

#19676 Northern Arizona Public Employee Benefit Trust (NAPEBT)

2011 BENEFIT PLAN CHANGES

PPO \$500 (BuyUP) and \$750 (Base) Copay Plans

Effective Date: 07/01/11

COST-SHARING FOR INPATIENT - HOSPITAL

Currently, members pay applicable in-network or out-of-network deductible and coinsurance for Inpatient Hospital services. Members will now pay an access fee per admission, applicable deductible and coinsurance for the following in-network or out-of-network Inpatient Hospital services: Inpatient Hospital, Behavioral/Mental Health Inpatient, Inpatient Extended Active Rehabilitation (IEAR), Long Term Acute Care (LTAC) and Maternity.

DEPENDENTS

Currently, unmarried adult children age 19 and older who are full-time students are eligible for coverage under this benefit plan until the adult child turns age 23, but lose coverage if they lose student status. Now, children will be eligible for coverage under this benefit plan until the child turns age 26. Adult children between age 19 and 23 no longer have to be full-time students to be eligible for coverage under this benefit plan. Children no longer have to be unmarried to be eligible for coverage under this benefit plan.

EOSINOPHILIC GASTROINTESTINAL DISORDER

Currently, this benefit plan has a combined in- and out-of-network per member, per plan year limit of \$20,000 for amino acid formula for members with EGID. Members will continue to pay applicable deductible and 25% coinsurance for the first \$20,000 of coverage during the plan year. Members will then pay 80% coinsurance and the plan will pay 20% for any amounts that exceed the first \$20,000 of coverage during the plan year. The 80% coinsurance will not count toward the out-of-pocket coinsurance maximum. Members will pay the 80% coinsurance even if the member has already met his or her out-of-pocket coinsurance maximum.

MEDICAL FOODS

Currently, this benefit plan has a combined in- and out-of-network per member, per plan year limit of \$5,000 for medical foods. Members will continue to pay applicable deductible and 50% coinsurance for the first \$5,000 of coverage during the plan year. Members will then pay 80% coinsurance and the plan will pay 20% for any amounts that exceed the first \$5,000 of coverage during the plan year. Neither the 50% or 80% coinsurance will count toward the out-of-pocket maximum. Members will pay the 50% and 80% coinsurance even if the member has already met his or her out-of-pocket coinsurance maximum.

PLAN MAXIMUM

Currently, this benefit plan has a \$5,000,000 per member benefit plan maximum. This benefit plan will no longer have a per member benefit plan maximum.

PRE-EXISTING CONDITION EXCLUSION WAITING PERIODS

Currently, this plan applies a 12-month pre-existing condition waiting period to members regardless of the member's age. Pre-existing conditions are conditions, regardless of the cause of the condition, for which medical advice, diagnosis, care or treatment was recommended or received during the 6 month period immediately preceding a member's enrollment date. Coverage for service related to a pre-existing condition exclusion or complications related to the condition will not begin until 12 consecutive months have elapsed from the member's enrollment date. The waiting period is shortened by prior creditable coverage. See your benefit plan booklet for additional information regarding pre-existing condition waiting periods.

This benefit plan will no longer apply pre-existing condition exclusion waiting periods to members under the age of 19.

PRESCRIPTION DRUGS AND SPECIALTY SELF INJECTABLES

Your medical plan through BlueCross BlueShield of Arizona will continue to cover specialty self-injectable medications through the home health benefit. However, your retail pharmacy, mail order pharmacy, or specialty self-injectable medications received from a specialty pharmacy will no longer be provided through BlueCross BlueShield of Arizona. You can find more information on your new prescription drug program at www.napebt.com.

PREVENTIVE SERVICES

Currently, members pay applicable deductible, coinsurance and copays for covered preventive care services received from in- and out-of-network providers. Preventive care services received from in-network providers will now be paid at 100 percent of the BCBSAZ allowed amount. Members will pay deductible and out-of-network coinsurance for preventive care services provided by out-of-network providers with the exception of Mammography, deductible is waived. If preventive services are provided by a noncontracted provider, members are responsible for the balance bill. Routine Physicals received from a non-contracted provider are not covered.

Federal and state statutes and regulations may require additional changes to this benefit plan. BCBSAZ will advise employer groups and members of any additional changes to this benefit plan required by applicable federal and state law.