BlueCross BlueShield of Texas

## NOTICE OF AVAILABILITY OF COVERAGE UNDER THE

## TEXAS HEALTH INSURANCE RISK POOL

This notice is to advise you that you may be eligible for coverage from the Texas Health Insurance Risk Pool (Health Pool).

To be eligible for Health Pool coverage, you must have documentation of at least one of the following:

- A written refusal or rejection, based on health reasons, by a health benefit plan issuer, for substantially similar individual hospital, medical, or surgical coverage.
- A certification from an agent or salaried representative of a health benefit plan issuer on the Health Pool's certification form, stating that the agent or salaried representative is unable to obtain substantially similar individual hospital, medical, or surgical coverage for you from a health benefit plan issuer the agent or a salaried representative represents because, based on that health benefit plan issuers underwriting guidelines, you will be declined for coverage as a result of a medical condition.
- An offer of substantially similar individual hospital, medical, or surgical coverage with riders excluding certain health conditions you have (For example, a health benefit plan issuer will provide coverage to you with an exclusion of coverage of your diabetes, heart disease, cancer, etc.).
- Diagnosis of one of the medical conditions specified by the Texas Health Pool Board of Directors.
- Proof that health coverage has been maintained for the previous 18 months with no gap in coverage greater than 63 days, with the most recent coverage with an employer-sponsored plan, government plan, or church plan.

For additional information concerning eligibility, coverages, cost, limitations, exclusions, and termination provisions, call or write:

Texas Health Insurance Risk Pool
P.O. Box 6089
Abilene, TX 79608-6089
1-888-398-3927
www.txhealthpool.org

Hearing and speech impaired users may call: 1-800-735-2989

This is the number for Relay Texas
(A public service of the Texas Public Utility Commission)

# Automatic Premium Payment Authorization Agreement


**Take these simple steps for hassle-free monthly premium payments:**

- Verify with your financial institution that they can accept automated electronic withdrawals.
- Complete, sign and return this authorization form.
- If submitting by fax, please fax this form toll-free to: (888) 697-0686
- If submitting by mail, please send to:

  Blue Cross and Blue Shield of Texas
  P.O. Box 3236
  Naperville, IL 60566-7236

If you have any questions about this program, please call our Customer Service Department toll-free at (888) 697-0683.

## AGREEMENT

I request and authorize Blue Cross and Blue Shield of Texas (BCBSTX) and/or its designee to obtain payment of amounts becoming due by initiating charges to my account in the form of checks, share drafts, or electronic debit entries, and I request and authorize the Financial Institution named below to accept and honor the same to my account. As the account holder, by signing below, I also certify, in the event that this draft is being drawn from a company checking account, that I am authorized to approve this transaction, that the company is not paying any portion of the premium for this subscriber, either directly, or through reimbursement, and that the employer/company is not deducting any part of the premium from gross income under section 106 or section 162 of the Internal Revenue Code. I understand that both the financial institution and BCBSTX reserve the right to terminate this payment program and/or my participation therein. I also understand that I may discontinue this payment program (except for SelecTEMP® PPO) at any time with at least 10 days advance notice to Blue Cross and Blue Shield of Texas by telephone prior to a scheduled withdrawal date.

### Please complete the following ~ Print or Type information

☐ **Yes** ☐ **No** Deduct ongoing monthly premium payments from my designated checking or savings account. Drafts will be drawn on the preferred draft day specified below (does not apply to SelecTEMP PPO). For SelecTEMP PPO and when a preferred draft day is not specified for other products, drafts will be drawn on the premium due date. If the draft date falls on a non-business day or a holiday, the premium payment will be deducted from my account on the next business day. (Please note that coverage cannot be issued until the first month of premium has been received in our office, unless you have authorized Blue Cross and Blue Shield of Texas to deduct the initial payment upon receipt of your application.)

☐ **Yes** ☐ **No** Please deduct a $30.00 Non-Refundable application fee from my checking account **upon receipt of my application** for permanent coverage. The application will not be processed without the non-refundable application fee.

☐ **Yes** ☐ **No** Upon receipt of my application, deduct the initial premium payment from my checking or savings account.

_____ **Preferred Draft Day**. It must be on or prior to the premium due day. If the selected preferred draft day falls after the premium due day, the monthly premium will be drawn on the day premium is due. (Cannot be the 29th, 30th or 31st.)

☐ **Yes** ☐ **No** For SelecTemp PPO applicants only: upon receipt and approval of my SelecTEMP PPO application, please deduct the premiums due for the designated benefit period.

Policy Identification Number/Applicant's Social Security Number: _____

**Please check one**: ☐ Checking Account ☐ Savings Account

Name of applicant/member: _____

Name of depositor(s) if other than the applicant: _____

Name of bank where account is authorized: _____

Address of bank: _____

Bank transit number: _____

Depositor's account number: _____

Memo _____

**I: 184002763 I: 14570720 I I▪**

↑ Bank Transit Number ↑ Depositor's Account

**I have read and accept the above agreement.**

Depositor's signature: _____ Date: _____

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,
an Independent Licensee of the Blue Cross and Blue Shield Association

BlueCross BlueShield of Texas

# Standard Authorization Form To Use or Disclose Protected Health Information (PHI)

## I. Individual (Name and information of person whose protected health information is being disclosed):

**Name** _____ **Date of Birth** _____

**Group #** _____ **Identification/Subscriber #** _____ **Social Security Number** _____

**Address** _____ **City** _____ **State** _____ **ZIP** _____

**Area Code & Telephone Number** _____

## II. Authorization and Purpose:

I request and authorize Blue Cross and Blue Shield of Texas to disclose my protected health information as described below. **I understand that if the person/organization authorized to receive and use the information is not a health plan or health care provider, the disclosed information may no longer be protected by federal privacy regulations.**

**Persons/Organizations authorized to receive your information** _____ **Relationship** _____ **Purpose** _____

**Address** _____ **City** _____ **State** _____ **ZIP** _____

## III. Specific Description of Information to be Used or Disclosed *(Please Complete **Parts A and B** in this Section)*

**This Authorization CANNOT be used to disclose Psychotherapy Notes.**

### A. Release of Sensitive Protected Health Information Under State Law

You must check "yes" or "no" if you authorize the release of medical information, test results, records or communications specific to ***(note: "yes" means this information is included in the categories you designate in Part B below)*** :

- Human Immunodeficiency Virus (HIV) or HIV/Acquired Immune Deficiency Syndrome
- Sexually transmitted or "communicable" diseases (includes hepatitis, as well as venereal diseases);
- Drug, alcohol or substance abuse;
- Mental health or developmental disabilities (including mental retardation or similar disabilities, for example, those attributable to cerebral palsy, autism or neurological dysfunctions); and
- Genetic testing.

**Yes** ☐

**No** ☐

### B. Release of Protected Health Information *(check one or more)*

| | | | Dates of Services From: | To: |
|---|---|---|---|---|
| ☐ | Health Plan Benefit Information: | Includes information contained in your benefit booklet (i.e., copayments, coinsurance, eligibility and other benefit information). | | |
| ☐ | Claims | Includes information related to payment of your claims for service you received, including pertinent information located on a claim form (i.e., billed amount, general procedure descriptions claim payment or denial reasons, etc.). | | |
| ☐ | Service Determination Information: | Includes any information related to pre-service, concurrent and post-service decisions. | | |
| ☐ | Premium | Includes information related to billing cycles, bank draft changes, etc. | | |
| ☐ | Services from (provider or supplier): | Provider name: _____ (Includes information related to services rendered by a specific provider or supplier.) | | |
| ☐ | Other: | _____ (Specify other information that is not listed in one of the categories above.) | | |

## IV. Expiration and Revocation:

**Expiration:** This authorization will expire on (must choose one):

☐ 24 months from the date it is signed ☐ Other (insert date or event): _____

**Right to Revoke:** I understand that I may revoke this authorization at any time by giving written notice to the address listed at the bottom of this form. **I understand that revocation of this authorization will not affect any action the above named entity took in reliance on this authorization before the above named entity received my written notice of revocation.**

## V. Signature (this document must be signed by the individual, parent of minor child or the individual's personal representative):

I understand that this authorization is voluntary and that the health plan cannot condition my eligibility for benefits, treatment, enrollment or payment of claims on the signing of this authorization. I understand that if I am signing on behalf of a minor child, this authorization will expire upon the child reaching the age of 18, unless there is proof of legal guardianship.

_____ _____

**Signature** **Date: month/day/year**

**If you are signing as a Power of Attorney, Legal Guardian, Executor or Administrator complete the following and attach a copy of the Legal documents. You do NOT have to attach copies of these documents if they are already on file with Blue Cross and Blue Shield of Texas:**

_____ _____

**Personal Representative's Name** **Relationship to Individual**

_____ _____ _____ _____

**Personal Representative's Address** **City** **State** **ZIP**

_____

**Personal Representative's Area Code & Telephone Number**

**BEFORE RETURNING THIS FORM YOU SHOULD KEEP A COPY FOR YOUR RECORDS BY EITHER:**

**(1) MAKING A PHOTOCOPY OF THIS SIGNED AUTHORIZATION; OR**
**(2) COMPLETING THE DUPLICATE AUTHORIZATION FORM YOU RECEIVED OR PRINTED**

**Mail your completed signed authorization to:**
**Blue Cross and Blue Shield of Texas**
**P.O. Box 805107**
**Chicago, IL 60680-4112**

**If you need assistance completing the form, please refer to the instructions above or contact the Customer Service number listed on the back of your Member Identification Card.**

# Prescription Drug Claim Form

See instructions on reverse.

BlueCross BlueShield of Texas

## Patient Information

ID Number

Group Number –

Date of Birth / / ❑ Male ❑ Female

Patient Name (First, Last)

Street Address

City State ZIP

Patient's Relationship to Subscriber/Member:

❑ Self ❑ Spouse ❑ Dependent

I certify that the information is correct and that the patient indicated above is eligible for benefits. I have received the medications described herein and authorize release of all information contained on this claim form to Prime Therapeutics. I agree that any benefits payable hereunder for prescription drugs are not assignable and that any assignment thereof shall be void. I further represent that there has been no assignment of benefits hereunder.

I understand that Blue Cross and Blue Shield of Texas use or disclosure of individually identifiable health information, whether furnished by me or obtained from other sources such as medical or pharmacy providers, shall be in accordance with the federal privacy regulations under HIPAA (Health Insurance Portability and Accountability Act of 1996). Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Patient/Subscriber/Member or Legal Representative Signature

Is this medication for an on-the-job-injury? . . . . . ❑ Yes ❑ No

Do you have other insurance for prescription medications? . . . . . ❑ Yes ❑ No

If yes, please provide Name of other Insurance:

Policy Number:

Please include any pharmacy receipts related to this claim with this form.

## Subscriber/Member Information

Name (First, Last)

## Pharmacy Information

Pharmacy Name

Pharmacy Address

City State ZIP

## Prescription Claim Information

**Original** pharmacy receipts are required. Please attach receipts to space provided on the back of form. If receipts are not included, please have pharmacist complete and sign the bottom of this form.

Was this prescription medication purchased outside the U.S.A.? . . . . . ❑ Yes ❑ No

**All fields below must be completed.**
**(Example on back of form.)**
**Call your pharmacist if you need assistance.**

**1** Rx Number

Date Filled / /

Quantity Day Supply

Name of Medication

NDC Number

(Your pharmacist can provide the NDC number identifying the drug.)

NPI Number

Prescription Cost $ .

Balance Due $ .

**2** Rx Number

Date Filled / /

Quantity Day Supply

Name of Medication

NDC Number

(Your pharmacist can provide the NDC number identifying the drug.)

NPI Number

Prescription Cost $ .

Balance Due $ .

**3** Rx Number

Date Filled / /

Quantity Day Supply

Name of Medication

NDC Number

(Your pharmacist can provide the NDC number identifying the drug.)

NPI Number

Prescription Cost $ .

Balance Due $ .

**X**

Signature of Pharmacist or Representative (Required only if original pharmacy receipts are not included.) Date

## Pharmacy/Prescription Information

1. Use a **separate claim form** for each patient. All information provided on or attached to this claim form must be for the same patient.
2. Tape or glue pharmacy receipts in the spaces provided. When you tape or glue your receipts, it is not necessary for the receipts to fit exactly within the spaces provided. If the taped or glued receipts overlap each other, be sure that all information on each receipt is readable. Each receipt must show:
   - Patient Name
   - Pharmacy Name/Address
   - Total Charge
   - Drug Name and NDC Number
   - NPI Number
   - Quantity
   - Fill Date
   - Rx Number
   - Days Supply

   If any of your receipts do not have **required** information, ask your pharmacist to provide you with the missing information.

   Write that information on your receipt(s). If not completed, the claim will be sent back for the required information.
3. Call the customer service number on your ID card if you have any questions.
4. Have your pharmacist call 800.821.4795 if he/she has any questions.
5. Send completed form to:

   Prime Therapeutics
   P.O. Box 14624
   Lexington, KY 40512-4624

### EXAMPLE
of how to complete the Prescription Drug Claim Form.

**1** Rx Number 0 0 0 0 0 6 0 1 1 4 8 1

Date Filled 0 1 / 1 2 / 0 5

Quantity 30 Day Supply 3 0

Name of Medication "Drug Name"

NDC Number 0 0 1 2 3 4 5 6 7 3 1

(Your pharmacist can provide the NDC number identifying the drug.)

NPI Number 9 2 1 5 2 4 1 1 6 3

Prescription Cost $ 2 0 5 . 1 4

Balance Due $ 2 0 5 . 1 4

Is this prescription claim for a compound medication?
❑ Yes ❑ No

Note: If yes, make sure your pharmacist completes the information below.

**Compound Information:**
If a compound prescription, please enter all information per drug used.

**Compound Prescriptions**
For pharmacy use only

| NDC Number | Drug Ingredient | Quantity | Charge |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

## Rx 1

### Pharmacy Receipts Only

Tape or glue one pharmacy receipt in this space.
If you prefer, staple your receipts to the top of this form.

Keep a copy of your receipt(s) for your records.

## Rx 2

### Pharmacy Receipts Only

Tape or glue one pharmacy receipt in this space.
If you prefer, staple your receipts to the top of this form.

Keep a copy of your receipt(s) for your records.

**Fraud Prevention Regulation:** Any person who knowingly and with intent to defraud any health plan or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent health plan act, which is a crime and subjects such person to criminal and civil penalties.

Prime Therapeutics LLC is an independent limited liability company providing pharmacy benefit management services.

Blue Cross and Blue Shield of Texas is a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

## Texas Department of Insurance Notice

- *You have the right to an adequate network of preferred providers (also known as "network providers"):*
    - *If you believe that the network is inadequate, you may file a complaint with the Texas Department of Insurance.*
    - *If you relied on materially inaccurate directory information, you may be entitled to have an out-of-network claim paid at the in-network percentage level of reimbursement and your out-of-pocket expenses counted toward your in-network deductible and out-of-pocket maximum.*

- *You have the right, in most cases, to obtain estimates in advance:*
    - *from out-of-network providers of what they will charge for their services; and*
    - *from your insurer of what it will pay for the services.*

- *You may obtain a current directory of preferred providers at the following website: www.bcbstx.com or by calling the Customer Service number on the back of your ID card for assistance in finding available preferred providers. If the directory is materially inaccurate, you may be entitled to have an out-of-network claim paid at the in-network level of benefits.*

- *If you are treated by a provider or hospital that is not a preferred provider, you may be billed for anything not paid by the insurer.*

- *If the amount you owe to an out-of-network hospital-based radiologist, anesthesiologist, pathologist, emergency department physician, or neonatologist is greater than $1,000 (not including your copayment, coinsurance, and deductible responsibilities) for services received in a network hospital, you may be entitled to have the parties participate in a teleconference, and, if the result is not to your satisfaction, in a mandatory mediation at no cost to you. You can learn more about mediation at the Texas Department of Insurance website: www.tdi.texas.gov/consumer/cpmmediation.html.*

## IMPORTANT NOTICE

To obtain information or make a complaint:

- You may call Blue Cross and Blue Shield of Texas toll-free telephone number for information or to make a complaint at:

  **1-888-697-0683**

- You may also write to Blue Cross and Blue Shield of Texas at:

  P. O. Box 3236
  Naperville, Illinois 60566-7236

- You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

  **1-800-252-3439**

- You may write the Texas Department of Insurance at:

  P. O. Box 149104
  Austin, Texas 78714-9104
  Fax: (512) 475-1771
  Web: http://www.tdi.texas.gov
  E-mail: ConsumerProtection@tdi.texas.gov

- **PREMIUM OR CLAIM DISPUTES:** Should you have a dispute concerning your premium or about a claim, you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

- **ATTACH THIS NOTICE TO YOUR POLICY:** This notice is for information only and does not become a part or condition of the attached document.

## AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

- Usted puede llamar al numero de telefono gratis de Blue Cross and Blue Shield of Texas para informacion o para someter una queja al:

  **1-888-697-0683**

- Usted tambien puede escribir a Blue Cross and Blue Shield of Texas al:

  P. O. Box 3236
  Naperville, Illinois 60566-7236

- Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al :

  **1-800-252-3439**

- Puede escribir al Departmento de Seguros de Texas:

  P. O. Box 149104
  Austin, Texas 78714-9104
  Fax: (512) 475-1771
  Web: http://www.tdi.texas.gov
  E-mail: ConsumerProtection@tdi.texas.gov

- **DISPUTAS SOBRE PRIMAS O RECLAMOS:** Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

- **UNA ESTE AVISO A SU POLIZA:** Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

# BlueEdge℠ Individual HSA
## Individual Coverage

# Table of Contents

# Welcome | *to BlueEdge℠ Individual HSA*

Nearly 1 in 3 Americans who have health coverage are covered by a Blue Cross and Blue Shield plan.

Blue Cross and Blue Shield of Texas offers you individual benefits coverage you can count on from a company you know and trust. After all, Blue Cross and Blue Shield of Texas has been providing health care coverage to Texans since 1939 and is one of the largest non-investor owned health coverage companies in the state, serving almost 4 million people.

With BlueEdge℠ Individual HSA you will have:

- Freedom to choose your own doctor each time you need care
- Access to one of the largest provider networks in Texas, BlueChoice
- Claim forms filed on your behalf when using network providers
- One of the most recognized health care ID cards in the nation

If you have questions after reviewing this book, call us at (888) 697-0683 toll free.

# Plan Options | *At a Glance*

BlueEdge Individual HSA is a consumer centered health plan. This plan allows you to decide how, when and where your health care dollars are spent. The BlueEdge Individual HSA health plan has four important components:

- **Preventive care and wellness visits** for adults and children – up to $300 calendar-year maximum per member.
- **Health Savings Account (HSA)** funds can be used to pay for health care expenses. The account can be funded by you, your employer if on a list bill, or both. Qualified medical expenses deducted from the HSA count toward your annual deductible.
- **PPO benefits** begin after you meet the deductible. Your coinsurance level is determined by plan selection. You have the freedom to choose any doctor whenever you need care.
- **Online decision tools** help increase your awareness and knowledge of health issues and help you keep track of your health care expenses.

## BlueEdge Individual HSA provides:

- Affordable, cost effective health coverage
- Freedom to choose doctors and hospitals
- Choice of deductibles
- Three-tier prescription drug program
- $5,000,000 lifetime maximum benefit per covered member
- Inpatient hospital benefits and professional care
- Outpatient professional care (including office visits, X-rays, lab and diagnostic services)
- 24-hour, worldwide emergency care
- Well-child care, routine physical, vision and hearing exam
- Immunization benefits
- Human organ and tissue transplant benefits ($300,000 maximum per member, subject to $5,000,000 lifetime maximum)
- Preventive care - $300 maximum per member per calendar year
- Home health care, hospice and skilled nursing facility benefits (subject to limitations)
- Access to one of the largest provider networks in Texas, the BlueChoice PPO provider network
- Security of one of the most widely recognized insurance cards – Blue Cross and Blue Shield of Texas
- BlueCard program

Your Dollars — Your Choice

Today's savvy customers demand more choice and flexibility in their health plans. They also want tools to help them take control of their health and their health care spending.

# Highlights | *BlueEdge℠ Individual HSA - You Have Choices*

| Options | | Plan I | Plan II | Plan III | Plan IV | Plan V | Plan VI | Plan VII | Plan VIII |
|---|---|---|---|---|---|---|---|---|---|
| Calendar Year Deductibles / Calendar Year** Out-of-Pocket Maximum | The Treasury Department and IRS issue guidance on the maximum contribution levels for Health Savings Accounts (HSAs) and out-of-pocket spending limits for High Deductible Health Plans (HDHPs) that must be used in conjunction with HSAs. These amounts are indexed to the CPI (Consumer Price Index) adjustments and go into effect January 1 each year. Check with Blue Cross and Blue Shield of Texas (BCBSTX), a Division of Health Care Service Corporation, or your agent for the current deductible offerings. | | | | | | | | |
| Coinsurance* | **In-Network** | | | | | | | | |
| | Plan Pays | 90% | 90% | 90% | 75% | 75% | 75% | 100% | 100% |
| | You Pay | 10% | 10% | 10% | 25% | 25% | 25% | 0% | 0% |
| | **Out-of-Network** | | | | | | | | |
| | Plan Pays | 70% | 70% | 70% | 60% | 60% | 60% | 100% | 100% |
| | You Pay | 30% | 30% | 30% | 40% | 40% | 40% | 0% | 0% |

** Percentages apply to eligible expenses after calendar-year deductible is met.*
*** Includes drug copayment and deductible.*

*Lifetime maximum is $5 million per person.*
*Pre-existing conditions exclusionary period is 12 months.*

## Prescription Drug Program

| Options | | Plan I | Plan II | Plan III | Plan IV | Plan V | Plan VI | Plan VII | Plan VIII |
|---|---|---|---|---|---|---|---|---|---|
| Copayment Amounts | **Generic** | $10 | $10 | $10 | $10 | $10 | $10 | $0 | $0 |
| | **Preferred** | $50 | $50 | $50 | $50 | $50 | $50 | $0 | $0 |
| | **Non Preferred** | $65 | $65 | $65 | $65 | $65 | $65 | $0 | $0 |
| Calendar Year Maximum Benefits | | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 | $5,000 |

A 90-day supply requires three copayment amounts. After the calendar year deductible is met, the copayment amount will apply until the out of pocket maximum has been met.

Prescription drugs applied to the deductible are available at the negotiated network price if purchased through a network pharmacy, providing you with potential savings over the retail price.

# Benefit | *Highlights*

## General Benefits

| Network Benefits | Out-of-Network Benefits |
|---|---|
| • BlueEdge Individual HSA pays up to 100% (based on plan selection) of eligible medical expenses after you meet your deductible | • Based on plan selection, you pay up to 40% of eligible medical expenses after you meet your deductible |
| • Physician office visits subject to deductible and coinsurance | • Physician office visits subject to deductible and coinsurance |
| • Network providers will preauthorize your medical care | • You must preauthorize hospital admissions and certain services |
| • No claim forms to file | • You may have to submit claims for reimbursement |

# BlueEdge HSA | *How it Works*

(For Illustration Purposes Only)

Liz

Liz has BlueEdge Individual HSA coverage. Her plan is paired with a Health Savings Account. Liz can contribute up to the statutory maximum (based on single or family coverage) as set by the Internal Revenue Service. Liz can use her HSA to pay for health care expenses that aren't covered by the PPO or applied to her PPO plan deductible.

## Plan II

### Year One

| | |
|---|---|
| Liz's Health Savings Account annual contribution (Liz contributes $1,750) | $1,750 |
| Liz's annual deductible | $1,750 |
| Liz injured her back and saw a specialist who is part of the PPO network. | Charges amounted to $315, which Liz paid with savings from her Health Savings Account. This amount was also applied to the deductible. |
| She had five physical therapy visits for her back with a physical therapist that is part of the PPO Network. | The amount for each therapy session was $175, for a total of $875. Liz paid for this with savings from her HSA account and the total was applied to her deductible. |
| Liz broke her leg. | Total allowable amount was $3,000. Liz paid $560 using her HSA savings, which satisfied the annual $1,750 deductible leaving a balance of $2,440. PPO benefits paid 90 percent ($2,196) and Liz paid her 10 percent coinsurance ($244). |
| | Liz used all the funds in her Health Savings Account. |

### Year Two

| | |
|---|---|
| Liz's Health Savings Account annual contribution (Liz contributes $1,750) | $1,750 |
| Liz's annual deductible | $1,750 |
| She had an eye exam and purchased a year's supply of contact lenses. | The total allowable amount was $320, which Liz paid with savings from her HSA account. Since the majority of the services were not covered by Liz's health plan, she opted to pay the total charges from her HSA account. |
| | Midway through the year, Liz decided to move to another state. Her Health Savings Account is completely portable and she kept the $1,430. |

# Features | *Stay Connected, Stay Healthy*

## Online Tools to Help You Manage Your Health and Your Health Care

To help determine if BlueEdge Individual HSA is the right health plan for you, use the BlueEdge Advisor Health Care Budget tool to answer questions about your health and health care expenses and to see how BlueEdge Individual HSA fits your budget. Simply log on to the member section of our Web site, www.bcbstx.com, then click on Members-then Health Plan Decision Tools.

After you've enrolled in BlueEdge Individual HSA, you can use Blue Access® for Members, Blue Cross and Blue Shield of Texas' secure online service, at www.bcbstx.com to check the status of a claim, view your explanation of medical benefits and confirm who is covered under your plan. Another feature gives you the option of receiving an e-mail when a claim for you or a dependent has been finalized by BCBSTX. You can access Explanation of Benefits information online for up to 12 months and even opt out of receiving paper copies.

Members can use the Hospital Comparison Tool to access an individual hospital's outcome data for specific diagnoses and procedures. You can quickly compare hospital performance factors, such as average length of stay, how many procedures the hospital has performed, complication rates and the cost of various procedures.

# Features | *Prescription Drug*

## Prescription Drug Program

To help manage increasing prescription drug costs, Blue Cross and Blue Shield of Texas' pharmacy drug program encourages cost-effective drug selection while offering financial flexibility to members.

By using generic medications or drugs on the preferred brand-name drug list, you will be able to obtain those medications that are high quality and cost effective. Benefits will be available for nearly all branded prescription drugs, with generic medications having the lowest copay and non-preferred brand-name drugs having the highest copay.

## The Three-Tier Pharmacy Copay

The program includes three tiers of medications:

**Generic drugs** – These are the most affordable drugs and offer members the lowest available copay. Generic drugs are pharmaceutically and therapeutically equivalent to brand-name drugs.

**Preferred brand-name drugs** – You will pay a higher copay with preferred brand-name drugs than with generic drugs, but this tier consists of the vast majority of high-quality branded drugs on the market.

**Non-preferred brand-name drugs** – The highest copay is required when selecting the non-preferred brand-name drug tier. This tier includes a small number of therapeutic drug categories. Non-preferred brand-name drugs may not offer clinical or cost advantages over other drugs in the same therapeutic category.

A list of preferred brand-name drugs is available on the Blue Cross and Blue Shield of Texas Web site at www.bcbstx.com/pharmacy.

| Prescription Drugs Copayments | Calendar Year Maximum Benefits |
|---|---|
| **After Medical Calendar Year Deductible:**<br><br>$10 - Generic<br>$50 - Preferred<br>$65 - Non-Preferred | $5,000 per member |
| Copayment amounts will apply until the out-of-pocket maximum is met. | |

The three-tier pharmacy copay program retains the member's freedom of choice because benefits will still be available for nearly all branded prescription drugs.

As a member with a three-tier pharmacy copay you will receive a list of preferred brand-name drugs to help with your prescription choices. Or you may check the drug list and prescribing guidelines section of the Blue Cross and Blue Shield of Texas Web site at www.bcbstx.com/pharmacy to locate covered prescription medications online.

# Emergency | *Care Services*

## Emergency care

Emergency care for life-threatening or severe medical conditions is covered 24 hours a day, seven days a week, both inside and outside your network service area.

- All treatment received during the first 48 hours following a medical emergency will be eligible for network benefits. After 48 hours, network benefits will be available only if you use network providers.
- A deductible and coinsurance is required for facility charges for each outpatient emergency room visit.

Emergency Care means health care services provided in a hospital emergency facility or comparable facility to evaluate and stabilize medical conditions of a recent onset and severity, including but not limited to severe pain, that would lead a prudent layperson, possessing an average knowledge of medicine and health, to believe that the person's condition, sickness, or injury is of such a nature that failure to get immediate medical care could result in:

- Placing the patient's health in serious jeopardy
- Serious impairment to bodily functions
- Serious dysfunction of any bodily organ or part
- Serious disfigurement
- In the case of a pregnant woman, serious jeopardy to the health of the fetus

**In the event of an emergency, you should do one of the following:**

- If reasonably possible, contact your network provider before going to the hospital emergency room.
- If not reasonably possible to contact your network provider, go to the nearest emergency facility, whether or not the facility is a network provider.
- Contact your network provider within 48 hours, or as soon as reasonably possible.
- If hospitalization is necessary, the admission must be authorized within two working days, or as soon as reasonably possible.

Remember: If an emergency occurs, call 911, your local ambulance, or go to the nearest emergency room.

# Provider | *Information*

## BlueChoice PPO Provider Network Description

The BlueEdge Individual HSA plan features the BlueChoice network, one of the largest Preferred Provider Organization (PPO) networks in state. The BlueChoice network of contracting physicians, specialists, hospitals and other health care providers have agreed to reduce their fees for PPO plan members.

## Network vs. Out-of-Network Benefits

The amount of benefits paid by your BlueEdge Individual HSA coverage depends on whether or not you receive your medical care through the network. You have the ability to choose, but you pay less when you receive care from a network provider.

## Network

Your network coverage begins with your selection of a BlueChoice network provider.
When you go to a BlueChoice provider, you will:

- Pay less for care
- Receive this program's highest level of benefits
- Have no claims to file
- Have network providers preauthorize care on your behalf

## Out-of-Network

If you prefer, you may choose any provider or hospital for your care. If you choose one not participating in the BlueChoice network, you will:

- Receive a lower level of benefits
- Pay a greater share of the costs
- File your own claims
- Be billed for charges above the BCBSTX allowable amount

## If you decide to go out-of-network or are not in a service area for medical care, you have two choices:

- Use a ParPlan contracted provider
- Use any licensed provider

ParPlan contracted providers have agreed to accept the BCBSTX determined allowable amount and/or negotiated rates for covered services. Costs are more predictable, since you
will not be billed for costs that exceed the allowable amount. ParPlan provider may file your claims, and you will receive out-of-network benefits.

To access the BlueChoice PPO network, go online to www.bcbstx.com and select Provider Finder®, or call Customer Service at (888) 697-0683 toll free.

# BlueCard | *PPO Program*

## Highlights of the BlueCard PPO Program

Blue Cross and Blue Shield is one of the most trusted and respected names in the health care benefits industry. Through the BlueCard Preferred Provider Organization (PPO) program, BCBS plans work together to ensure our members can take advantage of that reputation whenever needed almost anywhere in the United States.

The BlueCard PPO program links your PPO network with other individual BCBS networks across the country to provide you access to the largest health care network in the nation.

BlueCard also gives you the freedom to use the provider of your choice. If your provider is in the BlueCard PPO network, you receive network benefits for services available through your plan.

## How BlueCard PPO Works

1. Always carry your most current Blue Cross and Blue Shield of Texas ID card.
2. When you need health care, information about the BlueCard PPO program is only a phone call away. You may obtain information regarding Blue Cross and Blue Shield PPO network providers and hospitals by calling BlueCard Access at (800) 810-BLUE (2583), or Customer Service at (888) 697-0683 toll free (listed on the back of your ID card).
3. Call the Blue Cross and Blue Shield plan phone number on your ID card for preauthorization prior to receiving care, except in an emergency. Refer to the preauthorization number, as it differs from the BlueCard Access number. For emergencies, call within 48 hours following your care. Although network providers outside Texas may preauthorize services for you, it is ultimately your responsibility to obtain preauthorization.
4. When you arrive at the doctor's office or hospital, present your ID card and the doctor or hospital will verify your membership and coverage information.
5. After you receive medical attention, your claim is routed to your plan for processing. All doctors and hospitals are paid directly, relieving you of the hassle and worry. BlueCard providers have agreed to accept the Blue Cross and Blue Shield network's allowable amount and not bill you for the balance.
6. You will pay for non-covered services, as well as deductible, copayment and coinsurance amounts. Blue Cross and Blue Shield of Texas will send you a detailed explanation of benefits.

## Advantages of BlueCard PPO

- Freedom to choose care providers and hospitals each and every time you need health care
- Access to one of the largest Preferred Provider Organization networks in the nation
- 24-hour, worldwide coverage
- Providers preauthorize care and file claims on your behalf
- Security of knowing you have one of the most recognized health care ID cards

# Preauthorization | *Information*

## About Preauthorization

Your BlueEdge Individual HSA plan requires preauthorization for all inpatient hospital admissions, extended hospital stays, extended care expenses, home infusion therapy, and organ and tissue transplants. Preauthorization helps ensure that your hospital stay is medically necessary and protects you from unnecessary procedures.

## How to Preauthorize

To preauthorize, you, your physician, the hospital or family member must call the toll-free number listed on the back of your ID card. A nurse will work with the provider to complete the preauthorization process. It can usually be taken care of with just one telephone call.

## Points to Remember

You are responsible for preauthorization. Failure to preauthorize your care before it is administered results in:

- A $250 penalty for in-hospital stays
- A 50% penalty (up to $500) for extended care and home infusion therapy services
- Your claim may be denied if it is determined to be medically unnecessary

## In an Emergency

When a medical emergency occurs, there is seldom time to preauthorize a hospital admission. Be sure to have someone call to authorize your stay within two days after you are admitted. Preauthorization calls made after business hours or on weekends are recorded and returned the next business day.

## Call

To preauthorize, call toll-free:

(800) 441-9188 toll free
(972) 783-4475 in Dallas
8 a.m. to 8 p.m. Central time
Monday through Friday

# Making Changes

The following changes to your coverage should be reported to Blue Cross and Blue Shield of Texas by providing the new information on a Miscellaneous Change Form:

## Adding Dependents

Evidence of insurability is required, except for newborns, by submitting a completed Miscellaneous Change Form. If approved, coverage will be effective on the first day of the next contract month following underwriting approval.

- **Newborns** – No evidence of insurability is required if coverage is applied for within 31 days of the child's birth. The child will be added to your policy effective on the child's date of birth and premiums will accrue from that date.
- **Court-mandated Dependents** – Court-mandated coverage may be added for an eligible dependent to an existing policy upon submission of a Miscellaneous Change Form and a copy of the legal document mandating coverage. Although eligible court-mandated dependents are guaranteed coverage, the coverage may be issued with condition riders. Coverage begins on the effective date of the court order if all required documentation is received within 31 days following the date of the court order. If all documentation is not received within 31 days, the dependent is subject to medical underwriting approval.

## Deleting Dependents

A request to cancel dependent coverage may be submitted in writing or by telephone.
Please see inside back cover for contact information.

## Changing Information

- **Name Changes** – Name changes must be submitted in writing and give a reason for the change (i.e. marriage, divorce). Change is immediate. If you pay your premiums by the bank draft method of payment, a new bank draft authorization form should be included with the request for a name change.
- **Address Change** – A change in address may result in a change in premium. Address changes can be submitted in writing or may be taken over the telephone. If the address change results in a premium change, the new premium will be reflected on the next premium date statement.

## Changing Coverage

- **Changing Deductible** – You may change the deductible on your plan at any time, but changes become effective on the first day of the contract month following underwriting approval. The new deductible will be applied to all claims incurred on or after the effective date of the change. You can increase your deductible without evidence of insurability. A decrease, however, will require medical underwriting and approval by BCBSTX. All requests must be in writing.

- **Canceling Coverage** – The policy holder may request cancellation of the policy in writing or by telephone. Please see inside back cover for contact information. Coverage, including all dependent coverage, terminates on the last day of the month in which the written request is received by Blue Cross and Blue Shield of Texas. If optional dental coverage had been selected, the dental coverage will also cancel at the same time.

For proper identification and prompt handling of a requested change, please be sure to provide your complete name, unique identification number and the group or policy number as it appears on your Blue Cross and Blue Shield of Texas health ID card.

## Other Coverage Changes

- **Divorce** – If you become divorced and your family is covered under this policy, your covered spouse is entitled to have issued to him or her, without Evidence of Insurability, and within 30 days following the entry of the divorce decree, as long as there has been no lapse in coverage, a new policy of the same type. Your dependent children may either continue coverage under your policy, become covered under your spouse's new policy or change to separate individual coverage policies. Any preexisting condition waiting period applicable to the new policy(ies) shall be considered as being met to the extent that such waiting period was satisfied under this policy. A Continuation of Coverage Application must be completed for each new policy.
- **In the event of your death** – In the event of your death, your covered spouse is entitled to have issued to him or her, without evidence of insurability, a new policy of the same type. A Continuation of Coverage Application for such policy must be made within 60 days of the date of death. In the event your spouse elects individual coverage and there are also dependent children covered under this policy, those dependent children are entitled to have issued to each of them, separate individual coverage policies, without evidence of insurability. A separate Continuation of Coverage Application for such policies must be made within 60 days of the date of your death. Any preexisting condition waiting period applicable to the new policy(ies) shall be considered as being met to the extent that such waiting period was satisfied under this policy.
- **Loss of eligibility of dependent children** – When a covered dependent child becomes ineligible for coverage under this policy (due to reaching the limiting age or marriage) he or she may change to a separate individual coverage policy of the same type or with lesser benefits. Evidence of insurability will not be required and any preexisting condition waiting period applicable to the new policy shall be considered as being met to the extent that such waiting period was satisfied under this policy. A Continuation of Coverage Application for this change must be made within 30 days of the date of reaching the limiting age or marriage. If the former dependent child elects to apply for an individual coverage policy with greater benefits, evidence of insurability and a new application will be required.

## Payment of premiums –

1. Premiums are due and payable on the due date, which is dependent upon the method of payment selected.
2. The initial premium for individual coverage is based on your age at the time your coverage begins and the initial premium for family coverage is based on your age, your spouse's age and any eligible dependent children at the time you apply for coverage.
3. Blue Cross and Blue Shield of Texas may establish a new premium for any of the benefits of this policy on any of the following dates or occurrences:
   **a.** any premium due date, provided Blue Cross and Blue Shield of Texas notifies you of the new premium amount at least 30 days in advance of such premium due date;
   **b.** whenever you or your spouse attain an age which results in a change in the premium amount due for that age category of coverage;
   **c.** whenever the number of persons covered under this policy is changed;
   **d.** whenever you move your residence from one geographical rating area to another.
4. If you fail to pay premiums to Blue Cross and Blue Shield of Texas within 31 days of the premium due date, this policy will automatically terminate. Benefits will not be provided for expenses incurred during this 31-day grace period or thereafter unless the premiums are paid within this period.

**Reinstatement** – If any premium is not paid within the time granted you for payment, a subsequent acceptance of premium by Blue Cross and Blue Shield of Texas or by any agent duly authorized by Blue Cross and Blue Shield of Texas to accept such premium, without requiring a new application in connection with the premium payment, shall reinstate the policy.

The reinstated policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such illness as may begin more than ten days after such date. In all other respects you will have the same rights as you had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed and attached hereto in connection with reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than 60 days prior to the date of reinstatement.

**Certificate of Credible Coverage** – Upon termination of your coverage under this policy, you will be issued a Certificate of Creditable Coverage. You may request a Certificate of Creditable Coverage within 24 months of termination of your or your dependent's (if applicable) coverage under this policy.

# Privacy | *Notice*

## Confidentiality And Security

Blue Cross and Blue Shield of Texas has strict policies and procedures to protect the confidentiality of personal information. We also maintain physical, electronic, and procedural safeguards to protect personal data from unauthorized access and unanticipated threats or hazards.

## Information That May Be Collected

Information is provided by you on applications, claims and other forms. We also have personal information from your transactions with us, such as information about your policies, premiums and claims. This information may come by telephone, in writing or through a computer. In addition we may receive information from your health care providers through the course of managing insurance transactions or from our affiliates or others, e.g., insurance administrators, consultants, etc., which may be doing work for Blue Cross and Blue Shield of Texas.

## Independent Insurance Agents

The independent insurance agents authorized to sell Blue Cross and Blue Shield of Texas products and the products of our affiliates are not employees. Because they have a unique business relationship with you, they may have additional personal information about you and/or your family members that we do not have. Your agent may have access to information needed to provide service to you. However, as a business associate of Blue Cross and Blue Shield of Texas, your agent is subject to the same privacy laws that govern us.

Your private records and those of your covered family members are safe with Blue Cross and Blue Shield of Texas.

The company has a longstanding policy that maintains the confidentiality of the personal data necessary to administer insurance and to provide service. As you know, many companies sell the names of customers to others.

We at Blue Cross and Blue Shield of Texas and our affiliates do not sell or rent your name or your records to any other organization or business concern.

# Information | *We May Disclose*

Blue Cross and Blue Shield of Texas regards all personal information as confidential. We will not disclose your personal information unless we are allowed or required by law to make the disclosure, or if you tell us we can. These disclosures are generally made to our affiliates, administrators, consultants, and regulatory or governmental authorities. We may also disclose information as necessary to administer your health plan, pay claims and, as necessary, effect transactions in the ordinary course of our business. Our affiliates are subject to the same policies regarding privacy of our information as we are.

Blue Cross and Blue Shield of Texas sometimes works with outside firms to help with services and marketing. As permitted by law, these firms may use certain identifying and non-medical information. It is our policy to require outside firms to make a written pledge to maintain the confidentiality of the personal information and abide by all applicable privacy laws. These firms are prohibited from using or disclosing personal information for any purpose other than the work they are performing, or as required by law.

**Important Notice to Persons on Medicare — This Insurance Duplicates some Medicare Benefits**

**This is not Medicare Supplement Insurance**

This insurance provides limited benefits if you meet the conditions listed in the policy. It does not pay for your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement Insurance.

This insurance duplicates Medicare benefits when it pays the benefits stated in the policy and coverage for the same event is provided by Medicare. Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. Medicare generally pays for most or all of these expenses:

- Hospitalization
- Physician services
- Hospice
- Other approved items and services

Check the coverage in all health insurance policies you already have.

**Before you buy this insurance**

For help in understanding your health insurance, contact your state insurance department or state senior insurance counseling program.

# Questions | *Frequently Asked*

## How is BlueEdge Individual HSA different from a traditional health plan?

A traditional plan generally pays a percentage of the charges for covered medical expenses only after you satisfy a plan deductible. This BlueEdge Individual High Deductible Health Plan is qualified for use with a Health Savings Accounts, so you can set aside funds tax free to help pay health care costs, including your annual deductible, or to accumulate like a savings account. Once you meet the deductible, PPO benefits begin. Any unused HSA funds roll over year to year and the account stays with you even if you move to another state or retire.

## What is a Health Savings Account?

If you have a high deductible health plan, you can establish a tax-exempt Health Savings Account with your own funds. You can use these funds to pay for approved or qualified medical care services. PPO eligible expenses also count toward your annual deductible. Balances roll over from year to year and the account is portable, which means it stays with you.

## What happens to the Health Savings Account balance if I leave the BlueEdge Individual HSA plan?

You own the account, so any funds are yours to keep.

## How do I establish a Health Savings Account?

Your Health Savings Account is administered by a separate trustee, not BCBSTX. You can use any administrator you choose or your agent or BCBSTX can refer one to you.

## What if I need to be admitted to a hospital?

All hospital admissions must be preauthorized. If you are using a network provider, in most cases, they will preauthorize your care. You are responsible for preauthorizing any care received out-of-network. Call the toll-free number on the back of your ID card to preauthorize your care.

## What if my BlueChoice network provider does not preauthorize my care?

BlueChoice providers are expected to handle preauthorization for members. However, you are ultimately responsible for ensuring preauthorization is done and may be charged a penalty if preauthorization is not done.

## What if my regular doctor isn't in the BlueChoice network?

You can still see your non-network provider, but benefits will be paid at out-of network benefit levels for covered services.

## Do I need a referral to see a specialist?

No. You can see any licensed provider you choose. However, it is to your advantage to use a BlueChoice network provider to receive your program's highest level of benefits.

### What will happen if I don't preauthorize my care?

You will be responsible for a $250 penalty for inpatient hospital care or a 50% penalty up to $500 for extended care and home infusion therapy services. Also, if your care is determined to be not medically necessary, your benefits may be reduced or denied. Benefits may also be reduced or denied if any extended hospital stay or transfer from facility to facility is not preauthorized.

### What happens if I need emergency care?

Get care immediately. Your coverage includes benefits for emergency care. Be sure to have someone call the preauthorization number within two days of any hospital admission.

### What do I do when I'm on vacation and need medical care?

Your plan covers you whether you are at home or away. If it is an emergency, seek care immediately. In non-emergencies, call Customer Service to identify a BlueChoice network provider almost anywhere in Texas to receive network level benefits. Outside of Texas, please refer to the BlueCard PPO program.

### What coverage is available for my dependent child living away from home?

Your child will receive network benefits if he or she goes to a BlueChoice network provider. If your child goes to an out-of-network provider, he or she will receive out-of-network benefits. To get a directory of BlueChoice network providers where your child lives, contact Customer Service, visit our Web site at www.bcbstx.com or return the postage paid card in the back of this book.

### What happens if I go to a ParPlan contracted provider instead of a BlueChoice network provider?

You will receive out-of-network benefits, including paying twice the network deductible. ParPlan providers offer cost advantages by agreeing to accept the BCBSTX determined allowable amount for covered services and may file your claims, but usually are not eligible for network benefits.

### How do I locate a network provider?

Call Customer Service, use Provider Finder®, our Internet-based provider directory or return postage paid card in the back of this book. Provider Finder gives you access to computerized maps and driving directions to physicians, specialists and hospitals within the BlueChoice network across the state. To access Provider Finder, visit our Web site at *www.bcbstx.com*.

### What if there is no specialist near where I live?

BCBSTX has made every effort to ensure there is adequate access to all types of providers for our members. If you need assistance in locating a provider in your area, call our Customer Service department or visit our Web site to access our Provider Finder service.

### What if my doctor refers me to a specialist or lab that is not in the BlueChoice network?

You will receive benefits at the out-of-network level. In order to receive the highest level of benefits, you must see a BlueChoice network provider. Your directory lists all BlueChoice network doctors, specialists, hospitals, labs and other facilities in the network. You should ask your doctor to refer you to a BlueChoice network provider.

### What if I have an appointment to see my BlueChoice network doctor but, his/her assistant sees me instead?

If the assistant is a BlueChoice network physician, you will receive network level of benefits. However, if the assistant has not contracted with BCBSTX to be in the BlueChoice network, you will receive out-of-network benefit levels. Ask your doctor who else in the office is a BlueChoice network provider.

### What if my BlueChoice network doctor wants me to have an operation in a hospital that is not listed in my directory?

You should have your doctor refer you to a BlueChoice network facility. Otherwise, your hospital and surgical expenses will be paid at the out-of-network level. Your directory lists doctors, specialists, hospitals, labs and other facilities in the BlueChoice network.

### How do I know if the assistant and anesthesiologist are BlueChoice network providers?

In order to receive the highest level of benefits, you must use BlueChoice network providers. Have your doctor use only providers in the BlueChoice network. Your directory lists doctors, specialists, hospitals, labs and other facilities in the BlueChoice network. Call Customer Service or visit our Web site to receive the latest BlueChoice network information.

### What if my regular doctor leaves the network?

If your provider reasonably believes that discontinuing the care that he or she is providing to you may cause harm to you, BCBSTX may still provide coverage for up to 90 days at the network benefit level. Some examples of situations needing a continuation are a person with a disability, an acute condition or a life-threatening illness.

### What if my doctor is listed in the BlueChoice directory, but the office I want to go to is not listed?

You should verify that the provider you select is a BlueChoice network provider at the location where you want to receive care. If the location has not contracted to be in the BlueChoice network, you will receive benefits at the out-of-network level.

## CLAIM REVIEW PROCEDURES

If your claim is denied (in whole or in part), you will receive a written explanation of the denial. Should your claim be denied (or if 180 days have elapsed since it was filed and you have not received a written decision), you may have your claim reviewed. To do so, you must request a review no later than 60 days after the denial (or after the end of the 180 days period) by writing to:

**Claim Review Section**
**Blue Cross and Blue Shield of Texas**
**P.O. Box 660044**
**Dallas, TX 75266-0044**

Once you have requested this review, you may submit additional information and comments on your claim to Blue Cross and Blue Shield of Texas as long as you do so within 30 days of the date you asked for a review. Also, during this 30-day period, you may review any pertinent document held by Blue Cross and Blue Shield of Texas, if you make an appointment in writing to do so.

Within 60 days of receiving your request for review, Blue Cross and Blue Shield of Texas will send you its decision on the claim. In unusual situations, an additional 60 days may be needed for the review and you will be notified of this during the first 60-day period. In any case, by law, no more than 120 days can be taken for the review, even at your request.

You may have someone else represent you in this review procedure as long a you inform Blue Cross and Blue Shield of Texas, in writing, of the name of the person who will represent you. You may contact the Texas Department of Insurance to obtain information on companies, coverage, rights or complaints at:

**Texas Department of Insurance**
**P.O. Box 149104**
**Austin, Texas 78714-9104**
**(800) 252-3439 toll free**
**FAX (512) 475-1771**

# BlueEdge Individual HSA Contract

NOTICE

This Contract is subject to: (1) maximum lifetime benefits; (2) premium increases on renewal and as otherwise allowed or as specified in Article VIII; (3) guaranteed renewability and termination of coverage in accordance with Article VI, and (4) preauthorization requirements.

NOTICE OF TEN-DAY RIGHT TO EXAMINE CONTRACT

Within ten days after its delivery to You, this Contract may be surrendered by delivering or mailing it to Us at Our Administrative Office, branch office, or agent through whom it was purchased. Upon such surrender, any premiums paid will be returned.

Blue Cross and Blue Shield of Texas

Herein called (We, Us, Our)
Administrative Office: Richardson, Collin County, Texas

Has issued this individual

PREFERRED PROVIDER CONTRACT

providing

Comprehensive Major Medical Expense Coverage

to

The Subscriber named on the Identification Card provided for this Contract.

This Contract is effective from 12:01 a.m. on the Effective Date shown on the Identification Card.

In Consideration of the Subscriber's receipt and signed acceptance of any required Amendatory Endorsement and/or Coverage Rider, and payment of premiums in accordance with the provisions hereof, We agree to provide benefits to the Subscriber under the terms of this Contract as recited on this and the following pages from the Effective Date of this Contract and for consecutive premium payment periods thereafter, unless this Contract is terminated as provided in Article VI.

This Contract is issued in the State of Texas and is governed in accordance with the laws of this State.

Please review this Contract carefully. It details the necessary requirements and procedures that are important for You to know to receive maximum benefits under this Contract.

Jeffrey R Tikkanen
President, Retail Markets
Blue Cross and Blue Shield of Texas

THIS IS NOT A CONTRACT OF WORKERS' COMPENSATION INSURANCE. THE EMPLOYER DOES NOT BECOME A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM BY PURCHASING THIS CONTRACT, AND IF THE EMPLOYER IS A NON-SUBSCRIBER, THE EMPLOYER LOSES THOSE BENEFITS WHICH WOULD OTHERWISE ACCRUE UNDER THE WORKERS' COMPENSATION LAWS. THE EMPLOYER MUST COMPLY WITH THE WORKERS' COMPENSATION LAW AS IT PERTAINS TO NON-SUBSCRIBERS AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED.

IMPORTANT NOTICE

To obtain information or make a complaint:

- You may call Blue Cross and Blue Shield of Texas toll-free telephone number for information or to make a complaint at:

  1-888-697-0683

- You may also write to Blue Cross and Blue Shield of Texas at:

  P. O. Box 3236
  Naperville, Illinois 60566-7236

- You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

  1-800-252-3439

- You may write the Texas Department of Insurance at:

  P. O. Box 149104
  Austin, Texas 78714-9104
  Fax: (512) 475-1771
  Web: http://www.tdi.texas.gov
  E-mail: ConsumerProtection@tdi.texas.gov

- PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim, you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

- ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

- Usted puede llamar al numero de telefono gratis de Blue Cross and Blue Shield of Texas para informacion o para someter una queja al:

  1-888-697-0683

- Usted tambien puede escribir a Blue Cross and Blue Shield of Texas al:

  P. O. Box 3236
  Naperville, Illinois 60566-7236

- Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al :

  1-800-252-3439

- Puede escribir al Departmento de Seguros de Texas:

  P. O. Box 149104
  Austin, Texas 78714-9104
  Fax: (512) 475-1771
  Web: http://www.tdi.texas.gov
  E-mail: ConsumerProtection@tdi.texas.gov

- DISPUTAS SOBRE PRIMAS O RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

- UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

## Table of Contents

*As used in this Contract:*

## Article I Definitions

1. **Accidental Injury** means an accidental bodily injury resulting, directly and independently of all other causes, in initial necessary care provided by a Physician or Professional Other Provider within 30 days after the occurrence.

2. **Acquired Brain Injury** means a neurological insult to the brain, which is not hereditary, congenital, or degenerative. The injury has occurred after birth and results in a change in neuronal activity, which results in an impairment of physical functioning, sensory processing, cognition, or psychosocial behavior.

3. **Allowable Amount** means the maximum amount determined by Us to be eligible for consideration of payment for a particular service, supply or procedure.

   ***a.*** ***For Hospitals and Facility Other Providers, Physicians and Professional Other Providers Contracting with BCBSTX in Texas or any other Blue Cross and Blue Shield plan*** - The Allowable Amount is based on the terms of the Provider contract and the payment methodology in effect on the date of service. The payment methodology used may include diagnosis-related groups (DRG), fee schedule, package pricing, global pricing, per diems, case-rates, discounts or other payment methodologies.

   ***b.*** ***For Hospitals and Facility Other Providers not contracting with Us in Texas or any other Blue Cross and Blue Shield Plan outside of Texas –*** The Allowable Amount will be the amount BCBSTX would have considered for payment for the same procedure, service, or supply at an equivalent contracting Hospital or Facility Other Provider, using Texas regional or state fee schedules or rate and payment methodologies. For Hospitals or Facility Other Providers where fee schedules or rate payments are not appropriate, the Allowable Amount will be the lesser of billed charge or a per diem established by BCBSTX.

   ***c.*** ***For procedures, services or supplies provided in Texas by Physicians and Professional Other Providers not contracting with Us –*** The Allowable Amount shall be the lesser of the billed charge or the amount We would have considered for payment for the same covered procedure, service or supply if performed or provided by a Physician or Professional Other Provider with similar experience and/or skill.

   If We do not have sufficient data to calculate the Allowable Amount for a particular procedure, service or supply, We will determine an Allowable Amount based on the complexity of the procedure, service or supply and any unusual circumstances or medical complications specifically brought to Our attention, which require additional experience, skill and/or time.

   ***d.*** ***For procedures, services or supplies performed outside of Texas by Physicians or Professional Other Providers not contracting with Us, or any other Blue Cross and Blue Shield Plan –*** We will establish an Allowable Amount using, at Our option-Texas regional; or state allowable applicable to procedures, services or supplies of Physicians or Professional Other Providers with similar skills and experience.

   ***e.*** ***For multiple surgeries*** -The Allowable Amount for all surgical procedures performed on the same patient on the same day will be the amount for the single procedure with the highest Allowable Amount *plus* one-half of the Allowable Amount *for each* of the other procedures performed.

   ***f.*** ***For drugs administered by a Home Infusion Therapy Provider*** - The Allowable Amount will be the lesser of (1) the actual charge, or (2) the Average Wholesale Price (AWP) plus a predetermined percentage mark-up or mark down from the AWP wholesale price established by BCBSTX and updated on a periodic basis.

4. **Average Wholesale Price** means any one of the recognized published averages of the prices charged by wholesalers in the United States for the drug products they sell to a Pharmacy.

5. **Calendar Year** means the period commencing on a January 1 and ending on the next succeeding December 31.

6. **Chemical Dependency** means the abuse of or psychological or physical dependence on or addiction to alcohol or a controlled substance.

7. **Clinical Ecology** means the inpatient or outpatient diagnosis or treatment of allergic symptoms by:

   a. Cytotoxicity testing (testing the result of food or inhalant by whether or not it reduces or kills white blood cells); or

   b. Urine auto injection (injecting one's own urine into the tissue of the body); or

   c. Skin irritation by Rinkel method; or

   d. Subcutaneous provocative and neutralization testing (injecting the patient with allergen); or

   e. Sublingual provocative testing (droplets of allergenic extracts are placed in mouth).

8. **Coinsurance** means the dollar amount of Eligible Expenses during a Calendar Year to be applied toward the Out-of-Pocket Maximum as described in the "Out-of-Pocket Maximum" section in Article IV of this Contract.

9. **Complications of Pregnancy** means:

   a. Conditions (when the pregnancy is not terminated) whose diagnoses are distinct from pregnancy but are adversely affected by pregnancy or are caused by pregnancy, such as nephritis, nephrosis, cardiac decompensation, missed abortion, and similar medical and surgical conditions of comparable severity, but shall not include false labor, occasional spotting, Physician-prescribed rest during the period of pregnancy, morning sickness, hyperemesis gravidarum, preeclampsia, and similar conditions associated with the management of a difficult pregnancy not constituting a nosologically distinct complication of pregnancy.

   b. Termination of pregnancy by non-elective cesarean section, termination of ectopic pregnancy, and spontaneous termination of pregnancy occurring during a period of gestation in which a viable birth is not possible.

10. **Compound Drugs** means those drugs which meet the following requirements:

   a. The drugs in the compounded product have to be Food and Drug Administration (FDA) approved; and

   b. The approved product must have an assigned National Drug Code (NDC).

11. **Consumer Price Index (CPI-U)** means the CPI-U for all-urban consumers published by the U.S. Department of Labor.

12. **Contract Month** means each succeeding monthly period beginning on the Effective Date.

13. **Copayment Amount** means the fixed dollar amount paid by the Participant for each Prescription Order dispensed or refilled at a Participating Pharmacy after the Calendar Year Deductible has been satisfied and until the Out-of-Pocket Maximum has been reached.

14. **Cosmetic, Reconstructive or Plastic Surgery** means surgery that:

   a. Can be expected or is intended to improve the physical appearance of a Participant; or

   b. Is performed for psychological purposes; or

   c. Restores form but does not correct or materially restore a bodily function.

15. **Covered Drugs** means any Legend Drug or injectable drug, including insulin, disposable syringes and needles needed for self-administration:

a. Which is Medically Necessary and is ordered by a Provider naming a Participant as the recipient;

b. For which a written or verbal Prescription Order is prepared by a Provider;

c. For which a separate charge is customarily made;

d. Which is not entirely consumed at the time and place that the Prescription Order is written;

e. For which the Food and Drug Administration (FDA) has given approval for at least one indication; and

f. Which is dispensed by a Pharmacy and is received by the Participant while covered under this Contract, **except when** received from a Provider's office, or during confinement while a patient in a Hospital or other acute care institution or facility.

16. **Creditable Coverage** means coverage under any one of the following:

a. A self-funded or self-insured employee welfare benefit plan that provides health benefits and is established in accordance with the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.); or

b. Any group or individual health benefit plan provided by a health insurance carrier or health maintenance organization; or

c. Part A or Part B of Title XVIII of the Social Security Act (Medicare); or

d. Title XIX of the Social Security Act, other than coverage consisting solely of benefits under Section 1928; or

e. Chapter 55 of Title 10, United States Code; or

f. A medical care program of the Indian Health Service or of a tribal organization; or

g. A state health benefits risk pool; or

h. A plan offered under Chapter 89 of Title 5, United States Code; or

i. A public health plan as defined by federal regulations; or

j. A health benefit plan under Section 5(e) of the Peace Corps Act (22 U.S.C., Section 2504(e)); or

k. Short-term limited duration coverage.

***Creditable Coverage does not include:***

(1) Accident only, disability income insurance, or a combination thereof;

(2) Coverage issued as a supplement to liability insurance;

(3) Liability insurance, including general liability insurance and automobile liability insurance;

(4) Workers' Compensation or similar insurance;

(5) Credit-only insurance;

(6) Coverage for onsite medical clinics;

(7) Coverage for limited-scope dental or vision benefits;

(8) Long-term care, nursing home care, home health care, or community-based care coverage or benefits, or any combination thereof;

(9) Coverage for a specified disease or illness;

(10) Hospital indemnity or other fixed indemnity insurance; or

(11) Medicare supplemental health insurance, supplemental to the group coverage provided under Chapter 55, Title 10, United States Code (10 U.S.C. Section 1071 et. seq.), and similar supplemental coverage provided under a group plan;

(12) Other similar coverage specified in Federal regulations, under which benefits for medical care are secondary or incidental to other insurance benefits; and

(13) Automobile payment insurance.

17. **Custodial Care** means care comprised of services and supplies, including room and board and other institutional services, provided to a Participant primarily to assist in activities of daily living and to maintain life and/or comfort with no reasonable expectation of cure or improvement of sickness or injury. ***Custodial Care*** is care which is not a necessary part of medical treatment for recovery, and shall include, but not be limited to, helping a Participant walk, bathe, dress, eat, prepare special diets, and take medication.

18. **Deductible** means the dollar amount of Eligible Expenses that must be incurred by a Participant, if "Individual Coverage" is elected, before benefits under this Contract will be available. If "Family Coverage" is elected, Deductible means the dollar amount of Eligible Expenses that must be incurred by the family before benefits under the Contract will be available.

19. **Dependent** means:

a. A Subscriber's spouse; or

b. Any unmarried child who is under 25 years of age.

***Child*** means:

a. The natural child of the Subscriber; or

b. A legally adopted child of the Subscriber (including a child for whom the Subscriber is a party in a suit in which the adoption of the child is being sought); or

c. A stepchild;

d. A child for whom the Subscriber has received a court order or an order requiring that Participant have financial responsibility for providing health insurance; or

e. A grandchild of the Subscriber who is dependent upon the Subscriber for Federal income tax purposes at the time application for coverage is made.

20. **Dietary and Nutritional Services** means the education, counseling, or training of a Participant (including printed material) regarding:

a. Diet;

b. Regulation or management of diet; or

c. The assessment or management of nutrition.

21. **Durable Medical Equipment Provider** means a Provider that provides therapeutic supplies and rehabilitative equipment.

22. **Effective Date** means the date a Participant's coverage becomes effective under this Contract.

23. **Eligible Expenses** means either *Inpatient Hospital Expense, Medical-Surgical Expense,* or *Extended Care Expense*, all as specified in Article IV, Section 1, of this Contract.

24. **Emergency Care** means health care services provided in a Hospital emergency facility or comparable facility to evaluate and stabilize medical conditions of a recent onset and severity, including but not limited to severe pain, that would lead a prudent layperson, possessing an average knowledge of medicine and health, to believe that the person's condition, sickness, or injury is of such a nature that failure to get immediate medical care could result in:

    a. Placing the patient's health in serious jeopardy;

    b. Serious impairment to bodily functions,

    c. Serious dysfunction of any bodily organ or part,

    d. Serious disfigurement, or

    e. In the case of a pregnant woman, serious jeopardy to the health of the fetus.

25. **Environmental Sensitivity** means the inpatient or outpatient treatment of allergic symptoms by:

    a. Controlled environment; or

    b. Sanitizing the surroundings, removal of toxic materials; or

    c. Use of special non-organic, non-repetitive diet techniques.

26. **Experimental/Investigational** means the use of any treatment, procedure, facility, equipment, drug, device or supply not accepted as standard medical treatment of the condition being treated or any of such items requiring Federal or other governmental agency approval not granted at the time services were provided. ***Approval*** by a Federal agency means that the treatment, procedure, facility, equipment, drug or supply has been approved for the condition being treated and, in the case of a drug, in the dosage used on the patient.

    As used herein, ***medical treatment*** includes medical, surgical or dental treatment. ***Standard medical treatment*** means the services or supplies that are in general use in the medical community in the United States, and:

    a. Have been demonstrated in peer reviewed literature to have scientifically established medical value for curing or alleviating the condition being treated;

    b. Are appropriate for the Hospital or Facility Other Provider in which they were performed; and

    c. The Physician or Professional Other Provider has had the appropriate training and experience to provide the treatment or procedure.

    Our medical staff shall determine whether any treatment, procedure, facility, equipment, drug, device, or supply is Experimental/Investigational, and will consider the guidelines and practices of Medicare, Medicaid or other government-financed programs in making Our determination.

    Although a Physician or Professional Other Provider may have prescribed treatment and the services or supplies may have been provided as the treatment of last resort, We still may determine such services or supplies to be Experimental/Investigational within this definition. Treatment provided as part of a clinical trial or a research study is Experimental/Investigational.

27. **Extended Care Expense** means the services and supplies provided by a Skilled Nursing Facility, a Home Health Agency, or a Hospice as described in this Contract.

28. **Generic Drug** means a drug, which is pharmaceutically and therapeutically equivalent to the brand name drug prescribed.

29. **Generic Drug Copayment Amount** means the Copayment Amount applicable when a Generic Drug is dispensed. This Copayment Amount is less than the Preferred Drug Copayment Amount and Non-Preferred Drug Copayment Amount.

30. **Health Status Related Factor** means:

a. Health status;
b. Medical condition, including both physical and mental illness;
c. Claims experience;
d. Receipt of health care;
e. Medical history;
f. Genetic information;
g. Evidence of insurability, including conditions arising out of acts of family violence; and
h. Disability.

31. **Home Health Agency** means a business that provides Ho me Health Care and is licensed by the Department of Health. A Home Health Agency located in another state must be licensed, approved, or certified by the appropriate agency of the state in which it is located.

32. **Home Health Care** means the health care services for which benefits are provided under this Contract when such services are provided during a visit by a Home Health Agency to patients confined at home due to a sickness or injury requiring skilled health care services on an intermittent, part-time basis.

33. **Home Infusion Therapy** means the administration of fluids, nutrition or medication (including all additives and chemotherapy) by intravenous or gastrointestinal (enteral) infusion or by intravenous injection in the home setting. Home Infusion Therapy shall include:

a. Drugs and IV solutions;
b. Pharmacy compounding and dispensing services;
c. All equipment and ancillary supplies necessitated by the defined therapy;
d. Delivery services;
e. Patient and family education;
f. Nursing services.

Over-the-counter products which do not require a Physician's or Professional Other Provider's prescription, including but not limited to standard nutritional formulations used for enteral nutrition therapy, are not included within this definition.

34. **Home Infusion Therapy Provider** means an entity that is duly licensed by the appropriate state agency to provide Home Infusion Therapy.

35. **Hospice** means a facility or agency primarily engaged in providing skilled nursing services and other therapeutic services for terminally ill patients and which:
a. Is licensed in accordance with state law (where the state law provides for such licensing); or
b. Is certified by Medicare as a supplier of Hospice Care.

36. **Hospice Care** means services for which benefits are provided under this Contract when provided by a Hospice to patients confined at home or in a Hospice facility due to a terminal sickness or terminal injury requiring skilled health care services.

37. **Hospital** means a short-term acute care facility which:

a. Is duly licensed as a Hospital by the state in which it is located and meets the standards established for such licensing, or is certified as a Hospital provider under Medicare;

b. Is primarily engaged in providing inpatient diagnostic and therapeutic services for the diagnosis, treatment, and care of injured and sick persons by or under the supervision of Physicians for compensation from its patients;

c. Has organized departments of medicine, diagnostic, major surgery (either on its premises or in facilities available to the Hospital on a contractual prearranged basis); and maintains clinical records on all patients;

d. Provides 24-hour nursing services by or under the supervision of a registered nurse;

e. Is not, other than incidentally, a Skilled Nursing Facility, nursing home, custodial care home, health resort, spa or sanitarium, place for rest, place for the aged, or a Hospice.

38. **Hospital Admission** means the period between the time of a Participant's entry into a Hospital as a bed patient and the time of discontinuance of bed-patient care or discharge by the admitting Physician or Professional Other Provider, whichever first occurs. The day of entry, but not the day of discharge or departure, shall be considered in determining the length of a Hospital Admission. If a Participant is admitted to and discharged from a Hospital within a 24-hour period but is confined as a bed patient in a bed accommodation during the period of time he is confined in the Hospital, We shall consider the admission a Hospital Admission.

***Bed patient*** means confinement in a bed accommodation located in a portion of a Hospital which is designed, staffed and operated to provide acute, short-term Hospital care on a 24-hourbasis; the term does not include confinement in a portion of the Hospital designed, staffed and operated to provide long-term institutional care on a residential basis.

39. **Identification Card** means the card issued to the Subscriber indicating pertinent information applicable to his coverage under this Contract, including applicable Prescription Drug Copayment Amounts.

40. **Imaging Center** means a Facility Other Provider that can furnish technical or total services with respect to diagnostic imaging services and is licensed through the Texas State Radiation Control Agency.

41. **Independent Laboratory** means a Medicare certified laboratory that provides technical and professional anatomical and/or clinical laboratory services.

42. **Inpatient Hospital Expense** means charges incurred for the Medically Necessary items of service or supply listed below for the care of a Participant; provided that such items are: (a) furnished at the direction or prescription of a Physician or Professional Other Provider; (b) provided by a Hospital; and (c) furnished to and used by the Participant during a Hospital Admission.

An expense shall be deemed to have been incurred on the date of provision of the service for which the charge is made. *Inpatient Hospital Expense* shall include:

a. Room and board charges. If the Participant is confined in a private room, the amount of the room charge in excess of the Hospital's average semiprivate room charge will *not* be an Eligible Expense.

b. All other usual Hospital services which are Medically Necessary and consistent with the condition of the Participant. Personal items are *not* included as Eligible Expenses.

43. **Legend Drugs** means drugs, biologicals, or compound prescriptions which are required by law to have a label stating "Caution—Federal Law Prohibits Dispensing Without a Prescription" and which are approved by the U.S. Food and Drug Administration (FDA) for at least one indication.

44. **Marriage and Family Therapy** means the provision of professional therapy services to individuals, families, or married couples, singly or in groups, and involves the professional application of family systems theories and techniques in the delivery of therapy services to those persons. The term includes the evaluation and remediation of cognitive, affective, behavioral, or relational dysfunction within the context of marriage or family systems.

45. **Maternity Care** means care and services provided for treatment of the condition of pregnancy, other than Complications of Pregnancy.

46. **Medical Social Services** means those social services relating to the treatment of a Participant's medical condition. Such services include, but are not limited to:

a. Assessment of the social and emotional factors related to the Participant's sickness, need for care, response to treatment and adjustment to care; and

b. Assessment of the relationship of the Participant's medical and nursing requirements to the home situation, financial resources, and available community resources.

47. **Medical-Surgical Expense** means the Allowable Amount incurred for the Medically Necessary items of service or supply listed below for the care of a Participant, provided such items are: (a) furnished by or at the direction or prescription of a Physician or Professional Other Provider; and (b) not included as an item of *Inpatient Hospital Expense* or *Extended Care Expense* in this Contract.

A service or supply is furnished at the direction of a Physician or Professional Other Provider if the listed service or supply is: (a) provided by a person employed by the directing Physician or Professional Other Provider; (b) provided at the usual place of business of the directing Physician or Professional Other Provider; and (c) billed to the patient by the directing Physician or Professional Other Provider.

An expense shall be deemed to have been incurred on the date of provision of the service for which the charge is made.

*Medical-Surgical Expense* shall include:

a. Services of Physicians or Professional Other Providers.

b. Services of a certified registered nurse-anesthetist (CRNA).

c. Physical Medicine Services as described in Article IV, Section 1, Subsection m (2), of this Contract.

d. Diagnostic x-ray and laboratory procedures.

e. Radiation therapy.

f. Dietary formulas necessary for the treatment of phenylketonuria (PKU) or other heritable diseases.

g. Rental of durable medical equipment (DME) required for therapeutic use unless We require purchase of such equipment. is required by Us. The term ***durable medical equipment*** shall not include:

(1) Equipment primarily designed for alleviation of pain or provision of patient comfort; or
(2) Home air-fluidized bed therapy.

Examples of *non-covered* equipment include, but are not limited to, air conditioners, air purifiers, humidifiers, physical fitness equipment, and whirlpool bath equipment

h. Professional local ground ambulance service or air ambulance service as described in Article IV, Section 1, Subsection m (3), of this Contract.

i. Anesthetics and administration when performed by someone other than the operating Physician or Professional Other Provider.

j. Oxygen and its administration provided the oxygen is actually used.

k. Blood, including cost of blood, blood plasma and blood plasma expanders, which is not replaced by or for the Participant.

l. Prosthetic Appliances, including replacements and repairs of such devices other than those necessitated by misuse or loss by the Participant.

m. Orthopedic braces (i.e., an orthopedic appliance used to support, align, or hold bodily parts in a correct position) and crutches, including rigid back, leg or neckbraces, casts for treatment of any part of the legs, arms, shoulders, hips or back; special surgical and back corsets, Physician-prescribed, directed, or applied dressings, bandages, trusses, and splints which are custom designed for the purpose of assisting the function of a joint.

n. Home Infusion Therapy. Any item of Home Infusion Therapy covered under this subsection will not be eligible for benefits under any other provision of this Contract.

o. Services or supplies used by a Participant during an outpatient visit to a Hospital or a Therapeutic Center.

p. Outpatient Contraceptive Services and prescription contraception devices. However, coverage for prescription oral contraceptive medications is provided under the ***Outpatient Prescription Drug*** coverage.

q. Telehealth Services and Telemedicine Medical Services.

48. **Medically Necessary** or **Medical Necessity** means those services or supplies covered hereunder which are:

a. Essential to, consistent with, and provided for the diagnosis or the direct care and treatment of the condition, sickness, disease, injury, or bodily malfunction; and

b. Provided in accordance with and are consistent with generally accepted standards of medical practice in the United States; and

c. Not primarily for the convenience of the Participant, his Physician, his Hospital, or his Other Provider; and

d. The most economical supplies or levels of services that are appropriate for the safe and effective treatment of the Participant. When applied to hospitalization this further means that the Participant requires acute care as a bed patient due to the nature of the services provided or the Participant's condition, and the Participant cannot receive safe or adequate care as an outpatient.

Our medical staff will determine whether a service or supply is Medically Necessary and will consider the views of the state and national medical communities, the guidelines and practices of Medicare, Medicaid, or other government-financed programs, and peer reviewed literature. Although a Physician or Professional Other Provider may have prescribed treatment, such treatment may not be Medically Necessary within this definition.

49. **National Drug Code (NDC)** means a national classification system for the identification of drugs.

50. **Network** means a group of Physicians, specialists, Hospitals and other health care facilities who have executed a managed care agreement with Us for the provision of health care to Participants covered under this Contract.

51. **Network Benefits** means the benefits available under this Contract for services and supplies that are provided by a Network Provider.

52. **Network Physician** means a Physician or Professional Other Provider who has executed a managed care agreement with Us for the provision of health care to Participants covered under this Contract.

53. **Network Provider** means a Hospital, Physician, or Other Provider that has executed a managed care agreement with Us for the provision of care to Participants covered under this Contract.

54. **Non-Participating Pharmacy** means a Pharmacy which has not entered into an agreement to provide prescription drug services to Participants under the outpatient prescription drug portion of this Contract.

55. **Non-Preferred Brand Name Drug** means a brand name drug which does not appear on the Preferred Brand Name Drug List but has a therapeutic equivalent that is listed in the Preferred Drug List.

56. **Non-Preferred Brand Name Drug Copayment Amount** means the Copayment Amount applicable when a Non-Preferred Brand Name Drug is dispensed. This Copayment Amount is higher than the Generic Drug Copayment and Preferred Brand Name Drug Copayment Amount.

57. **Oral Surgery** means maxillofacial surgical procedures limited to:

a. Excision of non-dental related neoplasms, including benign tumors and cysts and all malignant and premalignant lesions and growths;

b. Incision and drainage of facial abscess;

c. Surgical procedures involving salivary glands and ducts and non-dental related procedures of the accessory sinuses; and

d. Reduction of a dislocation of, excision of, and injection of the temporomandibular joint, except as excluded in Article V, of this Contract.

58. **Organic Brain Disease** means the diagnosis or treatment of a mental disease, disorder or condition as defined by the *American Psychiatric Association in the Diagnostic and Statistical Manual III-R* or the *International Classification of Diseases, Ninth Revision* (ICD-9) Diagnostic Codes 290-294 and 310.

59. **Other Provider** means a person or entity, other than a Hospital or Physician, that is licensed where required to furnish to a Participant an item of service or supply described herein as Eligible Expenses. "Other Provider" shall include:

a **Facility Other Provider —** an institution or entity, only as listed:

(1) Durable Medical Equipment Provider
(2) Home Health Agency
(3) Home Infusion Therapy Provider
(4) Hospice
(5) Imaging Center
(6) Independent Laboratory
(7) Prosthetic/Orthotics Provider
(8) Renal Dialysis Center
(9) Skilled Nursing Facility
(10) Therapeutic Center

b **Professional Other Provider** — a person or practitioner, when acting within the scope of his license and who is appropriately certified, only as listed:

(1) Advanced Practice Nurse
(2) Doctor of Chiropractic
(3) Doctor of Dentistry

(4) Doctor of Optometry
(5) Doctor of Podiatry
(6) Doctor in Psychology
(7) Licensed Acupuncturist
(8) Licensed Audiologist
(9) Licensed Clinical Social Worker
(10) Licensed Dietitian
(11) Licensed Hearing Instrument Fitter and Dispenser
(12) Licensed Physical Therapist
(13) Licensed Occupational Therapist
(14) Licensed Speech-Language Pathologist
(15) Nurse First Assistant
(16) Physician Assistant
(17) Surgical Assistant

Such terms as used herein, unless otherwise defined in this Contract, shall have the meaning assigned to them by the *Texas Insurance Code*. In states where there is a licensure requirement, such Other Providers must be licensed by the appropriate state administrative agency.

60. **Out-of-Network Benefit** means the benefits available under this Contract for services and supplies that are provided by an Out-of-Network Provider.

61. **Out-of-Network Provider** means a Hospital, Physician, or Other Provider, as defined in this Contract, that has not executed a managed care agreement with Us for the provision of health care to Participants covered under this Contract.

62. **Out-of-Pocket Maximum** means, if "Individual Coverage" s elected, the cumulative dollar amount of Eligible Expenses, including the Calendar Year Deductible, Outpatient Prescription Drug Copayment Amounts, and Coinsurance incurred by the Subscriber during a Calendar Year. If "Family Coverage" is elected, Out-of-Pocket Maximum means the cumulative dollar amount of Eligible Expenses, including the Calendar Year Deductible, outpatient prescription drug Copayment Amounts and Coinsurance incurred by the family during a Calendar Year.

63. **Outpatient Contraceptive Services** means a consultation, examination, procedure or medical service that is provided on an outpatient basis and that is related to the use of a drug or device intended to prevent pregnancy.

64. **Participant** means, if "Individual Coverage" is elected in Your application for coverage, the Subscriber only. If "Family Coverage" is elected in Your application for coverage under this Contract, the Subscriber or a Dependent, as defined herein, for whom application has been made by the Subscriber and accepted by Us.

65. **Participating Pharmacy** means a Pharmacy which has entered into an agreement to provide prescription drug services to Participants under the outpatient prescription drug portion of this Contract.

66. **Pharmacy** means:

a. A state licensed establishment where the practice of pharmacy occurs that is physically separate and apart fro many Provider's office, and

b. Where Legend Drugs and devices are dispensed under Prescription Orders to the general public by a pharmacist licensed to dispense such drugs and devices under the laws of the state in which he practices.

67. **Physical Medicine Services** means those modalities, procedures, tests, and measurements listed in the *Physicians' Current Procedural Terminology Manua*l (Procedure Codes 97010-97799), whether the service or supply is provided by a Physician or Professional Other Provider, licensed physical therapist or licensed occupational therapist, and includes,

but is not limited to, physical therapy, occupational therapy, hot or cold packs, whirlpool, diathermy, electrical stimulation, massage, ultra-sound, manipulation, muscle or strength testing, and orthotics or prosthetic training.

68. **Physician** means a person, when acting within the scope of his license, who is a Doctor of Medicine or Doctor of Osteopathy. The terms Doctor of Medicine or Doctor of Osteopathy shall have the meaning assigned to them by the *Texas Insurance Code*.

69. **Plan Service Area** means the Texas statewide geographical area.

70. **Preexisting Condition** means the existence of symptoms which would cause an ordinarily prudent person to seek diagnosis, care or treatment within the twelve-month period immediately preceding the Effective Date of the Participant's coverage hereunder or a condition for which medical advice or treatment was recommended by a Physician or Professional Other Provider or received from a Physician or Professional Other Provider within the twelve-month period immediately preceding the Effective Date of the Participant's coverage hereunder.

71. **Preferred Brand Name Drug** means a brand name drug which appears on the Preferred Brand Name Drug List.

72. **Preferred Brand Name Drug Copayment Amount** means the Copayment Amount applicable when a Preferred Brand Name Drug is dispensed. This Copayment Amount is higher than the Generic Drug Copayment Amount.

73. **Preferred Brand Name Drug List** means a sample listing of the most commonly prescribed medications available in the Preferred Brand Name category. This list is developed using monographs written by the American Medical Association, Academy of Managed Care Pharmacies, and other pharmacy and medical related organizations, describing clinical outcomes, drug efficacy; and side effect profiles.

74. **Prescription Order** means a written or verbal order from a Physician and/or Professional Other Provider to a Pharmacist for a drug or device to be dispensed. Orders written by a Physician and/or Professional Other Provider located outside the United States to be dispensed in the United States are not covered under this Contract unless the drug or device is deemed to be Medically Necessary.

75. **Proof of Loss** means written evidence of a claim including:

    a. The form on which the claim is made; and

    b. Bills and statements reflecting services and items furnished to a Participant and amounts charged for those services and items that are covered by the claim, and correct diagnosis code(s) and procedure code(s) for the services and items.

76. **Prosthetic Appliances** means artificial devices including limbs or eyes, braces or similar prosthetic or orthopedic devices, which replace all or part of an absent body organ (including contiguous tissue) or replace all or part of the function of a permanently inoperative or malfunctioning body organ (excluding dental appliances and the replacement of cataract lenses). *For purposes of this definition, a wig or hairpiece is not considered a Prosthetic Appliance.*

77. **Prosthetic/Orthotics Provider** means a certified prosthetist that supplies both standard and customized prostheses and orthotic supplies.

78. **Provider** means a Hospital, Physician, Other Provider, or any other person, company, or institution furnishing to a Participant a service or supply listed as an Eligible Expense in this Contract.

79. **Renal Dialysis Center** means a facility which is Medicare certified as an end-stage renal disease facility providing staff assisted dialysis and training for home and self-dialysis.

80. **Skilled Nursing Facility** means a facility primarily engaged in providing skilled nursing services and other therapeutic services and which: (a) is licensed in accordance with state law (where the state law provides for licensing of such facility); or (b) is Medicare or Medicaid eligible as a supplier of skilled inpatient nursing care.

81. **Speech and Hearing Services** means the measurement, testing, evaluation, prediction, counseling, habilitation, rehabilitation, or instruction related to the development and disorders of speech, voice or language, or to hearing or disorders of hearing.

82. **Subscriber** means the person named on the Identification Card provided for with this Contract.

83. **Telehealth Service** means a health service, other than a telemedicine medical service, delivered by a licensed or certified health professional acting within the scope of the health care professional's license or certification who does not perform a telemedicine medical service that requires the use of advanced telecommunications technology, other than by telephone or facsimile, including:

a. Compressed digital interactive video, audio, or data transmission;

b. Clinical data transmission using computer imaging by way of still-image capture and store and forward; and

c. Other technology that facilitates access to health care services or medical specialty expertise.

84. **Telemedicine Medical Service** means a health care service initiated by a Physician or provided by a health professional acting under Physician delegation and supervision for purposes of patient assessment by a health professional, diagnosis or consultation by a Physician, treatment, or the transfer of medical data, that requires the use of advanced telecommunications technology, other than by telephone or facsimile, including:

a. Compressed digital interactive video, audio or data transmission;

b. Clinical data transmission using computer imaging by way of still-image capture and store and forward; and

c. Other technology that facilitates access to health care services or medical specialty expertise.

85. **Therapeutic Center** means an institution which is appropriately licensed, certified, or approved by the state in which it is located and which is: (a) an ambulatory (day) surgery facility; or (b) a freestanding radiation therapy center.

86. **You, Your, Yourself** means the person named on the Identification Card provided for this Contract.

## Article II — Effective Date of Dependent Coverage

### 1. Newborn Child

Coverage of Your child born after Your Effective Date w ill be in effect from the date of birth through the 31st day following the date of birth. To continue coverage beyond this 31-day period, You must notify Us within 31 days of the birth and pay the required premium. If notification is received after the 31-dayperiod, coverage shall be contingent upon You making application for such coverage on a form approved by Us. The application form and satisfactory evidence of insurability must be submitted to Us at Our Administrative Office. Subject to Our approval of the application, evidence of insurability, and payment of the required premium, coverage shall become effective on the first day of the Contract Month following the date We approve the application.

## 2. Court Ordered Coverage for Dependents

If You have coverage under this Contract and if You are required to provide coverage for a minor child as a result of a medical support order issued under the requirements of Section 14.061, Family Code, coverage will be automatic for the first 31 days following the date on which the court order is issued.

To continue coverage beyond 31 days, You must make application for coverage on a form approved by BCBSTX and pay the required premium. If notification is received after the 31-day period, coverage shall be contingent upon Your making application for such coverage on a form approved by Us. The application form and satisfactory evidence of insurability must be submitted to Us at Our Administrative Office. Subject to Our approval of the application, evidence of insurability, and payment of the required premium, coverage shall become effective of the first day of the Contract Month following the date We approve the application.

## 3. Other Dependents

a. Coverage for a Dependent (other than a newborn child or court ordered child) shall be contingent upon You making application for such coverage on a form approved by Us. The application form and satisfactory evidence of insurability must be submitted to Us at Our Administrative Office. Subject to Our approval of the application form, and satisfactory evidence of insurability, and payment of the required premium, coverage for each Dependent listed on the initial application at the same time as the Subscriber, shall become effective on the Effective Date of this Contract.

b. Coverage for a Dependent (other than a newborn child, or a court ordered child) of a Subscriber already having coverage under this Contract shall be contingent upon You making application for such coverage on a form approved by Us. The application form and satisfactory evidence of insurability must be submitted to Us at Our Administrative Office. Subject to Our approval of the application, evidence of insurability, and the required premium, coverage shall become effective on the first day of the Contract Month following the date We approve the application.

# Article III — Payment of Benefits; Participant/Provider Relationship

## 1. Payment of Benefits

a. When benefits are payable, We may choose to pay You or the Provider with certain exceptions. Written contracts between Us and certain Providers may require payment directly to them. Payment to the Provider discharges Our responsibility to the Participant for any benefits available under this Contract.

b. Except as provided above, the rights and benefits of this Contract shall not be assignable, either before or after services and supplies are provided. However, if a written assignment of benefits is made by a Participant to a Provider and the written assignment is delivered to Us with the claim for benefits, We will make any payment directly to the Provider.

c. It is understood and agreed that the allowances described in Article IV for services and supplies furnished by a Provider whom We do not directly contract with: (1) are not intended to and do not fix their value of the services of the Provider; and (2) relate to or regulate their value. The Provider may make its regular charge. The allowances are merely to apply as credits.

d. Any benefits payable to You shall, if unpaid at Your death, be paid to Your surviving beneficiary; if there is no surviving beneficiary, then such benefits shall be paid to Your estate.

## 2. Participant/Provider Relationship

The choice of a health care Provider should be made solely by You or Your Dependents. We are not liable for any act or omission by any health care Provider. We do not have any responsibility for a health care Provider's failure or refusal to provide services or supplies to You or Your Dependents.

## Article IV — Benefits Provided

Subject to the conditions described below and the Medical Limitations and Exclusions in this Contract, when any Participant while covered hereunder incurs Eligible Expenses, benefits shall be determined as follows:

### 1. Introduction

We have established a network of Providers to serve Participants throughout Texas. By using Providers in the Network, You will maximize the benefits available to You under this Contract. You will receive a directory when You enroll listing Network Providers in Your Plan Service Area. To get a current directory or inquire about a Network Provider, call the Customer Service telephone number shown on the back of Your Identification Card.

You have the freedom to use any health care Provider outside the Network and still receive benefits for covered services under this Contract. However, You will receive the lower level of benefits. See below for discussion on *ParPlan* Providers.

### 2. How the Medical Plan Works

a. To receive Network Benefit under this Contract, care must be provided by a Network Provider. Refer to the Provider Directory to make Your selections. Network Providers will preauthorize services for you when required. You are generally not required to submit claim forms when You use a Network Provider.

If You choose a Network Provider, the Provider will bill Us not You for services provided. The Network Provider has agreed to accept as payment in full the least of:

(1) The billed charges,

(2) The Allowable Amount as determined by Us, or

(3) Other contractually determined payment amounts.

You are responsible for paying the Deductible, Out-of-Pocket Maximums, if any, and any limited or non-covered services.

b. If Your Network Physician admits You to an out-of-network facility, Network Benefits will be available for the Network Physician's charges and Out-of-Network Benefits will be available for the facility charges.

c. If You choose a Provider outside the Network, benefits will be provided at the Out-of-Network Benefits level, except as described under ***Emergency Care***. You, Your Physician, Provider of services, or a family member should preauthorize services when required by calling one of the toll-free numbers listed on the back of Your Identification Card.

You may have to submit Your own claims forms for reimbursement of out-of-network expenses.

You will be responsible for billed charges above Our payment amount, Coinsurance, Deductibles, limited or non-covered services, preauthorization and any penalties for not preauthorizing care when required.

d. If You choose a Physician outside the Network and he admits You to a facility participating in the Network, Out-of-Network Benefits will be available for the Physician charges and Network Benefits will be available for the facility charges.

e. If You require services that are not available from a Network Provider, Network Benefits will be provided when You use Out-of-Network Providers.

f. In the event You are underthe care of a Network Provider at the time Your Provider stops participating in the Network and at the time of the Network Provider's termination, You are currently being treated for *Special Circumstances* such as a (1) disability, (2) acute condition, (3) life-threatening illness and are receiving treatment in accordance with the dictates of medical prudence, BCBSTX will continue providing coverage for that Provider's services at the Network Benefit level

*Special Circumstances* means a condition such that the treating Physician or health care Provider reasonably believes that discontinuing care by the treating Physician or Provider could cause harm to You. *Special Circumstances* shall be identified by the treating Physician or health care Provider, who must: (1)request that You be permitted to continue treatment under the Physician's or Provider's care; and (2) agree not to seek payment from You of any amounts for which You would not be responsible if the Physician or Provider were still a Network Provider.

The continuity of coverage under this subsection will not extend for more than ninety (90) days, or more than nine (9) months if You have been diagnosed with a terminal illness, beyond the date the Provider's termination from the Network takes effect.

### 3. Medical Necessity

All services and supplies for which benefits are available under this Contract must be Medically Necessary as determined by Us. Charges for services and supplies that We determine are not Medically Necessary will not be eligible for benefit consideration and may not be used to satisfy Deductibles or apply to the Out-of-Pocket Maximum.

### 4. *ParPlan* Providers

When You consult an Out-of-Network Physician or Professional Other Provider, You should inquire if he participates in the BCBSTX *ParPlan*...a simple direct-payment arrangement. If the Physician or Professional Other Provider participates in the *ParPlan*, he agrees to:

- File all claims for You,
- Accept Our Allowable Amount determination as payment for Medically Necessary services, and
- Not bill You for services over the Allowable Amount determination.

You will be responsible for any applicable Deductibles and Coinsurance, and services that are limited or not covered under this Contract.

If Your Physician or Professional Other Provider does not participate in the *ParPlan*, You will be responsible for filing all claims for services rendered and You may be billed for services above Our Allowable Amount determination.

### 5. Preauthorization Requirements

Preauthorization is required for all Hospital Admissions, Extended Care Expense, and Home Infusion Therapy, and organ and tissue transplants.

Preauthorization establishes in advance the Medical Necessity of certain care and services covered under this Contract. It ensures that the preauthorized care and services as described below will not be denied on the basis of Medical Necessity. Preauthorization does not guarantee payment of benefits. However, coverage is always subject to other requirements of

this Contract, such as Preexisting Conditions, limitations and exclusions, payment of premium and eligibility at the time care and services are provided.

You, Your Physician, Provider of services, or a family member calls on of the toll-free numbers listed on the back of your Identification Card. The call should be made between 7:30 a. m. and 6:00 p. m. on business days. Calls made after working hours or on weekends will be recorded and returned the next working day. A benefits management nurse will follow up with your Provider's office. In most cases preauthorization is made within minutes while We are on the telephone with Your Provider's office.

a. **Hospital Admissions**

You are required to have Your admission preauthorized at least two working days prior to actual admission unless it would delay Emergency Care. In an emergency, preauthorization should take place within two working days after the admission or as soon as reasonably possible.

When a Hospital Admission is preauthorized, a length-of-stay is assigned. This Contract is required to provide a minimum length of stay in a Hospital for treatment of breast cancer of:

- 48 hours following a mastectomy, and
- 24 hours following a lymph node dissection.

If You require a longer stay than was first preauthorized, Your Provider may request an extension for the additional inpatient days. If an admission extension is not preauthorized, benefits may be reduced or denied.

Preauthorization is also required if You transfer to another facility or to or from a specialty unit within the facility.

If an admission is not preauthorized, benefits may be reduced or denied if We determine that the admission is not Medically Necessary.

Failure to preauthorize will result in a penalty in the amount of $250 that will be deducted from any benefits which may be finally determined to be available for the Hospital Admission. This penalty amount cannot be used to satisfy Deductibles or to apply toward the Coinsurance Amount. Additionally, We will review the Medical Necessity of Your claim.

b. **Extended Care Expense and Home Infusion Therapy**

Preauthorization is required for Medically Necessary Skilled Nursing Facility services, Home Health Care, Hospice Care or Home Infusion Therapy.

Preauthorization for Extended *Care Expense* and Home Infusion Therapy must be obtained by having the agency or facility providing the services contact Us to request preauthorization. The request should be made:

- Prior to initiating *Extended Care Expense* or Home Infusion Therapy;
- When an extension of the initially preauthorized service is required; and
- When the treatment plan is altered.

If We have given notification that benefits for the treatment plan requested are not available, claims will be denied.

We will review the information submitted prior to the start of *Extended Care Expense* or Home Infusion Therapy. We will send a letter to You and the agency or facility confirming preauthorization or denying benefits.

If Extended *Care Expense* or Home Infusion Therapy is to take place in less than one week, the agency or facility should call the preauthorization telephone number on the back of Your Identification Card.

Failure to preauthorize will result in a penalty in the amount of 50% not to exceed $500 which will be deducted fro m any benefits which may be finally determined to be available for *Extended Care Expense* or Home Infusion Therapy.

c. **Organ and Tissue Transplants**

Preauthorization is required for any organ or tissue transplant. Preauthorization of an organ or tissue transplant is the process by which the Medical Necessity of the transplant and the length of stay of the admission is approved or denied. Preauthorization does not guarantee payment of a claim but does ensure that payment for the covered room and board charges for the preauthorized length of stay will not be denied on the basis of Medical Necessity.

At the time of preauthorization We will assign length-of-stay for the admission if We determine that the admission is Medically Necessary. Upon request, the length-of-stay may be extended if We determine that an extension is Medically Necessary.

## 6. Deductibles

The benefits of this Contract will be available after satisfaction of the applicable Deductibles for Network Benefits and Out-of-Network Benefits. The Deductibles are based on Your Plan selection and whether or not You have elected "Individual Coverage" or "Family Coverage" in Your application for coverage under this Contract.

a. If "Individual Coverage" is selected on Your application for coverage, the Deductible as shown on Your Schedule of Coverage shall apply to all combined *Inpatient Hospital Expense, Medical-Surgical Expense, Outpatient Prescription Drugs*, and/or *Extended Care Expense* incurred by You during a Calendar Year.

b. If "Family Coverage" is selected on Your application for coverage under this Contract, the Deductible as shown on You Schedule of Coverage shall apply all combined *Inpatient Hospital Expense, Medical Surgical Expense, Outpatient Prescription Drug*, and/or *Extended Care Expense***.** When the total amount of the Deductible for all Participants covered under Your coverage equals the family Deductible amount shown on Your Schedule of Coverage, all such Participants will have satisfied their Deductible for the remainder of that Calendar Year.

c. Any Eligible Expenses applied toward satisfy ing the Out-of-Network Deductible will apply toward satisfying the Network Deductible.

d. Any Eligible Expenses applied toward satisfying the Network Deductible will **not** apply towards the Out-of-Network Deductible.

e. The Deductibles will be increased in the future in direct proportion to the increase as determined from the cost-of-living adjustments based on the Consumer Price Index (CPI-U).

## 7. Out-of-Pocket Maximum

a. If You selected "Individual Coverage" in Your Application for coverage under this Contract, when the "Individual Out-of-Pocket Maximum" as shown on Your Schedule of Coverage for a Calendar Year has been reached, the benefit percentage automatically increases to 100% for purposes of determining the benefits available for additional Eligible Expenses incurred by You during the remainder of that Calendar Year.

b. If "Family Coverage" is selected in Your application for coverage under this Contract, when the "Family Out-of-Pocket Maximum" as shown on Your Schedule of Coverage has been reached, the benefit percentage automatically increases to 100% for purposes of determining the benefits available for additional Eligible Expenses incurred by all family Participants during the remainder of that Calendar Year.

c. Any Eligible Expenses applied toward satisfying the Out-of-Network Out-of-Pocket Maximum will apply toward satisfaction of the Network Out-of-Pocket Maximum.

d. Any Eligible Expenses applied toward satisfying the Network Out-of-Pocket Maximum will not apply toward satisfaction of the Out-of-Network Out-of-Pocket Maximum.

e. Your payment obligations for Eligible Expenses under this Contract are the Deductible, Coinsurance, and Outpatient Prescription Drug Copayment Amounts which are applied to the Out-of-Pocket Maximum. Therefore, the Out-of-Pocket Maximum does not include:
(1) Services, supplies, and charges limited or excluded by this Contract; or
(2) Expenses not covered because a benefit maximum has been reached; or
(3) Charges in excess of the Allowable Amount; or
(4) Penalties for not preauthorizing *Inpatient Hospital Expense, Extended Care Expense* or Home Infusion Therapy.

f. The Out-of Pocket Maximum will be increased in the future in direct proportion to the increase as determined from the cost-of-living adjustments based on the Consumer Price Index (CPI-U).

**8. Maximum Benefits**

a. The total amount of benefits available during the lifetime of any one Participant under this Contract shall not exceed $5,000,000.

b. The maximum lifetime benefit amount includes all payments made under any benefit provision of this Contract for Network Benefits and Out-of-Network Benefits.

c. The maximum lifetime benefit amount is reduced in the amount of any benefits provided under the Subscriber's Select 2000[SM] Plan Contract, the PPO Select [SM] Plan Contract, and PPO Select Advantage[SM] Plan Contract held with Us immediately prior to a Participant's effective date under this Contract.

d. All benefit payments made by Us for Physical Medicine Services, ground or air ambulance services, *Extended Care Expense*, preventive care, and Outpatient Prescription Drugs, whether under the Network Benefits level or Out-of-Network Benefits level, will apply toward the Calendar Year benefit maximums under both levels of benefits.

**9. Benefits for Inpatient Hospital Expense**

If *Inpatient Hospital Expense* is incurred during each Hospital Admission in excess of the applicable Deductible shown on Your Schedule of Coverage, benefits will be provided at the benefit percentage as shown on Your Schedule of Coverage for Network and Out-of-Network Benefits. Any remaining unpaid Eligible Expenses will be considered Coinsurance and will be applied to the Out-of-Pocket Maximum.

**10. Benefits for Medical-Surgical Expense**

If a Participant incurs *Medical-Surgical Expense* in excess of the Deductible, benefits will be provided at the benefit percentage shown on Your Schedule of Coverage for Network and Out-of-Net work Benefits. The remaining unpaid *Medical-Surgical Expense* will be considered Coinsurance and will be applied to the Out-of-Pocket Maxim um for Network and Out-of-Network Benefits.

**11. Benefits for Extended Care Expense**

When *Extended Care Expense* is preauthorized, as previously explained under Article IV, Section 1e (2), of this Contract, and after satisfaction of the Calendar Year Deductible, We will provide benefits at the benefit percentage shown on Your

Schedule of Coverage for Network and Out-of-Network Benefits, up to the amount of the combined benefit maximums shown below for each category of *Extended Care Expense*.

Any Home Health Care or home Hospice Care charges for drugs (including antibiotic therapy) and laboratory services will not be *Extended Care Expense* but will be considered *Medical-Surgical Expense*.
Services and supplies for *Extended Care Expense*:

a. For Skilled Nursing Facility - *Calendar Year maximum benefit - $5,000 per Participant*

(1) All usual nursing care by a registered nurse (R.N.) or by a licensed vocational nurse (L.V.N.);

(2) Room and board and all routine services, supplies, and equipment provided by the Skilled Nursing Facility;

(3) Physical, occupational, speech, and respiratory therapy services by licensed therapists.

b. For Home Health Care - *Calendar Year maximum benefit - $5,000 per Participant*:

(1) Part-time or intermittent nursing care by a registered nurse (R.N.) or by a licensed vocational nurse (L.V.N.);

(2) Part-time or intermittent home health aide services which consist primarily of caring for the patient;

(3) Physical, occupational, speech, and respiratory therapy services by licensed therapists;

(4) Supplies and equipment routinely provided by the Home Health Agency.

(5) Benefits will **not** be provided for Home Health Care for the following:

(i) Food or home delivered meals;
(ii) Social casework or homemaker services;
(iii) Services provided primarily for Custodial Care;
(iv) Transportation services;
(v) Home Infusion Therapy;
(vi) Durable medical equipment.

c. Hospice Care - *Lifetime maximum benefit - $10,000 for each Participant*

(1) For Home Hospice Care:

(i) Part-time or intermittent nursing care by a registered nurse (R.N.) or by a licensed vocational nurse (L.V.N.);

(ii) Part-time or intermittent ho me health aide services which consist primarily of caring for the patient;

(iii) Physical, speech, and respiratory therapy services by licensed therapists;

(iv) Homemaker and counseling services routinely provided by the Hospice agency , including bereavement counseling.

(2) For Facility Hospice Care:

(i) All usual nursing care by a registered nurse (R.N.) or by a licensed vocational nurse (L.V.N.);

(ii) Room and board and all routine services, supplies, and equipment provided by the Hospice facility;

(iii) Physical, speech, and respiratory therapy services by licensed therapists.

**12. Case Management**

Case management identifies Participants with specific chronic or acute illnesses or injuries who have lengthy and complicated treatment plans.

Under certain circumstances, We may offer benefits for expenses, which are not otherwise Eligible Expenses under this Contract. We, at Our sole discretion, may offer such benefits if:

(1) The Participant, his family, and the Physician agree; and
(2) The benefits are cost effective; and
(3) We anticipate future expenditures for Eligible Expenses, which may be reduced by such benefits.

Any decision We make to provide such benefits shall be made on a case-by-case basis. Our case coordinator will initiate case management in appropriate situations. Our determination to provide alternative benefits in one instance shall neither commit Us to provide the same or similar alternative benefits for the same Participant or any other Participant nor cause Us to waive Our right to strictly apply the express provisions of this Contract in the future.

**13. Special Benefit Provisions**

Subject to the Deductible, Coinsurance and Out-of-Pocket Maximum, benefits available under this section are generally determined on the same basis as for other *Inpatient Hospital Expense, Medical-Surgical Expense,* and *Extended Care Expense,* except to the extent described in the following subsections.

a. ***Benefits for Treatment of Complications of Pregnancy***

(1) Benefits for Eligible Expenses incurred for treatment of Complications of Pregnancy will be the same as for treatment of sickness.

(2) Services and supplies incurred by a Participant for delivery of a child shall be considered Maternity Care and are not covered under this Contract.

b. ***Benefits for Physical Medical Services***

If a Participant incurs *Medical-Surgical Expense* for Physical Medicine Services, benefits will be provided on the same basis as any other sickness for Network Benefits and Out-of-Network Benefits up to a maximum benefit amount of $1,000 per Calendar Year for each Participant.

c. ***Benefits for Ground and Air Ambulance Services***

If *Medical-Surgical Expense* is incurred for professional local ground ambulance or air ambulance service to the nearest Hospital appropriately equipped and staffed for treatment of the Participant's condition, benefits will be provided at the Network Benefits level, up to a maximum benefit amount of $1,500 per Calendar Year for each Participant.

d. ***Benefits for Mammography Screening***

If a female Participant 35 years of age or older incurs *Medical-Surgical Expense* for a routine screening by low-dose mammography for the presence of occult breast cancer, benefits will be determined on the same basis as other *Medical-Surgical Expense* for Network Benefits and Out-of-Network Benefits, except that benefits will not be available for more than one mammography screening each Calendar Year.

Benefits for ***non-routine*** mammography will be determined on the same basis as for any other *Medical-Surgical Expense* for Network Benefits and Out-of-Network Benefits.

e. ***Benefits for Certain Tests for Detection of Prostate Cancer***

If a male Participant incurs *Medical-Surgical Expense* for diagnostic medical procedures incurred in conducting an annual medically recognized diagnostic examination for the detection of prostate cancer, benefits will be determined on the same basis as for any other sickness. Benefits will be provided only for a:

- Physical examination for the detection of prostate cancer; and

- Prostate-specific antigen test used for the detection of prostate cancer for each male Participant under this Contract who is at least:
  (a) 50 years of age and asymptomatic; or
  (b) 40 years of age with a family history of prostate cancer or another prostate cancer risk factor.

f. ***Benefits for Certain Tests for Detection of Colorectal Cancer***

Benefits for *Medical-Surgical Expense* incurred for a diagnostic medically recognized screening examination for the detection of colorectal cancer for Participants 50 years of age or older and who are at normal risk for developing colon cancer. Such Participant shall be entitled to benefits for a:

- Fecal occult blood test performed annually and flexible sigmoidoscopy performed every five years; or
- Colonoscopy performed every ten years.

g. ***Benefits for Treatment of Acquired Brain Injury***

Benefits for Eligible Expenses incurred for Medically Necessary treatment of Acquired Brain Injury will be determined on the same basis as treatment for any other condition. Eligible Expenses include the following services as a result of and related to an Acquired Brain Injury:

- Cognitive rehabilitation therapy — Services designed to address therapeutic cognitive activities, based on an assessment and understanding of the individual's brain-behavioral deficits.
- Cognitive communication therapy — Services designed to address modalities of comprehension and expression, including understanding, reading, writing, and verbal expression of information.
- Neurocognitive therapy and rehabilitation services — (1) Therapy designed to address neurological deficits in informational processing and to facilitate the development of higher level cognitive abilities and (2) Services designed to assist cognitively impaired individuals to compensate for deficits in cognitive functioning by rebuilding cognitive skills and/or developing compensatory strategies and techniques.
- Neurobehavioral treatment —Interventions that focus on behavior and the variables that control behavior.
- Neurobehavioral testing — An evaluation of the history of neurological and psychiatric difficulty, current symptoms, current mental status, and pre-morbid history, including the identification of problematic behavior and the relationship between behavior and the variables that control behavior. This may include interviews of the individual, family, or others.
- Neuro-physiological testing — An evaluation of the functions of the nervous system.
- Neuropsychological testing — The administering of a comprehensive battery of tests to evaluate neurocognitive, behavioral, and emotional strengths and weaknesses and their relationship to normal and abnormal central nervous system functioning.
- Neuro-psychological treatment — Interventions designed to improve or minimize deficits in behavioral and cognitive processes.
- Neuro-physiological treatment — Interventions that focus on the functions of the nervous system.
- Psychophysiological testing — An evaluation of the interrelationships between the nervous system and other bodily organs and behavior.
- Psychophysiological treatment — Interventions designed to alleviate or decrease abnormal physiological responses of the nervous system due to behavioral or emotional factors.
- Neurofeedback therapy — Services that utilizes operant conditioning learning procedure based on electroencephalographs (EEG) parameters, and which are designed to result in improved mental performance and behavior, and stabilized mood.

- Remediation — The process(es) of restoring or improving a specific function.
- Post-acute transition services — Services that facilitate the continuum of care beyond the initial neurological insult through rehabilitation and community reintegration.
- Community reintegration services — Services that facilitate the continuum of care as an affected individual transitions into the community.

***Services*** means the work of testing, treatment, and providing therapies to an individual with an Acquired Brain Injury.

***Therapy*** means the scheduled remedial treatment provided through direct interaction with the individual to improve a pathological condition resulting from an Acquired Brain Injury.

h. ***Benefits for Cosmetic, Reconstructive, or Plastic Surgery***

Benefits for Cosmetic, Reconstructive or Plastic Surgery will be the same as for treatment of any other sickness as described in this Contract for the following services only:

(a) Treatment provided for the correction of defects incurred in an Accidental Injury; or

(b) Treatment provided for recon-structure surgery following cancer surgery; or

(c) Surgery performed on a newborn child for the treatment or correction of a congenital defect; or

(d) Surgery performed on a Dependent child (other than a newborn child) under the age of 19 for the treatment or correction of a congenital defect other than conditions of the breast.

(e) Reconstruction of the breast on which mastectomy has been performed; surgery and reconstruction of the other breast to achieve a symmetrical appearance; and prostheses and treatment of physical complications, including lymph edemas, at all stages of the mastectomy.

(f) Reconstructive surgery performed on a Dependent child under the age of 19 due to craniofacial abnormalities to improve the function of, or attempt to create a normal appearance of an abnormal structure caused by congenital defects, developmental deformities, trauma, tumors, infections or disease.

i. ***Benefits for Dental Services***

(a) If a Participant incurs Eligible Expenses for the dental services listed below, benefits will be the same as for treatment of any other sickness as described in this Contract. Benefits will be provided only for:

(i) Oral Surgery, as defined in Article I of this Contract; or

(ii) Services provided to a Dependent child which are necessary for treatment or correction of a congenital defect; or

(iii) The correction of damage caused solely by external, violent Accidental Injury to healthy, un-restored natural teeth and supporting tissues limited to such services and supplies provided:

a) For 24 months from the date of accident; or

b) To the termination date of this Contract,

Whichever occurs first; except that an injury sustained as a result of biting or chewing shall not be considered an Accidental Injury.

(b) Except as excluded in Article V, Section 1, of this Contract, for any other dental services for which a Participant incurs *Inpatient Hospital Expense* for a Medically Necessary Hospital Admission, benefits will be determined as described in the subsection entitled **Benefits for Inpatient Hospital Expense**.

j. ***Benefits for Emergency Care***

Benefits for the following Emergency Care services shall be provided at the Network Benefits level until the patient can reasonably be expected to transfer to a Network Hospital:

(a) Any medical screening examination or other evaluation required by state or federal law to be provided in the emergency department of a Hospital, which is necessary to determine whether an emergency medical condition exists;

(b) Necessary Emergency Care services including the treatment and stabilization of an emergency medical condition; and

(c) Services originating in a Hospital emergency department following treatment or stabilization of an emergency medical condition.

k. ***Benefits for Preventive Care***

*Medical-Surgical Expense* incurred for the following preventive care services will be available under this Contract up to a $300 combined Calendar Year benefit maximum per Participant for Network and Out-of-Network Benefits:

(a) Routine physical examinations
(b) Well-child care,
(c) Hemoccult tests,
(d) Pap smears,
(e) Immunizations for Participants 6 years of age and over,
(f) Routine lab and x-ray, and
(g) Vision and hearing examinations.

Benefits will be determined at the benefit percentage shown on Your Schedule of Coverage for Network and Out-of-Network Benefits.

Benefits are not available for *Inpatient Hospital Expense* or *Medical-Surgical Expense* for routine physical examinations performed on an inpatient basis, except for the initial examination of a newborn child.

Injections for allergies are not considered immunizations under this benefit provision.

Benefits for routine mammography screening, colorectal cancer screenings and prostate cancer screenings are not available under this preventive care benefit.

l ***Required Benefits for Childhood Immunizations***

Benefits for *Medical-Surgical Expense* incurred by a Dependent child from birth up to the child's sixth birth date for childhood immunizations will be determined at 100% of the Allowable Amount for Network and Out-of-Network Benefits. The Deductible, and Coinsurance, if any, will not be applicable. Benefits are available for:

(a) Diphtheria,
(b) Hemophilus influenza type b,
(c) Hepatitis B,
(d) Measles,
(e) Mumps,
(f) Pertussis,
(g) Polio,
(h) Rubella,
(i) Tetanus,
(j) Varicella, and
(k) Any other immunization that is required by law for the child.

Allergy injections are not considered immunizations under this benefit provision.

***Required Benefits for Newborn Screening Tests for Hearing Impairment***

Benefits are available for *Medical-Surgical Expense* incurred by a Dependent child:

(a) For a screening test for hearing loss from birth through the date the child is 30 days old; and

(b) Necessary diagnostic follow-up care related to the screening test from the date of birth through the date that the child is 24 months old.

The Deductible will not apply. However, benefits will be subject to all other contractual provisions.

n. ***Benefits for Treatment of Diabetes***

Benefits are available and will be determined on the same basis as any other sickness for those Medically Necessary items for *Diabetes Equipment* and *Diabetic Supplies* (for which a Physician or Professional Other Provider has written an order) and *Diabetic Management Services/Diabetes Self-Management Training*. Such items, when obtained for a *Qualified Participant,* shall include but not be limited to the following:

(1) *Diabetic Equipment*

(a) Blood glucose monitors (including noninvasive glucose monitors and monitors designed to be used by blind individuals);

(b) Insulin pumps (both external and implantable) and associated appurtenances, which include:

- Batteries,
- Skin preparation items,
- Adhesive supplies,
- Infusion sets,
- Insulin cartridges,
- Durable and disposable devices to assist in the injection of insulin, and
- Other required disposable supplies;

(c) Insulin infusion devices; and

(d) Podiatric appliances, including up to two pairs of therapeutic footwear per Calendar Year, for the prevention of complications associated with diabetes.

(2) *Diabetic Supplies*

(1) Test strips for blood glucose monitors,

(2) Visual reading and urine test strips and tablets for glucose, ketones and protein,

(3) Lancets and lancet devices,

(4) Insulin and insulin analogs preparations,

(5) Injection aids, including devices used to assist with insulin injection and needleless systems,

(6) Biohazard disposable containers,

(7) Insulin syringes,

(8) Prescriptive and non-prescriptive oral agents for controlling blood sugar levels, and

(9) Glucagon emergency kits.

However, insulin and insulin analog preparations, insulin syringes necessary for self-administration, prescriptive and non-prescriptive oral agents will be covered as ***Outpatient Prescription Drugs*** and are subject to the Calendar Year benefit maximum shown on Your Schedule of Coverage.

(3) Repairs and necessary maintenance of insulin pumps not otherwise provided for under the manufacturer's warranty or purchase agreement, rental fees for pumps during the repair and necessary maintenance of insulin pumps, neither of which shall exceed the purchase price of a similar replacement pump.

(4) New and improved treatment and monitoring equipment or supplies which are approved by the U. S. Food and Drug Administration if it is determined to be Medically Necessary and appropriate by the treating Physician or Professional Other Provider.

(5) Benefits are available and will be determined on the same basis as any other sickness for those Medically Necessary items for *Diabetes Equipment* and *Diabetic Supplies* (for which a Physician or Professional Other Provider has written an order) and *Diabetic Management Services/Diabetes Self-Management Training*. Such items, when obtained for a *Qualified Participant,* shall include but not be limited to the following:

(a) The physical cause and process of diabetes;

(b) Nutrition, exercise, medications, monitoring of laboratory values and the interaction of these in the effective self-management of diabetes;

(c) Prevention and treatment of special health problems for the diabetic patient;

(d) Adjustment to lifestyle modifications; and

(e) Family involvement in the care and treatment of the diabetic patient. The family will be included in certain sessions of instruction for the patient.

*Diabetes Self-Management Training* for the *Qualified Participant* will include the development of an individualized management plan that is created for and in collaboration with the *Qualified Participant* (and/or his or family or caretaker) to understand the care and management of diabetes, including nutritional counseling and proper use of *Diabetes Equipment* and *Diabetes Supplies*.

A *Qualified Participant* means an individual eligible for coverage under this Contract who has been diagnosed with (a) insulin dependent or non-insulin dependent diabetes, (b) elevated blood glucose levels induced by pregnancy, or (c) another medical condition associated with elevated blood glucose levels.

o. ***Benefits for Organ and Tissue Transplants***

(1) Subject to the conditions described below, including the organ and tissue transplant maximum, Network Benefits and Out-of-Network Benefits for covered services and supplies provided to a Participant (donor and/or recipient) by a Hospital, Physician, or Other Provider related to an organ or tissue transplant will be determined as follows, but only if:

(a) The transplant procedure is not Experimental/Investigational in nature;

(b) Donated human organs or tissue are used;

(c) The recipient is a Participant under this Contract. Benefits are also available to a live donor to the extent that benefits remain under the recipient's contract after benefits for the recipient's expenses have been provided;

(d) The transplant procedure is preauthorized as provided in Section 1, Subsection e(3), of this Article IV;

(e) The Participant meets all of the criteria established by Us in Our written medical policy guidelines; and

(f) The Participant meets all of the protocols established by the Hospital in which the transplant is performed.

Covered services and supplies ***related to*** an organ or tissue transplants include, but are not limited to, x-rays, laboratory, chemotherapy, radiation therapy, prescription drugs, and complications arising from such transplant.

(2) Benefits are available and will be determined on the same basis as any other sickness for when the transplant procedure is for the:

(a) Liver;
(b) Heart;
(c) Heart—Lung (heart and one lung or heart and two lungs);
(d) Kidney;
(e) Cornea;
(f) Lung; or
(g) Bone Marrow.

(3) Covered services and supplies include services and supplies provided:

(a) For the evaluation of organs or tissues including, but not limited to, the determination of tissue matches;

(b) For the removal of organs or tissues from deceased donors; and

(c) For the transportation and storage of donated organs or tissues.

(4) No benefits are available for a Participant for the following services or supplies:

(a) Living and/or travel expenses of the live donor or recipient;

(b) Donor search and accept-ability testing of potential living donors;

(c) Expenses related to maintenance of life for purposes of organ or tissue donation; and

(d) Purchase of the organ or tissue.

(5) No benefits are available for any organ or tissue transplant procedure (or the services performed in preparation for, or in conjunction with, such procedure) which BCBSTX considers to be Experimental/Investigational.

(6) The total amount of benefits for organ and tissue transplants available to any one Participant under this Contract shall not exceed the lifetime maximum benefit amount shown on Your Schedule of Coverage. This maximum shall include benefits provided for prescription drugs used while in the Hospital. Benefits provided for prescription drugs used on an outpatient basis will be provided under the ***Outpatient Prescription Drugs*** section and will be subject to the Calendar Year maximum benefit amount specified in Article IV**,** Section 2b(3), of this Contract.

p. ***Certain Therapies for Children with Development Delay***

(1) *Medical-Surgical Expense* benefits are provided for a Dependent child under three y ears of age with ***developmental delays*** for the necessary rehabilitative and habilitative therapies in accordance with an *individualized family service plan* issued by Texas Interagency Council on Early Childhood Intervention under Chapter 73, Texas *Human Resources Code*. Such therapies include:

- Occupational therapy evaluation and services;
- Physical therapy evaluations and services;
- Speech therapy evaluations and services; and
- Dietary or nutritional evaluations.
- The *individualized family service plan* must be submitted to Us prior to the commencement of services, and when the *individualized family service plan* is altered.

- *Developmental delay* means a significant variation in norm al development as measured by appropriate diagnostic instruments and procedures, in one or more of the following areas:
- Cognitive development;
- Physical development;
- Communication development;
- Social or emotional development; or
- Adaptive development.

*Individualized family service plan* means an initial and ongoing treatment plan developed by the Texas Interagency Council on Early Childhood Intervention.

(2) Once the child has reached age of 3, when services under the *individualized family service plan* are completed and Eligible Expenses, as otherwise cove red under this Contract, will be available. All contractual provisions of this Contract will apply, including but not limited to, defined terms, limitations and exclusions, and benefit maximums.

q ***Outpatient Prescription Drugs***

(1) **How It Works**

When You need a Prescription Order filled, You can elect to go to a Participating Pharmacy or Non-Participating Pharmacy. It is usually financially beneficial to You to utilize Participating Pharmacies.

(a) ***Participating Pharmacy***

When You go to a Participating Pharmacy:

- present Your Identification Card to the pharmacist along with Your Prescription Order,
- provide the pharmacist with the birth date and relationship of the patient,
- sign the insurance claim log,
- pay the Deductible, if applicable, and
- pay the appropriate Copayment Amount for each Prescription Order filled or refilled and the pricing difference, if any.

Participating Pharmacies have agreed not to bill You for any covered prescription drug expenses in excess of the Deductible, if not previously satisfied, Copayment Amount plus any pricing difference, and Coinsurance.

If You are unsure whether a pharmacy is a Participating Pharmacy, You may contact the Customer Service Helpline. You must present Your Identification Card to Your Participating Pharmacy in order to receive full Contract benefits.

(b) ***Non-Participating Pharmacy***

If You have a Prescription Order filled at a Non-Participating Pharmacy, You must pay the Pharmacy the full amount of its bill and submit to the Carrier a claim form and itemized receipt verifying that the prescription was filled. We will pay benefits equal to 80% of the billed charge (but not more than 80% of the Average Wholesale Price, plus a dispensing fee), less the appropriate Deductible, Copayment Amount, any applicable pricing differences, and Coinsurance.

(c) ***Maximum Outpatient Prescription Drug Benefit***

The maximum amount of benefits available under this Contract is $5,000 per Calendar Year for each Participant regardless of whether or not benefits are received at a Participating Pharmacy or Non-Participating Pharmacy.

(d) ***Deductibles and Copayment Amounts***

(1) **Deductibles**

The Calendar Year Deductible is based on whether You have elected "Individual Coverage" or "Family Coverage". The Calendar Year Deductible as shown on Your Schedule of Coverage will also apply to the outpatient prescription drugs. The pharmacist can tell You once the Calendar Year Deductible has been satisfied or You may contact the Customer Service at the telephone number shown on the back of Your Identification Card.

After the Calendar Year Deductible is met, You will pay the appropriate Copayment Amount as described below.

(2) **Copayment Amounts**

There are three Copayment Amounts shown on Your Schedule of Coverage. After the Calendar Year Deductible has been satisfied, the Copayment Amount You pay depends on the type of drug dispensed. If the drug dispensed is a:

a. Generic Drug - You pay the Generic Drug Copayment Amount,

b. Preferred Brand Name Drug - You pay the Preferred Brand Nam e Drug Copayment Amount and any pricing difference described below, if applicable,

c. Non-Preferred Brand Nam e Drug - You pay the Non-Preferred Brand Nam e Drug Copayment Amount.

When the Out-of-Pocket Maximum shown in Your Schedule of Coverage has been reached, benefits for Covered Drugs will be provided on the same basis as for other sickness up to the Calendar Year benefit maximum shown on Your Schedule of Coverage for Outpatient Prescription Drugs.

(e) ***Preferred Brand Name Drug List***

A Preferred Brand Name Drug List is a sample listing of the most commonly prescribed medications available in the Preferred Brand Name Drug category. This list does not include all of the Preferred Brand Name Drugs. If a medication is not on the Preferred Brand Name Drug List, You may call the Customer Service Helpline to find out which drugs are on the List and to determine Your benefit level.

This List will be updated from time to time to add new Preferred Brand Name Drugs. A new Preferred Brand Name Drug List will be provided to each Subscriber at least annually.

(f) ***How Copayment Amounts Apply***

When Your Physician has marked the Prescription Order "Brand Necessary," the pharmacist may *only* dispense the brand name drug and You pay the appropriate brand name Copayment Amount.

If the Physician has not stipulated Brand Necessary, You may still choose to buy the brand name drug instead of the Generic Drug. If the brand name drug dispensed **is** on the Preferred Brand Name Drug List, You will pay the Preferred Brand Name Drug Copayment Amount **plus** the difference between the Generic Drug and the Preferred Brand Name Drug. If the brand name drug is a Non-Preferred Brand Name Drug, You pay the Non-Preferred Brand Name Drug Copayment Amount.

(g) ***Generic Drugs***
This Contract provides an incentive for using Generic Drugs. You are encouraged to take advantage of this incentive when Your prescribing Provider and pharmacist feel it is safe to do so and where state or federal laws permit. Generic Drugs offer Participants the lowest available Copayment Amount.

(h) ***Amount of Your Payment*** The amount of Your payment under this Contract depends on whether:

a. The Calendar Year Deductible and/or Copayment Amount has been satisfied; and

b. The Prescription Order is filled at a Participating Pharmacy; and

c. A Generic Drug or brand name drug is dispensed; and

d. The Calendar Year benefit maximum and Out-of-Pocket Maximum has been reached.

(2) **Limitations on Quantities Dispensed**

This Contract will pay for the dispensing of up to a 90-day supply of a Covered Drug on each occasion when You have a Prescription Order filled or refilled. A Copayment Amount applies to each 30-day supply of drugs dispensed. This means when You receive a 90-day supply of drugs, You will pay ***three*** Copayment Amounts and any pricing differences.

Payment for benefits covered under this Contract may be denied if drugs are dispensed or delivered in a manner intended to change, or having the effect of changing or circumventing, the quantity limitations described above. For instance, if You obtain multiple refills for the same Prescription Order before the original supply is consumed.

## Article V - Limitations and Exclusions

***The benefits as described in Article IV of this Contract are not available for****:*

1. Any services or supplies for Eligible Expenses incurred for a Preexisting Condition during a period of 12 months beginning with the Participant's Effective Date under this Contract. This Preexisting Condition exclusion shall not apply to a Participant:

   a. Who was continuously covered for an aggregate of 18 months under Creditable Coverage if the previous coverage was in effect up to a date not more than 63 days before the Effective Date of the Participant's coverage under this Contract, excluding any waiting periods; and

   b. Whose most recent Creditable Coverage was under a group health plan, a governmental plan, or a church plan.

   If a Participant's most recent Creditable Coverage was under a group health plan, a governmental plan, or a church plan, but the Participant does not have aggregate Creditable Coverage totaling 18 months, We will credit the time the Participant was previously covered under Creditable Coverage if the previous coverage was in effect at anytime during the 18 months preceding (a) the first day coverage is effective under this Contract if there is not a waiting period, or (b) the day the applicant files a substantially complete application for coverage if there is a waiting period.

2. Any services or supplies which are not Medically Necessary and essential to the diagnosis or direct care and treatment of a sickness, injury, condition, disease, or bodily malfunction; or any Experimental/Investigational services and supplies.

3. Any services and supplies provided to any Participant for Maternity Care.

4. Any portion of a charge for a service or supply that is in excess of the Allowable Amount as determined by Us.

5. Any medical services and supplies, Covered Drugs, devices, or other Pharmacy services and supplies for which benefits are, or could upon proper claim be, provided under the Workers' Compensation law; or any services or supplies for which benefits are, or could upon proper claim be, provided under any present or future laws enacted by the Legislature of any state, or by the Congress of the United States, including but not limited to, any services or supplies for which benefits are payable under Part A and Part B of Title XVIII of the Social Security Act (Medicare), or any laws, regulations or established procedures of any county or municipality, except as provided in Article VIII, Section 8. This Subsection 1d shall not be applicable to any legislation, which specifies that the benefits of this Contract shall be deducted from the benefits available under such legislation.

6. Any charges for services and supplies provided which require Our approval when approval is not given.

7. Any services or supplies for which a Participant is not required to make payment or for which a Participant would have no legal obligation to pay in the absence of this or any similar coverage, (except treatment of mental illness or mental retardation by a tax supported institution).

8. Any services or supplies provided by a person who is related to the Participant by blood or marriage.

9. Any services or supplies provided for injuries sustained: (a) as a result of war, declared or undeclared, or any act of war; or (b) while on active or reserve duty in the armed forces of any country or international authority.

10. Any charges as a result of suicide or attempted suicide, or intentionally self-inflicted injury, while sane or insane.

11. Any charges: (a) resulting from the failure to keep a scheduled visit with a Physician or Professional Other Provider; or (b) for completion of any insurance forms; or (c) for acquisition of medical records.

12. Room and board charges incurred during a Hospital Admission for diagnostic or evaluation procedures unless the tests could not have been performed on an outpatient basis without adversely affecting the Participant's physical condition or the quality of medical care provided.`

13. Any services or supplies provided during the course of a Hospital Admission or an admission in a Facility Other Provider which commences before the patient is covered as a Participant hereunder; or any services or supplies provided after the termination of the Participant's coverage, except as may be provided in Article VI, Section 1, Subsection f, of this Contract.

14. Any services or supplies provided for Dietary and Nutritional Services, **except** as may be provided in this Contract for:

   a. An inpatient nutritional assessment program provided in and by a Hospital and approved by Us;

   b. ***Treatment of Diabetes***; and

   c. Dietary or nutritional evaluations provided in conjunction with ***Certain Therapies for Children with Developmental Delay.***

15. Any services or supplies for Custodial Care.

16. Any services or supplies provided in connection with a routine physical examination (including a routine Pap smear), diagnostic screening, or immunizations. This exclusion does not apply to the following **except** as may be provided for in the Special Benefit Provision section in Article IV, of this Contract:

a. ***Mammography Screening;***

b. ***Preventive Care*** up to the Calendar Year benefit maximum;

c. ***Childhood Immunizations;***

d. ***Certain Tests for the Detection of Prostate Cancer;***

e. ***Newborn Screening Tests for Hearing Impairment;***

f. ***Certain Tests for the Detection Colorectal Cancer Screening; and***

g. ***Certain Therapies for Children with Developmental Delay.***

17. Any services and supplies (except for Medically Necessary diagnostic and surgical procedures) for treatment or related services to the temporomandibular (jaw) joint or jaw-related neuromuscular conditions with oral appliances, oral splints, oral orthotics, devices, prosthetics, dental restorations, orthodontics, physical therapy, or alteration of the occlusal relationships of the teeth or jaws to eliminate pain or dysfunction of the temporomandibular joint and all adjacent or related muscles and nerves.

18. Any services or supplies provided for orthognathic surgery after the Participant's 19th birthday. Orthognathic surgery includes, but is not limited to, correction of congenital, developmental or acquired maxillofacial skeletal deformities of the mandible and maxilla.

19. Any items of *Medical-Surgical Expense* incurred for dental care and treatments, dental surgery, or dental appliances, except as provided in Article IV, Section 1, of this Contract.

20. Any services or supplies provided for Cosmetic, Reconstructive, or Plastic Surgery, except as may be provided for in Article IV, Section 1, of this Contract.

21. Any services or supplies provided for:

    a. Treatment of myopia and other errors of refraction, including refractive surgery; or

    b. Orthoptics or visual training; or

    c. Eyeglasses, contact lenses or hearing aids, provided that intraocular lenses and cochlear implant devices shall be specific exceptions to this exclusion; or

    d. Examinations for the prescription or fitting of eyeglasses, contact lenses or hearing aids, **except** as may be provided for in the Special Benefit Provision section in Article IV of this Contract.

22. Any services or supplies for mental and nervous disorders, except for Organic Brain Disease as defined in Article I of this Contract.

23. Any services or supplies provided by a Licensed Hearing Instrument Aid Fitter and Dispenser.

24. Except as specifically included as an Eligible Expense, any Medical Social Services; any outpatient family counseling and/or therapy, bereavement counseling, vocational counseling, Marriage and Family Therapy and/or counseling; any services provided by a Licensed Clinical Social Worker, a Licensed Professional Counselor, or a Marriage and Family Therapist.

25. Any services or supplies provided for treatment of adolescent behavior disorders, including conduct disorders and oppositional disorders.

26. Any services or supplies provided for treatment of Chemical Dependency unless an acute life-threatening condition occurs, in which case benefits for Eligible Expenses incurred in a Hospital during the acute life-threatening stage only will be provided on the same basis as for any other sickness; any services or supplies provided by a Licensed Chemical Dependency Counselor or a Licensed Psychological Associate.

27. Any occupational therapy services which do not consist of traditional physical therapy modalities and which are not part of an active multi-disciplinary physical rehabilitation program designed to restore lost or impaired body function.

28. Travel, whether or not recommended by a Physician or Professional Other Provider, except for local ground ambulance service or air ambulance service otherwise covered hereunder.

29. Any services or supplies provided for reduction of obesity or weight, including surgical procedures, even if the Participant has other health conditions which might be helped by a reduction of obesity or weight.

30. Any services or supplies provided primarily for:

a. Environmental Sensitivity; or

b. Clinical Ecology or any similar treatment not recognized as safe and effective by the American Academy of Allergists and Immunologists; or

c. Inpatient allergy testing or treatment.

31. Any services or supplies provided as, or in conjunction with, chelation therapy, except for treatment of acute metal poisoning.

32. Any services or supplies provided for, in preparation for, or in conjunction with:

a. Sterilization reversal (male or female);

b. Transsexual surgery;

c. Sexual dysfunction;

d. In vitro fertilization services; and

e. Promotion of fertility through extra-coital reproductive technologies including, but not limited to, artificial insemination, intrauterine insemination, super ovulation uterine capacitation enhancement, direct-intraperitoneal insemination, trans-uterine tubal insemination, gamete intrafallopian transfer, pronuclear oocyte stage transfer, zygote intrafallopian transfer, and tubal embryo transfer.

33. Any services or supplies for routine foot care, such as:

a. The cutting or removal of corns or callouses, the trimming of nails (including mycotic nails) and other hygienic and preventive maintenance care in the realm of self-care, such as cleaning and soaking the feet, the use of skin creams to maintain skin tone of both ambulatory or bedfast patients; and

b. Any services performed in the absence of localized illness, injury, or symptoms involving the foot; and

c. Any treatment of a fungal (mycotic) infection of the toenail in the absence of:

(1) Clinical evidence of mycosis of the toenail;

(2) Compelling medical evidence documenting that the patient either:

(a) Has a marked limitation of ambulation requiring active treatment of the foot; or
(b) In the case of a non-ambulatory patient, has a condition that is likely to result in significant medical complications in the absence of such treatment; and
(c) Excision of a nail without using an injectable or general anesthetic.

34. Any Speech and Hearing Services. This exclusion does not apply to the following **except** as provided for in the Special Benefit Provisions section in Article IV, Section 1, of this Contract for:

    (a) ***Extended Care Expense***;

    (b) ***Preventive Care*** up to the Calendar Year maximum;

    (c) ***Newborn Screening Tests for Hearing Impairment*****;** and

    (d) ***Certain Therapies for Children with Developmental Delay***.

35. Any services or supplies for reduction mammoplasty.

36. Any services or supplies provided for the following treatment modalities: (a) acupuncture; (b) video-fluoroscopy; (c) intersegmental traction; (d) surface EMGs; (e) manipulation under anesthesia; and (f) muscle testing through computerized kinesiology machines such as Isostation, Digital Myograph and Dynatron.

37. Orthodontic or other dental appliances; splints or bandages provided by a Physician in a non-hospital setting or purchased "over-the-counter" for support of strains and sprains; orthopedic shoes which are a separable part of a covered brace, specially ordered, custom-made or built-up shoes, cast shoes, shoe inserts designed to support the arch or affect changes in the foot or foot alignment, arch supports, elastic stockings and garter belts. This exclusion does not apply to podiatric appliances as described in Article IV, Section m (12), of this Contract.

38. Any services or supplies provided for or in conjunction with a condition which has been specifically excluded for a Participant as indicated in the application which is attached to and made a part of this Contract.

39. Any services or supplies not specifically defined as an Eligible Expense under Article IV of this Contract.

40. Any drugs and medicines above the Calendar Year maximum benefit amount shown on Your Schedule of Coverage for ***Outpatient Prescription Drugs.***

41. Drugs which do not by law require a Prescription Order from a Provider (except injectable insulin); and drugs, or covered devices for which no valid Prescription Order is obtained.

42. Devices or durable medical equipment of any type (even though such devices may require a Prescription Order), such as, but not limited to, therapeutic devices, artificial appliances, or similar devices (except disposable hypodermic needles and syringes for self-administered injections.)

43. Administration or injection of any drugs.

44. Vitamins (except those vitamins which by law require a Prescription Order and for which there is no non-prescription alternative).

45. Drugs dispensed in a Physician's office or during confinement while a patient in a Hospital, or other acute care institution or facility, including take-home drugs; and drugs dispensed by a nursing home or custodial or chronic care institution or facility.

46. Any services provided or items furnished for which the Pharmacy normally does not charge.

47. Drugs for which the Pharmacy's usual and customary charge to the general public is less than or equal to the Copayment Amount provided under this Contract.

48. Infertility medications and fertility medications; prescription contraceptive devices, non-prescription contraceptive materials, (except prescription oral contraceptive medications which are Legend Drugs). However, coverage for prescription contraceptive devices is provided under the medical portion of this Contract.

49. Any prescription antiseptic or fluoride mouthwashes, mouth rinses, or topical oral solutions or preparations.

50. Drugs required by law to be labeled: "Caution—Limited by Federal Law to Investigational Use," or experimental drugs, even though a charge is made for the drugs.

51. Covered Drugs dispensed in quantities in excess of the amounts stipulated in Article IV, Section 2c, of this Contract, or refills of any prescriptions in excess of the number of refills specified by the Physician or by law, or any drugs or medicines dispensed more than one year following the Prescription Order date.
52. Legend Drugs which are not approved by the U.S. Food and Drug Administration (FDA).
53. Fluids, solutions, nutrients, or medications (including all additives and chemotherapy) used or intended to be used by intravenous or gastrointestinal (enteral) infusion or by intravenous injection in the home setting; drugs given through routes other than subcutaneously in the home setting. This exception does not apply to dietary formula necessary for the treatment of phenylketonuria (PKU) or other heritable diseases.
54. Drugs prescribed and dispensed for the treatment of obesity or for use in any program of weight reduction, weight loss, or dietary control.
55. Drugs the use or intended use of which would be illegal, unethical, imprudent, abusive, not Medically Necessary, or otherwise improper.
56. Drugs obtained by unauthorized, fraudulent, abusive, or improper use of the Identification Card.
57. Drugs used or intended to be used in the treatment of a condition, sickness, disease, injury, or bodily malfunction which is not covered under this Contract, or for which benefits have been exhausted.
58. Rogaine, minoxidil or any other drugs, medications, solutions or preparations used or intended for use in the treatment of hair loss, hair thinning or any related condition, whether to facilitate or promote hair growth, to replace lost hair, or otherwise.
59. Any smoking cessation products requiring a Prescription Order.
60. Cosmetic drugs used primarily to enhance appearance, including, but not limited to, correction of skin wrinkles and skin aging.
61. Prescription Orders for which there is an over-the-counter product available with the same active ingredient(s).
62. Athletic performance enhancement drugs.
63. Drugs to treat sexual dy sfunction, including, but not limited to, sildenafil citrate (Viagra), phentolamine (Regitine), alprostadil (Prostin, Edex, Caverject), and apomorphine in oral and topical form.
64. Allergy serum and allergy testing materials.
65. Compounded drugs that do not meet the definition of Compound Drugs as defined Article I of this Contract.

## Article VI – Guaranteed Renewability and Termination of Coverage

This Contract is renewable at the option of the Subscriber unless terminated as discussed below.

1. The coverage of the Subscriber and all covered Dependents under this Contract will terminate on the earliest of the following dates:

    a. On the last day of the last period for which the premium for this Contract has been paid to Us, subject to the Grace Period provided in Article VII, Section 3; or

    b. On the last day of any Contract Month upon written request for termination of this Contract made by the Subscriber and received by Us prior thereto; or

    c. On the Contract Date for fraudulent or intentional misrepresentation of a material fact; or

    d. On the date of death of the Subscriber; or

    e. On the last day of any Contract Month in which a Subscriber no longer resides, lives, or works in an area for which We are authorized to do business; but only if coverage is terminated uniformly without regard to any Health Status Related Factor; or

f On the date following 90 days advance notice by Us to the Subscriber, but only if We are terminating all other Form No. **PPO-BLUEEDGE[SM]-INDL-HSA-4** Plan Contracts; provided We act uniformly without regard to any Health-Status Related Factor of covered individuals and each Participant shall have the option to purchase on a guaranteed issue basis any other individual health insurance contract We offer at the time of discontinuance of this Contract.

g. In the event this Contract is terminated in accordance with the provisions of Subsection f above, a Participant does not elect to purchase another individual hospital, medical or surgical insurance policy , coverage for any continuous illness or injury of a Participant which commenced while this Contract was in force shall, at termination, continue during the continuous Total Disability of the Participant and shall be limited to:

(1) The duration of the policy benefit period: or

(2) Payment of maximum benefits under this Contract; or

(3) A period not less than 90 days.

***Total Disability***, for purposes of this Subsection g, means the complete inability of a Participant as a result of injury or sickness to perform the usual tasks of his occupation, provided such Participant is not otherwise gainfully employed for wage or profit and is under the regular care of a Physician or Professional Other Provider.

h. We may elect to terminate all individual hospital, medical or surgical coverage plans delivered or issued for delivery in this State, but only if We:

(1) Notify the Texas Department of Insurance Commissioner not later than 180 days prior to the date coverage under the first individual hospital, medical or surgical health benefit plan terminates;

(2) Notify each covered Participant not later than 180 days prior to the date on which coverage terminates for that Participant; and

(3) Act uniformly without regard to any Health-Status Related Factor of covered individuals or Dependents of covered individuals who may become eligible for coverage.

2. In addition to the provisions of Section 1, above, the coverage of any Dependent under this Contract shall terminate on the earliest of the following dates:

a At the end of the Contract Month in which the Dependent ceases to be a Dependent as defined in Article I, Section 18, of this Contract, provided that:

(1) If such date falls within a period for which We haveaccepted premium, coverage shall not terminate until the last day of such period; or

(2) Coverage for any unmarried child who is medically certified as Disabled and dependent upon You shall not terminate upon reaching age 25 if the child continues to be both: (a) Disabled, and (b) dependent upon You for more than one-half of his support as defined by the *Internal Revenue Code* of the United States. ***Disabled*** means any medically determinable physical or mental condition that prevents the child from engaging in self-sustaining employment. The disability must begin while the child is covered under this Contract and before the child attains 25. You must submit satisfactory proof of the disability and dependency to Us within 31 days following the child's attainment of age 25. As a condition to the continued coverage of a child as a disabled Dependent beyond age 25, We may require periodic certification of the child's physical or mental condition but not more frequently than annually after the two-year period following the child's attainment of age 25.

b. On the date of death of the Dependent; or

c On the last day of any Contract Month on written request for termination of the Dependent's coverage made by the Subscriber and received by Us prior thereto; or

d On the last day of any Contract Month in which a Dependent no longer resides, lives, or works in an area for which We are authorized to do business; but only if coverage is terminated uniformly without regard to any Health Status Related Factor.

3 Notwithstanding the provisions of Section 1, above, within 30 days of the death of the Subscriber:

a. If there is a surviving spouse, all rem aining eligible Dependents may jointly elect in written notice to Us to continue this Contract with the surviving spouse as Subscriber.

b. If there is no surviving spouse, each Dependent may elect in written notice to Us to continue this Contract in his own name.

4 Notwithstanding the provisions of Section 2, above, within 30 days of a divorce, marriage of a child, or a child attaining age 25, the former Dependent losing coverage may elect to apply for coverage in his own name.

Upon timely application, We will allow coverage under the name of the applicant without evidence of insurability at the then prevailing premium rate for persons of the same age, sex and geographical location.

In the case of a change in marital status, the new Contract will have the same Effective Date as the Contract under which coverage was afforded prior to the loss of coverage. The rights provided under this Section 4 shall terminate if We do not receive the application within the 30-day period.

## Article VII — Standard Provisions

1. **Claim Forms:** We will furnish to the Subscriber, the Hospital, and/or the Participant's Physician or Other Provider, upon receipt of a notice of claim or prior thereto, such forms as We usually furnish for filing Proof of Loss. If such forms are not furnished within 15 days after receipt of such notice byUs, the Participant shall be deemed to have complied with the requirements of this Contract as to Proof of Loss upon sub mitting, within the time fixed in the Contract for filing such Proof of Loss, written proof covering the occurrence, the character, and the extent of the loss for which claim is made.

2. **Grace Period**: A Grace Period of: (a) ten days for monthly, or (b) 31 days for quarterly payment of premiums shall be allowed from the due date of each premium payment, during which Grace Period this Contract will continue in force, subject to its termination in accordance with the provisions hereof.

3. **Legal Actions**: No action at law or in equityshall be brought to recover on this Contract prior to the expiration of 60 days after written Proof of Loss has been filedin accordance with the requirements herein and no such action shall be brought at all unless brought within three years from the expiration of the time within which written Proof of Loss is required to be furnished by this Contract.

4. **Contract; Amendments:**

a. This Contract, Schedule of Coverage, the application or applications for coverage by the Subscriber, and any amendments, riders, or endorsements, Amendatory Endorsements and/or Coverage Exclusion Riders attached hereto, shall constitute the entire Contract. Anystatements made shall be deemed representations and not warranties, and no statement made by the Subscriber in the application for this Contract shall be used in any contest or in defense of a claim hereunder unless a copy of the application is attached to this Contract when issued.

b. Only Our President, Vice President, Secretary, or an Assistant Secretary has the power to change, modify, or waive the provisions of this Contract, and then only in writing prepared at the Adm inistrative Office and attached or endorsed hereto. We shall not be bound by any promise or representation heretofore or hereafter made by or to any agent other than as specified above.

5. **Misstatement of Age:** In the event the age of a Participant has been misstated, the premium rate for such person shall be determined according to the correct age as provided in this Contract and there shall be an equitable adjustment of premium rate made so that We will be paid the premium rate at the true age of the Participant.

6. **Notice of Claim:** You shall give or cause to be given written notice to Us at Our Administrative Office at Richardson, Dallas County, Texas or Our duly authorized agent within 30days or as soon as reasonablypossible after any Participant receives any of the services for which benefits are provided herein. Notice given to any Hospital by the Participant at the time of admission as a patient shall satisfy this requirement.

7. **Physical Examinations and Autopsy:** We, at Our own expense, shall have the right and opportunity to examine the person of the Participant for who mclaim is made, when and so often as We may reasonably require during the pendency of a claim hereunder and also in case of death, the right andopportunity to make an autopsy where it is not prohibited by law.

8. **Proof of Loss:**

   a. Except for services or supplies provided by a Network Provider, written Proof of Loss must be furnished to Our Administrative Office at Richardson, Dallas County, Texas, or Our duly authorized agent, no later than 90 days from the date that the services or supplies are provided to the Participant. Failure to furnish such proof within the time required shall not invalidate or reduce any claim if it was not reasonably possible to furnish such proof within such time, provided such proof is furnished as soon as reasonablypossible and, in no event, except in the absence of legal capacity of the Subscriber, later than one year from the time proof is otherwise required.

   b. Written Proof of Loss for services or supplies provided by a Network Provider must be furnished to Us by the Network Provider in strict compliance with the written contract between BCBSTX or another Blue Cross Plan and the Network Provider. In the event such written contract does not contain a time limitation for furnishing Proof of Loss, the provisions of Subsection a, above, shall be applicable.

9. **Reinstatement:** If default be made in the stipulated premium payments for this Contract, the subsequent acceptance of such premium payments by BCBSTX or Our duly authorized agents shall reinstate the Contract. For purposes of this Section 9, mere receipt and/or negotiation of a late prem ium payment does not constitute acceptance. The reinstated Contract shall cover only loss resulting from Accidental Injury as may be sustained after the date of reinstatement and loss due to sickness as may begin more than ten days after such date. In all other respects, the Subscriber and BCBSTX shall have the same rights hereunder as they had under the Contract immediately before the due date of the defaulted premiums, including the right of the Subscriber to apply the period of time this Contract was in effect immediately before the due date of the defaulted premiums toward satisfaction of any waiting periods for benefits, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium payments accepted in connection with a reinstatement shall be applied to a period for which premiums have not been previously paid, but not to any period more than 60 days prior to the date of reinstatement.

10. **Time Limit on Certain Defenses:**

   a. After two years from the Effective Date of coverage fo r any Participant, no misstatements or omissions, except fraudulent misstatements or omissions, made in his application for coverage shall be used to void his coverage or to deny a claim for benefits on account of hospitalization or medical-surgical services provided after the expiration of such two-year period.

   b. No claim for loss incurred with respect to anyParticipant under this Contract on account of hospitalization or medical-surgical services provided after the twelve-month period from the date of issue of this Contract shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the Participant's Effective Date of coverage under this Contract. This Subsection b shall not apply to a disease or physical condition for which a fraudulent misstatement or omission was made by the Subscriber in his application for coverage.

11. **Rescission of Coverage**: Any omission of a material fact, or fraudulent misstatement, or intentional misrepresentation of a material fact on the Subscriber's application willresult in the cancellation of Your coverage (and/or Your Dependent(s)) coverage retroactive to the Effective Date. In the event of such cancellation, Blue Cross and Blue Shield of Texas may deduct from the premium refund any amounts made in claim payments during this period and You may be liable for any claims payment amount greater than the total amount of premiums paid during the period for which cancellation is effected. At any time when BCBSTX is entitled to rescind coverage already in force, BCBSTX may at its option make an offer to reform the policy already in force. This reformation could include, but not be limited to, the addition of exclusion riders and a change in the rating category/level. In the event of reformation, the policy will be reissued retroactive in the form it would have been issued had the misstated or omitted information been known at the time of application.

## Article VIII — General Provisions

1. **Disclaimer:** We will not be liable for any act or omission by any Hospital, Physician, or Other Provider, their agents or employees, in caring for a Participant receiving services c overed under this Contract, and no responsibility attaches hereunder for inability of any Hospital, Physician, or Other Provider to furnish accommodations or services. Benefits are subject to the rules and regulations of the Hospital, facility or other institution selected by the Participant, and are available only for sickness or injury acceptable to such Hospital, facility, or other institution.

2. **Disclosure Authorization:**

   a. In consideration of Our having waived physical examination in connection with the application, You, on behalf of Yourself and Your Dependents, shall be deem ed to have authorized any attending Physician, Other Provider or Hospital to furnish Us all information and records or copies of records relating to the diagnosis, treatment, or care of any Participant included under this Contract; and such Participants shall, by asserting claim for benefits hereunder, be deemed to have waived all provisions of law forbidding the disclosure of such information and records.

   b. As a condition to the continued coverage ofa child as a disabled Dependent beyond the age of 25. We shall have the right to require periodic certification of the child's physical or mental condition and dependency, but not more frequently than annually after the two-year period following the child's attainment of age 25.

3. **Gender:** Use herein of a personal pronoun in the masculine gender shall be deemed to include the feminine unless the context clearly indicates the contrary.

4. **Non-Agency:** You understand that this Contract constitutes a contract solely between You and Blue Cross and Blue Shield of Texas (BCBSTX). BCBSTX is Division of HealthCare Service Corporation (HCSC), a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Bl ue Shield Association. The license from the Association permits Blue Cross and Blue Shield of Texas to use the BlueCross and Blue Shield Service Marks in the State of Texas. BCBSTX is not contracting as the agent of the Association. You also understand that You have not entered into this Contract based upon representations by any person other than BCBSTX. No person, entity, or organization other than BCBSTX shall be held accountable or liable to You for anyof its obligations created under this Contract. This Section 4 shall not create any additional obligations whatsoever on the part BCBSTX other than those obligations created under other provisions of this Contract.

5. **Premiums:**

   a. The premium applicable to this Contract is determined by Your age and sex, Your place of residence on each premium due date, certain health conditions or a combination of such health conditions, including but not limited to, whether or not You or a family member is a smoker or user of tobacco products, and the number and classification of the family members covered hereunder in accordance with the schedules filed with the Texas Department of Insurance. If both husband and wife are included on the same membership, Your premium will be based on the age of each adult.

To notify Us of any change in Your place of residence, You may notify Us in writing or You may call Our Customer Service department within 30 days of the date of the change.

Your place of residence means the address where You principally reside and regularly maintain physical presence.

b. Notwithstanding the provisions of Subsection a, above, of this Section 5:

(1) **Change in Premium Upon Notice:** We reserve the right to adjust the premium upon 30 days notice to You. Such adjustments in rates shall become effective on the date specified in said notice. Except for a change in the number and classification of a family member, or changes in premium resulting from a change in residence or age under Paragraph (2) and/or (3), below, no adjustment in premium rate shall be made within six months of the initial premium rate.

(2) **Change of Residence:** If You change Your place ofresidence and such change results in a change in premium, the premium applicable to this Contr act shall automatically change to the rate applicable to the new place of residence effective on the first day of the Contract Month following the date of such change in residence. If such change is to a lower premium rate and You fail to notifyUs in writing of such change priorto the date of change, Your right to refund of overpay ment shall be lim ited to the overpayment for the six months immediately preceding the date of notification to Us.

(3) **Age:** If You and/or Your spouse attain an age which resultsin an increased premium rate, the premium applicable to this Contract shall automatically change to the rate applicable to the new age effective on the first day of the Contract Month following Your and/or Your spouse's birthday.

(4) **Changes in Benefits:** You may request a change in Your benefitsunder this Contract by making application for such change on an application form approved by Us. Please note that any change in Your benefits under this BlueEdge[SM] Individual Health Savings Account Contract may have tax implications.

If the request is for a lower Deductible, the application form and satisfactory evidence of insurability must be submitted to Us at Our Administrative Office. Subject to Our approval of the application, satisfactory evidence of insurability and payment of the required new premium, coverage shall become effective on the first day of the Contract Month following the date We approve the application.

If You request an increase in Your Deductible, the a pplication form must be sub m itted to Us at Our Administrative Office. Subject to Our approval of the application and payment of the required new premium, coverage shall become effective on the first day of the Contract Month following the date We approve the application and receive payment of the required premium.

**6. Refund of Benefit Payments:** If and when We determine that benefit payments hereunder have been made erroneously but in good faith, We reserve the right to seek recoveryof such benefit payments from the Participant, any other insurance company, or Provider of services to whom such payments were made. We reserve the right to offset subsequent benefit payments otherwise payable by the amount of any such overpayment.

**7. Review of Claim Determinations:**

a. When a claim is submitted properly and received by Us, it will be processed to determine whether and in what amount benefits should be paid. Some claims take longer to process than others do because they require information not provided with the claim. Examples of such matters include determination of Medical Necessity.

After processing the claim, We will determine and notify the Participant of the exact amount, if any, being paid on the claim; that the claim is being denied in whole or in pa rt and the reason for denial; or that We require additional information before We can determine Our liability. If additional information is requested, it must be furnished before processing of the claim can be completed.

b. Any Participant (or a parent if he is a minor) has the right to seek and obtain a full and fair review by Us of any determination of a claim, or any other determination made by Us of the Participant's benefits under this Contract.

If a Participant believes We incorrectly denied all or part of his charges and wants to obtain a review of the benefit determination, he must:

(1) Submit a written request for review mailed to Us at Our Administrative Office in Richardson, Dallas County, Texas. The request must state the Participant's full name and Subscriber identification number and the charges on the claim he wants reviewed.

(2) Include in the written request the items of concern regarding Our determination and all additional information (including medical information) that the Participan t believes has a bearing on why the determination was incorrect.

On the basis of the information supplied with the request for review, together with any other information available to Us, We will review Our prior determination for correctness and make a new determination. The Participant will be notified in writing of Our decision and the reasons for it within 60 days of Our receipt of the request for review. This determination will be final unless additional information, which has not previously been available for review, is provided within 60 days of the Participant's receipt of the determination.

8. **State Government Programs:**

a. Benefits for services or supplies under this Contract shall notbe excluded solely because benefits are paid or payable for such services or supplies under a state plan for medical assistance (Medicaid) made pursuant to 42 U.S.C., Section 1346 et seq., as amended. Any benefits payable under such state plan for medical assistance shall be payable to the Texas Department of Human Services to the extent required by Article 21.4910 of the *Texas Insurance Code*.

b. All benefits paid on behalf of a childor children under this Contract must be paid to the Texas Department of Human Services where:

(1) The Texas Department of Human Services is pay ing benefits pursuant to Chapter 31 or 32 of the *Human Resources Code*; and

(2) The parent who is covered by this Contract has possession or access to the child pursuant to a court order, or is not entitled to access or possession of the child and is required by the court to pay child support; and

(3) We receive written notice at Our Adm inistrative Office, affixed to the benefit claim when the claim is first submitted, that the benefits claimed must be paid directly to the Texas Department of Human Services.

9. **Subrogation**: If We pay or provide benefits for You or Your Dependents under this Contract, We are subrogated to all rights of recovery which You or Your Dependent has in contract, tort or otherwise against any person, organization or insurer for the amount of benefits We have paid or provided. That means We may use Your rights to recover money through judgment, settlement or otherwise from any person, organization or insurer.

For the purposes of this provision, *Subrogation* means the substitution of one person or entity (BCBSTX) in the place of another (You or Your Dependent) with reference to a lawful claim, demand or right, so that he or she who is substituted succeeds to the rights of the other in relation to the debt or claim, and its rights or remedies.

***Right ofReimbursement***

In jurisdictions where subrogation rights are not recognized, or where subrogation rights are precluded by factual circumstances, We will have a right of reimbursement.

If You or Your Dependent recovers money from any person, organization or insurer for an injury or condition for which We paid benefits under this Contract, You or Your Dependent agrees to reimburse Us from the recovered money for the amount of benefits paid or provided by Us. That means You or Your Dependent will pay Us the amount of money recovered through judgment, settlement or otherwise from the third party or their insurer, as well as from any person, organization or insurer, up to the amount of benefits We paid or provided.

***Right to Recovery by Subrogation or Reimbursement***

You or Your Dependent agrees to pro mptly furnish to Us all information concerning Your or Your Dependent's rights of recovery from any person, organization or insurer and to fullyassist and cooperate with Us in protectingand obtaining its reimbursement and subrogation rights. Your, Your Dependent or Your attorneywill notify Us before settling any claim or suit so as to enable Us to enforce Our rights by participating in the settlement of the claim or suit. You or Your Dependent further agrees not to allow the reimbursement and subrogation rights BCBSTX to be limited or harmed by any acts or failure to act on the part of You or Your Dependent.

# Amendments

An Amendment

Effective Date January 1, 2006

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* BlueEdge Individual HSA Plan Insurance Contract.

1. Article IV of this Contract is amended by deleting the section entitled "Benefits for Preventive Care" in its entirety and substituting the following:

   Benefits for Preventive Care

   Medical-Surgical Expense incurred for the following preventive care services will be available under this Contract up to a $300 combined Calendar Year benefit maximum per Participant for Network and Out-of-Network Benefits:

   (a) Routine physical examinations,
   (b) Well-child care,
   (c) Hemoccult tests,
   (d) Immunizations for Participants 6 years of age and over,
   (e) Routine lab and x-ray, and
   (f) Vision and hearing examinations.

   Benefits will be determined at the benefit percentage shown on Your Schedule of Coverage for Network and Out-of-Network Benefits.

   Benefits are not available for Inpatient Hospital Expense or Medical-Surgical Expense for routine physical examinations performed on an inpatient basis, except for the initial examination of a newborn child.

   Injections for allergies are not considered immunizations under this benefit provision.

   Benefits for routine mammography screening, colorectal cancer screenings, prostate cancer screenings, and HPV/cervical cancer screenings are not available under this preventive care benefit.

2. Article IV of this Contract is amended by adding the following new benefit provision:

   Benefits for Certain Tests for Detection of Human Papillomavirus (HPV) and Cervical Cancer

   If a female Participant 18 years of age or older incurs Medical-Surgical Expense for an annual medically recognized diagnostic examination for the early detection of cervical cancer, benefits provided under this Contract shall include:

   - A conventional Pap smear screening or a screening using liquid-based cytology methods, as approved by the United States Food and Drug Administration (FDA), alone or in combination with a test approved by the FDA for the detection of human Papillomavirus.
   - Such screening test must be performed in accordance with the guidelines adopted by:

     (a) The American College of obstetricians and Gynecologists; or
     Another similar national organization of medical professionals.

An Amendment

3. Article V, Section 1, of this Contract is amended by deleting the wording of subsection 16 in its entirety and substituting the following:

Any services or supplies provided in connection with a routine physical examination, diagnostic screening, or immunizations. This exclusion does not apply to the following except as may be provided for in the Special Benefit Provision section in Article IV, of this Contract:

a. Mammography Screening;
b. Preventive Care up to the Calendar Year benefit maximum;
c. Childhood Immunizations;
d. Certain Tests for the Detection of Prostate Cancer;
e. Newborn Screening Tests for Hearing Impairment;
f. Certain Tests for the Detection Colorectal Cancer Screening;
g. Certain Therapies for Children with Developmental Delay; and
h. Certain Tests for Detection of Human Papillomavirus (HPV) and Cervical Cancer.

An Amendment

Effective July 1, 2007

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Plan Insurance Contract.

Your Contract is amended as follows:

1. ARTICLE I - DEFINITIONS Section of Your Contract is amended by deleting the definition of Health Status Related Factor and adding the following new definition:

   Health Status Related Factor means:

   a. Health status;
   b. Medical condition, including both physical and mental illness;
   c. Claims experience;
   d. Receipt of health care;
   e. Medical history;
   f. Genetic information;
   g. Evidence of insurability; and
   h. Disability.

2. ARTICLE III - PAYMENT OF BENEFITS; PARTICIPANT/PROVIDER RELATIONSHIP Section of Your Contract is amended by deleting the last item of the Payment of Benefits subsection and replacing it with the following new item:

   d. Any benefits payable to You shall, if unpaid at Your death, be paid to Your beneficiary; if there is no beneficiary, then such benefits shall be paid to Your estate.

3. ARTICLE VI - TERMINATION OF COVERAGE, Section 1, of Your Contract is amended by deleting the following wording in its entirety:

   On the last day of any Contract Month in which a Subscriber no longer resides, lives, or works in an area for which We are authorized to provide coverage, but only if coverage is not renewed or not continued uniformly without regard to any Health Status Related Factor of covered individuals; or

   and replacing it with the following:

   On the last day of any Contract Month in which a Subscriber no longer resides, lives, or works in an area in which We are authorized to provide coverage, but only if all policies are not renewed or not continued uniformly without regard to any Health-Status Related Factor of covered individuals; or

4. ARTICLE VI- TERMINATION OF COVERAGE, Section 2, of Your Contract is amended by deleting the following wording in its entirety:

On the last day of any Contract Month in which a Dependent no longer resides, lives, or works in an area for which We are authorized to provide coverage, but only if coverage is not renewed or not continued uniformly without regard to any Health Status Related Factor of covered individuals.

and replacing it with the following:

On the last day of any Contract Month in which a Dependent no longer resides, lives, or works in an area in which We are authorized to provide coverage, but only if all policies are not renewed or not continued uniformly without regard to any Health-Status Related Factor of covered individuals; or

5. ARTICLE VII – STANDARD PROVISIONS of Your Contract is amended by adding the following provision:

Time of Payment of Claims: Benefits payable under this policy for any loss will be paid immediately upon receipt of due written proof of such loss.

An Amendment

Effective Date January 1, 2008

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Health Insurance Contract.

Article IV of this Contract, as previously amended, is amended by deleting the section entitled Benefits for Acquired Brain Injury in its entirety and substituting the following:

Benefits for Treatment of Acquired Brain Injury

Benefits for Eligible Expenses incurred for Medically Necessary treatment of Acquired Brain Injury will be determined on the same basis as treatment for any other physical condition. Eligible Expenses include the following services as a result of and related to an Acquired Brain Injury:

- Cognitive rehabilitation therapy — Services designed to address therapeutic cognitive activities, based on an assessment and understanding of the individual's brain-behavioral deficits.
- Cognitive communication therapy — Services designed to address modalities of comprehension and expression, including understanding, reading, writing, and verbal expression of information.
- Neurocognitive therapy and rehabilitation services — (1) Therapy designed to address neurological deficits in informational processing and to facilitate the development of higher level cognitive abilities and (2) Services designed to assist cognitively impaired individuals to compensate for deficits in cognitive functioning by rebuilding cognitive skills and/or developing compensatory strategies and techniques.
- Neurobehavioral treatment — Interventions that focus on behavior and the variables that control behavior.
- Neurobehavioral testing — An evaluation of the history of neurological and psychiatric difficulty, current symptoms, current mental status, and pre-morbid history, including the identification of problematic behavior and the relationship between behavior and the variables that control behavior. This may include interviews of the individual, family, or others.
- Neuro-physiological testing — An evaluation of the functions of the nervous system.
- Neuropsychological testing — The administering of a comprehensive battery of tests to evaluate neurocognitive, behavioral, and emotional strengths and weaknesses and their relationship to normal and abnormal central nervous system functioning.
- Neuro-psychological treatment — Interventions designed to improve or minimize deficits in behavioral and cognitive processes.
- Neuro-physiological treatment — Interventions that focus on the functions of the nervous system.
- Psychophysiological testing — An evaluation of the interrelationships between the nervous system and other bodily organs and behavior.
- Psychophysiological treatment — interventions designed to alleviate or decrease abnormal physiological responses of the nervous system due to behavioral or emotional factors.

- Neurofeedback therapy — Services that utilizes operant conditioning learning procedure based on electroencephalographs (EEG) parameters, and which are designed to result in improved mental performance and behavior, and stabilized mood.
- Remediation — The process(es) of restoring or improving a specific function.
- Post-acute transition services — Services that facilitate the continuum of care beyond the initial neurological insult through rehabilitation and community reintegration, including outpatient day treatment or other post-acute care treatment. This shall include coverage for reasonable expenses related to periodic reevaluation of the care of an individual covered under this plan who:

  has incurred an Acquired Brain Injury;

  has been unresponsive to treatment; and
  becomes responsive to treatment at a later date.
- Community reintegration services — Services that facilitate the continuum of care as an affected individual transitions into the community, including outpatient day treatment or other post-acute care treatment.

Services means the work of testing, treatment, and providing therapies to an individual with an Acquired Brain Injury.

Therapy means the scheduled remedial treatment provided through direct interaction with the individual to improve a pathological condition resulting from an Acquired Brain Injury.

Treatment for an Acquired Brain Injury may be provided at a Hospital, an acute or post-acute rehabilitation hospital, an assisted living facility or any other facility at which appropriate services or therapies may be provided.

The Limitatations and Exclusions section of Your Contract is amended by deleting the exclusion regarding "Preexisting Conditions" in entirety and substituting the following:

Any services or supplies for Eligible Expenses incurred for a Preexisting Condition during a period of 12 months beginning with the Participant's Effective Date under this Contract. This Preexisting Condition exclusion shall not apply to a Participant who was continuously covered for an aggregate of 18 months under Creditable Coverage if the previous coverage was in effect up to a date not more than 63 days before the Effective Date of the Participant's coverage under this Contract, excluding any waiting periods.

If a Participant does not have aggregate Creditable Coverage totaling 18 months, BCBSTX will credit the time the Participant was previously covered under Creditable Coverage if the previous coverage was in effect at any time during the 18 months preceding (a) the first day coverage is effective under this Contract, if there is not a waiting period; or (b) the day the applicant files a substantially complete application for coverage, if there is a waiting period.

An Amendment

Effective Date January 1, 2010

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual PPO Health Insurance Contract.

The Definition Sections of Your Contract is amended as follows: By adding the following definitions:

Research Institution means an institution or Provider (person or entity) conducting a phase I, phase II, phase III, or phase IV clinical trial.

Routine Patient Care Costs means the costs of any Medically Necessary health care service for which benefits are provided under the Plan, without regard to whether the Participant is participating in a clinical trial.

Routine patient care costs do not include:

1. The cost of an investigational new drug or device that is not approved for any indication by the United States Food and Drug Administration, including a drug or device that is the subject of the clinical trial;
2. The cost of a service that is not a health care service, regardless of whether the service is required in connection with participation in a clinical trial;
3. The cost of a service that is clearly inconsistent with widely accepted and established standards of care for a particular diagnosis;
4. A cost associated with managing a clinical trial; or
5. The cost of a health care service that is specifically excluded from coverage under the Plan.

By adding the following subsection to the definition of Medical Surgical:

Amino acid-based elemental formulas, regardless of the formula delivery method, used for the diagnosis and treatment of:

(1) Immunoglobulin E and non-immunoglobulin E mediated allergies to multiple food proteins;

(2) Severe food protein-induced enterocolitis syndromes;

(3) Eosinophilic disorders, as evidenced by the results of biopsy; and

(4) Disorders affecting the absorptive surface, functional length, and motility of the gastrointestinal tract.

A Prescription Order from your Health Care Practitioner is required. The Benefits Provided Section of Your Contract is amended: By adding the following new sections:

Benefits for Routine Patient Costs for Participants in Certain Clinical Trials

Benefits for Eligible Expenses for Routine Patient Care costs are provided in connection with a phase I, phase II, phase III, or phase IV clinical trial if the clinical trial is conducted in relation to the prevention, detection, or treatment of a life-threatening disease or condition and is approved by:

- the Centers for Disease Control and Prevention of the United States Department of Health and Human Services;
- the National Institutes of Health;
- the United States Food and Drug Administration;
- the United States Department of Defense;
- the United States Department of Veterans Affairs; or
- an institutional review board of an institution in this state that has an agreement with the Office for Human Research Protections of the United States Department of Health and Human Services.

Benefits are not available under this section for services that are a part of the subject matter of the clinical trial and that are customarily paid for by the Research Institution conducting the clinical trial.

**Benefits for Early Detection Tests for Cardiovascular Disease**

Benefits are available for one of the following noninvasive screening tests for atherosclerosis and abnormal artery structure and function every five (5) years when performed by a laboratory that is certified by a recognized national organization:

(1) Computed tomography (CT) scanning measuring coronary artery calcifications; or
(2) Ultrasonography measuring carotid intima-media thickness and plaque.

Tests are available to each Participant who is (1) a male older than 45 years of age and younger than 76 years of age, or (2) a female older than 55 years of age and younger than 76 years of age. The individual must be a diabetic or have a risk of developing coronary heart disease, based on a score derived using the Framingham Heart Study coronary prediction algorithm that is intermediate or higher.

Benefits are limited to a $200 maximum benefit amount every five (5) years.

2. By deleting the Section Preauthorization Requirements in its entirety and replacing it with the following:

Preauthorization Requirements

Preauthorization is required for all Hospital Admissions, Extended Care Expense, and Home Infusion Therapy, and organ and tissue transplants.

Preauthorization establishes in advance the Medical Necessity or Experimental/Investigational nature of certain care and services covered under this Contract. It ensures that the preauthorized care and services as described below will not be denied on the basis of Medical Necessity or Experimental/Investigational. Preauthorization does not guarantee payment of benefits. However, coverage is always subject to other requirements of this Contract, such as Preexisting Conditions, limitations and exclusions, payment of premium and eligibility at the time care and services are provided.

Effective Date January 1, 2010

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual PPO Health Insurance Contract.

You, Your Physician, Provider of services, or a family member calls on of the toll-free numbers listed on the back of your Identification Card. The call should be made between 7:30 a.m. and 6:00 p.m. on business days. Calls made after working hours or on weekends will be recorded and returned the next working day. A benefits management nurse will follow up with your Provider's office. In most cases preauthorization is made within minutes while We are on the telephone with Your Provider's office.

### Hospital Admissions

You are required to have Your admission preauthorized at least two working days prior to actual admission unless it would delay Emergency Care. In an emergency, preauthorization should take place within two working days after the admission or as soon as reasonably possible.

When a Hospital Admission is preauthorized, a length-of-stay is assigned. This Contract is required to provide a minimum length of stay in a Hospital for treatment of breast cancer of:

- 48 hours following a mastectomy, and
- 24 hours following a lymph node dissection.

If You require a longer stay than was first preauthorized, Your Provider may request an extension for the additional inpatient days. If an admission extension is not preauthorized, benefits may be reduced or denied.

Preauthorization is also required if You transfer to another facility or to or from a specialty unit within the facility.

If an admission is not preauthorized, benefits may be reduced or denied if We determine that the admission is not Medically Necessary or is Experimental/Investigational.

Failure to preauthorize will result in a penalty in the amount of $250 that will be deducted from any benefits which may be finally determined to be available for the Hospital Admission. This penalty amount cannot be used to satisfy Deductibles or to apply toward the Coinsurance Amount. Additionally, We will review the Medical Necessity or Experimental/Investigational nature of Your claim.

### Extended Care Expense and Home Infusion Therapy

Preauthorization is required for Medically Necessary Skilled Nursing Facility services, Home Health Care, Hospice Care or Home Infusion Therapy.

Preauthorization for Extended Care Expense and Home Infusion Therapy must be obtained by having the agency or facility providing the services contact Us to request preauthorization. The request should be made:

- Prior to initiating Extended Care Expense or Home Infusion Therapy;

- When an extension of the initially preauthorized service is required; and
- When the treatment plan is altered.

If We have given notification that benefits for the treatment plan requested are not available, claims will be denied.

We will review the information submitted prior to the start of Extended Care Expense or Home Infusion Therapy. We will send a letter to You and the agency or facility confirming preauthorization or denying benefits.

If Extended Care Expense or Home Infusion Therapy is to take place in less than one week, the agency or facility should call the preauthorization telephone number on the back of Your Identification Card.

Failure to preauthorize will result in a penalty in the amount of 50% not to exceed $500 which will be deducted from any benefits which may be finally determined to be available for Extended Care Expense or Home Infusion Therapy.

Organ and Tissue Transplants

Preauthorization is required for any organ or tissue transplant. Preauthorization of an organ or tissue transplant is the process by which the Medical Necessity of the transplant and the length of stay of the admission is approved or denied. Preauthorization does not guarantee payment of a claim but does ensure that payment for the covered room and board charges for the preauthorized length of stay will not be denied on the basis of Medical Necessity or Experimental/Investigational.

At the time of preauthorization We will assign length-of-stay for the admission if We determine that the admission is Medically Necessary. Upon request, the length-of-stay may be extended if We determine that an extension is Medically Necessary.

The Limitations and Exclusions Section of Your Contract is amended by deleting the exclusion regarding "Fluids, solutions, nutrients, or medications" in its' entirety and substituting the following:

Fluids, solutions, nutrients, or medications (including all additives and chemotherapy) used or intended to be used by intravenous or gastrointestinal (enteral) infusion or by intravenous injection in the home setting; drugs given through routes other than subcutaneously in the home setting. This exception does not apply to dietary formula necessary for the treatment of phenylketonuria (PKU) or other heritable diseases. This exception also does not apply to amino acid-based elemental formulas, regardless of the formula delivery method, used for the diagnosis and treatment of immunoglobulin E and nonimmunoglobulin E mediated allergies to multiple food proteins, severe food protein-induced enterocolitis syndromes, eosinophilic disorders, as evidenced by the results of biopsy and disorders affecting the absorptive surface, functional length, and motility of the gastrointestinal tract. A Prescription Order from your Health Care Practitioner is required.

An Amendment

Effective Date January 1, 2010

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual PPO Health Insurance Contract.

The General Provisions Section of Your Contract is amended

By deleting the Section Review of Claim Determinations in its entirety and replacing it with the following:

Review of Claim Determinations:

a. When a claim is submitted properly and received by Us, it will be processed to determine whether and in what amount benefits should be paid. Some claims take longer to process than others do because they require information not provided with the claim. Examples of such matters include determination of Medical Necessity.

After processing the claim, We will determine and notify the Participant of the exact amount, if any, being paid on the claim; that the claim is being denied in whole or in part and the reason for denial; or that We require additional information before We can determine Our liability. If additional information is requested, it must be furnished before processing of the claim can be completed.

b. Any Participant (or a parent if he is a minor) has the right to seek and obtain a full and fair review by Us of any determination of a claim, or any other determination made by Us of the Participant's benefits under this Contract.

If a Participant believes We incorrectly denied all or part of his charges and wants to obtain a review of the benefit determination, he must:

(1) Submit a written request for review mailed to Us at Our Administrative Office in Richardson, Dallas County, Texas. The request must state the Participant's full name and Subscriber identification number and the charges on the claim he wants reviewed.

(2) Include in the written request the items of concern regarding Our determination and all additional information (including medical information) that the Participant believes has a bearing on why the determination was incorrect.

On the basis of the information supplied with the request for review, together with any other information available to Us, We will review Our prior determination for correctness and make a new determination. The Participant will be notified in writing of Our decision and the reasons for it within 60 days of Our receipt of the request for review. This determination will be the final internal determination by Us unless additional information, which has not previously been available for review, is provided within 60 days of the Participant's receipt of the determination.

An Amendment

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Health Insurance Contract.

Your Contract, and any Amendments attached to the Contract, is amended as follows:

1. The Benefits Provided section of Your Contract is amended by deleting the section Use of Non-Contracting Providers in its entirety and replacing it with the following:

   Allowable Amount

   The Allowable Amount is the maximum amount of benefits BCBSTX will pay for Eligible Expenses you incur under the Plan. BCBSTX has established an Allowable Amount for Medically Necessary services, supplies, and procedures provided by Providers that have contracted with BCBSTX or any other Blue Cross and/or Blue Shield Plan, and Providers that have not contracted with BCBSTX or any other Blue Cross and/or Blue Shield Plan. When you choose to receive services, supplies, or care from a Provider that does not contract with BCBSTX, you will be responsible for any difference between the BCBSTX Allowable Amount and the amount charged by the non-contracting Provider. You will also be responsible for charges for services, supplies, and procedures limited or not covered under the Plan and any applicable Deductibles, Coinsurance Amounts, and Copayment Amounts.

   Review the definition of Allowable Amount in the DEFINITIONS section of this Benefit Booklet to understand the guidelines used by BCBSTX.

2. The Definitions section of Your Contract is amended by deleting the definition of Allowable Amount in its entirety and replacing it with the following:

   Allowable Amount means the maximum amount determined by BCBSTX to be eligible for consideration of payment for a particular service, supply, or procedure.

   - For Hospitals and Facility Other Providers, Physicians, and Professional Other Providers contracting with BCBSTX in Texas or any other Blue Cross and Blue Shield Plan The

     Allowable Amount is based on the terms of the Provider contract and the payment methodology in effect on the date of service. The payment methodology used may include diagnosis-related groups (DRG), fee schedule, package pricing, global pricing, per diems, case-rates, discounts, or other payment methodologies.

   - For Hospitals and Facility Other Providers, Physicians, and Professional Other Providers not contracting with BCBSTX in Texas or any other Blue Cross and Blue Shield Plan outside of Texas (non-contracting Allowable Amount) – The Allowable Amount will be the lesser of: (i) the Provider's billed charges, or; (ii) the BCBSTX non-contracting Allowable Amount. Except as otherwise provided in this section, the non-contracting Allowable Amount is developed from base Medicare Participating reimbursements adjusted by a predetermined factor established by BCBSTX. Such factor shall be not less than 75% and will exclude any Medicare adjustment(s) which is/are based on information on the claim.

     Notwithstanding the preceding sentence, the non-contracting Allowable Amount for Home Health Care is developed from base Medicare national per visit amounts for low utilization payment adjustment, or LUPA, episodes by Home Health discipline type adjusted for

duration and adjusted by a predetermined factor established by BCBSTX. Such factor shall be not less than 75% and shall be updated on a periodic basis.

When a Medicare reimbursement rate is not available or is unable to be determined based on the information submitted on the claim, the Allowable Amount for non-contracting Providers will represent an average contract rate in aggregate for Network Providers adjusted by a predetermined factor established by BCBSTX. Such factor shall be not less than 75% and shall be updated not less than every two years

BCBSTX will utilize the same claim processing rules and/or edits that it utilizes in processing Participating Provider claims for processing claims submitted by non-contracted Providers which may also alter the Allowable Amount for a particular service. In the event BCBSTX does not have any claim edits or rules, BCBSTX may utilize the Medicare claim rules or edits that are used by Medicare in processing the claims. The Allowable Amount will not include any additional payments that may be permitted under the Medicare laws or regulations which are not directly attributable to a specific claim, including, but not limited to, disproportionate share and graduate medical education payments.

Any change to the Medicare reimbursement amount will be implemented by BCBSTX within ninety (90) days after the effective date that such change is implemented by the Centers for Medicaid and Medicare Services, or its successor.

The non-contracting Allowable Amount does not equate to the Provider's billed charges and Participants receiving services from a non-contracted Provider will be responsible for the difference between the non-contracting Allowable Amount and the non-contracted Provider's billed charge, and this difference may be considerable. To find out the BCBSTX non-contracting Allowable Amount for a particular service, Participants may call customer service at the number on the back your BCBSTX Identification Card.

- For multiple surgeries – The Allowable Amount for all surgical procedures performed on the same patient on the same day will be the amount for the single procedure with the highest Allowable Amount plus a determined percentage of the Allowable Amount for each of the other covered procedures performed.

- For Covered Drugs as applied to Participating and non-Participating Pharmacies – The Allowable Amount for Participating Pharmacies and the Mail-Order Program will be based on the provisions of the contract between BCBSTX and the Participating Pharmacy or Pharmacy for the Mail-Order Program in effect on the date of service. The Allowable Amount for non-Participating Pharmacies will be based on the Average Wholesale Price.

Except as changed by amendment, all terms, conditions, limitations and exclusions of the Contract to which this Amendment is attached will remain in full force and effect. This amendment shall become effective immediately.

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual PPO Health Insurance Contract.

Your Contract, and any Amendments attached to the Contract, is amended as follows:

1. The Contract renewal date when Your health care coverage under this Contract renews for another Calendar Year is December 1st of each year.
2. The definition of Dependent child in the Definitions Section of Your Contract is amended to mean a natural child of the Subscriber, a stepchild or a legally adopted child of the Subscriber (including a child for whom the Subscriber is a party in a suit in which the adoption of the child is being sought), under twenty-six (26) years of age, regardless of presence or absence of a child's financial dependency, residency, student status, employment status, marital status, eligibility for other coverage or any combination of those factors. A grandchild must be dependent on the Subscriber for Federal income tax purposes at the time application for coverage is made to be eligible for coverage under the Contract. Wherever the term Dependent is used in Your Contract or any amendments to Your Contract, it will include this change.
3. The Benefits Provided Section of Your Contract is amended by deleting the Maximum Benefits subsection in its entirety. Any other Lifetime Maximums, as shown in Your Contact or amendments attached to Your Contact, are no longer applicable.
4. If the Benefits for Emergency Care provision in the Benefits Provided Section of Your Contract has a 48 hour time limit for receiving Network Benefits following the onset of a medical emergency, this time limit is deleted.
5. The Benefits Provided Section of Your Contract is amended by adding the following: Preventive Care

   Network benefits will be provided for the following Covered Services and will not be subject to any Coinsurance, Deductible, Copayment or dollar maximums:

   a. evidence-based items or services that have in effect a rating of "A" or "B" in the current recommendations of the United States Preventive Services Task Force ("USPSTF");
   b. immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention ("CDC") with respect to the individual involved;
   c. evidenced-informed preventive care and screenings provided for in the comprehensive guidelines supported by the Health Resources and Services Administration ("HRSA") for infants, children, and adolescents; and
   d. with respect to women, such additional preventive care and screenings, not described in item a above, as provided for in comprehensive guidelines supported by the HRSA.

   For purposes of this benefit, the current recommendations of the USPSTF regarding breast cancer screening and mammography and prevention will be considered the most current (other than those issued in or around November 2009).

   The Preventive Care Services described in items a through d above may change as the USPSTF, CDC, and HRSA guidelines are modified. For more information You may visit Our website at or call the Customer Service at the telephone number shown on Your Identification Card.

   Examples of Covered Services included are well child care, routine physical, immunizations, routine mammograms, routine bone density test, colorectal cancer screenings, prostate cancer screenings, HPV/cervical cancer screenings, healthy diet counseling, obesity screening/counseling and smoking cessation counseling.

Examples of covered immunizations include Diphtheria, Hemophilus influenzae type b, Hepatitus A, Hepatitis B, Human papillomavirus, influenza, Measles, Meningococcal, Mumps, Pertussis, Pneumococcal, Polio, Rotavirus, Rubella, Tetanus, Varicella, and any other immunization that is required by law. Allergy injections are not considered immunizations under this benefit provision.

Covered Services not included in items a through d above will be subject to Coinsurance, Deductible, Copayment or dollar maximums.

6. The Benefits Provided Section of Your Contract is amended by deleting any Calendar Year maximum benefits.

7. The Benefits Provided Section of Your Contract is amended by adding the following paragraph to Benefits for Emergency Care:

Notwithstanding anything in this Contract, or amendments attached to the Contract, to the contrary, for Out-ofNetwork Emergency Care services rendered by non-contracting providers the Allowable Amount shall be equal to the greatest of the following three possible amounts—not to exceed billed charges:

1. the median amount negotiated with Network providers for Emergency Care services furnished;
2. the amount for the Emergency Care service calculated using the same method the Plan generally uses to determine payments for Out-of-Network services but substituting the Network cost-sharing provisions for the Out-of-Network cost sharing provisions; or
3. the amount that would be paid under Medicare for the Emergency Care service.

Each of these three amounts is calculated excluding any Network Copayment or Coinsurance imposed with respect to the Participant.

8. The Limitations and Exclusions Section of Your Contract is amended with the following:

By deleting the exclusion concerning Preexisting Conditions Limitations in its entirety and replacing it with the following:

Any services or supplies for Eligible Expenses incurred for a Preexisting Condition during a period of 12 months beginning with the Participant's Effective Date under this Contract. This Preexisting Condition exclusion shall not apply to a Participant:

(1) Who is under the age of 19; or

(2) Who was continuously covered for an aggregate of 18 months under Creditable Coverage if the previous coverage was in effect up to a date not more than 63 days before the Effective Date of the Participant's coverage under this Contract, excluding any waiting periods; and

If a Participant does not have aggregate Creditable Coverage totaling 18 months, We will credit the time the Participant was previously covered under Creditable Coverage if the previous coverage was in effect at any time during the 18 months preceding (1) the first day coverage is effective under this Contract if there is not a waiting period, or (2) the day the applicant files a substantially complete application for coverage if there is a waiting period.

By deleting the exclusion concerning obesity and weight in its entirety and replacing it with the following:

Any services or supplies provided for reduction of obesity or weight, including surgical procedures, even if the Participant has other health conditions which might be helped by a reduction of obesity or weight. This exclusion does not apply to healthy diet counseling or obesity screening/counseling.

9. If Your Contract has a Rescission of Coverage provision in the Standard Provisions Section, it is amended by deleting the provision in its entirety and replacing it with the following:

Rescission of Coverage: Any act, practice or omission that constitutes fraud or making an intentional misrepresentation of material fact on the Participant's application will result in the cancellation of Your coverage (and/or Your Dependent(s) coverage) retroactive to the Effective Date, subject to 30 days' prior notification. Rescission is defined as a cancellation or discontinuance of coverage that has a retroactive effect. In the event of such cancellation, Blue Cross and Blue Shield of Texas (BCBSTX) may deduct from the premium refund any amounts made in claim payments during this period and You may be liable for any claims payment amount greater than the total amount of premiums paid during the period for which cancellation is effected. At any time when BCBSTX is entitled to rescind coverage already in force, BCBSTX may at its option make an offer to reform the policy already in force. This reformation could include, but not be limited to, the addition of exclusion riders, (this limitation does not apply to a Participant under 19 years of age) and a change in the rating category/level. In the event of reformation, the policy will be reissued retroactive in the form it would have been issued had the misstated or omitted information been known at the time of application. Please refer to the Review of Claim Determinations for your appeal rights concerning rescission and/or reformation.

10. The General Provisions Section of Your Contract is amended with the following: By adding the following new section:

Policy Year: Policy Year means the 12 month period beginning on December 1 of each year.

Changes in some state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

Except as changed by this amendment, all terms, conditions, limitations and exclusions of the Contract to which this amendment is attached will remain in full force and effect.

An Amendment

Effective Date September 1, 2011

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Health Insurance Contract.

Your Contract is amended as follows:

We reserve the right to adjust the premium upon 60 days notice to the Subscriber. Such adjustments in rates shall become effective on the date specified in said notice. This notification is not applicable to rate changes based on attained age or change of residence.

The Benefits Provided section of Your Contract is amended by adding the following new section.

Benefits for Orally Administered Anticancer Medication

Benefits are available for Medically Necessary orally administered anticancer medication that is used to kill or slow the growth of cancerous cells. Coinsurance or a Copayment Amount will not apply to orally administered anticancer medication listed on the Managed Oral Cancer Drug List. To determine if a specific drug is on the Managed Oral Cancer Drug List, you may access the website at www.bcbstx.com/member/rx_drugs.html or contact Customer Service at the toll-free number on your Identification Card.

Except as changed by this amendment, all terms, conditions, limitations and exclusions of the Contract to which this amendment is attached will remain in full force and effect. This amendment shall become effective on the date stipulated above.

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual PPO Health Insurance Contract.

Your Contract, and any Amendments attached to the Contract, is amended as follows:

By deleting the section titled Review of Claim Determinations in its entirety and replacing it with the following:

Review of Claim Determinations

a. Claim Determinations

When We receive a properly submitted claim, We have authority and discretion under this Policy to interpret and determine benefits in accordance with the Policy provisions. We will receive and review claims for benefits and will accurately process claims consistent with administrative practices and procedures established in writing. You have the right to seek and obtain a full and fair review by Us of any determination of a claim, any determination of a request for preauthorization, or any other determination made by Us of Your benefits under this Policy.

If a Claim Is Denied or Not Paid in Full

On occasion, We may deny all or part of Your claim. There are a number of reasons why this may happen. We suggest that You first read the Explanation of Benefits summary prepared by Us; then review this Policy to see whether You understand the reason for the determination. If You have additional information that You believe could change the decision, send it to Us and request a review of the decision as described in Claim Appeal Procedures below.

If the claim is denied in whole or in part, You will receive a written notice from Us with the following information, if applicable:

- The reasons for determination;
- A reference to the benefit provisions on which the determination is based, or the contractual, administrative or protocol for the determination;
- A description of additional information which may be necessary to perfect an appeal and an explanation of why such material is necessary;
- Subject to privacy laws and other restrictions, if any, the identification of the claim, date of service, health care provider, claim amount (if applicable), and a statement describing denial codes with their meanings and the standards used. Upon request, diagnosis/treatment codes with their meanings and the standards used are also available;
- An explanation of Our internal review/appeals and external review processes (and how to initiate a review/appeal or external review);
- In certain situations, a statement in non-English language(s) that the written notice of the claim denial and certain other benefit information may be available (upon request) in such non-English language(s);
- In certain situations, a statement in non-English language(s) that indicates how to access the language services provided by Us;
- The right to request, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim for benefits;
- Any internal rule, guideline, protocol or other similar criterion relied on in the determination, and a statement that a copy of such rule, guideline, protocol or other similar criterion will be provided free of charge on request;
- An explanation of the scientific or clinical judgment relied on in the determination as applied to claimant's medical circumstances, if the denial was based on medical necessity, experimental treatment or similar exclusion, or a statement that such explanation will be provided free of charge upon request;
- In the case of a denial of an urgent care clinical claim, a description of the expedited review procedure applicable to such claims. An urgent care claim decision may be provided orally, so long as a written notice is furnished to the claimant within 3 days of oral notification; and

- Contact information for applicable office of health insurance consumer assistance or ombudsman.

Timing of Required Notices and Extensions
Separate schedules apply to the timing of required notices and extensions, depending on the type of claim. There are three types of claims, as defined below.

1. Urgent Care Clinical Claim is any pre-service claim, for benefits for medical care or treatment with respect to which the application of regular time periods for making a health claim determination could seriously jeopardize the life or health of the claimant or the ability of the claimant to regain maximum function or, in the opinion of a Physician with knowledge of the claimant's medical condition, would subject the claimant to severe pain that cannot be adequately managed without the care or treatment.
2. Pre-Service Claim is any non-urgent request for benefits or a determination with respect to which the terms of the benefit plan condition receipt of the benefit on approval of the benefit in advance of obtaining medical care.
3. Post-Service Claim is notification in a form acceptable to Us that a service has been rendered or furnished to You. This notification must include full details of the service received, including Your name, age, sex, identification number, the name and address of the Provider, an itemized statement of the service rendered or furnished, the date of service, the diagnosis, the claim charge, and any other information which We may request in connection with services rendered to You.

Urgent Care Clinical Claims*

| Type of Notice or Extension | Timing |
|---|---|
| If Your claim is incomplete, We must notify You of any additional information needed to complete Your claim within: | 24 hours |
| If You are notified that Your claim is incomplete, You must then provide the additional information to Us within: | 48 hours after receiving notice |
| BCBSTX must notify you of the claim determination (whether adverse or not): | |
| if the initial claim is complete as soon as possible (taking into account medical exigencies), but no later than: | 72 hours |
| if the initial claim is incomplete, within: | 48 hours **hours** after the earlier of Our receipt of the additional information or the end of the period within which the additional information was to be provided |

* You do not need to submit appeals of Urgent Care Clinical Claims in writing. You should call Us at the toll-free number listed on the back of Your Identification Card as soon as possible to appeal an Urgent Care Clinical Claim.

**Note:** If a proposed medical care or health care service requires preauthorization by Us, We will issue a determination no later than the third calendar day after Our receipt of the request. If you are an inpatient in a healthcare facility at the time the services are proposed, We will issue our determination within 24 hours after Our receipt of the request.

Pre-Service Claims

| Type of Notice | Timing |
|---|---|
| BCBSTX must notify you of the claim determination (whether adverse or not): | |
| ifWe have received all information necessary to complete the review, within: | 2 working days of or our receipt of the complete claim or 3 calendar days of the request, whichever is sooner, if the claim is approved; and<br><br>3 calendar days of the request, if the claim is denied.* |
| If You require post-stabilization care after an Emergency within: | the time appropriate to the circumstance not to exceed one hour after the time of request |

Post-Service Claims (Retrospective Review)

| Type of Notice or Extension | Timing |
|---|---|
| If Your claim is incomplete, We must notify You within: | 30 days |
| If You are notified that Your claim is incomplete, You must then provide completed claim information to Us within: | 45 days after receiving notice |
| BCBSTX must notify you of the claim determination (whether adverse or not): | |
| if the initial claim is complete, within: | 30 days after receipt of the claim* |
| after receiving the completed claim (if the initial claim is incomplete), within: | 45 days, if We extended the period, less any days already utilized by Us during our review |

* This period may be extended one time by Us for up to 15 days, provided that We both (1) determines that such an extension is necessary due to matters beyond the control of the Plan and (2) notifies You in writing, prior to the expiration of the initial 30−day period, of the circumstances requiring the extension of time and the date by which We expect to render a decision. . If the period is extended because We require additional information from You or Your Provider, the period for Our making the determination is tolled from the date We send notice of extension to You until the earlier of: i) the date on which we receive the information; or ii) the date by which the information was to be submitted.

Concurrent Care
For benefit determinations relating to care that are being received at the same time as the determination, such notice will be provided no later than 24 hours after receipt of Your claim for benefits.

b. Claim Appeal Procedures

Claim Appeal Procedures - Definitions
An “Adverse Benefit Determination” means a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for, a benefit, including any such denial, reduction, termination, or failure to provide or make payment for, a benefit resulting from the application of any utilization review, as well as a failure to cover an item or service for which benefits are otherwise provided because it is determined to be experimental or investigational or not medically necessary or appropriate. If an ongoing course of treatment had been approved by Us and We reduce or terminate such treatment (other than by amendment) before the end of the approved treatment period, that is also an Adverse Benefit Determination. A rescission

of coverage is also an Adverse Benefit Determination. A rescission does not include a termination of coverage for reasons related to non-payment of premium.

A "Final Internal Adverse Benefit Determination" means an Adverse Benefit Determination that has been upheld by Us at completion of Our internal review/appeal process.

### Expedited Clinical Appeals

If Your situation meets the definition of an expedited clinical appeal, You may be entitled to an appeal on an expedited basis. An expedited clinical appeal is an appeal of a clinically urgent nature related to health care services, including but not limited to, procedures or treatments ordered by a health care provider, as well as continued hospitalization or Emergency Care. Before authorization of benefits for an ongoing course of treatment/continued hospitalization is terminated or reduced, We will provide You with notice at least 24 hours before the previous benefits authorization ends and an opportunity to appeal. For the ongoing course of treatment, coverage will continue during the appeal process.

Upon receipt of an expedited pre-service or concurrent clinical appeal, We will notify the party filing the appeal, as soon as possible, but no more than 24 hours after submission of the appeal, if additional information is needed to review the appeal. We shall render a determination on the appeal within one working day from the date all information necessary to complete the appeal is received by Us, but no later than 72 hours after the appeal has been received by Us.

### How to Appeal an Adverse Benefit Determination

You have the right to seek and obtain a full and fair review of any determination of a claim, any determination of a request for preauthorization, or any other determination made by Us in accordance with the benefits and procedures detailed in Your Policy.

An appeal of an Adverse Benefit Determination may be requested orally or in writing by You or a person authorized to act on Your behalf. In some circumstances, a health care provider may appeal on his/her own behalf. Your designation of a representative must be in writing as it is necessary to protect against disclosure of information about You except to Your authorized representative. To obtain an Authorized Representative Form, You or Your representative may call Us at the number on the back of Your ID card.

If You believe We incorrectly denied all or part of Your benefits, You may have Your claim reviewed. We will review its decision in accordance with the following procedure:

- Within 180 days after You receive notice of a denial or partial denial, You may call or write to Our Administrative Office. We will need to know the reasons why You do not agree with the denial or partial denial. Send Your request to:

  Claim Review Section
  Blue Cross and Blue Shield of Texas
  P. O. Box 3122
  Naperville IL 60566-9744

- We will honor telephone requests for information. However, such inquiries will not constitute a request for review.

- In support of Your claim review, You have the option of presenting evidence and testimony to Us. You and Your authorized representative may ask to review Your file and any relevant documents and may submit written issues, comments and additional medical information within 180 days after You receive notice of an Adverse Benefit Determination or at any time during the claim review process

We will provide You or Your authorized representative with any new or additional evidence or rationale and any other information and documents used in the review of Your claim without regard to whether such information was considered in the initial determination. No deference will be given to the initial Adverse Benefit Determination. Such new

or additional evidence or rationale will be provided to You or Your authorized representative sufficiently in advance of the date a final decision on appeal is made in order to give You a change to respond. If the initial benefit determination regarding the claim is based in whole or in part on a medical judgement, the appeal determination will be made by a Physician associated or contracted with Us and/or by external advisors, but who were not involved in making the initial denial of Your claim. Before You or Your authorized representative may bring any action to recover benefits the claimant must exhaust the appeal process and must raise all issues with respect to a claim and must file an appeal or appeals and the appeals must be finally decided by Us.

- If You have any questions about the claims procedures or the review procedure, write to Our Administrative Office or call the toll-free Customer Service Helpline number shown in this Policy or on Your Identification Card.

Timing of Appeal Determinations

We will render a determination on non-urgent concurrent pre-service appeals that do not require expedited review or preauthorization and post-service appeals as soon as practical, but in no event later than 30 days after the appeal has been received by Us.

For claims involving services related to Acquired Brain Injury, We will render an appeal determination within 3 business days after the appeal is received by Us.

Notice of Appeal Determination

We will notify the party filing the appeal, You, and, if a clinical appeal, any health care provider who recommended the services involved in the appeal, by a written notice of the determination.

The written notice will include:

- A reason for the determination;
- A reference to the benefit plan provisions on which the determination is based, or the contractual, administrative or protocol for the determination;
- Subject to privacy laws and other restrictions, if any, the identification of the claim, date of service, health care provider, claim amount (if applicable), and a statement describing denial codes with their meanings and the standards used. Upon request, diagnosis/treatment codes with their meanings and the standards used are also available;
- An explanation of Our external review processes (and how to initiate an external review);
- In certain situations, a statement in non-English language(s) that the written notice of the claim denial and certain other benefit information may be available (upon request) in such non-English language(s);
- In certain situations, a statement in non-English language(s) that indicates how to access the language services provided by Us;
- The right to request, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim for benefits;
- Any internal rule, guideline, protocol or other similar criterion relied on in the determination, or a statement that a copy of such rule, guideline, protocol or other similar criterion will be provided free of charge on request;
- An explanation of the scientific or clinical judgment relied on in the determination, or a statement that such explanation will be provided free of charge upon request;
- A description of the standard that was used in denying the claim and a discussion of the decision;
- Your right, if applicable, to request external review by and Independent Review Organization;and
- Contact information for applicable office of health insurance consumer assistance or ombudsman

If BCBSTX denies Your appeal, in whole or in part, or You do not receive a timely decision, You may be able to request an external review of Your claim by an independent third party, who will review the denial and issue a final decision. Your external review rights are described in the How to Appeal a Final Internal Adverse Determination to an Independent Review Organization (IRO) section below.

How to Appeal a Final Internal Adverse Determination to an Independent Review Organization (IRO)

An “Adverse Determination” means a determination by Us or Our designated utilization review organization that

an admission, availability of care, continued stay, or other health care service that is a Covered Service has been reviewed and, based upon the information provided, is determined to be experimental or investigational, or does not meet Our requirement for medical necessity, appropriateness, health care setting, level of care, or effectiveness, and the requested service or payment for the service is therefore denied, reduced, or terminated.

This procedure (not part of the Complaint process) pertains only to appeals of Adverse Determinations. In addition, in life-threatening or urgent care circumstances, You are entitled to an immediate appeal to an IRO and are not required to comply with Our appeal of an Adverse Determination process.

Any party whose appeal of an Adverse Determination is denied by Us may seek review of the decision by an IRO. At the time the appeal is denied, We will provide You, Your designated representative or Provider of record, information on how to appeal the denial, including the approved form, which You, Your designated representative, or Your Provider of record must complete. In life-threatening or urgent care situations, You, Your designated representative, or Your Provider of record may contact Us by telephone to request the review and provide the required information. For all other situations, You or Your designated representative must sign the form and return to Us begin the independent review process.

- We will submit medical records, names of Providers and any documentation pertinent to the decision of the IRO.
- We will comply with the decision by the IRO.
- We will pay for the independent review.

Upon request and free of charge, You or Your designee may have reasonable access to, and copies of, all documents, records and other information relevant to the claim or appeal, including:

- information relied upon to make the decision;
- information submitted, considered or generated in the course of making the decision, whether or not it was relied upon to make the decision;
- descriptions of the administrative process and safeguards used to make the decision;
- records of any independent reviews conducted by Us;
- medical judgments, including whether a particular service is Experimental/Investigational or not Medically Necessary or appropriate; and
- expert advice and consultation obtained by Us in connection with the denied claim, whether or not the advice was relied upon to make the decision.

The appeal process does not prohibit You from pursuing other appropriate remedies, including: civil action, injunctive relief; a declaratory judgment or other relief available under law, if the requirement to exhaust the process for appeal and review places Your health in serious jeopardy.

For more information about the IRO process, call Texas Department of Insurance (TDI) on the IRO information line at (888) TDI-2IRO (834-2476), or in Austin call (512) 322-3400.

Changes in some state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

Except as changed by this amendment, all terms, conditions, limitations and exclusions of the Contract to which this amendment is attached will remain in full force and effect.

# An Amendment

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Health Insurance Policy.

Your Policy, and any Amendments attached to the Policy, is amended as follows:

The Your Medical Benefits section of section of Your Policy is amended by removing the current item discussing Outpatient Contraceptive Services from the list of Benefits for Medical Surgical Expense and adding the following information to the Benefits for Preventive Care Services. The items listed below will not be subject to Coinsurance, Deductible, Copayment and/or dollar maximum if provided by Network Providers or Participating Pharmacies.

Benefits for Outpatient Contraceptive Services

Benefits will be provided to women with reproductive capacity for specified drugs and devices in each of the following categories of FDA approved contraceptive drugs and devices, including certain: progestin-only contraceptives; combination contraceptives; emergency contraceptives; extended-cycle/continuous oral contraceptives; cervical caps; diaphragms; implantable contraceptives; intra-uterine devices; injectables; transdermal contraceptives and vaginal contraceptive devices. The contraceptive drugs and devices listed above may change as FDA guidelines, medical management and medical policies are modified. NOTE: Prescription contraceptive medications are covered under the PHARMACY BENEFITS portion of your Plan.

Benefits under this provision apply to contraceptive drugs and devices listed on the Contraceptive Drugs & Devices List. To determine if a specific drug or device is on the Contraceptive Drugs & Devices List, you may access the website at www.bcbstx.com or contact Customer Service at the toll-free number on your Identification Card.

Benefits are not available under this benefit provision for Contraceptive drugs and devices not listed on the Contraceptive Drugs & Devices List.You may however, have coverage under other sections of the Policy, subject to any applicable Coinsurance, Copayments, Deductibles and/or benefit maximum.

Benefits will be provided for female sterilization procedures for women with reproductive capacity and Outpatient Contraceptive Services. Also, benefits will be provided for FDA approved over-the-counter female contraceptives with a written prescription by a Health Care Practitioner. The Participant will be responsible for submitting a claim form with the written prescription and itemized receipt for the female over-the-counter contraceptive. Visit the BCBSTX website at www.bcbstx.com to obtain a claim form.

Benefits for the above listed services received from Out-of-Network Providers or non-Participating Pharmacies may be subject to any applicable Deductible, Coinsurance, Copayment and/or benefit maximum.

Benefits for Breastfeeding Support, Services and Supplies
Benefits will be provided for breastfeeding counseling and support services rendered by a Provider during pregnancy and/or in the post-partum period.

Benefits will also be provided for the rental (or purchase if required by Us) of manual, electric or Hospital grade breast pumps, accessories and supplies. You may be required to pay the full cost for the rental (or purchase) of a manual, electric breast pump or rental only of a Hospital grade breast pump, accessories and supplies and submit a claim form to Us with a written prescription and itemized receipts. Visit the BCBSTX website at www.bcbstx.com to obtain a claim form.

If you use an Out-of-Network Provider, the benefits may be subject to any applicable Deductible, Coinsurance, Copayment and/or benefit maximum.

The Medical Limitations and Exclusions section of Your Policy is amended by adding the followilolng new exclusion:

Any male contraceptive devices, including over-the-counter contraceptive products such as condoms; female contraceptive devices that do not require a prescription, including over-the-counter contraceptive products such as condoms and spermicide, when not prescribed by a Health Care Practitioner.

The Pharmacy Limitations and Exclusions section of Your Policy is amended by deleting the exclusion concerning Devices and Durable Medical Equipment and replacing it with the following:

Devices or Durable Medical Equipment of any type (even though such devices may require a Prescription Order), such as, but not limited to, contraceptive devices, therapeutic devices, artificial appliances, or similar devices (except disposable hypodermic needles and syringes for self-administered injections.) However, coverage for prescription contraceptive devices and the rental or purchase of a manual or electric breast pump are provided under the Your Medical Benefits portion of this Policy.

The Pharmacy Limitations and Exclusions section of Your Policy is amended by adding the following new exclusion:

Any male contraceptive devices, including over-the-counter contraceptive products such as condoms; female contraceptive devices that do not require a prescription, including over-the-counter contraceptive products such as condoms and spermicide, when not prescribed by a Health Care Practitioner.

Changes in some state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

Except as changed by amendment, all terms, conditions, limitations and exclusions of the Policy to which this Amendment is attached will remain in full force and effect.

An Amendment

Effective January 1, 2013

To be attached to and made a part of your Blue Cross and Blue Shield of Texas* BlueEdge[SM] Individual HSA Plan Insurance Contract.

Your contract is amended to provide that the Network Deductibles shall be increased by the annual cost–of–living adjustment based on the Consumer Price Index (CPI–U) for the 2013 calendar year as follows:

1. The Network individual Deductible amount is increased from $1,200 to $1,250.
2. The Network family Deductible amount is increased from $2,400 to $2,500.

The annual Out-of-Network Deductible for your policy is twice the Network Deductible. As a result, your Out-of-Network Deductibles are increased as follows:

1. The Out–of–Network individual Deductible amount is increased from $2,400 to $2,500.
2. The Out–of–Network family Deductible amount is increased from $4,800 to $5,000.

There will be no increase in Your Out–of–Pocket Maximum for 2013.

## An Amendment

**Effective Date August 1, 2013**

**To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual PPO Health Insurance Contract.**

***Your Policy, and any Amendments attached to the Policy, is amended as follows***:

The **Definitions** section of Your Policy is amended by adding the following to the definition of **Allowable Amount**:

> ***For Hospitals and Facility Other Providers, Physicians, and Professional Other Providers not contracting with BCBSTX in Texas or any other Blue Cross and Blue Shield Plan outside of Texas (non-contracting Allowable Amount) -*** Notwithstanding the above, where applicable state or federal law requires another standard for a non-contracting claim, the Allowable Amount shall be the lessor of billed charge or the amount prescribed by law.

Changes in some state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

**Except as changed by this amendment, all terms, conditions, limitations and exclusions of the Contract to which this amendment is attached will remain in full force and effect.**

Jeffrey R Tikkanen
President, Retail Markets
Blue Cross and Blue Shield of Texas

# Notices

# Notice of Annual Meeting

You are hereby notified that you are a Member of Health Care Service Corporation, a Mutual Legal Reserve Company, and you are entitled to vote in person, or by proxy, at all meetings of Health Care Service Corporation. The annual meeting is held at our principal office at 300 East Randolph, Chicago, Illinois at 12:30 p.m. on the last Tuesday in October.

## *IMPORTANT INFORMATION ABOUT COVERAGE UNDER THE TEXAS LIFE, ACCIDENT, HEALTH AND HOSPITAL SERVICE INSURANCE GUARANTY ASSOCIATION*

***(For Insurers declared insolvent or impaired on or after September 1, 2005)***

Texas law establishes a system, administered by the Texas Life, Accident, Health and Hospital Service Insurance Guaranty Association (the "Association"), to protect Texas policyholders if their life or health insurance company fails. Only the policyholders of insurance companies which are members of the Association are eligible for this protection which is subject to the terms, limitations, and conditions of the Association law. (The law is found in the *Texas Insurance Code*, Chapter 463.)

**It is possible that the Association may not cover your policy in full or in part due to statutory limitations.**

### Eligibility for Protection by the Association

When a member insurance company is found to be insolvent and placed under an order of liquidation by a court or designated as impaired by the Texas Commissioner of Insurance, the Association provides coverage to policyholders who are:

- Residents of Texas at that time **(irrespective of the policyholder's residency at policy issue)**
- Residents of other states, ONLY if the following conditions are met:
    1. The policyholder has a policy with a company domiciled in Texas;
    2. The policyholder's state of residence has a similar guaranty association; and
    3. The policyholder is *not eligible* for coverage by the guaranty association of the policyholder's state of residence.

### Limits of Protection by the Association

**Accident, Accident and Health, or Health Insurance:**

- For each individual covered under one or more policies: up to a total of $500,000 for basic hospital, medical-surgical, and major medical insurance, $300,000 for disability or long term care insurance, and $200,000 for other types of health insurance.

**Life Insurance:**

- Net cash surrender value or net cash withdrawal value up to a total of $100,000 under one or more policies on any one life; or
- Death benefits up to a total of $300,000 under one or more policies on any one life; or
- Total benefits up to a total of $5,000,000 to any owner of multiple non-group life policies.

**Individual Annuities:**

- Present value of benefits up to a total of $100,000 under one or more contracts on any one life.

**Group Annuities:**

- Present value of allocated benefits up to $100,000 on any one life; or
- Present value of unallocated benefits up to a total of $5,000,000 for any one contractholder regardless of the number of contracts.

**Aggregate Limit:**

- $300,000 on any one life with the exception of the $500,000 health insurance limit, the $5,000,000 multiple owner life insurance limit, and the $5,000,000 unallocated group annuity limit.

**Insurance companies and agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation, or inducement to purchase any form of insurance. When you are selecting an insurance company, you should not rely on Association coverage.**

Texas Life, Accident, Health and Hospital
Service Insurance Guaranty Association
6504 Bridge Point Parkway, Suite 450
Austin, Texas 78730
800-982-6362 or www.txlifega.org

Texas Department of Insurance
P.O. Box 149104
Austin, Texas 78714-9104
800-252-3439 or www.tdi.state.tx.us

## NOTICE OF CERTAIN MANDATORY BENEFITS

This notice is to advise you of certain coverage and/or benefits provided by your Contract with Blue Cross and Blue Shield of Texas, a Division of Health Care Services Corporation.

### Coverage of Tests for Detection of Human Papillomavirus and Cervical Cancer

Coverage is provided, for each woman enrolled in the plan who is 18 years of age or older, for expenses incurred in conducting an annually medically required diagnostic examination for the early detection of cervical cancer. Coverage required under this section includes at a minimum a conventional Pap smear screening or screening using liquid-based cytology methods as approved by the United States Food and Drug Administration for the detection of human Papillomavirus.

If any person covered by this Plan has a question concerning the above, please call Blue Cross and Blue Shield of Texas at: 1-888-697-0683, or write to us at: P. O. Box 3236, Naperville, Illinois 60566-7236.

# NOTICE OF MANDATED BENEFITS

This notice is to advise you of certain coverage and/or benefits provided in your health plan insured by Blue Cross and Blue Shield of Texas. This notice is required by legislation to be provided to you. *If you have questions regarding this notice, call Blue Cross and Blue Shield of Texas at 1-888-697-0683 or write us at P.O. Box 3236, Naperville, Illinois 60566-7236.*

## Mastectomy or Lymph Node Dissection

Minimum Inpatient Stay: If due to treatment of breast cancer, any person covered by this plan has either a mastectomy or a lymph node dissection, this plan will provide coverage for inpatient care for a minimum of:

a. 48 hours following a mastectomy; and
b. 24 hours following a lymph node dissection.

The minimum number of inpatient hours is not required if the covered person receiving the treatment and the attending physician determine that a shorter period of inpatient care is appropriate.

**Prohibitions:** We may not (a) deny any covered person eligibility or continued eligibility or fail to renew this plan solely to avoid providing the minimum inpatient hours; (b) provide money payments or rebates to encourage any covered person to accept less than the minimum inpatient hours; (c) reduce or limit the amount paid to the attending physician, or otherwise penalize the physician, because the physician required a covered person to receive the minimum inpatient hours; or (d) provide financial or other incentives to the attending physician to encourage the physician to provide care that is less than the minimum hours.

## Reconstructive Surgery After Mastectomy

Coverage and/or benefits are provided to each covered person for reconstructive surgery after mastectomy, including:

a. All stages of the reconstruction of the breast on which mastectomy has been performed;
b. Surgery and reconstruction of the other breast to achieve a symmetrical appearance; and
c. Prostheses and treatment of physical complications, including lymphedemas, at all stages of mastectomy.

The coverage and/or benefits must be provided in a manner determined to be appropriate in consultation with the covered person and the attending physician.

Deductibles, coinsurance and copayment amounts will be the same as those applied to other similarly covered *Inpatient Hospital Expense* or *Medical-Surgical Expense*, as shown on the Schedule of Coverage.

**Prohibitions:** We may not (a) offer the covered person a financial incentive to forego breast reconstruction or waive the coverage and/or benefits shown above; (b) condition, limit, or deny any covered person's eligibility or continued eligibility to enroll in the plan or fail to renew this plan solely to avoid providing the coverage and/or benefits shown above; or (c) reduce or limit the amount paid to the physician or provider, nor otherwise penalize, or provide a financial incentive to induce the physician or provider to provide care to a covered person in a manner inconsistent with the coverage and/or benefits shown above.

## Prostate Cancer Detection Examinations

Benefits are provided for each covered male for an annual medically recognized diagnostic examination for the detection of prostate cancer. Benefits include:

- A physical examination for the detection of prostate cancer; and

- A prostate-specific antigen test for each covered male who is:
  - At least 50 years of age; or
  - At least 40 years of age with a family history of prostate cancer or other prostate cancer risk factor.

## Inpatient Stay Following Birth of a Child Due to Complication of Pregnancy

**Benefits, we will provide inpatient care for the mother and her newborn child in a health care facility for a minimum of:**

a. 48 hours following an uncomplicated vaginal delivery; and
b. 96 hours following an uncomplicated delivery by Cesarean section.

This benefit does not require a covered female who is eligible for maternity/childbirth benefits to:

a. give birth in a hospital or other health care facility; or
b. remain in a hospital or other health care facility for the minimum number of hours following birth of the child.

If a covered mother or her newborn child is discharged before the 48 or 96 hours has expired, we will provide coverage for post-delivery care. Post-delivery care includes parent education, assistance and training in breast-feeding and bottle-feeding and the performance of any necessary and appropriate clinical tests. Care will be provided by a physician, registered nurse or other appropriately licensed health care provider, and the mother will have the option of receiving the care at her home, the health care provider's office or a health care facility.

**Prohibitions:** We may not (a) modify the terms of this coverage based on any covered person requesting less than the minimum coverage required; (b) offer the mother financial incentives or other compensation for waiver of the minimum number of hours required; (c) refuse to accept a physician's recommendation for a specified period of inpatient care made in consultation with the mother if the period recommended by the physician does not exceed guidelines for prenatal care developed by nationally recognized professional associations of obstetricians and gynecologists or pediatricians; (d) reduce payments or reimbursements below the usual and customary rate; or (f) penalize a physician for recommending inpatient care for the mother or the newborn child.

## Coverage for Tests for Detection of Colorectal Cancer

Benefits are provided, for each person enrolled in the plan who is 50 years of age or older and at normal risk for developing colon cancer, for expenses incurred in conducting a medically recognized screening examination for the detection of colorectal cancer. Benefits include the choice of:

(a) a fecal occult blood test performed annually and a flexible sigmoidoscopy performed every five years, or

(b) a colonoscopy performed every ten years.

# NOTICE

ALTHOUGH HEALTH CARE SERVICES MAY BE OR HAVE BEEN PROVIDED TO YOU AT A HEALTH CARE FACILITY THAT IS A MEMBER OF THE PROVIDER NETWORK USED BY YOUR HEALTH BENEFIT PLAN, OTHER PROFESSIONAL SERVICES MAY BE OR HAVE BEEN PROVIDED AT OR THROUGH THE FACILITY BY PHYSICIANS AND OTHER HEALTH CARE PRACTITIONERS WHO ARE NOT MEMBERS OF THAT NETWORK. YOU MAY BE RESPONSIBLE FOR PAYMENT OF ALL OR PART OF THE FEES FOR THOSE PROFESSIONAL SERVICES THAT ARE NOT PAID OR COVERED BY YOUR HEALTH BENEFIT PLAN.

Form Number NTC-1731-0907 Stock Number 43984.0907

## NOTICE OF COVERAGE FOR ACQUIRED BRAIN INJURY

This notice is to advise you of certain coverage and/or benefits provided in your health plan insured by Blue Cross and Blue Shield of Texas. This notice is required by legislation to be provided to you. *If you have questions regarding this notice, call Blue Cross and Blue Shield of Texas at 1-888-697-0683 or write us at P.O. Box 3236, Naperville, IL* 60566-7236.

Your health benefit plan coverage for an acquired brain injury includes the following services:

- Cognitive rehabilitation therapy;
- Cognitive communication therapy;
- Neurocognitive therapy and rehabilitation;
- Neurobehaviorial, neurophysiological, neuropsychological and psychophysiological testing and treatment;
- Neurofeedback therapy and remediation;
- Post-acute transition services and community reintegration services, including outpatient day treatment services or other post-acute care treatment services; and
- Reasonable expenses related to periodic reevaluation of the care of an individual covered under the plan who has incurred an acquired brain injury, has been unresponsive to treatment, and becomes responsive to treatment at a later date, at which time the cognitive rehabilitation services would be a covered benefit.

The fact that an acquired brain injury does not result in hospitalization or acute care treatment does not affect the right of the insured or the enrollee to receive the preceding treatments or services commensurate with their condition. Post-acute care treatment or services may be obtained in any facility where such services may legally be provided, including acute or post-acute rehabilitation hospitals and assisted living facilities regulated under the Health and Safety Code.

# NOTICE TO BLUE CROSS AND BLUE SHIELD OF TEXAS

# CONTRACT HOLDER

**Out-of-Area Services**

Blue Cross and Blue Shield of Texas (BCBSTX), a Division of Health Care Service Corporation, has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as “Inter-Plan Programs.” Whenever You obtain healthcare services outside of Our service area, the claims for these services may be processed through one of these Inter-Plan Programs, which includes the BlueCard Program.

Typically, when accessing care outside Our service area, You will obtain care from healthcare Providers that have a contractual agreement (i.e., are “participating Providers”) with the local Blue Cross and/or Blue Shield Licensee in that other geographic area (“Host Blue”). In some instances, You may obtain care from nonparticipating healthcare Providers. Our payment practices in both instances are described below.

**BlueCard® Program**

Under the BlueCard® Program, when You access covered healthcare services within the geographic area served by a Host Blue, BCBSTX will remain responsible for fulfilling Our contractual obligations. However, the Host Blue is responsible for contracting with and generally handling all interactions with its participating healthcare Providers.

Whenever You access covered healthcare services outside Our service area and the claim is processed through the BlueCard Program, the amount You pay for covered healthcare services is calculated based on the lower of:

- The billed covered charges for Your covered services; or
- The negotiated price that the Host Blue makes available to BCBSTX.

Often, this “negotiated price” will be a simple discount that reflects an actual price that the Host Blue pays to Your healthcare Provider. Sometimes, it is an estimated price that takes into account special arrangements with Your healthcare Provider or Provider group that may include types of settlements, incentive payments, and/or other credits or charges. Occasionally, it may be an average price, based on a discount that results in expected average savings for similar types of healthcare Providers after taking into account the same types of transactions as with an estimated price.

Estimated pricing and average pricing, going forward, also take into account adjustments to correct for over- or underestimation of modifications of past pricing for the types of transaction modifications noted above. However, such adjustments will not affect the price BCBSTX uses for Your claim because they will not be applied retroactively to claims already paid.

Federal law or the laws in a small number of states may require the Host Blue to add a surcharge to Your calculation. If federal law or any state laws mandate other liability calculation methods, including a surcharge, We would then calculate Your liability for any covered healthcare services according to applicable law.

# NOTICE TO BLUE CROSS AND BLUE SHIELD OF TEXAS

# CONTRACT HOLDER

**Liability Calculation Method Per Claim**

The calculation of the Participant's liability on claims for covered healthcare services processed through the BlueCard Program will be based on the lower of the participating healthcare Provider's billed covered charges or the negotiated price made available to BCBSTX by the Host Blue.

Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's healthcare Provider contracts. The negotiated price made available to BCBSTX by the Host Blue may represent a payment negotiated by a Host Blue with a healthcare Provider that is one of the following:

(i) an actual price. An actual price is a negotiated payment without any other increases or decreases, or

(ii) an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider refunds not applied on a claim-specific basis, retrospective settlements, and performance-related bonuses or incentives; or

(iii) an average price. An average price is a percentage of billed covered charges representing the aggregate payments negotiated by the Host Blue with all of its healthcare Providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustments may mean that a current price reflects additional amounts or credits for claims already paid to providers or anticipated to be paid to or received from providers). However, the amount paid by the Participant is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims. The BlueCard Program requires that the price submitted by a Host Blue to BCBSTX is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

A small number of states require a Host Blue either (i) to use a basis for determining Participant liability for covered healthcare services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (ii) to add a surcharge. Should the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, We would then calculate Participant liability in accordance with applicable law.

# NOTICE TO BLUE CROSS AND BLUE SHIELD OF TEXAS

# CONTRACT HOLDER

**Return of Overpayments**

Under the BlueCard Program, recoveries from a Host Blue or its participating healthcare Providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare Provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. Recovery amounts determined in these ways will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a claim-by claim or prospective basis.

**Non-Participating Healthcare Providers Outside BCBSTX Service Area**

For non-participating healthcare Providers outside our Service Area, please refer to the Allowable Amount definition in the **Definitions** section of this Contract.

## IMPORTANT TO YOUR COVERAGE

**To pay less out-of-pocket expenses and to receive the higher level of benefits for your health care costs, it is to your advantage to use Network Providers. If you use Network Providers, you will not be responsible for any charges over the Allowable Amount as determined by BCBSTX. What follows is an example of how much you would pay if you use a Network Provider and how much you would pay if you use a non-contracting Out-of-Network Provider. To make the example easier to follow, assume the Allowable Amount is the same. (NOTE: In most cases, however, the non-contracting Allowable Amount will be less than the contracting Allowable Amount, meaning your total payment responsibility will be even greater.)**

**EXAMPLE ONLY**

| | **In-Network**<br>90% of eligible charges<br>$2,000 Deductible | **Out-of-Network**<br>70% of eligible charges<br>$4,000 Deductible |
|---|---|---|
| Amount Billed | $20,000 | $20,000 |
| Allowable Amount | $5,000 | $5,000 |
| Deductible Amount | $2,000 | $4,000 |
| Plan's Coinsurance Amount | $2,700 | $700 |
| Your Coinsurance Amount | $300 | $3,000 |
| Non-Contracting Provider's additional charge to you | None | $15,000[1] |
| **YOUR TOTAL PAYMENT** | **$2,300**<br>**to a Network Provider** | **$19,300**<br>**to a Non-contracting Out-of-Network Provider** |

**Even when you consult a Network Provider, ask questions about any of the Providers rendering care to you. If you are scheduled for surgery, for example, ensure that your Network surgeon will be using a Network facility for your procedure and a Network Provider for your anesthesia services.**

**[1] If you choose to receive services from an Out-of-Network Provider, inquire if he participates in a contractual arrangement with BCBSTX. Providers who do not contract with BCBSTX or any other Blue Cross and Blue Shield plan will bill the patient for expenses over the Allowable Amount. Please refer to the section entitled *PARPLAN* in the Contract.**

## Texas Department of Insurance Notice

- You have the right to an adequate network of preferred providers (also known as "network providers").
    - If you believe that the network is inadequate, you may file a complaint with the Texas Department of Insurance.
    - If you relied on materially inaccurate directory information, you may be entitled to have an out-of-network claim paid at the in-network percentage level of reimbursement and your out-of-pocket expenses counted toward your in-network deductible and out-of-pocket maximum.

- You have the right, in most cases, to obtain estimates in advance:
    - from out-of-network providers of what they will change for their services; and
    - from your insurer of what it will pay for the services.

- You may obtain a current directory of preferred providers at the following website: www.bcbstx.com or by calling the Customer Service number on the back of your ID card for assistance in finding available preferred providers. If the directory is materially inaccurate, you may be entitled to have an out-of-network claim paid at the in-network level of benefits.

- If you are treated by a provider or hospital that is not a preferred provider, you may be billed for anything not paid by the insurer.

- If the amount you owe to an out-of-network hospital-based radiologist, anesthesiologist, pathologist, emergency department physician, or neonatologist is greater than $1,000 (not including your copayment, coinsurance, and deductible responsibilities) for services received in a network hospital, you may be entitled to have the parties participate in a teleconference, and if the result is not to your satisfaction, in a mandatory mediation at no cost to you. You can learn more about mediation at the Texas Department of Insurance website: www.tdi.texas.gov/consumer/cpmmediation.html.

# BlueCross BlueShield of Texas

*Experience. Wellness. Everywhere.®*

**www.bcbstx.com**

48140.0410
BlueEdge Individual HSA

## *IMPORTANT INFORMATION ABOUT COVERAGE UNDER THE TEXAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION (For Insurers declared insolvent or impaired on or after September 1, 2011)*

Texas law establishes a system to protect Texas policyholders if their life or health insurance company fails. The Texas Life and Health Insurance Guaranty Association (the "Association") administers this protection system. Only the policyholders of insurance companies that are members of the Association are eligible for this protection which is subject to the terms, limitations, and conditions of the Association law. (The law is found in the *Texas Insurance Code*, Chapter 463.)

**It is possible that the Association may not protect all or part of your policy because of statutory limitations.**

### Eligibility for Protection by the Association

When a member insurance company is found to be insolvent and placed under an order of liquidation by a court or designated as impaired by the Texas Commissioner of Insurance, the Association provides coverage to policyholders who are:

- Residents of Texas **(regardless of where the policyholder lived when the policy was issued.)**
- Residents of other states, ONLY if the following conditions are met:
    1. The policyholder has a policy with a company domiciled in Texas;
    2. The policyholder's state of residence has a similar guaranty association; and
    3. The policyholder is *not eligible* for coverage by the guaranty association of the policyholder's state of residence.

### Limits of Protection by the Association

**Accident, Accident and Health, or Health Insurance:**

- For each individual covered under one or more policies: up to a total of $500,000 for basic hospital, medical-surgical, and major medical insurance, $300,000 for disability or long term care insurance, and $200,000 for other types of health insurance.

**Life Insurance:**

- Net cash surrender value or net cash withdrawal value up to a total of $100,000 under one or more policies on a single life; or
- Death benefits up to a total of $300,000 under one or more policies on a single life; or
- Total benefits up to a total of $5,000,000 to any owner of multiple non-group life policies.

**Individual Annuities:**

- Present value of benefits up to a total of $250,000 under one or more contracts on any one life.

**Group Annuities:**

- Present value of allocated benefits up to $250,000 on any one life; or
- Present value of unallocated benefits up to a total of $5,000,000 for any one contractholder regardless of the number of contracts.

**Aggregate Limit:**

- $300,000 on any one life with the exception of the $500,000 health insurance limit, the $5,000,000 multiple owner life insurance limit, and the $5,000,000 unallocated group annuity limit.

These limits are applied for each insolvent insurance company.

**Insurance companies and agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation, or inducement to purchase any form of insurance. When you are selecting an insurance company, you should not rely on Association coverage. For additional questions on Association protection or general information about an insurance company, please use the following contact information.**

Texas Life and Health Insurance
Guaranty Association
515 Congress Avenue, Suite 1875
Austin, Texas 78701
800-982-6362 or www.txlifega.org

Texas Department of Insurance
P.O. Box 149104
Austin, Texas 78714-9104
800-252-3439 or www.tdi.texas.gov

Rev.5/2012

# An Amendment

**Effective January 1, 2011**

**To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Plan Insurance Contract.**

***Your Contract, and any Amendments attached to the Contract, is amended as follows***:

1. The Contract renewal date when Your health care coverage under this Contract renews for another Calendar Year is January 1st of each year.

2. The **Benefits Provided Section** of Your Contract is amended by deleting the **Maximum Benefits** subsection in its entirety. Any other Lifetime Maximums, as indicated in Your Contact or amendments attached to Your Contact, are no longer applicable.

3. The definition of **Dependent *child*** in the **Definition Section** of Your Contract is amended to mean a natural child of the Subscriber, a stepchild, or a legally adopted child of the Subscriber (including a child for whom the Subscriber is a party in a suit in which the adoption of the child is being sought), under twenty-six (26) years of age, regardless of presence or absence of a child's financial dependency, residency, student status, employment status, marital status, eligibility for other coverage or any combination of those factors. A grandchild must be dependent on the Subscriber for Federal income tax purposes at the time application for coverage is made to be eligible for coverage under the Contract. Wherever the term **Dependent** is used in Your Contract or any amendments to Your Contract, it will include this change.

4. If Your Contract has a **Rescission of Coverage** provision in the **Standard Provisions Section,** it is amended by deleting the provision in its entirety and replacing it with the following:

   **Rescission of Coverage:** Any act, practice or omission that constitutes fraud or making an intentional misrepresentation of material fact on the Participant's application, will result in the cancellation of Your coverage (and/or Your Dependent(s) coverage) retroactive to the Effective Date, subject to 30 days' prior notification. Rescission is defined as a cancellation or discontinuance of coverage that has a retroactive effect. In the event of such cancellation, Blue Cross and Blue Shield of Texas (BCBSTX) may deduct from the premium refund any amounts made in claim payments during this period and You may be liable for any claims payment amount greater than the total amount of premiums paid during the period for which cancellation is effected. At any time when BCBSTX is entitled to rescind coverage already in force, BCBSTX may at its option make an offer to reform the policy already in force. This reformation could include, but not be limited to, the addition of exclusion riders, (this limitation does not apply to a Participant under 19 years of age) and a change in the rating category/level. In the event of reformation, the policy will be reissued retroactive in the form it would have been issued had the misstated or omitted information been known at the time of application.

5. The **General Provisions Section** of Your Contract is amended by adding the following new section:

   **Policy Year:** Policy Year means the 12 month period beginning on January 1 of each year.

**Changes in some state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.**

**Except as changed by this amendment, all terms, conditions, limitations and exclusions of the Contract to which this amendment is attached will remain in full force and effect.**

President of Blue Cross and Blue Shield of Texas

## NOTICE

This health insurance issuer believes this coverage is a "grandfathered health plan" under the Affordable Care Act. As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that the policy may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime dollar limits on benefits for any individual.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to [P.O. Box 3236, Naperville, Illinois 60566-7236].

You may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.

# An Amendment

**To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Health Insurance Contract.**

***Your Contract, and any Amendments attached to the Contract, is amended as follows***:

1. The **Benefits Provided** section of Your Contract is amended by deleting the section **Use of Non-Contracting Providers** in its entirety and replacing it with the following:

   **Allowable Amount**

   The Allowable Amount is the maximum amount of benefits BCBSTX will pay for Eligible Expenses you incur under the Plan. BCBSTX has established an Allowable Amount for Medically Necessary services, supplies, and procedures provided by Providers that have contracted with BCBSTX or any other Blue Cross and/or Blue Shield Plan, and Providers that have not contracted with BCBSTX or any other Blue Cross and/or Blue Shield Plan. When you choose to receive services, supplies, or care from a Provider that does not contract with BCBSTX, you will be responsible for any difference between the BCBSTX Allowable Amount and the amount charged by the non-contracting Provider. You will also be responsible for charges for services, supplies, and procedures limited or not covered under the Plan and any applicable Deductibles, Coinsurance Amounts, and Copayment Amounts.

   Review the definition of Allowable Amount in the **DEFINITIONS** section of this Benefit Booklet to understand the guidelines used by BCBSTX.

2. The **Definitions** section of Your Contract is amended by deleting the definition of Allowable Amount in its entirety and replacing it with the following:

   **Allowable Amount** means the maximum amount determined by BCBSTX to be eligible for consideration of payment for a particular service, supply, or procedure.

   - ***For Hospitals and Facility Other Providers, Physicians, and Professional Other Providers contracting with BCBSTX in Texas or any other Blue Cross and Blue Shield Plan*** – The Allowable Amount is based on the terms of the Provider contract and the payment methodology in effect on the date of service. The payment methodology used may include diagnosis-related groups (DRG), fee schedule, package pricing, global pricing, per diems, case-rates, discounts, or other payment methodologies.

   - ***For Hospitals and Facility Other Providers, Physicians, and Professional Other Providers not contracting with BCBSTX in Texas or any other Blue Cross and Blue Shield Plan outside of Texas (non-contracting Allowable Amount) –*** The Allowable Amount will be the lesser of: (i) the Provider's billed charges, or; (ii) the BCBSTX non-contracting Allowable Amount. Except as otherwise provided in this section, the non-contracting Allowable Amount is developed from base Medicare Participating reimbursements adjusted by a predetermined factor established by BCBSTX. Such factor shall be not less than 75% and will exclude any Medicare adjustment(s) which is/are based on information on the claim.

     Notwithstanding the preceding sentence, the non-contracting Allowable Amount for Home Health Care is developed from base Medicare national per visit amounts for low utilization payment adjustment, or LUPA, episodes by Home Health discipline type adjusted for

duration and adjusted by a predetermined factor established by BCBSTX. Such factor shall be not less than 75% and shall be updated on a periodic basis.

When a Medicare reimbursement rate is not available or is unable to be determined based on the information submitted on the claim, the Allowable Amount for non-contracting Providers will represent an average contract rate in aggregate for Network Providers adjusted by a predetermined factor established by BCBSTX. Such factor shall be not less than 75% and shall be updated not less than every two years

BCBSTX will utilize the same claim processing rules and/or edits that it utilizes in processing Participating Provider claims for processing claims submitted by non-contracted Providers which may also alter the Allowable Amount for a particular service. In the event BCBSTX does not have any claim edits or rules, BCBSTX may utilize the Medicare claim rules or edits that are used by Medicare in processing the claims. The Allowable Amount will not include any additional payments that may be permitted under the Medicare laws or regulations which are not directly attributable to a specific claim, including, but not limited to, disproportionate share and graduate medical education payments.

Any change to the Medicare reimbursement amount will be implemented by BCBSTX within ninety (90) days after the effective date that such change is implemented by the Centers for Medicaid and Medicare Services, or its successor.

The non-contracting Allowable Amount does not equate to the Provider's billed charges and Participants receiving services from a non-contracted Provider will be responsible for the difference between the non-contracting Allowable Amount and the non-contracted Provider's billed charge, and this difference may be considerable. To find out the BCBSTX non-contracting Allowable Amount for a particular service, Participants may call customer service at the number on the back your BCBSTX Identification Card.

- ***For multiple surgeries*** – The Allowable Amount for all surgical procedures performed on the same patient on the *same* day will be the amount for the single procedure with the highest Allowable Amount *plus* a determined percentage of the Allowable Amount ***for each*** of the other covered procedures performed.

- ***For Covered Drugs as applied to Participating and non-Participating Pharmacies*** – The Allowable Amount for Participating Pharmacies and the Mail-Order Program will be based on the provisions of the contract between BCBSTX and the Participating Pharmacy or Pharmacy for the Mail-Order Program in effect on the date of service. The Allowable Amount for non-Participating Pharmacies will be based on the Average Wholesale Price.

**Except as changed by amendment, all terms, conditions, limitations and exclusions of the Contract to which this Amendment is attached will remain in full force and effect. This amendment shall become effective immediately.**

J. Darren Rodgers
President of Blue Cross and Blue Shield of Texas

## An Amendment

**January 1, 2012**

**To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Plan Insurance Contract.**

### AMENDMENT TO THE CONTRACT

**The General Provisions section of your Contract is modified to add the following new section:**

### Premium Rebates and Premium Abatements:

a. Rebate. In the event federal or state law requires Blue Cross and Blue Shield of Texas (BCBSTX) to rebate a portion of annual premiums paid, BCBSTX will directly provide any rebate owed Participants or former Participants to such persons in amounts as required by law.

If any rebate is owed a Participant or former Participant, BCBSTX will provide the rebate to the Participant or former Participant no later than August 1 following the end of the medical loss ratio ("MLR") reporting year.

BCBSTX will provide any rebate owed to a Participant in the form of a premium credit, lump-sum check or, if a Participant paid the premium using a credit card or direct debit, by lump-sum reimbursement to the account used to pay the premium. However, BCBSTX will provide any rebate owed to a former Participant in the form of lump-sum check or lump-sum reimbursement using the same method used for payment, such as credit card or direct debit.

If a rebate is provided in the form of a premium credit, BCBSTX will provide any rebate by applying the full amount due to the first premium payment due on or after August 1 following the end of the MLR reporting year. If the rebate owed is greater than the premium due, BCBSTX will apply any overage to succeeding premium payments until the full amount of the rebate has been credited.

At the time any rebate is provided, BCBSTX will provide to each Participant or former Participant who receives a rebate a notice containing at least the following information:

(A) A general description of the concept of a MLR;
(B) The purpose of setting a MLR standard;
(C) The applicable MLR standard;
(D) BCBSTX's MLR;
(E) BCBSTX's aggregate premium revenue as reported under federal MLR regulations (minus any federal and state taxes and licensing and regulatory fees that may be excluded from premium revenue under those regulations); and
(F) The rebate percentage and amount owed based upon the difference between the BCBSTX's MLR and the applicable MLR standard.

b. Abatement. BCBSTX may from time to time determine to abate (in whole or in part) the premium due under this Contract for particular period(s).

Any abatement of premium by BCBSTX represents a determination by BCBSTX not to collect premium for the applicable period(s) and does not effect a reduction in the rates under this Contract. An abatement for one period shall not constitute a precedent or create an expectation or right as to any abatement in any future period(s).

c. BCBSTX makes no representation or warranty that any rebate or abatement owed or provided is exempt from any federal, state, or local taxes (including any related notice, withholding or reporting requirements). It will be the obligation of each Participant or former Participant (if applicable) owed or provided a rebate or an abatement to determine the applicability of and comply with any applicable federal, state or local laws or regulations.

The provisions of this Amendment shall be in addition to (and do not take the place of) the other terms and conditions of this Contract.

**Except as changed by this amendment, all terms, conditions, limitations and exclusions of the Contract to which this amendment is attached will remain in full force and effect. This amendment shall become effective on the date stipulated above.**

President of Blue Cross and Blue Shield of Texas

## An Amendment

**Effective Date September 1, 2011**

**To be attached to and made a part of your Blue Cross and Blue Shield of Texas* Individual Health Insurance Contract.**

Your Contract is amended as follows:

We reserve the right to adjust the premium upon 60 days notice to the Subscriber. Such adjustments in rates shall become effective on the date specified in said notice. This notification is not applicable to rate changes based on attained age or change of residence.

The Prescription Drug Program of Your Contract is amended by adding the following new section.

***Benefits for Orally Administered Anticancer Medication***

Benefits are available for Medically Necessary orally administered anticancer medication that is used to kill or slow the growth of cancerous cells. Coinsurance or a Copayment Amount will not apply to orally administered anticancer medication listed on the Managed Oral Cancer Drug List. To determine if a specific drug is on the Managed Oral Cancer Drug List, you may access the website at www.bcbstx.com/member/rx_drugs.html or contact Customer Service at the toll-free number on your Identification Card.

**Except as changed by this amendment, all terms, conditions, limitations and exclusions of the Contract to which this amendment is attached will remain in full force and effect. This amendment shall become effective on the date stipulated above.**

President of Blue Cross and Blue Shield of Texas

BlueCross BlueShield of Texas

Value-added programs, tools and services are just another advantage of being a Blue Cross and Blue Shield of Texas (BCBSTX) member.

# Blue Access for Members℠*

## Your gateway to health information

*It's easy to register and find what you need at* ***bcbstx.com/member****.*

When it comes to managing your health information, it's "easy does it" with our Blue Access for Members (BAM) member site. BAM gives you important health and benefits information that you can manage in one convenient place online.

### Go to bcbstx.com, click "Log In" and register to access:

- your personal health history
- benefits highlights, claims, explanations of benefits and forms
- health and wellness resources
- special member discounts and programs

** Blue Access for Members is not available on child only policies.*

### Blue Access Mobile℠

With Blue Access Mobile, you have access to real-time claims status, ID cards and coverage details. Now you can get that information while on the go because BAM is mobile!

# Provider Finder

## Easily search for physicians, specialists and hospitals

It's easy to find physicians, specialists and hospitals with the online Provider Finder. Follow these three steps:

1. Visit bcbstx.com
2. Click Provider Finder
3. Search by network, doctor, hospital or area to find the most up-to-date listing of health care providers

### Download the free Provider Finder® App for Android or iPhone

In addition to finding a provider when you're on the go, this app can perform a GPS search and get directions to the provider's location.



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# Well onTarget℠

## Motivation and guidance on the path to health and wellness

The Well onTarget program offers an expanded array of personalized tools and resources designed to plan, engage, motivate, sustain and measure, with the end goal of delivering the best wellness experience to members.

**Well onTarget includes wellness programs such as:**

- Onmyway™ health assessment
- Health and wellness content
- Liveon wellness member portal
- Fitness program and incentives
- Onmytime self-directed courses

Learn more at wellontarget.com.

# Mail service for prescriptions

## It's all about convenience

As a BCBSTX member, you have a mail-service prescription drug program available for your maintenance medications. This benefit saves you time and money. Members pay a copayment, coinsurance or a combination, depending on their plan. Just ask your doctor for a written prescription for up to 90 days for each medication you want delivered to your home. You can find more information on BAM under the **My Coverage** tab.

If you have any questions about cost or benefit coverage, call the Blue Cross and Blue Shield Pharmacy Line at 800-423-1973, Monday through Friday, 7 a.m. to 11 p.m., and Saturday and Sunday 7:30 a.m. to 8 p.m. CT. Have your Blue Cross and Blue Shield ID card handy when you call.

# Blue365®

## Member discount program

Blue365 is just one more advantage of being a BCBSTX member. With this program, you can save money on health care products and services that are most often not covered by your benefit plan. There are no claims to file and no referrals or pre-authorizations.

You can sign up for Blue365, our member discount program that offers deals from brands like Reebok, Jenny Craig® and Nutrisystem®. Log in to Blue Access for Members or visit ***www.Blue365Deals.com/BCBSTX/***.

**Davis Vision℠ and TruVision**
**888-897-9350 or 877-882-2020**

Save on eyeglasses as well as contact lenses, laser vision correction services, examinations and accessories. Find out more when you log in to BAM. For a list of Davis Vision providers near you, go to bcbstx.com, click Find a Doctor, then select Find a Vision Provider. The Davis Vision network has major national and regional retail locations as well as independent ophthalmologists and optometrists. You and your eligible dependents can receive discounts on laser vision correction services through the TLC/TruVision network.

**Jenny Craig®**
**877-JENNY70 (877-536-6970)**

Jenny Craig can help you reach your weight loss goals. You will get one-on-one support from a trained weight loss expert. Your consultant will give you a tailored program based on the basic components of successful weight management: food, body, mind. You can meet with your consultant in person at a local center. Or you can enjoy the ease of the Jenny Craig At Home program. To get a special savings coupon, log in to BAM.

**Life Time® Fitness**
Life Time Fitness offers a total health fitness experience no matter your fitness level, interests, schedule or budget. For new members, Life Time Fitness offers a $0 enrollment fee when you sign up online.* Log in to BAM and access the Life Time Fitness website to find a free, seven-day pass to try out the location nearest you.

**Procter & Gamble (P&G) Dental Products**
**877-333-0121**

Get savings on dental packages containing the latest in Oral B® power toothbrushes and Crest® products. The dental packages from P&G can help you improve the health of your teeth and gums. Packages may contain items such as an electronic toothbrush, mouth rinse, floss, and many more. To shop in the P&G estore, log in to BAM and click on Member Discounts under Quick Links.

** Proof of Blue Cross and Blue Shield of Texas coverage is needed. The $0 enrollment fee offer is only for new members who enroll online at www.Blue365Deals.com/BCBSTX/. A $35 administrative fee applies to all memberships. Monthly dues and taxes may also apply. Members' prices, dues and fees may change at any time. Offer expires September 1, 2013. Other rules may apply. Always check with the Life Time Fitness club in your area for the most up-to-date offer. Offer not available in Minnesota.*

*The relationship between these vendors and Blue Cross and Blue Shield of Texas (BCBSTX) is that of independent contractors.*

*Blue365 is a discount program only for BCBSTX members. This is NOT insurance. Some of the services offered through this program may be covered under your health plan. Please check your benefit booklet or call the customer service number on the back of your ID card for specific benefit facts. Use of Blue365 does not change your monthly payment, nor do costs of the services or products count toward any maximums and/or plan deductibles. Discounts are only given through vendors who take part in this program. BCBSTX does not guarantee or make any claims or recommendations about the program's services or products. You may want to talk to your doctor before using these services and products. BCBSTX reserves the right to stop or change this program at any time without notice.*

# Travel with confidence

## You're covered!


With our BlueCard® PPO Program, Blue Cross and Blue Shield (BCBS) Plans across the country work together to ensure you receive reliable, affordable health care whenever you're away from home. When you use BlueCard PPO network providers (even while traveling outside your local Plan service area), you will receive the network benefits available through your health plan.

So, when you need medical services outside your local Plan service area, call the customer service telephone number on the back of your ID card. Or call the BlueCard Access telephone number at 800-810-BLUE (2583). The "suitcase" logo on your ID card tells providers that you are part of the BlueCard PPO Program.

# Learn more about taking care of your health

**Facebook**

**facebook.com/bluecrossblueshieldoftexas**

**Twitter**

**twitter.com/bcbstx**

**YouTube**

**youtube.com/bcbstx**

BlueCross BlueShield of Texas

## YOUR INFORMATION. YOUR RIGHTS. OUR RESPONSIBILITIES.

This notice describes how Blue Cross and Blue Shield of Texas can use or disclose your medical information and how you can get access to this information. Our contact information can be found at the end of the notice. **Please review this notice carefully.**

## YOUR RIGHTS. When it comes to your health information, you have certain rights.

This section explains your rights and some of our responsibilities to help you.

| | |
|---|---|
| **Get a copy of your health and claims records** | * You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this by using the contact information at the end of this notice.<br>* We will provide a copy or a summary of your health and claims records usually within 30 days of the request. We may charge a reasonable, cost-based fee. |
| **Ask us to correct health and claims records** | * You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this by using the contact information at the end of this notice.<br>* We may say "no" to your request. We'll tell you why in writing within 60 days. |
| **Request confidential communications** | * You can ask us to contact you in a specific way or to send mail to a different address Ask us how to do this by using the contact information at the end of this notice.<br>* We will consider all reasonable requests, and must say "yes" if you tell us you would be in danger if we do not. |
| **Ask us to limit what we use or share** | * You can ask us **not** to share or use certain health information for treatment, payment or our operations. Ask how to do this by using the contact information at the end of this notice.<br>* We are not required to agree to your request, and we may say "no" if it would affect your care. |
| **Get a list of those with whom we've shared information** | * You can ask for a list (accounting) for six years prior to your request date of when we shared your information, who we shared it with and why. Ask us how to do this by using the contact information at the end of this notice.<br>* We will include all the disclosures except for those about treatment, payment, and our operations, and certain other disclosures (such as any you asked us to make). We will provide one accounting a year for free but we may charge a reasonable, cost-based fee if you ask for another one within 12 months. |
| **Get a copy of this notice** | * You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. To request a copy of this notice, use the contact information at the end of this notice and we will send you one promptly. |
| **Choose someone to act for you** | * If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information. Ask us how to do this by using the contact information at the end of this notice.<br>* We confirm the person has the authority and can act for you before we share your information. |

## YOUR RIGHTS (continued)

| | |
|---|---|
| **File a complaint if you feel your rights are violated** | * You can complain if you feel we have violated your privacy rights by using the contact information at the end of this notice.<br>* You can also file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by calling 1-877-696-6775; or by visiting www.hhs.gov/ocr/privacy/hipaa/complaints/ or by sending a letter to them at: 200 Independence Ave., SW, Washington, D.C. 20201.<br>* We will not retaliate against you for filing a complaint. |

## YOUR CHOICES. For certain health information, you can tell us your choices about what we share.

If you have a clear preference on how you want us to share your information in the situations described below, tell us and we will follow your instructions. Use the contact information at the end of this notice.

| | |
|---|---|
| **In these cases, you have both the right and choice to tell us to:** | * Share information with your family, close friends, or others involved in payment for your care<br>* Share information in a disaster or relief situation<br>* Contact you for fundraising efforts |

*If you cannot share your preference, for example, if you are unconscious, we can share your information if we think it is in your best interest. We may share information when needed to lessen a serious or imminent threat to health or safety.*

| | |
|---|---|
| **We *never share your* information in these situations unless you give us written permission** | * Marketing purposes<br>* Sale of your information |

## OUR USES AND DISCLOSURES. How do we use or share your health information?

We typically use or share your health information in the following ways.

| | | |
|---|---|---|
| **Help manage the health care treatment you receive** | * We can use your health information and share it with professionals who are are treating you. | * *Example: A doctor sends us information about our diagnosis and treatment plan so we can arrange additional services.* |
| **Run our organization** | * We can use and disclose your information to run our organization and contact you when necessary. | * *Example: We use health information to develop better services for you.* |

***We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage.*** *This does not apply to long-term care plans.*

| | | |
|---|---|---|
| **Pay for your health services** | * We can use and disclose your health information since we pay for your health services. | * *Example: We share information about you with your dental plan to coordinate payment for your dental work.* |

BlueCross BlueShield of Texas

| | | |
|---|---|---|
| **Administer your plan** | * We may disclose your health information to your health plan sponsor for plan administration purposes. | **Example: If your company contracts with us to provide a health plan, we may provide them certain statistics to explain the premiums we charge.* |

## How else can we use or share your health information?

We are allowed or required to share your information in other ways, usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes. For more information go to: **www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html.**

| | |
|---|---|
| **Help with public health and safety issues** | * We can share your health information for certain situations such as:<br>* Preventing disease<br>* Helping with product recalls<br>* Reporting adverse reactions to medications<br>* Reporting suspected abuse, neglect or domestic violence<br>* Preventing or reducing a serious threat to anyone's health or safety |
| **Do research** | * We can use or share your information for health research. |
| **Comply with the law** | * We will share information about you when state or federal law requires it, including the Department of Health and Human Services if they want to determine that we are complying with federal privacy laws. |
| **Respond to organ/tissue donation requests and work with certain professionals** | * We can share health information about you with an organ procurement organization.<br>* We can share information with a medical examiner, coroner or funeral director. |
| **Address workers' compensation, law enforcement, and other government requests** | * We can use or share health information about you:<br>* For workers' compensation claims<br>* For law enforcement purposes or with a law enforcement official<br>* With health oversight agencies for activities authorized by law<br>* For special government functions such as military, national security, and presidential protective services or with prisons regarding inmates. |
| **Respond to lawsuits and legal actions** | * We can share health information about you in response to an administrative or court order, or in response to a subpoena. |
| **Certain health information** | * State law may provide additional protection on some specific medical conditions or health information. For example, these laws may prohibit us from disclosing or using information related to HIV/AIDS, mental health, alcohol or substance abuse and genetic information without your authorization. In these situations, we will follow the requirements of the state law. |

BlueCross BlueShield of Texas

## OUR RESPONSIBILITIES. When it comes to your information, we have certain responsibilities.

* We are required by law to maintain the privacy and security of your protected health information.
* We will let you know promptly if a breach occurs that compromises the privacy or security of your information.
* We must follow the duties and privacy practices described in this notice and give you a copy of it.
* We will not use or share your information other than as described here unless you tell us we can in writing.

You may change your mind at any time. Let us know in writing if you change your mind.

For more information: **www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html.**

## CHANGES TO THE TERMS OF THIS NOTICE

We can change the terms of this notice, and the changes we make will apply to all information we have about you. The new notice will be available upon request or from our website. We will also mail a copy of the new notice to you if there are material changes to our privacy practices.

## CONTACT INFORMATION

If you would like general information about your privacy rights or would like a copy of this notice, go to: http://www.bcbstx.com/important_info/index.html. If you have specific questions about your rights or about this notice, you may contact us in one of the following ways:

* Call us at the toll-free number on the back of your member identification card.
* Call us at 1-877-361-7594.
* Write us at:

Divisional Vice President, Privacy Office
Blue Cross and Blue Shield of Texas
P.O. Box 804836
Chicago, IL 60680-4110

## EFFECTIVE DATE OF THIS NOTICE

September 23, 2013