as described in U. S. Department of Labor Regulations 2560.503-1 (issued November 21, 2000), is the claims processor.

A covered person (or authorized representative) may request a review of a denied claim by making a written request to the named fiduciary within one hundred eighty (180) calendar days from receipt of notification of the denial and stating the reasons the covered person feels the claim should not have been denied. If the covered person (or authorized representative) wishes to appeal the denial when the services in question have already been rendered, such an appeal will be considered as a separate post-service claim. (Refer to Post-Service Claim Procedure discussion above.)

The following describes the review process and rights of the covered person:

1. The covered person has a right to submit documents, information and comments.

2. The covered person has the right to access, free of charge, relevant information to the claim for benefits.

3. The review takes into account all information submitted by the covered person, even if it was not considered in the initial benefit determination.

4. The review by the named fiduciary will not afford deference to the original denial.

5. The named fiduciary will not be:
   a. The individual who originally denied the claim, nor
   b. Subordinate to the individual who originally denied the claim.

6. If original denial was, in whole or in part, based on medical judgment,
   a. The named fiduciary will consult with a professional provider who has appropriate training and experience in the field involving the medical judgment.
   b. The professional provider utilized by the named fiduciary will be neither:
      i. An individual who was consulted in connection with the original denial of the claim, nor
ii. A subordinate of any other professional provider who was consulted in connection with the original denial.

7. If requested, the named fiduciary will identify the medical or vocational expert(s) who gave advice in connection with the original denial, whether or not the advice was relied upon.

NOTICE OF PRE-SERVICE DETERMINATION ON APPEAL

The plan administrator or their designee shall provide the covered person (or authorized representative) with a written Notice of Appeal Decision as soon as possible, but not later than thirty (30) calendar days from receipt of the appeal.

If the appeal is denied, the Notice of Appeal Decision will contain an explanation of the decision, including:

1. The specific reasons for the denial.

2. Reference to specific Plan provisions on which the denial is based.

3. A statement that the covered person has the right to access, free of charge, relevant information to the claim for benefits.

4. A statement that the covered person has the right to access, free of charge, information about the voluntary appeal process.

5. If an internal rule, guideline, protocol or other similar criterion was relied upon, the Notice of Appeal Decision will contain either:
   a. A copy of that criterion, or
   b. A statement that such criterion was relied upon and will be supplied free of charge, upon request.

6. If the denial was based on medical necessity, experimental/investigational treatment or similar exclusion or limit, the Plan will supply either:
   a. An explanation of the scientific or clinical judgment, applying the terms of the Plan to the claimant’s medical circumstances, or
   b. A statement that such explanation will be supplied free of charge, upon request.

SECOND LEVEL VOLUNTARY APPEAL

The Health Care Management Organization, upon request by the covered person (or authorized representative) following a pre-service determination on appeal, will conduct a second level voluntary appeal. This appeal is comprised of a panel of three professional providers that were not consulted in connection with the original pre-service denial. The covered person’s decision as to whether to submit a previously denied appeal to the voluntary appeal process will have no effect on the covered person’s rights to any other benefits under the Plan. There are no fees or costs imposed as a condition to use of the voluntary appeal process.

Upon receipt of the request to conduct a voluntary appeal, a determination will be made within thirty (30) business days. Notification of the outcome of the review will be communicated verbally and in writing.

With respect to pre-service claims, the Plan agrees not to later assert a defense of failure to exhaust available administrative remedies against a covered person who chooses not to make use of the voluntary appeal process.

With respect to pre-service claims, the Plan agrees that any statute of limitations or other defense based on timelines is tolled while the dispute is under submission to the voluntary appeal process.
Upon written request, more information about the voluntary appeal process is available, free of charge, from the Health Care Management Organization.

CASE MANAGEMENT

In cases where the covered person’s condition is expected to be or is of a serious nature, the Health Care Management Organization may arrange for review and/or case management services from a professional qualified to perform such services. The plan administrator shall have the right to alter or waive the normal provisions of this Plan when it is reasonable to expect a cost effective result without a sacrifice to the quality of care.

In addition, the Health Care Management Organization may recommend (or change) alternative methods of medical care or treatment, equipment or supplies that:

1. Are not covered expenses under this Plan; or
2. Are covered expenses under this Plan but on a basis that differs from the alternative recommended by the Health Care Management Organization.

The recommended alternatives will be considered as covered expenses under the Plan provided the expenses can be shown to be viable, medically necessary, and are included in a written case management report or treatment plan proposed by the Health Care Management Organization.

Case management will be determined on the merits of each individual case, and any care or treatment provided will not be considered as setting any precedent or creating any future liability with respect to that covered person or any other covered person.

BINDING ARBITRATION

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

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

The arbitration is begun by the covered person making written demand on the plan administrator (employer). The American Arbitration Association according to its commercial rules of arbitration will conduct the arbitration. The arbitration shall be held in the State of California.

The plan administrator and the covered person will each be responsible for paying their own share of the fees and expenses of the arbitration; however, the plan administrator may pay the covered person’s share of these fees in cases of extreme hardship, as determined by the American Arbitration Association. An application to claim extreme hardship under this section may be obtained from the American Arbitration Association.

The plan administrator and the covered person agree to be bound by the arbitration provision and acknowledge that they are each giving up their right to a trial by court or jury.

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

The Coordination of Benefits provision is intended to prevent duplication of benefits. It applies when the covered person is also covered by any Other plan(s). When more than one coverage exists, one plan normally pays its benefits in full, referred to as the primary plan. The Other Plan(s), referred to as secondary plan, pays a reduced benefit. When coordination of benefits occurs, the total benefit payable by all plans will not exceed one hundred percent (100%) of "allowable expenses." Only the amount paid by this Plan will be charged against the maximum benefit.

The Coordination of Benefits provision applies whether or not a claim is filed under the Other Plan(s). If another plan provides benefits in the form of services rather than cash, the reasonable value of the service rendered shall be deemed the benefit paid.

DEFINITIONS APPLICABLE TO THIS PROVISION

"Allowable Expenses" means any reasonable, necessary, and customary expenses incurred while covered under this Plan, part or all of which would be covered under this Plan. Allowable Expenses do not include expenses contained in the "Exclusions" sections of this Plan.

When this Plan is secondary, "Allowable Expense" will include any deductible or coinsurance amounts not paid by the Other Plan(s).

This Plan is not eligible to be elected as primary coverage in lieu of automobile benefits. Payments from automobile insurance will always be primary and this Plan shall be secondary only.

When this Plan is secondary, "Allowable Expense" shall not include any amount that is not payable under the primary plan as a result of a contract between the primary plan and a provider of service in which such provider agrees to accept a reduced payment and not to bill the covered person for the difference between the provider's contracted amount and the provider's regular billed charge.

"Other Plan" means any plan, policy or coverage providing benefits or services for, or by reason of medical, dental or vision care. Such Other Plan(s) do not include flexible spending accounts (FSA), health reimbursement accounts (HRA) or health savings account (HSA). Such Other Plan(s) may include, without limitation:

1. Group insurance or any other arrangement for coverage for covered persons in a group, whether on an insured or uninsured basis, including, but not limited to, hospital indemnity benefits and hospital reimbursement-type plans;

2. Hospital or medical service organization on a group basis, group practice, and other group prepayment plans or on an individual basis having a provision similar in effect to this provision;

3. A licensed Health Maintenance Organization (HMO);

4. Any coverage for students which is sponsored by, or provided through, a school or other educational institution;

5. Any coverage under a government program and any coverage required or provided by any statute;

6. Group automobile insurance;

7. Individual automobile insurance coverage;
8. Individual automobile insurance coverage based upon the principles of "No-fault" coverage;

9. Any plan or policies funded in whole or in part by an employer, or deductions made by an employer from a person's compensation or retirement benefits;

10. Labor/management trustee, union welfare, employer organization, or retiree benefit organization plans.

"This Plan" shall mean that portion of the employer's Plan which provides benefits that are subject to this provision.

"Claim Determination Period" means a calendar year or that portion of a calendar year during which the covered person for whom a claim is made has been covered under this Plan.

**EFFECT ON BENEFITS**

This provision shall apply in determining the benefits for a covered person for each claim determination period for the Allowable Expenses. If this Plan is secondary, the benefits paid under this Plan may be reduced so that the sum of benefits paid by all plans does not exceed 100% of total Allowable Expense.

The difference between the benefit payments that this Plan would have paid had it been the primary plan, and the benefit payments that it actually paid or provided will be recorded as a benefit reserve for the covered person and will be used by this Plan to pay any Allowable Expenses, not otherwise paid, that are incurred by the covered person. As each claim is submitted, its plan must do all of the following:

1. Determine its obligation, pursuant to its contract.
2. Determine whether a benefit reserve has been recorded for the covered person.
3. Determine whether there are any unpaid Allowable Expenses. This Plan will use the covered person's recorded benefit reserve to pay up to one hundred percent (100%) of total Allowable Expenses incurred.

If there is a benefit reserve, the secondary plan will use the covered person’s benefit reserve to pay up to one hundred percent (100%) of total Allowable Expenses incurred during the calendar year. At the end of the calendar year, the benefit reserve returns to zero. A new benefit reserve will be created for each new calendar year.

If the rules set forth below would require this Plan to determine its benefits before such Other Plan, then the benefits of such Other Plan will be ignored for the purposes of determining the benefits under this Plan.

**ORDER OF BENEFIT DETERMINATION**

Each plan will make its claim payment according to the first applicable provision in the following list of provisions which determine the order of benefit payment:

1. No Coordination of Benefits Provision
   If the Other Plan contains no provisions for coordination of benefits, then its benefits shall be paid before all Other Plan(s).

2. Member/Dependent
   The plan which covers the claimant directly pays before a plan that covers the claimant as a dependent.

3. Dependent Children of Parents not Separated or Divorced
   The plan covering the parent whose birthday (month and day) occurs earlier in the year pays first. The plan covering the parent whose birthday falls later in the year pays second. If both parents have the same
birthday, the plan that covered a parent longer pays first. A parent's year of birth is not relevant in applying this rule.

4. Dependent Children of Separated or Divorced Parents
   When parents are separated or divorced, the birthday rule does not apply, instead:
   
a. If a court decree has given one parent financial responsibility for the child's health care, the plan of that parent pays first. The plan of the stepparent married to that parent, if any, pays second. The plan of the other natural parent pays third. The plan of the spouse/domestic partner of the other natural parent, if any, pays fourth.
   
b. In the absence of such a court decree, the plan of the parent with custody pays first. The plan of the stepparent married to the parent with custody, if any, pays second. The plan of the parent without custody pays third. The plan of the spouse/domestic partner of the parent without custody, if any, pays fourth.

5. Active/Inactive
   The plan covering a person as an active (not laid off or retired) retiree or as that person's dependent pays first. The plan covering that person as a laid off or retired retiree, or as that person's dependent pays second.

6. Limited Continuation of Coverage
   If a person is covered under another group health plan, but is also covered under this Plan for continuation of coverage due to the Other Plan's limitation for pre-existing conditions or exclusions, the Other Plan shall be primary.

7. Longer/Shorter Length of Coverage
   If none of the above rules determine the order of benefits, the plan covering a person longer pays first. The plan covering that person for a shorter time pays second.

COORDINATION WITH MEDICARE

Individuals may be eligible for Medicare Part A at no cost if they: (i) are age 65 or older, (ii) have been determined by the Social Security Administration to be disabled, or (iii) have end stage renal disease. Participation in Medicare Part B is available to all individuals who make application and pay the full cost of the coverage.

1. When an retiree becomes entitled to Medicare coverage (due to age or disability) and is still actively at work, the retiree may continue health coverage under this Plan at the same level of benefits and contribution rate that applied before reaching Medicare entitlement.

2. When a dependent becomes entitled to Medicare coverage (due to age or disability) and the retiree is still actively at work, the dependent may continue health coverage under this Plan at the same level of benefits and contribution rate that applied before reaching Medicare entitlement.

3. If the retiree and/or dependent is also enrolled in Medicare (due to age or disability), this Plan shall pay as the primary plan. If, however, the Medicare enrollment is due to end stage renal disease, the Plan’s primary payment obligation will end at the end of the 30-month “coordination period” as provided in Medicare law and regulations.

4. Notwithstanding Paragraphs 1 to 3 above, if the employer (including certain affiliated entities that are considered the same employer for this purpose) has fewer than one hundred (100) retirees, when a covered dependent becomes entitled to Medicare coverage due to total disability, as determined by the Social Security Administration, and the retiree is actively-at-work, Medicare will pay as the primary payer for claims of the dependent and this Plan will pay secondary.
5. If the retiree and/or dependent elect to discontinue health coverage under this Plan and enroll under the Medicare program, no benefits will be paid under this Plan. Medicare will be the only payor.

6. For a retiree, Medicare shall be the primary payor and this Plan shall be secondary.

This section is subject to the terms of the Medicare laws and regulations. Any changes in these related laws and regulations will apply to the provisions of this section.

LIMITATIONS ON PAYMENTS

In no event shall the covered person recover under this Plan and all Other Plan(s) combined more than the total Allowable Expenses offered by this Plan and the Other Plan(s). Nothing contained in this section shall entitle the covered person to benefits in excess of the total maximum benefits of this Plan during the claim determination period. The covered person shall refund to the employer any excess it may have paid.

RIGHT TO RECEIVE AND RELEASE NECESSARY INFORMATION

For the purposes of determining the applicability of and implementing the terms of this Coordination of Benefits provision, the Plan may, without the consent of or notice to any person, release to or obtain from any insurance company or any other organization any information, regarding other insurance, with respect to any covered person. Any person claiming benefits under this Plan shall furnish to the employer such information as may be necessary to implement the Coordination of Benefits provision.

FACILITY OF BENEFIT PAYMENT

Whenever payments which should have been made under this Plan in accordance with this provision have been made under any Other Plan, the employer shall have the right, exercisable alone and in its sole discretion, to pay over to any organization making such other payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision. Amounts so paid shall be deemed to be benefits paid under this Plan and, to the extent of such payments, the employer shall be fully discharged from liability.

AUTOMOBILE BENEFITS

The Plan’s liability for expenses arising out of an automobile accident shall always be secondary to any automobile insurance, irrespective of the type of automobile insurance law that is in effect in the retiree's state of residence. Currently, there are three (3) types of state automobile insurance laws.

1. No-fault automobile insurance laws

2. Financial responsibility laws

3. Other automobile liability insurance laws

No Fault Automobile Insurance Laws. In no event will the Plan pay any claim presented by or on behalf of an retiree for lost wages or medical benefits that would have been payable under an automobile insurance policy but for an election made by the principal named insured under the automobile policy that reduced covered levels and/or subsequent premium. This is intended to exclude, as a covered expense, lost wages or medical expenses arising from an automobile accident that are payable under an automobile insurance policy or that would have been payable under an automobile insurance policy but for such an election.

(a) In the event an retiree shall incur lost wages or medical expenses as a result of injuries sustained in an automobile accident while “covered by an automobile insurance policy,” as an operator of the vehicle, as a passenger, or as a pedestrian, benefits will be further limited to medical expenses, that would in no event be payable under the automobile insurance; provided however that benefits payable due to a required
deductible under the automobile insurance policy will be paid by the Plan up to the amount equal to that deductible.

(b) For the purposes of this section the following people are deemed “covered by an automobile insurance policy.”

(i) An owner or principal named insured individual under such policy.
(ii) A family member of an insured person for whom coverage is provided under the terms and conditions of the automobile insurance policy.
(iii) Any other person who, except for the existence of the Plan, would be eligible for medical expense benefits under an automobile insurance policy.

Financial Responsibility Laws. The Plan will be secondary to any potentially applicable automobile insurance even if the state’s “financial responsibility law” does not allow the Plan to be secondary.

Other Automobile Liability Insurance. If the state does not have a no-fault automobile insurance law nor a “financial responsibility” law, the Plan is secondary to automobile insurance coverage or to any other person or entity who caused the accident or who may be liable for the retiree’s lost wages or medical expenses pursuant to the general rule for Subrogation.
SUBROGATION/REIMBURSEMENT

The Plan is designed to only pay covered expenses for which payment is not available from anyone else, including any insurance company or another health plan. In order to help a covered person in a time of need, however, the Plan may pay covered expenses that may be or become the responsibility of another person, provided that the Plan later receives reimbursement for those payments (hereinafter called “Reimbursable Payments”).

Therefore, by enrolling in the Plan, as well as by applying for payment of covered expenses, a covered person is subject to, and agrees to, the following terms and conditions with respect to the amount of covered expenses paid by the Plan:

1. Assignment of Rights (Subrogation). The covered person automatically assigns to the Plan any rights the covered person may have to recover all or part of the same covered expenses from any party, including an insurer or another group health program (except flexible spending accounts, health reimbursement accounts and health savings accounts), but limited to the amount of Reimbursable Payments made by the Plan. This assignment includes, without limitation, the assignment of a right to any funds paid by a third party to a covered person or paid to another for the benefit of the covered person. This assignment applies on a first-dollar basis (i.e., has priority over other rights), applies whether the funds paid to (or for the benefit of) the covered person constitute a full or a partial recovery, and even applies to funds actually or allegedly paid for non-medical or dental charges, attorney fees, or other costs and expenses. This assignment also allows the Plan to pursue any claim that the covered person may have, whether or not the covered person chooses to pursue that claim. By this assignment, the Plan’s right to recover from insurers includes, without limitation, such recovery rights against no-fault auto insurance carriers in a situation where no third party may be liable, and from any uninsured or underinsured motorist coverage.

2. Equitable Lien and other Equitable Remedies. The Plan shall have an equitable lien against any rights the covered person may have to recover the same covered expenses from any party, including an insurer or another group health program, but limited to the amount of Reimbursable Payments made by the Plan. The equitable lien also attaches to any right to payment from workers’ compensation, whether by judgment or settlement, where the Plan has paid covered expenses prior to a determination that the covered expenses arose out of and in the course of employment. Payment by workers’ compensation insurers or the employer will be deemed to mean that such a determination has been made.

This equitable lien shall also attach to any money or property that is obtained by anybody (including, but not limited to, the covered person, the covered person’s attorney, and/or a trust) as a result of an exercise of the covered person’s rights of recovery (sometimes referred to as “proceeds”). The Plan shall also be entitled to seek any other equitable remedy against any party possessing or controlling such proceeds. At the discretion of the plan administrator, the Plan may reduce any future covered expenses otherwise available to the covered person under the Plan by an amount up to the total amount of Reimbursable Payments made by the Plan that is subject to the equitable lien.

This and any other provisions of the Plan concerning equitable liens and other equitable remedies are intended to meet the standards for enforcement under ERISA that were enunciated in the United States Supreme Court’s decision entitled, Great-West Life & Annuity Insurance Co. v. Knudson, 534 US 204 (2002). The provisions of the Plan concerning subrogation, equitable liens and other equitable remedies are also intended to supercede the applicability of the federal common law doctrines commonly referred to as the “make whole” rule and the “common fund” rule.

3. Assisting in Plan’s Reimbursement Activities. The covered person has an obligation to assist the Plan to obtain reimbursement of the Reimbursable Payments that it has made on behalf of the covered person, and to provide the Plan with any information concerning the covered person’s other insurance coverage.
(whether through automobile insurance, other group health program, or otherwise) and any other person or entity (including their insurer(s)) that may be obligated to provide payments or benefits to or for the benefit of the covered person. The covered person is required to (a) cooperate fully in the Plan’s (or any Plan fiduciary’s) enforcement of the terms of the Plan, including the exercise of the Plan’s right to subrogation and reimbursement, whether against the covered person or any third party, (b) not do anything to prejudice those enforcement efforts or rights (such as settling a claim against another party without including the Plan as a co-payee for the amount of the Reimbursable Payments and notifying the Plan), (c) sign any document deemed by the plan administrator to be relevant to protecting the Plan’s subrogation, reimbursement or other rights, and (d) provide relevant information when requested. The term “information” includes any documents, insurance policies, police reports, or any reasonable request by the plan administrator or claims processor to enforce the Plan’s rights.

The plan administrator has delegated to the claims processor the right to perform ministerial functions required to assert the Plan’s rights; however, the plan administrator shall retain discretionary authority with regard to asserting the Plan’s recovery rights.
GENERAL PROVISIONS

ADMINISTRATION OF THE PLAN

The Plan is administered through the Human Resources Department of the employer. The employer is the plan administrator. The plan administrator shall have full charge of the operation and management of the Plan. The employer has retained the services of an independent claims processor experienced in claims review.

The employer is the named fiduciary of the Plan except as noted herein. The claims processor is the named fiduciary of the Plan for pre-service and post service claim appeals. As the named fiduciary for appeals, the claims processor maintains discretionary authority to review all denied claims under appeal for benefits under the Plan. The employer maintains discretionary authority to interpret the terms of the Plan, including but not limited to, determination of eligibility for and entitlement to Plan benefits in accordance with the terms of the Plan; any interpretation or determination made pursuant to such discretionary authority shall be given full force and effect, unless it can be shown that the interpretation or determination was arbitrary and capricious.

ASSIGNMENT

The Plan will pay benefits under this Plan to the retiree unless payment has been assigned to a hospital, physician, or other provider of service furnishing the services for which benefits are provided herein. No assignment of benefits shall be binding on the Plan unless the claims processor is notified in writing of such assignment prior to payment hereunder.

Preferred providers normally bill the Plan directly. If services, supplies or treatment has been received from such a provider, benefits are automatically paid to that provider. The covered person's portion of the negotiated rate, after the Plan's payment, will then be billed to the covered person by the preferred provider.

This Plan will pay benefits to the responsible party of an alternate recipient as designated in a Qualified Medical Child Support Order.

BENEFITS NOT TRANSFERABLE

Except as otherwise stated herein, no person other than an eligible covered person is entitled to receive benefits under this Plan. Such right to benefits is not transferable.

CLERICAL ERROR

No clerical error on the part of the employer or claims processor shall operate to defeat any of the rights, privileges, services, or benefits of any retiree or any dependent(s) hereunder, nor create or continue coverage which would not otherwise validly become effective or continue in force hereunder. An equitable adjustment of contributions and/or benefits will be made when the error or delay is discovered. However, if more than six (6) months has elapsed prior to discovery of any error, any adjustment of contributions shall be waived. No party shall be liable for the failure of any other party to perform.

CONFORMITY WITH STATUTE(S)

Any provision of the Plan which is in conflict with statutes which are applicable to this Plan is hereby amended to conform to the minimum requirements of said statute(s).
**EFFECTIVE DATE OF THE PLAN**

The effective date of this Plan is September 1, 2004.

**FREE CHOICE OF HOSPITAL AND PHYSICIAN**

Nothing contained in this Plan shall in any way or manner restrict or interfere with the right of any person entitled to benefits hereunder to select a hospital or to make a free choice of the attending physician or professional provider. However, benefits will be paid in accordance with the provisions of this Plan, and the covered person will have higher out-of-pocket expenses if the covered person uses the services of a nonpreferred provider.

**INCAPACITY**

If, in the opinion of the employer, a covered person for whom a claim has been made is incapable of furnishing a valid receipt of payment due him and in the absence of written evidence to the Plan of the qualification of a guardian or personal representative for his estate, the employer may on behalf of the Plan, at his discretion, make any and all such payments to the provider of services or other person providing for the care and support of such person. Any payment so made will constitute a complete discharge of the Plan's obligation to the extent of such payment.

**INCONTESTABILITY**

All statements made by the employer or by the retiree covered under this Plan shall be deemed representations and not warranties. Such statements shall not void or reduce the benefits under this Plan or be used in defense to a claim unless they are contained in writing and signed by the employer or by the covered person, as the case may be. A statement made shall not be used in any legal contest unless a copy of the instrument containing the statement is or has been furnished to the other party to such a contest.

**LEGAL ACTIONS**

No action at law or in equity shall be brought to recover on the benefits from the Plan prior to the expiration of sixty (60) days after all information on a claim for benefits has been filed and the appeal process has been completed in accordance with the requirements of the Plan. No such action shall be brought after the expiration of two (2) years from the date the expense was incurred, or one (1) year from the date a completed claim was filed, whichever occurs first.

**LIMITS ON LIABILITY**

Liability hereunder is limited to the services and benefits specified, and the employer shall not be liable for any obligation of the covered person incurred in excess thereof. The employer shall not be liable for the negligence, wrongful act, or omission of any physician, professional provider, hospital, or other institution, or their retirees, or any other person. The liability of the Plan shall be limited to the reasonable cost of covered expenses and shall not include any liability for suffering or general damages.

**LOST DISTRIBUTEEES**

Any benefit payable hereunder shall be deemed forfeited if the plan administrator is unable to locate the covered person to whom payment is due, provided, however, that such benefits shall be reinstated if a claim is made by the covered person for the forfeited benefits within the time prescribed in Claim Filing Procedure.

**MEDICAID ELIGIBILITY AND ASSIGNMENT OF RIGHTS**

The Plan will not take into account whether an individual is eligible for, or is currently receiving, medical assistance under a state plan for medical assistance as provided under Title XIX of the Social Security Act ("State Medicaid
Plan") either in enrolling that individual as a covered person or in determining or making any payment of benefits to that individual. The Plan will pay benefits with respect to such individual in accordance with any assignment of rights made by or on behalf of such individual as required under a state Medicaid plan pursuant to § 1912(a)(1)(A) of the Social Security Act. To the extent payment has been made to such individual under a state Medicaid Plan and this Plan has a legal liability to make payments for the same services, supplies or treatment, payment under the Plan will be made in accordance with any state law which provides that the state has acquired the rights with respect to such individual to payment for such services, supplies or treatment under the Plan.

MISREPRESENTATION

If the covered person or anyone acting on behalf of a covered person makes a false statement on the application for enrollment, or withholds information with intent to deceive or affect the acceptance of the enrollment application or the risks assumed by the Plan, or otherwise misleads the Plan, the Plan shall be entitled to recover its damages, including legal fees, from the covered person, or from any other person responsible for misleading the Plan, and from the person for whom the benefits were provided. Any material misrepresentation on the part of the covered person in making application for coverage, or any application for reclassification thereof, or for service thereunder shall render the coverage under this Plan null and void.

PHYSICAL EXAMINATIONS REQUIRED BY THE PLAN

The Plan, at its own expense, shall have the right to require an examination of a person covered under this Plan when and as often as it may reasonably require during the pendency of a claim.

PLAN IS NOT A CONTRACT

The Plan shall not be deemed to constitute a contract between the employer and any retiree or to be a consideration for, or an inducement or condition of, the employment of any retiree. Nothing in the Plan shall be deemed to give any retiree the right to be retained in the service of the employer or to interfere with the right of the employer to terminate the employment of any retiree at any time.

PLAN MODIFICATION AND AMENDMENT

The employer may modify or amend the Plan in accordance with the provision of the collective bargaining agreement, and such amendments or modifications which affect covered persons will be communicated to the covered persons. Any such amendments shall be in writing, setting forth the modified provisions of the Plan, the effective date of the modifications, and shall be signed by the employer’s designee.

Such modification or amendment shall be duly incorporated in writing into the master copy of the Plan on file with the employer, or a written copy thereof shall be deposited with such master copy of the Plan. Appropriate filing and reporting of any such modification or amendment with governmental authorities and to covered persons shall be timely made by the employer.

PLAN TERMINATION

The employer reserves the right to terminate the Plan at any time. Upon termination, the rights of the covered persons to benefits are limited to claims incurred up to the date of termination. Any termination of the Plan will be communicated to the covered persons.

Upon termination of this Plan, all claims incurred prior to termination, but not submitted to either the employer or claims processor within three (3) months of the effective date of termination of this Plan, will be excluded from any benefit consideration.
**PRIOR PLAN COVERAGE**

Retirees and dependents who are covered under the employer's prior plan as of the day immediately prior to the effective date of this Plan shall be covered hereunder, provided they have elected coverage under this Plan. Retirees who have not satisfied the prior plan's waiting period shall become effective under this Plan upon completing the waiting period of the prior plan.

Prior plan benefits and limitations shall be applied to this Plan. For example, satisfaction of the prior plan's calendar year deductible shall satisfy this Plan's calendar year deductible requirement; time applied toward satisfaction of the pre-existing condition limitation under the prior plan shall be credited under this Plan; benefits paid under the prior plan shall be applied toward the maximum benefits limitations of this Plan.

**PRONOUNS**

All personal pronouns used in this Plan shall include either gender unless the context clearly indicates to the contrary.

**RECOVERY FOR OVERPAYMENT**

Whenever payments have been made from the Plan in excess of the maximum amount of payment necessary, the Plan will have the right to recover these excess payments. If the Plan makes any payment that, according to the terms of the Plan, should not have been made, the Plan may recover that incorrect payment, whether or not it was made due to the Plan's or the Plan's designee's own error, from the person or entity to whom it was made or from any other appropriate party.

**STATUS CHANGE**

If an retiree or dependent has a status change while covered under this Plan (i.e. dependent to retiree, COBRA to active) and no interruption in coverage has occurred, the Plan will provide continuous coverage with respect to any pre-existing condition limitation, deductible(s), coinsurance and maximum benefit.

**TIME EFFECTIVE**

The effective time with respect to any dates used in the Plan shall be 12:01 a.m. as may be legally in effect at the address of the plan administrator.

**WORKERS' COMPENSATION NOT AFFECTED**

This Plan is not in lieu of, and does not affect any requirement for, coverage by Workers' Compensation Insurance.
HIPAA PRIVACY

The following provisions are intended to comply with applicable plan amendment requirements under Federal regulation implementing Section 264 of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

DISCLOSURE BY PLAN TO PLAN SPONSOR

The Plan may take the following actions only upon receipt of a plan amendment certification:

1. Disclose protected health information to the plan sponsor.
2. Provide for or permit the disclosure of protected health information to the plan sponsor by a health insurance issuer or HMO with respect to the Plan.

USE AND DISCLOSURE BY PLAN SPONSOR

The plan sponsor may use or disclose protected health information received from the Plan to the extent not inconsistent with the provisions of this HIPAA PRIVACY Section or the privacy rule.

OBLIGATIONS OF PLAN SPONSOR

The plan sponsor shall have the following obligations:

1. Ensure that:
   a. Any agents (including a subcontractor) to whom it provides protected health information received from the Plan agree to the same restrictions and conditions that apply to the plan sponsor with respect to such information; and
   b. Adequate separation between the Plan and the plan sponsor is established as provided below in Access to Protected Health Information.
2. Not use or further disclose protected health information received from the Plan, other than as permitted or required by the Plan documents or as required by law.
3. Not use or disclose protected health information received from the Plan:
   a. For employment-related actions and decisions; or
   b. In connection with any other benefit or retiree benefit plan of the plan sponsor.
4. Report to the plan any use or disclosure of the protected health information received from the Plan that is inconsistent with the use or disclosure provided for of which it becomes aware.
5. Make available protected health information received from the Plan, as and to the extent required by the privacy rule:
   a. For access to the individual;
   b. For amendment and incorporate any amendments to protected health information received from the Plan; and
   c. To provide an accounting of disclosures.
6. Make its internal practices, books, and records relating to the use and disclosure of protected health information received from the Plan available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining compliance by the Plan with the privacy rule.

7. Return or destroy all protected health information received from the Plan that the plan sponsor still maintains in any form and retain no copies when no longer needed for the purpose for which the disclosure by the Plan was made, but if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

8. Provide protected health information only to those individuals, under the control of the plan sponsor who perform administrative functions for the Plan; (i.e. eligibility, enrollment, payroll deduction, benefit determination, claim reconciliation assistance), and to make clear to such individuals that they are not to use protected health information for any reason other than for Plan administrative functions nor to release protected health information to an unauthorized individual.

9. Provide protected health information only to those entities required to receive the information in order to maintain the plan (i.e. claim administrator, case management vendor, pharmacy benefit manager, claim subrogation vendor, claim auditor, network manager, stop-loss insurance carrier, insurance broker/consultant and any other entity subcontracted to assist in administering the plan).

10. Provide an effective mechanism for resolving issues of noncompliance with regard to the items mentioned in this provision.

11. Reasonably and appropriately safeguard electronic protected health information created, received, maintained, or transmitted to or by the plan sponsor on behalf of the Plan. Specifically, such safeguarding entails an obligation to:
   a. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that the plan sponsor creates, receives, maintains, or transmits on behalf of the Plan;
   b. Ensure that the adequate separation as required by 45 C.F.R. 164.504(f)(2)(iii) is supported by reasonable and appropriate security measures;
   c. Ensure that any agent, including a subcontractor, to whom it provides this information agrees to implement reasonable and appropriate security measures to protect the information; and
   d. Report to the Plan any security incident of which it becomes aware.

**EXCEPTIONS**

Notwithstanding any other provision of this HIPAA PRIVACY Section, the Plan (or a health insurance issuer or HMO with respect to the Plan) may:

1. Disclose summary health information to the plan sponsor if the plan sponsor requests it for the purpose of:
   a. Obtaining premium bids from health plans for providing health insurance coverage under the Plan; or
   b. Modifying, amending, or terminating the Plan;

2. Disclose to the plan sponsor information on whether the individual is participating in the Plan, or is enrolled in or has disenrolled from a health insurance issuer or HMO offered by the Plan;

3. Use or disclose protected health information:
   a. With (and consistent with) a valid authorization obtained in accordance with the privacy rule;
   b. To carry out treatment, payment, or health care operations in accordance with the privacy rule; or
c. As otherwise permitted or required by the *privacy rule*.
DEFINITIONS

Certain words and terms used herein shall be defined as follows and are shown in **bold and italics** throughout the document:

**Accident**

An unforeseen event resulting in *injury*.

**Alternate Recipient**

Any child of an *retiree* or their spouse/domestic partner who is recognized in a Qualified Medical Child Support Order (QMCSO) or National Medical Support Notice (NMSN) which has been issued by any court judgment, decree, or order as being entitled to enrollment for coverage under this *Plan*.

**Ambulatory Surgical Facility**

A *facility* provider with an organized staff of *physicians* which has been approved by the Joint Commission on the Accreditation of Healthcare Organizations, or by the Accreditation Association for Ambulatory Health, Inc., which:

1. Has permanent facilities and equipment for the purpose of performing surgical procedures on an *outpatient* basis;
2. Provides treatment by or under the supervision of *physicians* and nursing services whenever the *covered person* is in the *ambulatory surgical facility*;
3. Does not provide *inpatient* accommodations; and
4. Is not, other than incidentally, a *facility* used as an office or clinic for the private practice of a *physician*.

**Birthing Center**

A *facility* that meets professionally recognized standards and complies with all licensing and other legal requirements that apply.

**Chemical Dependency**

A physiological or psychological dependency, or both, on a controlled substance and/or alcoholic beverages. It is characterized by a frequent or intense pattern of pathological use to the extent the user exhibits a loss of self-control over the amount and circumstances of use; develops symptoms of tolerance or physiological and/or psychological withdrawal if the use of the controlled substance or alcoholic beverage is reduced or discontinued; and the user's health is substantially impaired or endangered or his social or economic function is substantially disrupted. Diagnosis of these conditions will be determined based on standard DSM-IV (diagnostic and statistical manual of mental disorders) criteria.

**Chiropractic Care**

Services as provided by a licensed Chiropractor, M.D., or D.O. for manipulation or manual modalities in the treatment of the spinal column, neck, extremities or other joints, other than for a fracture or surgery.
Close Relative

The retiree's spouse/domestic partner, children, brothers, sisters, or parents; or the children, brothers, sisters or parents of the retiree's spouse/domestic partner.

Coinsurance

The benefit percentage of covered expenses payable by the Plan for benefits that are provided under the Plan. The coinsurance is applied to covered expenses after the deductible(s) have been met, if applicable.

Complications of Pregnancy

A disease, disorder or condition which is diagnosed as distinct from pregnancy, but is adversely affected by or caused by pregnancy. Some examples are:

1. Intra-abdominal surgery (but not elective Cesarean Section).
2. Ectopic pregnancy.
3. Toxemia with convulsions (Eclampsia).
4. Pernicious vomiting (hyperemesis gravidarum).
5. Nephrosis.
6. Cardiac Decompensation.
7. Missed Abortion.
8. Miscarriage.

These conditions are not included: false labor; occasional spotting; rest during pregnancy even if prescribed by a physician; morning sickness; or like conditions that are not medically termed as complications of pregnancy.

Concurrent Care

A request by a covered person or their authorized representative to the Health Care Management Organization prior to the expiration of a covered person's current course of treatment to extend such treatment OR a determination by the Health Care Management Organization to reduce or terminate an ongoing course of treatment.

Confinement

A continuous stay in a hospital, treatment center, extended care facility, hospice, or birthing center due to an illness or injury diagnosed by a physician. Later stays shall be deemed part of the original confinement unless there was either complete recovery during the interim from the illness or injury causing the initial stay, or unless the latter stay results from a cause or causes unrelated to the illness or injury causing the initial stay.
Copay

A cost sharing arrangement whereby a covered person pays a set amount to a provider for a specific service at the time the service is provided.

Cosmetic Surgery

Surgery for the restoration, repair, or reconstruction of body structures directed toward altering appearance.

Covered Expenses

Medically necessary services, supplies or treatments that are recommended or provided by a physician, professional provider or covered facility for the treatment of an illness or injury and that are not specifically excluded from coverage herein. Covered expenses shall include specified preventive care services.

Covered Person

A person who is eligible for coverage under this Plan, or becomes eligible at a later date, and for whom the coverage provided by this Plan is in effect.

Custodial Care

Care provided primarily for maintenance of the covered person or which is designed essentially to assist the covered person in meeting his activities of daily living and which is not primarily provided for its therapeutic value in the treatment of an illness or injury. Custodial care includes, but is not limited to: help in walking, bathing, dressing, feeding, preparation of special diets and supervision over self-administration of medications. Such services shall be considered custodial care without regard to the provider by whom or by which they are prescribed, recommended or performed.

Room and board and skilled nursing services are not, however, considered custodial care (1) if provided during confinement in an institution for which coverage is available under this Plan, and (2) if combined with other medically necessary therapeutic services, under accepted medical standards, which can reasonably be expected to substantially improve the covered person's medical condition.

Customary and Reasonable Amount

The fee assessed by a provider of service for services, supplies or treatment which shall not exceed the general level of charges made by others rendering or furnishing such services, supplies or treatment within the area where the charge is incurred and is comparable in severity and nature to the illness or injury. Due consideration shall be given to any medical complications or unusual circumstances which require additional time, skill or experience. The customary and reasonable amount is determined from a statistical review and analysis of the charges for a given procedure in a given area. The term "area" as it would apply to any particular service, supply or treatment means a county or such greater area as is necessary to obtain a representative cross-section of the level of charges. The percentage applicable to this Plan is 90% and is applied to CPT codes or HIAA Code Analysis using MDR or HIAA tables.

Dentist

A Doctor of Dental Medicine (D.M.D.), a Doctor of Dental Surgery (D.D.S.), a Doctor of Medicine (M.D.), or a Doctor of Osteopathy (D.O.), other than a close relative of the covered person, who is practicing within the scope of his license.
**Dependent**

For a complete definition of dependent, refer to *Eligibility, Enrollment and Effective Date, Dependent Eligibility.*

**Durable Medical Equipment**

Medical equipment which:

1. Can withstand repeated use;
2. Is primarily and customarily used to serve a medical purpose;
3. Is generally not used in the absence of an illness or injury;
4. Is appropriate for use in the home.

All provisions of this definition must be met before an item can be considered durable medical equipment. Durable medical equipment includes, but is not limited to: crutches, wheel chairs, hospital beds, etc.

**Effective Date**

The date of this Plan or the date on which the covered person's coverage commences, whichever occurs later.

**Emergency**

An accidental injury, or the sudden onset of an illness where the symptoms are of such severity that the absence of immediate medical attention could reasonably result in:

1. Placing the covered person's life in jeopardy, or
2. Causing other serious medical consequences, or
3. Causing serious impairment to bodily functions, or
4. Causing serious dysfunction of any bodily organ or part.
5. Causing a covered person to seek medical attention because of the perception that he or she would have suffered grave consequences had medical attention not been sought.

**Employer**

The employer is Peralta Community College District.

**Enrollment Date**

A covered person's enrollment date is the first day of the month following the end of coverage as an active employee. For a covered person who enrolls in the Plan as the result of a Special Enrollment Period or as the result of late enrollment or open enrollment period, if available, the enrollment date is the first date of coverage.
**Experimental/Investigational**

Services, supplies, drugs and treatment which do not constitute accepted medical practice properly within the range of appropriate medical practice under the standards of the case and by the standards of a reasonably substantial, qualified, responsible, relevant segment of the medical community or government oversight agencies at the time services were rendered.

The claims processor, named fiduciary for post-service claims, named fiduciary for pre-service claims, employer/plan administrator, or their designee must make an independent evaluation of the experimental/non-experimental standings of specific technologies. The claims processor, named fiduciary for post-service claims, named fiduciary for pre-service claims, employer/plan administrator or their designee shall be guided by a reasonable interpretation of Plan provisions and information provided by qualified independent vendors who have also reviewed the information provided. The decisions shall be made in good faith and rendered following a factual background investigation of the claim and the proposed treatment. The claims processor, named fiduciary for post-service claims, named fiduciary for pre-service claims, employer/plan administrator or their designee shall be guided by the following examples of experimental services and supplies:

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 the drug, device, medical treatment or procedure, was not reviewed and approved by the treating facility’s institutional review board or other body serving a similar function, or if federal law requires such review or approval; or

3. If “reliable evidence” shows that the drug, device, medical treatment or procedure is the subject of ongoing Phase I or Phase II clinical trials, is in the research, experimental, study or investigational arm of ongoing Phase III clinical trials, or is otherwise under study to determine its maximum tolerated dose, its toxicity, its safety, or its efficacy as compared with a standard means of treatment or diagnosis; or

4. If “reliable evidence” shows that prevailing opinion among experts regarding the drug, device, medical treatment or procedure is that further studies or clinical trials are necessary to determine its maximum tolerated dose, its toxicity, its safety, or its efficacy as compared with 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, medical treatment or procedure; or the written informed consent used by the treating facility or by another facility studying substantially the same drug, device, medical treatment or procedure.

**Extended Care Facility**

An institution, or distinct part thereof, operated pursuant to law and one which meets all of the following conditions:

1. It is licensed to provide, and is engaged in providing, on an inpatient basis, for persons convalescing from illness or injury, professional nursing services, and physical restoration services to assist covered persons to reach a degree of body functioning to permit self-care in essential daily living activities. Such services must be rendered by a Registered Nurse or by a Licensed Practical Nurse under the direction of a Registered Nurse.

2. Its services are provided for compensation from its covered persons and under the full-time supervision of a physician or Registered Nurse.
3. It provides twenty-four (24) hour-a-day nursing services.

4. It maintains a complete medical record on each covered person.

5. It is not, other than incidentally, a place for rest, a place for the aged, a place for drug addicts, a place for alcoholics, a place for custodial or educational care, or a place for the care of mental and nervous disorders.

6. It is approved and licensed by Medicare.

This term shall also apply to expenses incurred in an institution referring to itself as a skilled nursing facility, convalescent nursing facility, or any such other similar designation.

Facility
A healthcare institution which meets all applicable state or local licensure requirements.

Generic Drug
A prescription drug that is generally equivalent to a higher-priced brand name drug with the same use and metabolic disintegration. The drug must meet all Federal Drug Administration (FDA) bioavailability standards and be dispensed according to the professional standards of a licensed pharmacist or physician and must be clearly designated by the pharmacist or physician as generic.

Health Care Management
A process of evaluating if services, supplies or treatment are medically necessary and appropriate to help ensure cost-effective care.

Health Care Management Organization
The individual or organization designated by the employer for the process of evaluating whether the service, supply, or treatment is medically necessary. The Health Care Management Organization is CoreSource, Inc.

Home Health Aide Services
Services which may be provided by a person, other than a Registered Nurse, which are medically necessary for the proper care and treatment of a person.

Home Health Care Agency
An agency or organization which meets fully every one of the following requirements:

1. It is primarily engaged in and duly licensed, if licensing is required, by the appropriate licensing authority, to provide skilled nursing and other therapeutic services.

2. It has a policy established by a professional group associated with the agency or organization to govern the services provided. This professional group must include at least one physician and at least one Registered Nurse. It must provide for full-time supervision of such services by a physician or Registered Nurse.

3. It maintains a complete medical record on each covered person.

4. It has a full-time administrator.
5. It qualifies as a reimbursable service under Medicare.

Hospice

An agency that provides counseling and medical services and may provide room and board to a terminally ill covered person and which meets all of the following tests:

1. It has obtained any required state or governmental Certificate of Need approval.
2. It provides service twenty-four (24) hours-per-day, seven (7) days a week.
3. It is under the direct supervision of a physician.
4. It has a Nurse coordinator who is a Registered Nurse.
5. It has a social service coordinator who is licensed.
6. It is an agency that has as its primary purpose the provision of hospice services.
7. It has a full-time administrator.
8. It maintains written records of services provided to the covered person.
9. It is licensed, if licensing is required.

Hospital

An institution which meets the following conditions:

1. It is licensed and operated in accordance with the laws of the jurisdiction in which it is located which pertain to hospitals.
2. It is engaged primarily in providing medical care and treatment to ill and injured persons on an inpatient basis at the covered person's expense.
3. It maintains on its premises all the facilities necessary to provide for the diagnosis and medical and surgical treatment of an illness or injury; and such treatment is provided by or under the supervision of a physician with continuous twenty-four (24) hour nursing services by or under the supervision of Registered Nurses.
4. It qualifies as a hospital and is accredited by the Joint Commission on the Accreditation of Healthcare Organizations.
5. It must be approved by Medicare.

Under no circumstances will a hospital be, other than incidentally, a place for rest, a place for the aged, or a nursing home.

Hospital shall include a facility designed exclusively for physical rehabilitative services where the covered person received treatment as a result of an illness or injury.

The term hospital, when used in conjunction with inpatient confinement for mental and nervous disorders or chemical dependency, will be deemed to include an institution which is licensed as a mental hospital or chemical dependency rehabilitation and/or detoxification facility by the regulatory authority having responsibility for such licensing under the laws of the jurisdiction in which it is located.
Illness
A bodily disorder, disease, physical sickness, or pregnancy of a covered person.

Incurred or Incurred Date
With respect to a covered expense, the date the services, supplies or treatment are provided.

Injury
A physical harm or disability which is the result of a specific incident caused by external means. The physical harm or disability must have occurred at an identifiable time and place. Injury does not include illness or infection of a cut or wound.

Inpatient
A confinement of a covered person in a hospital, hospice, or extended care facility as a registered bed patient, for twenty-three (23) or more consecutive hours and for whom charges are made for room and board.

Intensive Care
A service which is reserved for critically and seriously ill covered persons requiring constant audio-visual surveillance which is prescribed by the attending physician.

Intensive Care Unit
A separate, clearly designated service area which is maintained within a hospital solely for the provision of intensive care. It must meet the following conditions:

1. Facilities for special nursing care not available in regular rooms and wards of the hospital;
2. Special life saving equipment which is immediately available at all times;
3. At least two beds for the accommodation of the critically ill; and
4. At least one Registered Nurse in continuous and constant attendance twenty-four (24) hours-per-day.

This term does not include care in a surgical recovery room, but does include cardiac care unit or any such other similar designation.

Maximum Benefit
Any one of the following, or any combination of the following:

1. The maximum amount paid by this Plan for any one covered person during the entire time he is covered by this Plan.
2. The maximum amount paid by this Plan for any one covered person for a particular covered expense. The maximum amount can be for:
   a. The entire time the covered person is covered under this Plan, or
   b. A specified period of time, such as a calendar year.
3. The maximum number as outlined in the Plan as a covered expense. The maximum number relates to the number of:
   a. Treatments during a specified period of time, or
   b. Days of confinement, or
   c. Visits by a home health care agency.

Medically Necessary (or Medical Necessity)

Service, supply or treatment which is determined by the claims processor, named fiduciary for post-service claims, named fiduciary for pre-service claims, employer/plan administrator or their designee to be:

1. Appropriate and consistent with the symptoms and provided for the diagnosis or treatment of the covered person’s illness or injury and which could not have been omitted without adversely affecting the covered person’s condition or the quality of the care rendered; and

2. Supplied or performed in accordance with current standards of medical practice within the United States; and

3. Not primarily for the convenience of the covered person or the covered person’s family or professional provider; and

4. Is an appropriate supply or level of service that safely can be provided; and

5. Is recommended or approved by the attending professional provider.

The fact that a professional provider may prescribe, order, recommend, perform or approve a service, supply or treatment does not, in and of itself, make the service, supply or treatment medically necessary and the claims processor, named fiduciary for post-service claims, named fiduciary for pre-service claims, employer/plan administrator or its designee, may request and rely upon the opinion of a physician or physicians. The determination of the claims processor, named fiduciary for post-service claims, named fiduciary for pre-service claims, employer/plan administrator or its designee shall be final and binding.

Medicare

The programs established by Title XVIII known as the Health Insurance for the Aged Act, which includes: Part A, Hospital Benefits For The Aged; Part B, Supplementary Medical Insurance Benefits For The Aged; and Part C, Miscellaneous provisions regarding both programs; and including any subsequent changes or additions to those programs.

Mental and Nervous Disorder

An emotional or mental condition characterized by abnormal functioning of the mind or emotions. Diagnosis and classifications of these conditions will be determined based on standard DSM-IV (diagnostic and statistical manual of mental disorders) or the current edition of International Classification of Diseases, published by the U.S. Department of Health and Human Services.

Morbid Obesity

A diagnosed condition in which the body weight is one hundred (100) pounds or more over the medically recommended weight in the most recent Metropolitan Life Insurance Company tables for a person of the same height, age and mobility as the covered person, or having a BMI (body mass index) of forty (40) or higher, or having a BMI of thirty-five (35) in conjunction with any of the following co-morbidities: coronary artery disease, type II diabetes,
clinically significant obstructive sleep apnea or medically refractory hypertension (blood pressure > 140 mmHg systolic and/or 90 mmHg diastolic despite optimal medical management).

**Named Fiduciary for Pre-service Claim Appeals**

CoreSource, Inc.

**Named Fiduciary for Post-Service Claim Appeals**

CoreSource, Inc.

**Negotiated Rate**

The rate the preferred providers have contracted to accept as payment in full for covered expenses of the Plan.

**Nonparticipating Pharmacy**

Any pharmacy, including a hospital pharmacy, physician or other organization, licensed to dispense prescription drugs which does not fall within the definition of a participating pharmacy.

**Nonpreferred Provider**

A physician, hospital, or other health care provider which does not have an agreement in effect with the Preferred Provider Organization at the time services are rendered.

**Nurse**

A licensed person holding the degree Registered Nurse (R.N.), Licensed Practical Nurse (L.P.N.) or Licensed Vocational Nurse (L.V.N.) who is practicing within the scope of the license.

**Outpatient**

A covered person shall be considered to be an outpatient if he is treated at:

1. A hospital as other than an inpatient;
2. A physician's office, laboratory or x-ray facility; or
3. An ambulatory surgical facility; and

The stay is less than twenty-three (23) consecutive hours.

**Partial Confinement**

A period of less than twenty-four (24) hours of active treatment in a facility licensed or certified by the state in which treatment is received to provide one or more of the following:

1. Psychiatric services.
2. Treatment of mental and nervous disorders.

It may include day, early evening, evening, night care, or a combination of these four.
**Participating Pharmacy**

Any pharmacy licensed to dispense prescription drugs which is contracted within the Pharmacy Organization.

**Pharmacy Organization**

The Pharmacy Organization is Medco Health.

**Physician**

A Doctor of Medicine (M.D.) or a Doctor of Osteopathy (D.O.), other than a close relative of the covered person who is practicing within the scope of his license.

**Placed For Adoption**

The date the retiree assumes legal obligation for the total or partial financial support of a child during the adoption process.

**Plan**

"Plan" refers to the benefits and provisions for payment of same as described herein. The Plan is the Peralta Community College District Preferred Provider Plan.

**Plan Administrator**

The plan administrator is responsible for the day-to-day functions and management of the Plan. The plan administrator is the employer.

**Plan Sponsor**

The Plan sponsor is Peralta Community College District.

**Plan Year End**

The plan year end is June 30.

**Preferred Provider**

A physician, hospital or other health care facility who has an agreement in effect with the Preferred Provider Organization at the time services are rendered. Preferred providers agree to accept the negotiated rate as payment in full.

**Preferred Provider Organization**

An organization who selects and contracts with certain hospitals, physicians, and other health care providers to provide services, supplies and treatment to covered persons at a negotiated rate.

**Pregnancy**

The physical state which results in childbirth or miscarriage.
Prior Plan
Any plan of group accident and health benefits provided by the employer (or its predecessor) for an retiree group which has been replaced by coverage under this Plan.

Privacy Rule

Professional Provider
A person or other entity licensed where required and performing services within the scope of such license. The covered professional providers include, but are not limited to:

- Acupuncturist
- Audiologist
- Certified Addictions Counselor
- Certified Biofeedback Therapist
- Certified Diabetic Educator
- Certified Registered Nurse Anesthetist
- Chiropractor
- Christian Science Practitioner
- Clinical Laboratory
- Clinical Licensed Social Worker (A.C.S.W., L.C.S.W., M.S.W., R.C.S.W., M.A., M.E.D.)
- Dental Hygienist
- Dentist
- Dispensing Optician
- Midwife
- Nurse (R.N., L.P.N., L.V.N.)
- Nurse Practitioner
- Occupational Therapist
- Optician
- Optometrist
Physical Therapist
Physician
Physician's Assistant
Podiatrist
Psychologist
Registered Dietician
Respiratory Therapist
Speech Therapist

Qualified Prescriber

A physician, dentist or other health care practitioner who may, in the legal scope of the license, prescribe drugs or medicines.

Retiree

A former employee who retired from service of the employer and has met the Plan's eligibility requirements to continue coverage under the Plan as a retiree. As used in this document, the term retiree shall include retirees covered under the Plan.

Reconstructive Surgery

Surgical repair of abnormal structures of the body, caused by congenital defects, developmental abnormalities, trauma, infection, tumors or disease.

Relevant Information

Relevant information, when used in connection with a claim for benefits or a claim appeal, means any document, record or other information:

1. Relied on in making the benefit determination; or

2. That was submitted, considered or generated in the course of making a benefit determination, whether or not relied upon; or

3. That demonstrates compliance with the duties to make benefit decisions in accordance with Plan documents and to make consistent decisions; or

4. That constitutes a statement of policy or guidance for the Plan concerning the denied treatment or benefit for the covered person's diagnosis, even if not relied upon.

Required By Law

The same meaning as the term “required by law” as defined in 45 CFR 164.501, to the extent not preempted by ERISA or other Federal law.
**Room and Board**

Room and linen service, dietary service, including meals, special diets and nourishments, and general nursing service. **Room and board** does not include personal items.

**Routine Examination**

A comprehensive history and physical examination which would include services as defined in Medical Expense Benefit, Preventive Care/Wellness Benefit.

**Semiprivate**

The daily **room and board** charge which a **facility** applies to the greatest number of beds in its **semiprivate** rooms containing two (2) or more beds.

**Total Disability or Totally Disabled**

A **dependent** is prevented from engaging in all of the normal activities of a person of like age and sex who is in good health.

**Treatment Center**

1. An institution which does not qualify as a **hospital**, but which does provide a program of effective medical and therapeutic treatment for **chemical dependency**, and

2. Where coverage of such treatment is mandated by law, has been licensed and approved by the regulatory authority having responsibility for such licensing and approval under the law, or

3. Where coverage of such treatment is not mandated by law, meets all of the following requirements:
   a. It is established and operated in accordance with the applicable laws of the jurisdiction in which it is located.
   b. It provides a program of treatment approved by the **physician**.
   c. It has or maintains a written, specific, and detailed regimen requiring full-time residence and full-time participation by the **covered person**.
   d. It provides at least the following basic services:
      (1) **Room and board**
      (2) Evaluation and diagnosis
      (3) Counseling
      (4) Referral and orientation to specialized community resources.

**Urgent Care**

An **emergency** or an onset of severe pain that cannot be managed without immediate treatment.

**Urgent Care Center**

A facility which is engaged primarily in providing minor emergency and episodic medical care and which has:

1. a board-certified **physician**, a registered nurse (RB) and a registered x-ray technician in attendance at all times;
2. has x-ray and laboratory equipment and life support systems.

An *immediate care center* may include a clinic located at, operated in conjunction with, or which is part of a regular *hospital*. 