

PPO SAVER BENEFIT PLAN

If you have opened a health savings account and your coverage is changed to a different plan or insurance provider, you are responsible for notifying your health savings account trustee that you are no longer enrolled in a qualified high-deductible health plan.

You are now enrolled in a qualified HSA plan. We urge you to contact your HSA trustee to confirm your effective date on the BCBSAZ Saver plan.

Northern Arizona Public Employee Benefit Trust (NAPEBT) PPO Saver Benefit Plan

Your employer sponsors a self-funded Employee Health Care Plan (“the Plan”) to provide its employees with health care coverage. The Plan is established by your employer and is maintained pursuant to a written document called a Plan Document.

Your employer has contracted with Blue Cross Blue Shield of Arizona (“BCBSAZ”) to provide certain administrative claims processing and utilization management services for this PPO benefit plan. Benefits under the Plan are paid from the general assets of the Plan Sponsor*.

BCBSAZ may also have a contract with your employer to provide stop-loss insurance to the Plan. The stop-loss insurance may be "aggregate" stop-loss, which reimburses the Plan whenever claims on all employees exceed a specified level in a Plan year, "specific" stop-loss, which reimburses the Plan whenever claims on any covered person exceeds a specified level; or a combination of both.

BCBSAZ is an independent contractor and shall not for any purpose be deemed an agent of your employer or the employer's Plan Administrator*, nor shall BCBSAZ and your employer be deemed partners, joint venturers or governed by any legal relationship other than that of independent contractor. In this booklet, BCBSAZ refers to the administrative services agreement and/or stop loss insurance agreement with your employer as a group master contract.

This benefit plan booklet describes the benefits for employees and their dependents that are eligible for and have elected coverage, under the PPO benefit plan. BCBSAZ may distribute a similar benefit plan booklet for insured employer groups and self-funded employer groups. This booklet by itself is not your employer's Summary Plan Description or a Plan Document. Your employer is responsible for providing those documents to you.

This PPO benefit plan gives you access to a network of providers that have agreed to negotiated discounts with BCBSAZ or a local Blue Cross and/or Blue Shield plan if covered services are rendered outside of Arizona.

Please note: Not all services are covered. As this is a self-funded employer health care plan, benefits provided in this PPO plan may not include all benefits required for those health care plans which are not self-funded. Read this benefit plan booklet carefully to understand the benefits and limitations of the PPO benefit plan.

*Plan Sponsor and Plan Administrator are terms defined under the Employee Retirement Income Security Act (ERISA). These parties are often your employer, but may be another entity, e.g., a trust or association sponsoring your Plan. Your Plan Document or Summary Plan Description names these parties for you.

TABLE OF CONTENTS

CUSTOMER SERVICE INFORMATION	6
UNDERSTANDING THE BASICS	8
BCBSAZ ID Card	8
Covered Services	8
Coverage Requirements	8
Health Savings Account (HSA)	8
Medically Necessary	8
Experimental or Investigational Treatment.....	9
Medical Terminology	10
Provider Network Status	10
Schedule Page.....	10
Your Responsibilities	10
COST SHARING.....	11
Access Fee	11
BCBSAZ Allowed Amount.....	11
Benefit Plan Maximum	11
Coinsurance	11
Copay.....	11
Deductible	11
Calendar-Year Deductible	11
Additional Deductibles/Loss of Benefits	12
Family Deductible Maximum	12
Out-of-Pocket Maximum	12
Specific Benefit Maximum.....	12
PROVIDERS.....	13
Primary Care Providers (PCPs)	13
Specialist.....	13
Blue Cross and/or Blue Shield Plan Providers Outside of Arizona - The BlueCard Program	12
Choosing a Provider	13
Continuing Physician Care from an Out-of-Network Physician (M.D. or D.O.)	14
Differences in Financial Responsibility.....	15
Eligible Providers	16
Obtaining Preferred Level of Benefits for NonPreferred Provider Services	16
PRECERTIFICATION	18
Precertification	18
Services Requiring Precertification	18
Precertification of Medications	18
How to Get Precertification	19
If Precertification is Not Obtained.....	19
If a Precertification Request is Denied	19
DESCRIPTION OF BENEFITS AND SERVICES	20
A. Ambulance Services	20
B. Behavioral and Mental Health Services (including Chemical Dependency or Substance Abuse Treatment)	20
C. Cancer Clinical Trials	22
D. Cardiac and Pulmonary Rehabilitation – Outpatient Services	23
E. Care Management	23
F. Cataract Surgery	23
G. Chiropractic Benefit.....	24
H. Dental Services Benefit.....	24
I. Detoxification	26

J. Diabetes and Asthma Supplies and Disease Management	26
K. Durable Medical Equipment (DME) - Medical Supplies - Prosthetic Appliances and Orthotics	27
L. Emergency or Accident	28
M. Eosinophilic Gastrointestinal Disorder	29
N. Family Planning.....	30
O. Home Health Services and Home Infusion - Medication Administration Therapy.....	30
P. Hospice Services	31
Q. Inpatient Hospital	32
R. Inpatient Rehabilitation Services – Extended Active Rehabilitation (EAR)	33
S. Long-Term Acute Care (Inpatient)	33
T. Maternity	34
U. Medical Foods.....	34
V. Neuropsychological and Cognitive Testing	36
W. Nutritional Counseling/Training	36
X. Outpatient Services.....	36
Y. Physical Therapy (PT) - Occupational Therapy (OT) - Speech Therapy (ST)	37
Z. Physician Services	37
AA. Post-Mastectomy Services.....	38
BB. Pregnancy, Termination	38
CC. Prescription Medications for the Treatment of Cancer	38
DD. Preventive Care - Mammography - Routine Physical Exams	39
EE. Reconstructive Surgery and Services	40
FF. Retail and Mail Order Pharmacy	41
GG. Skilled Nursing Facility (SNF).....	43
HH. Specialty Self-Injectable Medications.....	44
II. Transplants - Organ/Tissue/Bone Marrow Transplants and Stem Cell Procedures.....	45
JJ. Transplant Travel and Lodging	47
KK. Urgent Care.....	48
LL. Vision Exams (Routine) and Eyewear Discounts	49
WHAT IS NOT COVERED.....	50
Pre-existing Conditions	50
Noncovered Services and Supplies	50
BENEFIT PLAN ADMINISTRATION.....	55
Benefit Plan.....	55
Coordination of Benefits	55
Non-Duplication of Benefits.....	56
Definitions	56
Dependents.....	56
Disabled Dependent Child	56
Employee/Retiree	56
Group	56
Open Enrollment.....	57
Eligibility Requirements.....	57
Effective Date of Coverage	57
Loss of Eligibility/Termination Date of Coverage	58
Termination Date of Coverage	58
Special Enrollment Provisions.....	59
Leave of Absence	59
Medical Support Orders	59
Termination of Coverage	60
CLAIMS FILING INFORMATION	62
BCBSAZ PPO and Participating Providers	62
Claim Forms.....	62
Complete Claims.....	62

Explanation of Benefits (EOB) Form	62
Initial Claim	62
Noncontracted Providers.....	62
Notice of Determination	63
Pharmacy Claims.....	63
Post-Service Claims.....	63
Pre-Service Claims	63
Providers Outside of Arizona - BlueCard	64
Time Limit for Claim Filing.....	64
Urgent Claims	64
APPEAL AND GRIEVANCE PROCESS.....	65
GENERAL PROVISIONS.....	68
Benefit Plan Amendment	68
Billing Limitations and Exceptions.....	68
BlueCard Program	68
Blue Cross and Blue Shield of Arizona	68
Blue Cross and Blue Shield Association.....	69
Broker Commissions.....	69
Claim Editing Procedures	69
Confidentiality/Release of Information	69
Court or Administrative Orders Concerning Dependent Children/Access to Information Concerning Dependent Children.....	69
Disclaimer of Liability	69
Discretionary Authority.....	70
Government Health Care Programs.....	70
Legal Action	70
Non-Assignability of Benefits	71
Notices to Subscribers	71
Payments Made in Error	71
Provider and Third Party Administrator Reimbursement Arrangements.....	71
Release of Records	71
Rescission of Coverage	71
Statement of ERISA Rights.....	71
Third-Party Beneficiaries.....	73
Your Right to Information	73
Index	74
Address Change, Directory Request, Mail Order Form	77

**PPO SAVER
CUSTOMER SERVICE INFORMATION
azblue.com**


It will be assumed you have read and understand this benefit plan booklet. If you have any questions concerning benefits or limitations, please contact the Customer Service Department.


⌚ BCBSAZ Customer Service hours are Monday through Friday 8:00 a.m. to 4:30 p.m. MST (except holidays).


	<u>Customer Service</u> (benefit questions or claim information)	Maricopa Pima	(602) 864-4400 (520) 745-1883
---	--	------------------	----------------------------------

	<u>Outside of Maricopa/Pima Counties</u>	Northern Arizona Southern Arizona Statewide	(928) 526-0232 (800) 423-6484 (520) 745-1883 (800) 752-0193 (800) 232-2345
---	---	---	--

	<u>Hearing Impaired</u> (TDD) (claim information)	Maricopa	(602) 864-4823
---	---	----------	----------------

	<u>Spanish-Language Telephone Service</u> en Español - preguntas sobre su solicitud, beneficios, reclamos, o pagos	Maricopa Statewide	(602) 864-4884 (800) 232-2345, ext. 4884
--	--	-----------------------	--

	<u>Membership Services</u> ordering additional ID cards, changing mailing address, adding or removing dependents, termination of coverage	Maricopa/Other Pima	(602) 864-4115 (800) 232-2345, ext. 4115 (520) 745-1446 (800) 621-5563
---	---	----------------------------	--

	<u>Precertification</u> (your doctor must contact)	Maricopa Statewide	(602) 864-4320 (800) 232-2345, ext. 4320
---	---	-----------------------	--

	<u>Provider's BCBSAZ Participation</u> or network status online provider directory	Maricopa Statewide	(602) 864-4400 (800) 232-2345 azblue.com
---	---	-----------------------	--

	<u>BlueCard® Program</u> BCBS Association Web site		(800) 810-2583 bcbs.com
---	--	--	----------------------------



Supply Line

provider directories, claim forms,
health coverage appeal information packet,
ID cards, Rx mail order packet

Maricopa
Statewide

(602) 995-6960
(800) 232-2345,
ext. 6960



Pharmacy Benefit Information

Maricopa
Statewide

(602) 864-4273
(800) 232-2345,
ext. 4273



Mail Order Pharmacy Services
(Walgreen's Healthcare Plus)

Statewide
Refills

(800) 345-1985
(800) 797-3345

MAIL CLAIMS AND CORRESPONDENCE TO:

Blue Cross Blue Shield of Arizona
P.O. Box 2924
Phoenix, Arizona 85062-2924

CUSTOMER WALK-IN OFFICE LOCATIONS:

Phoenix
(main office)

2444 W. Las Palmaritas Drive, 85021-4883
2 blocks north of Northern Avenue between
the Black Canyon Freeway (I-17) and 23rd Avenue

Tucson

5285 E. Williams Circle, Suite 1000, 85711-7411

Flagstaff

1500 E. Cedar Avenue, Suite 56, 86004-1643

Tempe

4415 S. Wendler Drive, Suite 100, 85282-6411

References to "you," "your" or "subscriber" are used interchangeably and refer to anyone covered under this benefit plan.

UNDERSTANDING THE BASICS

You have enrolled in PPO Saver, a high-deductible health plan that can be used with a health savings account (HSA). You must satisfy certain criteria to be eligible to open a health savings account. Enrolling in PPO Saver does not automatically qualify you to open an HSA. Check with your tax or legal advisor regarding whether you satisfy these criteria.

Before you receive any services, you need to understand what is covered and the limitations or exclusions of coverage. Not all services recommended or prescribed by a physician or other health care provider are covered. Read this benefit plan booklet carefully to understand the limitations of your benefit plan.

- **BCBSAZ ID Card**

Your ID card includes basic eligibility and cost sharing information - group number, card issue date, deductible(s) and coinsurance. More information on cost sharing is on your schedule page and in the Cost Sharing section of this benefit plan booklet.

- ◆ Bring your BCBSAZ ID card with you when receiving health care services.
- ◆ When calling BCBSAZ, have your ID card available for reference.
- ◆ Your card identifies your plan as “HSA qualified.”

- **Covered Services**

Covered services are the services described as covered in this booklet when performed by eligible providers within the scope of their practice, not excluded, precertified where precertification is required and which are medically necessary as determined by BCBSAZ. Services provided in excess of a benefit maximum or benefit plan maximum are not covered.

Benefits of this benefit plan are available only for covered services received while the benefit plan is in effect and the subscriber claiming benefits is eligible for coverage under the benefit plan. Benefits may be modified during the term of this benefit plan or upon renewal. If benefits are modified, the revised benefits (including any reduction in benefits or the elimination of benefits) apply to covered services processed on or after the effective date of the modification. There is no vested right to receive the benefits of this benefit plan.

- **Coverage Requirements**

If you are seeing a provider for a particular service or treatment, review this booklet to determine:

- ◆ Is it a benefit - or is it excluded? (See “Description of Benefits and Services” and “What is Not Covered.”)
- ◆ Are there benefit limitations and/or benefit maximums?
- ◆ Is precertification required? Specific requirements are indicated within the separate benefit provisions and you will need to have your provider contact BCBSAZ for precertification when it is required. (See “Precertification.”)

- **Health Savings Account (HSA)**

BCBSAZ does not make any contributions to the HSA or submit applications to HSA custodians/trustees to open an HSA on your behalf. An HSA is a tax-exempt trust or custodial account that works with a qualified high-deductible health plan. It is designed to pay for qualified medical expenses and/or provide savings for the future. Your PPO Saver plan is designed to work in conjunction with an HSA.

BCBSAZ is not an HSA trustee or custodian.

Federal and state regulations are subject to change. BCBSAZ does not render tax, investment or legal advice. Please consult with your tax or legal advisor to learn the details regarding health savings accounts.

- **Medically Necessary**

The fact that a provider has prescribed, ordered, recommended or approved a service or supply does not make it medically necessary or make the charge eligible for benefits, even though it is not expressly excluded.

Medically necessary care or treatment is care or treatment that meets **all** of the following requirements as determined by BCBSAZ in its sole and absolute discretion:

- ◆ Is consistent with the symptoms, diagnosis and/or treatment of an illness, disease or injury;
- ◆ Meets medical policy requirements relied upon by BCBSAZ* at the time the service is requested or received. Such medical policy requirements may include, but are not limited to, one or more of the following:
 - InterQual
 - Medical Policy Reference Manual (MPRM)
 - Technology Evaluation Center (TEC) of the Blue Cross and Blue Shield Association
 - Medicare Guidelines
 - Association of Community Cancer Centers Compendia-Based Drug Bulletin/Oncology
 - Blue Cross and Blue Shield Association Medical Policy Clearinghouse **and/or**
 - BCBSAZ Plan Medical Coverage Guidelines (local medical policy)
- ◆ Is not primarily for the convenience of a subscriber or a provider;
- ◆ Is the most appropriate site, supply or service level that can safely be provided.

Please note: BCBSAZ uses all or some of these criteria in developing its medical policy. Additional or different criteria may be adopted by BCBSAZ from time to time after publication of this benefit plan booklet. BCBSAZ does not rely on each of these criteria for every service. To obtain information about the specific criteria used by BCBSAZ for rendering a medical necessity benefit determination for any given procedure or service, please contact BCBSAZ at (602) 864-4614 or (800) 232-2345, ext. 4614.

BCBSAZ's interpretation of medical necessity is a benefits determination made in accordance with the provisions of this benefit plan, not a decision regarding a course of treatment. Therefore, BCBSAZ's medical necessity benefit determination may differ from your provider's determination of medical necessity. BCBSAZ will interpret whether a service or supply is a medically necessary covered benefit. Whether to proceed with the service is a decision to be made between you and your provider.

- **Experimental or Investigational Treatment**

Procedures, medications, services, supplies or treatment of any kind that are deemed experimental or investigational by BCBSAZ are **not covered** under this benefit plan. The criteria BCBSAZ uses to determine if a treatment is experimental or investigational includes, but is not limited to, the following:

- ◆ The technology must have final approval from the appropriate government regulatory bodies if applicable
- ◆ The scientific evidence must permit conclusions concerning the effect of the technology on health outcomes
- ◆ The technology must improve the net health outcome
- ◆ The technology must be as beneficial as any established alternative, **and**
- ◆ The improvement must be attainable outside the investigational setting.

In addition to the above criteria, a treatment will be considered experimental or investigational if the following apply:

- ◆ The medication or device cannot be lawfully marketed without full (unrestricted) approval of the U.S. Food and Drug Administration and approval for marketing has not been given at the time the proposed transplant/procedure is furnished; **or**
- ◆ The hospital, facility or physician performing the transplant/procedure or providing the medication, device or medical treatment considers it experimental or investigational as documented on such hospital, facility or physician's patient consent form or in its medical policies or medical records; **or**
- ◆ Published reports and articles in authoritative (peer reviewed) medical and scientific literature show that the prevailing opinion among experts regarding the medication, device, medical treatment, procedure or service is that further studies or clinical trials are necessary to determine its maximum tolerated dose, its toxicity, its safety, appropriate subscriber selection, its efficacy, or its efficacy as compared with the standard treatment(s) for the diagnosis.

- **Medical Terminology**

It is necessary to include certain medical terminology to explain your health care benefits. If you have any questions concerning the medical terminology, including medical conditions, procedures or treatment specifically outlined in this booklet, it is recommended that you bring this booklet to discuss your questions with your treating physician or other health care provider. To better understand the benefits, limitations and exclusions of your coverage, please call BCBSAZ Customer Service.

- **Provider Network Status**

Check your provider's eligibility and participation status with BCBSAZ before you receive services (see "Providers").

- ◆ Is your provider an eligible provider?
- ◆ Is your provider a Preferred provider? If you don't know, call BCBSAZ Customer Service or check the BCBSAZ Web site for our online provider directory at azblue.com.

- **Schedule Page**

You will be provided with a schedule page that lists the persons covered, applicable access fees, copays, coinsurance percentages, deductible amounts, effective date of your coverage and other important information. Please keep your current schedule page with your benefit plan booklet. **Review your schedule page for cost-sharing (e.g., access fee, copay, coinsurance or deductible) information.**

- **Your Responsibilities**

To be sure your claims can be processed appropriately and that we can keep you informed about administrative or benefit changes, we need you to promptly notify us of:

- ◆ Address changes
- ◆ Dependents added to the benefit plan - newborns, spouse, adopted children, children placed for adoption, step-children
- ◆ Dependents leaving the benefit plan - in cases of divorce, death, child no longer a full-time student or marriage of a dependent child

If you do not keep us informed of these types of changes, your mail regarding this benefit plan may not reach you in a timely manner and you may have to reimburse the Plan for claims payments the Plan makes on behalf of dependents who became ineligible, but who incurred claims before you provided notice. You may also have to pay costs incurred by the Plan and/or BCBSAZ for collection of claims payments made for ineligible dependents.

COST SHARING
(Including Access Fees, Copays, Coinsurance, Benefit Maximums and Deductible)

Subscribers pay a share of the costs for covered services. Such share may be in the form of an access fee, copay, a coinsurance percentage and/or a deductible. The amount of your share varies depending on the provider you choose and the nature of the services received.

This benefit plan has both Preferred and nonPreferred benefits. Your out-of-pocket costs are reduced when you receive services from providers within the Preferred network. **Please note:** Some services are covered **only** when rendered by a Preferred provider, as indicated within the specific benefit.

Your schedule page shows your share of costs for Preferred and nonPreferred covered services (see "Schedule Page") and the cost-sharing components are described in detail below.

- **Access Fee**

An access fee is a specific dollar amount you must pay to the provider at the time you receive certain covered services. You may have to pay an access fee for emergency room visits or certain other services (see "Emergency or Accident," "Inpatient Hospital" (bariatric surgery) and your schedule page for specific amounts). Access fees will apply to your out-of-pocket maximum but will not apply to your deductible.

- **BCBSAZ Allowed Amount**

When used in this benefit plan "BCBSAZ allowed amount" includes any contractual arrangements with the contracted provider. The BCBSAZ allowed amount is the amount payable by or through BCBSAZ for a covered service, including amounts payable by the subscriber, e.g., deductibles, coinsurance or copays. The BCBSAZ allowed amount is generally calculated using the lesser of billed charges or the applicable BCBSAZ fee schedule. For inpatient admissions when the billed charge is less than the BCBSAZ fee schedule, your coinsurance is calculated using the lesser billed charge amount.

- **Benefit Plan Maximum**

No benefits will be paid by or through BCBSAZ under this benefit plan in excess of \$5,000,000 per subscriber (see "Benefit Plan"). You will be notified when the benefit plan maximum is met.

- **Coinsurance**

Coinsurance is a percentage you pay for covered services after meeting any applicable deductibles. Unless specified within the benefit, coinsurance still applies even when the deductible is waived. Except as stated in "The BlueCard Program," this percentage is calculated using the BCBSAZ allowed amount. You pay a higher coinsurance percentage when you use a nonPreferred provider (see "Schedule Page"). Coinsurance amounts you pay will apply to your out-of-pocket maximum.

- **Copay**

If coinsurance applies to your plan after the deductible is met, a copay may be applied at the pharmacy when the price BCBSAZ pays a contracted pharmacy for a covered medication or your coinsurance for a covered medication is less than \$5. When the price BCBSAZ pays a contracted pharmacy for a covered medication or your coinsurance for a covered medication is less than a \$5 minimum copay most pharmacies will charge you their retail price (if also less than the \$5 minimum copay or your coinsurance), rather than the BCBSAZ price or coinsurance payment. Some pharmacies may charge you the BCBSAZ price or your coinsurance payment when it is less than the \$5 minimum copay. If a copay does not apply to a service, you pay the applicable deductible and coinsurance, unless otherwise specified within the benefit provision. Copays, deductible, coinsurance or other amounts paid for medications will apply to the out-of-pocket maximum.

- **Deductible**

- **Calendar-Year Deductible**

A calendar-year deductible is the amount you must pay for covered services each calendar year (January through December) before this benefit plan begins to pay for covered services. You may not receive credit for any deductible satisfied under another insurance plan's group or individual coverage, depending on the type of plan.

Until the deductible is met, it applies to all covered services you receive, unless noted in the specific benefit section. The deductible applies regardless of whether a provider has referred you for services or you have self-directed to a provider to obtain services. Once you have satisfied the calendar-year

deductible, you then pay your coinsurance percentage, copays and access fees for covered services up to the out-of-pocket maximum described on your schedule page.

Important information:

- Access fees do not count toward the calendar-year deductible.
- The BCBSAZ allowed amount for covered services will count toward the deductible.
- Make sure you or your providers file **all** your claims so we can keep track of covered expenses and track your deductible. The deductible for a calendar year is applied in the order in which claims are processed (not the date services were rendered).
- Amounts applied to the calendar-year deductible count toward the out-of-pocket maximum.
- Amounts applied to an additional deductible (see “*Additional Deductibles/Loss of Benefits*”) do not count toward the out-of-pocket maximum.
- Amounts applied to an additional deductible do not count toward the calendar-year deductible.

◆ **Additional Deductibles/Loss of Benefits**

If you do not obtain required precertification, you may have to pay an additional deductible or in some cases, you may lose your benefit entirely. The amount of the additional deductible is shown on your schedule page. Refer to “*Precertification*” for more information on the precertification process.

● **Family Deductible Maximum**

An amount applied toward each subscriber's calendar year deductible will count toward a family deductible maximum. Once the family deductible maximum is met, no further calendar year deductible(s) is required. No family member may contribute more than the individual calendar year deductible amount toward the family maximum.

Amounts applied to an additional deductible do not count toward the calendar year deductible.

● **Out-of-Pocket Maximum**

When the amount of access fees, coinsurance, copays and deductible a subscriber pays reaches the out-of-pocket maximum shown on your schedule page, BCBSAZ begins paying 100 percent of the BCBSAZ allowed amount for most covered services for that person for the remainder of the calendar year. Additionally, amounts applied to a per person out-of-pocket maximum may also apply to a family out-of-pocket maximum. Once a family out-of-pocket maximum is met, BCBSAZ pays 100 percent of the BCBSAZ allowed amount for most covered services for all subscribers covered by this benefit plan for the remainder of the calendar year. Amounts applied to the calendar-year deductible count toward the out-of-pocket maximum.

The following expenses do not count toward the out-of-pocket maximum:

- ◆ Any amounts above specific benefit maximums
- ◆ Any amounts charged by a provider for noncovered services
- ◆ Amounts above the BCBSAZ allowed amount billed by a noncontracted provider
- ◆ Any amounts applied to an additional deductible

There are separate out-of-pocket maximums, depending on whether you choose a Preferred or nonPreferred provider.

● **Specific Benefit Maximum**

Some benefits may have a specific dollar maximum. Amounts applied to the benefit maximum are calculated based on the BCBSAZ allowed amount. The benefit maximum is shown in the benefit description. Only amounts paid by the Plan count toward the benefit maximum, not cost-sharing amounts paid by the subscriber.

No benefits will be paid over the maximum amount specified in a benefit provision. Once your benefit maximum has been reached, any additional services are noncovered services and the provider may bill you up to their billed charges for these services. If a benefit maximum is met on a particular line of a claim, the provider of services may bill you for the difference between the benefit maximum and the BCBSAZ allowed amount.

PROVIDERS

“Provider” is the general term used in this benefit plan booklet to describe any properly licensed person or facility furnishing medical care to you, such as a doctor, hospital, laboratory or other health professional. See your schedule page for copays and other cost-sharing amounts. The terms Preferred and PPO all refer to in-network, contracted providers and may be used interchangeably when referring to in-network benefits in this benefit plan booklet (see “*Choosing a Provider*”).

- **Primary Care Providers (PCPs)**

A primary care provider (PCP) is a physician who is contracted with BCBSAZ as a PCP and generally specializes in or focuses on the following practice areas: internal medicine, family practice, general practice, pediatrics and any other classification of provider approved as a PCP by BCBSAZ. Certain pediatric physicians, e.g., pediatric cardiologists, pediatric allergists and pediatric surgeons are classified as specialists.

Although the PPO Saver benefit plan does **not** require that you have a PCP from whom you must obtain authorization for referrals and other services, it is recommended you find a PCP with whom you can establish a relationship. This way you will have a doctor who can become familiar with your complete personal and family health history, someone who will know you and can assist you with coordination of care. While not having to authorize referrals, your PCP may be a good source of information about which specialists you need to see.

- **Specialist**

Physicians who practice in a specific area other than those practiced by PCPs. You do not need authorization or a referral to see a specialist.

- **Blue Cross and/or Blue Shield Plan Providers Outside of Arizona - The BlueCard Program**

Many providers outside of Arizona have agreements with other independent Blue Cross and/or Blue Shield (BCBS) plans. For covered services received outside of Arizona, the health care provider who participates with the local BCBS plan will file your claim for you.

If you receive covered services outside Arizona from a provider who participates as a Preferred provider with the local BCBS plan, benefits are paid at the Preferred level. Amounts for covered services received outside of Arizona from a provider who does not participate as a Preferred provider with the local BCBS plan are paid at the nonPreferred level.

The BCBS plan outside of Arizona may pay noncontracted providers directly for covered services provided to you.

When certain services are provided by providers who are located outside of Arizona, your claims will be processed using the BCBSAZ contracted rate with that provider, if one exists or the contracted rate with the BCBS plan located in that state if one exists. If neither BCBSAZ nor the BCBS plan in that state has a contract with that provider, the sections of this benefit plan booklet pertaining to noncontracted providers will apply.

Precertification requirements and other benefit plan limitations apply to services received outside Arizona. If precertification is required prior to receiving services, you are responsible for making sure the provider obtains precertification. When you do not obtain necessary precertification, your benefits may be denied or you may have to pay an additional deductible (see "*Precertification*").

For assistance in locating a local BCBS network provider in another state, call (800) 810-BLUE (2583) or check the "BlueCard Doctor & Hospital Finder" online at bcbs.com.

BlueCard Outside the United States

You may also call (800) 810-BLUE (2583) when traveling outside the United States for assistance with locating an international provider, in translating foreign languages and submitting claims (see "*Claim Filing Information*").

- **Choosing a Provider**

- ♦ **Preferred Providers (PPO, in-network)**

Arizona health care providers who are part of the Preferred network. These providers have agreed to accept the BCBSAZ allowed amount for covered services and they will file claims with BCBSAZ for

you. Reimbursement and coinsurance is based on the BCBSAZ allowed amount. Except in certain circumstances, Preferred providers will not charge you more than the BCBSAZ allowed amount for covered services (see "Billing Limitations and Exceptions").

It is indicated in the specific benefit provisions when you must use only a Preferred provider.

◆ **NonPreferred Providers (nonPPO, out-of-network)**

You pay a higher coinsurance percentage when using a nonPreferred provider. There are two categories of nonPreferred providers. Participating providers do have a contract with BCBSAZ, but they are not part of the Preferred network. Noncontracted providers have no agreement with BCBSAZ. Below is more information on how this affects your out-of-pocket costs.

- **BCBSAZ Participating Providers** - Arizona health care providers who are not contracted for BCBSAZ's Preferred plans, but are part of the BCBSAZ Participating provider network. These providers have agreed to accept the BCBSAZ allowed amount for covered services and they will file claims with BCBSAZ for you. Except in certain circumstances, Participating providers will not charge you more than the BCBSAZ allowed amount for covered services (see "Billing Limitations and Exceptions").
- **Noncontracted Providers** - Providers who have **no** agreement with BCBSAZ. Reimbursement, amounts paid toward meeting the deductible and coinsurance are based on the BCBSAZ allowed amount for covered services. For out-of-state providers, the BCBSAZ allowed amount is generally calculated using the prevailing fee from the Blue Cross and/or Blue Shield plan in the state where services are received. For emergency services only: When the provider is a noncontracted provider (either in Arizona or out-of-state), the BCBSAZ allowed amount is based on billed charges. **All noncontracted providers may bill you up to their full billed charges.** You will have more out-of-pocket expense and noncontracted providers are not obligated to file your claims with BCBSAZ for you. The difference between the provider's billed charges and the allowed amount may be substantial. Please check with the noncontracted provider regarding the amount of your financial responsibility **before** you receive services.

In addition, noncontracted providers may charge you for the difference between the provider's billed charges and the BCBSAZ allowed amount. This difference may be substantial. Please check with the noncontracted provider regarding the amount of your financial responsibility **before** you receive services.

To receive the Preferred level of benefits, you are responsible for verifying that all of your providers are Preferred providers. This includes, but is not limited to, assistant surgeons, anesthesiologists and other providers when you have scheduled services.

In most cases, your deductible and coinsurance are calculated using the BCBSAZ allowed amount, not billed charges. There is one exception. If a noncontracted provider delivers emergency services to you, your deductible and coinsurance will be calculated using billed charges.

• **Continuing Physician Care from a NonPreferred Physician (M.D., D.O.)**

The Plan will allow a new subscriber to continue an active course of treatment with a nonPreferred physician in Arizona during the transitional period after the subscriber's effective date if **both** of the following apply:

- ◆ The subscriber has:
 - A life threatening disease or condition, in which case the transitional period is not more than thirty (30) days from the effective date of coverage; **or**
 - Entered the third trimester of pregnancy on the effective date of coverage, in which case the transitional period includes the covered physician services for delivery and any care that is related to the delivery for up to six (6) weeks from the delivery date; **and**
- ◆ The subscriber's physician agrees **in writing** to do **all** of the following:
 - Accept the BCBSAZ allowed amount applicable to covered services as if provided by a Preferred physician, subject to the deductible and coinsurance requirements of this benefit plan; **and**

- Comply with BCBSAZ's quality assurance and utilization review procedures and provide to BCBSAZ any necessary medical information related to your care; **and**
- Comply with BCBSAZ's policies and procedures, including precertification, network referral and claims processing (as applicable).

If BCBSAZ terminates a physician from the network, except for reasons of medical incompetence or unprofessional conduct, the Plan will allow a subscriber to continue an active course of treatment with the nonPreferred physician during a transitional period if **both** of the following apply:

- ◆ The subscriber has:
 - A life threatening disease or condition, in which case the transitional period is not more than thirty (30) days from the effective date of the physician's termination; **or**
 - Entered the third trimester of pregnancy on the effective date of the physician's termination, in which case the transitional period includes the covered physician services for delivery and any care that is related to the delivery for up to six (6) weeks from the delivery date; **and**
- ◆ The subscriber's physician agrees **in writing** to do **all** of the following:
 - Accept the BCBSAZ allowed amount applicable to covered services prior to the transitional period, subject to the deductible and coinsurance requirements of this benefit plan; **and**
 - Comply with BCBSAZ's quality assurance and utilization review procedures and provide to BCBSAZ any necessary medical information related to your care; **and**
 - Comply with BCBSAZ's policies and procedures including precertification, network referral and claims processing (as applicable).

Services provided during an approved transitional period must be otherwise covered services under this benefit plan.

Continuity of care applies **only** to nonPreferred physician services. If the hospital at which your physician practices is not part of the Preferred network, the nonPreferred provisions of coverage will apply to covered hospital services.

Payment for covered physician services rendered during the continuity of care period will be paid at the Preferred level of benefits as stated in this benefit plan, subject to applicable deductible and coinsurance. Services rendered during the continuity of care period are also subject to all other applicable provisions of the benefit plan, including waiting periods, limitations, exclusions and benefit maximums.

To request continuity of care, please contact BCBSAZ at (877) My-HBlue or (877) 694-2583.

- **Differences in Financial Responsibility**

Below is an example of how out-of-pocket expenses can differ depending on the provider you choose. (You would also have to pay any unmet access fees and deductible amounts.) The example assumes that you pay 20 percent coinsurance if you choose a Preferred provider and 40 percent coinsurance for a nonPreferred provider. NonPreferred providers who are also noncontracted can also bill you for the difference between their billed charges and the BCBSAZ allowed amount (this is called a "balance bill" charge).

The following example assumes the deductible has been met and only coinsurance applies.

Billed Charges	BCBSAZ Allowed Amount	Preferred Providers		NonPreferred Providers	
		Financial Responsibility	Preferred Contracted Providers	BCBSAZ Participating Contracted Providers	Noncontracted Providers
\$1,000	\$400	Plan pays	\$320	\$240	\$240
		You pay:	\$ 80 coinsurance amount	\$160 coinsurance amount	\$160 coinsurance + 600 balance bill = \$760

The above figures are for demonstration purposes only. Your savings may vary, depending on your benefit plan and the providers from whom you receive services.

Billed charges: what the provider bills for services

You pay (your financial responsibility): what you must pay after the Plan has paid its share of the allowed amount

- **Eligible Providers**

Benefits are available **only** when services are rendered by the following properly licensed providers:

- ◆ Doctor of medicine (M.D.)
- ◆ Doctor of podiatry (D.P.M.)
- ◆ Doctor of medical dentistry (D.M.D.)
- ◆ Doctor of osteopathy (D.O.)
- ◆ Doctor of dental surgery (D.D.S.)
- ◆ Doctor of chiropractic (D.C.)
- ◆ Doctor of optometry (O.D.)
- ◆ Psychologist (Ph.D.)
- ◆ Speech, occupational or physical therapist
- ◆ Clinical social workers, marriage and family therapists, professional counselors, independent substance abuse counselors, nurse practitioners

Benefits may also be available from other health care professionals whose services are mandated by Arizona state law or federal law or who are accepted as eligible by BCBSAZ.

Licensed facilities are eligible providers when approved by BCBSAZ.

Please call BCBSAZ Customer Service before you receive services if you have any questions on a provider's eligibility or contract status with BCBSAZ.

Not all eligible providers are contracted with BCBSAZ. Check your directory or the BCBSAZ online provider directory at azblue.com or call the BCBSAZ Customer Service telephone number listed at the front of this book to see if the provider is contracted with BCBSAZ.

- **Obtaining Preferred Level of Benefits for NonPreferred Provider Services**

BCBSAZ does not guarantee that every specialist or facility will be represented in the Preferred network. Not all specialists will agree to contract with health insurance plans.

When there is no Preferred network specialist available to provide covered services to you, BCBSAZ may precertify the Preferred level of benefits for services rendered by a nonPreferred provider. This precertification is separate from any precertification already required for a particular procedure or service. For you to receive the Preferred level of benefits, your treating provider must obtain precertification from BCBSAZ for both the procedure or service (if required) and for the Preferred level of benefits prior to your receiving services from a nonPreferred provider. "Preferred level of benefits" means the services will be subject to the Preferred deductible, paid at the Preferred coinsurance percentage and your out-of-pocket expenses will count toward the Preferred out-of-pocket maximum.

Even when precertification is given for the Preferred level of benefits, you are still responsible for the difference between the provider's billed charges and the BCBSAZ allowed amount, in addition to any applicable deductible, coinsurance, copays and/or access fee. A noncontracted provider's charges may

be significantly higher than the BCBSAZ allowed amount. We recommend that you find out from the provider what the difference is before you receive services.

If BCBSAZ does not precertify the nonPreferred services at the Preferred level of benefits, expenses for covered services will be paid at the nonPreferred level of benefits.

PRECERTIFICATION

- **Precertification**

Precertification is the process used to determine eligibility for the requested procedure or service.

When your provider requests precertification, the following will be reviewed whether your coverage is active, if the treating provider or location of service is within the appropriate network and the applicability of other benefit plan provisions (waiting periods, limitations, exclusions and benefit maximums). **Some of these provisions may not be readily identifiable at the time precertification is given, but they will still apply if discovered later in the claim process after services have been provided.**

Important Information

- ◆ Precertification is **not** a pre-approval or a guarantee of payment.
- ◆ Precertification made in error does **not** constitute a waiver of any right to deny payment for noncovered services.
- ◆ If a precertification to receive services from a noncontracted provider is issued, you are responsible for the difference between the provider's billed charges and the BCBSAZ allowed amount, in addition to any applicable deductible, coinsurance, copays and/or access fees. A noncontracted provider's billed charges may be significantly higher than the BCBSAZ allowed amount. We recommend that you find out from the provider what the difference is before you receive services.
- ◆ If a precertification for the Preferred level of benefits from a nonPreferred provider is issued, you are still responsible for the difference between the provider's billed charges and the BCBSAZ allowed amount, in addition to any applicable deductible, coinsurance, copays and/or access fees. See *"Obtaining Preferred Level of Benefits for NonPreferred Provider Services"* for additional information about precertification requirements and your financial responsibility.
- ◆ Some procedures or treatments, as specified by BCBSAZ, are also reviewed during the precertification process for medical necessity, according to BCBSAZ's periodic evaluation of clinical standards and other medical information. Providers may review the criteria upon request (see *"Medically Necessary"*).

Patient care is decided between the provider and the subscriber. BCBSAZ's interpretation of medical necessity is a benefits determination made in accordance with the provisions of this benefit plan. BCBSAZ's role is limited to administration of the benefits under this benefit plan. Your provider may recommend services or treatment not covered under this benefit plan. Whether to proceed with the service or procedure if benefits have been denied is an issue to be decided between you and your provider.

- **Services Requiring Precertification**

The following services must be precertified:

- ◆ Inpatient admissions - including hospital, long-term acute care, detoxification, skilled nursing facility and extended active rehabilitation (emergency and maternity admissions do not require precertification).
- ◆ Organ, tissue, bone marrow or stem cell transplants
- ◆ Services directly associated with a cancer clinical trial
- ◆ Inpatient dental services
- ◆ Requests for services by nonPreferred providers for Preferred level of benefits.

- **Precertification of Medications**

- ◆ Certain medications covered under the *"Home Health/Home Infusion"* benefit.
- ◆ Medications covered under the *"Specialty Self-Injectable Medication"* benefit.
- ◆ Certain medications covered under the *"Retail and Mail Order Pharmacy"* benefit.

Call BCBSAZ at (602) 864-4320 or (800) 232-2345, ext. 4320 or go to azblue.com for a listing of medications that require precertification.

- **How to Get Precertification**

Where precertification is required, your provider must contact BCBSAZ to get precertification prior to your services or treatment. Your provider must contact us because he/she has the information and medical records BCBSAZ needs to make a benefit determination. **You are responsible for making sure the provider obtains precertification where required.**

- **If Precertification is Not Obtained**

- ◆ Your benefits may be denied
- ◆ You may have to pay an additional deductible

Whether an additional deductible is imposed or benefits are denied for failure to obtain precertification is indicated in each benefit where precertification is required.

- **If a Precertification Request is Denied**

If your request for precertification is denied, you may still have the service or treatment, but the services will **not** be covered. You or your provider may appeal a precertification denial by calling BCBSAZ at (602) 864-5640 or (800) 232-2345, ext. 5640, or faxing us at (602) 864-5858 or by writing to BCBSAZ at BCBSAZ, P.O. Box 13466, Phoenix, AZ. 85002, Attn: Appeals.

See “*Appeal and Grievance Process*” or the Health Coverage Appeal Information Packet for an explanation of the appeal process.

DESCRIPTION OF BENEFITS AND SERVICES

Please review this section for a full explanation of covered services and certain limitations and exclusions. Also, be sure to review *“What is Not Covered.”*

All services must be medically necessary and covered services as determined by BCBSAZ. Medical necessity and/or whether a service is a benefit may not be determined until after services are rendered and you or your provider submits a claim to BCBSAZ.

Please note: Some benefits are **only** available if services are rendered by a Preferred provider or other specially contracted provider, as indicated within the applicable benefit provision. **Remember that your out-of-pocket costs will be higher when you use a nonPreferred provider.**

Benefits are listed in alphabetical order.

The calendar-year deductible applies to all covered services unless otherwise specified within the benefit provision.

Accident – See “Emergency or Accident”

A. Ambulance Services

Subscribers are responsible for deductible and Preferred coinsurance. Coinsurance is applied to the Preferred out-of-pocket maximum.

Applicable coinsurance, access fees and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for:

- Ground ambulance transportation from the site of an emergency, accident or acute illness to the nearest facility capable of providing appropriate treatment.
- Interfacility ground or air ambulance transfer for admission to an acute care facility, extended active rehabilitation facility or skilled nursing facility. Ground or air ambulance will only be covered if the need for the transfer and the admission is medically necessary.
- Air ambulance transportation to the nearest facility capable of providing appropriate treatment when the emergency, accident and/or acute illness occurs in an area inaccessible by ground vehicles or transport by ground ambulance would be harmful to the subscriber's medical condition.

B. Behavioral and Mental Health Services (including Chemical Dependency or Substance Abuse Treatment)

See each section below for subscriber responsibility for deductible and coinsurance.

Applicable coinsurance, access fees and deductible amounts are applied to the out-of-pocket maximum. Additional deductibles do not apply to the out-of-pocket maximum.

Benefits are available for inpatient and outpatient behavioral and mental health treatment, as well as certain emergency room services.

Behavioral Health Benefit Maximums:

The following benefit maximums apply under this benefit:

- **Inpatient:** Two (2) admissions up to a combined total of thirty (30) days per subscriber during any calendar year.
- **Outpatient Professional Services:** Fifty-two (52) visits per calendar year, per subscriber.

Subject to the above maximums, benefits are available for mental and behavioral health services as follows:

1. Inpatient Hospitalization

Precertification is required prior to receiving elective or scheduled inpatient services. Otherwise covered non-emergency inpatient services are subject to an additional \$300 deductible if services are not precertified.

Your inpatient coverage is limited to two (2) admissions up to a combined total of thirty (30) days per subscriber during any calendar year.

- **Preferred facility** - If you receive services at a Preferred facility, you pay the same deductible and coinsurance as for any other covered inpatient service.
- **NonPreferred facility** - Covered services received at a nonPreferred facility are subject to deductible, then will be paid at 60 percent of the BCBSAZ allowed amount. In addition to applicable deductible and 40 percent coinsurance at noncontracted facilities, you will also be responsible for the difference between the provider's billed charges and the BCBSAZ allowed amount.
- **Inpatient professional services** – When received from a Preferred professional provider, inpatient professional services are subject to Preferred deductible and coinsurance. When received from a nonPreferred professional provider, inpatient professional services are subject to nonPreferred deductible and 40 percent coinsurance.

Once the inpatient maximum benefit has been exhausted, you are responsible for the total cost of all inpatient professional and facility behavioral and mental health services for the remainder of the calendar year.

Detoxification

Benefits for inpatient medical services associated with detoxification are available under the “*Detoxification*” provision of this benefit plan. If you receive both detoxification services and inpatient therapy (rehabilitation) services in a facility that provides both acute medical treatment and inpatient mental health therapy (either concurrently or subsequent to the detoxification services), that admission will count toward the inpatient mental and behavioral health care benefit maximum described above.

2. Emergency Room Services for Behavioral/Mental Health

Emergency room services for behavioral or mental health conditions are available for covered behavioral health services received in a hospital emergency room when considered emergency services. These services are subject to the emergency room access fee and the calendar-year deductible and are paid at 50 percent of the BCBSAZ allowed amount.

When there is an admission from the emergency room for a behavioral or mental health condition and the inpatient benefit maximum has been exhausted, coverage for that emergency admission is limited to the time required to stabilize the subscriber.

Benefits are not available for any non-emergency inpatient services after the inpatient benefit maximum has been exhausted.

3. Outpatient Services

Outpatient Services for Chemical Dependency or Substance Abuse - Outpatient therapy services for chemical dependency or substance abuse are available from eligible providers and accumulate toward the fifty-two (52) visit outpatient benefit maximum per subscriber per calendar year, as described below.

Eligible Providers - Benefits are available for the following services received from eligible providers (e.g., psychiatrist, psychologist and other providers listed as eligible in this benefit plan. See “*Eligible Providers*”). Covered professional outpatient and facility services are subject to the calendar-year

deductible, then will be paid at 50 percent of the BCBSAZ allowed amount. Benefits are limited to a maximum of fifty-two (52) visits per subscriber, per calendar year for psychotherapy sessions or diagnostic office visits, except for covered electroconvulsive therapy* (ECT) services. Some intensive outpatient therapy may involve more than one (1) visit per day. In this case, each visit will accumulate toward the fifty-two (52) visit outpatient benefit maximum.

Laboratory, radiology and certain diagnostic procedures are treated as medical services even when a behavioral and mental health care diagnosis is indicated and are not subject to the mental and behavioral benefit limits indicated above.

*Covered electroconvulsive therapy services are not subject to the fifty-two (52) visit maximum per subscriber, per calendar year limit.

Behavioral and Mental Health benefits are not available for:

- Activity therapy, milieu therapy or any care primarily intended to assist an individual in the activities of daily living or treatment in non-acute care facilities (e.g., residential and skilled nursing facilities). **Note:** "Residential" means the subscriber is living at a facility but does not meet criteria for an acute inpatient admission for mental health treatment.
- Biofeedback, neurofeedback and/or hypnotherapy
- Counseling/behavioral modification services
- IQ testing, except as part of medically necessary neuropsychological testing (see "*Neuropsychological and Cognitive Testing*")
- Development of a learning plan and treatment/education for learning disabilities (e.g., reading and arithmetic disorders)
- Services related to treatment of disturbance of conduct, including but not limited to, mental retardation, autism and learning disabilities, except for the initial evaluation to diagnose the condition
- Marital, family or group counseling services, even if services are received from an eligible therapist or counselor.
- Services related to developmental delays, except for the initial evaluation to diagnose the cause of the delay, including neuropsychological and cognitive testing. Neuropsychological and cognitive testing that is part of an initial evaluation to diagnose the cause of the delay is covered under medical benefits (see "*Neuropsychological and Cognitive Testing*").
- Services related to Physical Therapy, Occupational Therapy and Speech Therapy (PT, OT and ST) evaluations for developmental delay. PT, OT and ST developmental delay evaluations are covered under medical benefits.

C. Cancer Clinical Trials

Precertification is required for services directly associated with a cancer clinical trial. To obtain precertification for services directly associated with a cancer clinical trial, your provider must contact BCBSAZ at (602) 864-5841 or (800) 232-2345, ext. 5841. To obtain precertification for all other services that require precertification, your provider must contact BCBSAZ at (602) 864-4320 or (800) 232-2345, ext 4320. Please review this benefit plan booklet to determine those services requiring precertification.

Subscribers are responsible for deductible, access fees, coinsurance and copays.

Applicable coinsurance, copays, access fees and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for covered services directly associated with a cancer clinical trial in Arizona meeting all of the requirements specified by Arizona law. A copy of these requirements is available to

you or your provider upon request by calling BCBSAZ at (602) 864-5841 or (800) 232-2345, ext. 5841. To be eligible for benefits, you must participate in the trial voluntarily.

Benefits are limited to those services eligible for coverage under this benefit plan that would be required if you received standard, non-investigational treatment. The applicable cost share (deductible, coinsurance, copay) will depend on the specific services received and whether the provider is in-network or out-of-network). If you have any questions concerning whether a particular service or complication will be covered, please contact BCBSAZ by calling the Customer Service telephone number listed at the front of this benefit plan booklet.

Please note: Unless you or your provider inform BCBSAZ that you are enrolled in a cancer clinical trial, determined by you and your provider to meet the requirements of Arizona law and that the services to be rendered are directly associated with the trial, BCBSAZ will administer benefits in accordance with the other terms of the benefit plan, which may result in a denial of benefits. Benefits are subject to applicable copay, deductible and/or coinsurance amounts and benefit plan limitations and exclusions. See both *"What is Not Covered"* and the specific limitations and exclusions described below.

Benefits are not available for:

- Any investigational medication (except as stated in *"Prescription Medications for the Treatment of Cancer"*) or device
- Non-health services that might be required for a person to receive treatment or intervention, e.g., travel/transportation and/or lodging expenses
- Costs of managing the research of the clinical trial
- Treatment or services provided outside of Arizona
- Costs/services customarily paid for by the government, biotechnical, pharmaceutical or medical device industry sources
- Services otherwise not covered under this benefit plan

Disclaimer - please read carefully: In administering claims for covered services directly associated with an eligible cancer clinical trial, BCBSAZ does not represent or warrant that the cancer clinical trial meets all of the requirements specified by Arizona law. BCBSAZ also does not represent or warrant that the treatment, device, medication, service or other item provided through the cancer clinical trial is safe, effective or appropriate for any subscriber.

Decisions regarding whether the cancer clinical trial meets the criteria specified by Arizona law and whether the cancer clinical trial is safe, effective and appropriate for you, are decisions to be made by you and your provider and/or the trial investigator, using his/her independent medical judgment. BCBSAZ will review the criteria and eligibility for benefits when services require precertification upon being specifically notified that the procedure to be precertified is directly associated with a cancer clinical trial (see *"Precertification"*). If you have any questions concerning whether the cancer clinical trial is safe and effective and/or meets the criteria established by Arizona law, it is recommended that you speak with your treating provider and provide him/her with a copy of this disclaimer for discussion.

D. Cardiac and Pulmonary Rehabilitation – Outpatient Services

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for an outpatient Phase I and/or II cardiac rehabilitation program and for pulmonary rehabilitation services when prescribed by your physician and rendered by an eligible provider.

E. Care Management

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

This benefit plan offers care management services that provide assistance with the coordination of health care benefits for individuals who have certain complex, catastrophic or chronic care needs. Participation with care management is voluntary, is offered at no additional cost and does not alter other benefits provided in this benefit plan.

A BCBSAZ care manager will work with you or your representative, your physician and other health professionals to identify benefits/services available through this benefit plan and/or assist you in identifying other resources potentially available to you through your community or other sources.

Contact the Care Management Department for further information regarding an illness or injury you or your doctor believe may be appropriate for care management services. For more information about care management services, how to contact a care manager or how to make a referral, call the Care Management Department support line at (877) My-HBlue or (877) 694-2583.

F. **Cataract Surgery**

Precertification is required for inpatient cataract removal surgery. Otherwise covered inpatient cataract removal surgery services are subject to an additional \$300 deductible if services are not precertified.

Subscribers are responsible for deductible and coinsurance and any amounts above the \$100 benefit maximum for eyeglass frames.

Applicable coinsurance, access fees and deductible amounts are applied to the out-of-pocket maximum. Additional deductibles do not apply to the out-of-pocket maximum.

Benefits are available for removal of cataracts. Following surgery, benefits are available for one pair of standard eyeglasses, including standard lenses and frames (\$100 maximum benefit for the eyeglass frames) or standard contact lenses, when prescribed within 6 months of surgery.

G. **Chiropractic Benefit**

Subscribers are responsible for deductible and coinsurance. Physical and occupational therapy provided by a chiropractor counts toward the twelve (12) visit calendar year limit.

Benefits are available for a combined limit of twelve (12) chiropractic visits per member, per calendar year for in- and out-of-network visits.

Contraceptives – See “Family Planning”

H. **Dental Services Benefit**

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum. Additional deductibles do not apply to the out-of-pocket maximum.

1. **Dental Accident Services**

Precertification is required for services received from a nonPreferred provider (dentist or physician) to be paid at the Preferred level of benefits. If covered services are received from a nonPreferred provider but not precertified, they will be paid at the nonPreferred level of benefits and you will have higher out-of-pocket costs.

Benefits are available for repair of sound teeth damaged by an accidental injury.

An “accidental injury” is an injury to the structures of the teeth that is caused by an external force or element such as a blow or fall. An injury to a tooth while chewing is **not** considered an accidental injury, even if the injury is due to chewing on a foreign object.

A “sound” tooth is defined as a tooth that is:

- Whole or virgin; or

- Restored with amalgam (silver filling) or composite resin (tooth-colored filling) or restored by cast metal, ceramic/resin-to-metal, laboratory processed resin/porcelain restorations (crowns); **and**
- Without current periodontal (tissue supporting the tooth) disease or current endodontal (tooth pulp or root) disease; **and**
- Not in need of the treatment provided for any reason other than as the result of an accidental injury.

Covered services:

- Extraction of damaged teeth
- Original placement, repair and/or replacement of crowns
- Repair and/or replacement of sound teeth
- Original placement of fixed and/or removable complete or partial dentures
- Original placement, repair and/or replacement of porcelain/resin-based veneers, office or laboratory-cured
- Orthodontic services directly related to a covered accidental injury

Benefits are not available for:

- Original placement, repair and/or replacement of dental implants and/or any related services
- Routine extractions
- Occlusal rehabilitation and/or reconstruction
- Gold foil restorations and/or inlays
- Orthodontic services not directly related to a covered accidental injury
- Procedures associated with the fitting of new dentures or any fixed dental reconstruction of the teeth, including orthodontics, not directly related to a covered accidental injury
- Routine dental care
- Repair and/or replacement of fixed or removable complete or partial dentures

2. Dental Services Integral to Medical Services

Precertification is required for elective or scheduled inpatient services. Otherwise covered services are subject to an additional \$300 deductible if services are not precertified.

Benefits are available for dental services integral to medical services that would otherwise be excluded under this medical benefit plan. These dental services must be medically necessary and an integral part of a medical service that is covered under this benefit plan. These dental services may either be part of the medical procedure or may be performed in conjunction with and made necessary solely because of the medical procedure.

Covered services:

- Extraction of diseased/damaged/broken teeth
- Original placement, repair and/or replacement of crowns
- Repair and/or replacement of sound teeth
- Original placement of fixed and/or removable complete or partial dentures
- Original placement, repair and/or replacement of porcelain/resin-based veneers, office or laboratory-cured
- Orthodontic services directly related to dental services integral to covered medical services
- Dental services integral to covered surgery services, including medically necessary reconstructive surgery
- Removal of teeth during covered surgery services to repair a fractured/broken jaw

Benefits are not available for:

- Original placement, repair and/or replacement of dental implants and/or any related services
- Routine extractions
- Occlusal rehabilitation and/or reconstruction
- Gold foil restorations and/or inlays
- Orthodontic services not integral to covered medical services
- Procedures associated with the fitting of new dentures and/or any fixed dental reconstruction of the teeth, including orthodontics, unless integral to covered medical services
- Routine dental care

- Dental services integral to medical services excluded from coverage under this benefit plan
- Repair and/or replacement of fixed or removable complete or partial dentures

3. Medical Services Required for Dental Procedures (Facility and Anesthesia)

Precertification is required prior to inpatient dental-related facility and anesthesia services. Otherwise covered services are not covered if services are not precertified.

When it is medically necessary for dental procedures to be performed outside a dentist's office, limited coverage is available only for facility and anesthesia services related to such procedures. "Medically necessary," for purposes of this benefit, means a subscriber who requires preventive or restorative, non-cosmetic dental treatment and has a documented history of one of the following:

- Unstable cardiovascular condition
- Mental retardation
- Senility or dementia
- Malignant hypertension
- Uncontrolled seizure disorder
- Children 5 years or younger who, in the opinion of the treating dental provider, cannot be safely treated in the dental office

Please note: Services covered under this benefit are not covered under any other benefit provision of this benefit plan.

I. Detoxification

Precertification is required for an admission for detoxification treatment, except in emergencies. Otherwise covered detoxification services are subject to an additional \$300 deductible if services are not precertified.

Subscribers are responsible for applicable deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum. Additional deductibles do not apply to the out-of-pocket maximum.

Benefits are available for detoxification, defined as medical intervention and/or observation to stabilize a subscriber who has developed substance intoxication due to the ingestion, inhalation or exposure to a substance or multi-substances. Detoxification may occur prior to or concurrently with psychological intervention (see "*Behavioral and Mental Health Services*").

J. Diabetes and Asthma Supplies and Disease Management

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Supplies - Benefits are available for the following diabetes and asthma supplies when prescribed by a physician:

- Blood glucose monitor (standard model)
- Blood glucose monitors for the legally blind and visually impaired
- Test strips for glucose monitors and urine test strips
- Injection aids
- Syringes and lancets
- Drawing-up devices
- Peak flow meters
- Small volume nebulizers
- Any other device, medication, equipment or supply for which coverage is required under Medicare, when purchased through an eligible durable medical equipment provider or as stated in "*Retail and Mail Order Pharmacy*."

See “Retail and Mail Order Pharmacy,” and “Durable Medical Equipment (DME) - Medical Supplies - Prosthetic Appliances and Orthotics.” You may also call the network providers directly to determine availability of the prescribed supplies.

Disease Management - This benefit plan offers health management programs that support subscribers with diabetes and/or asthma.

Services are available when the education and training are provided in the outpatient setting (outpatient hospital, physician office or other network training provider, excluding home health).

Diabetes and/or asthma education and training is available to subscribers with these conditions to improve self-management skills.

- Training must be prescribed by your health care provider as part of a comprehensive plan of care related to your condition to enhance therapy compliance, improve self-management skills and knowledge
- Training must be conducted in person, i.e., “face-to-face”
- Both individual and group training sessions are eligible for coverage
- **Network providers must be utilized**

Participation is completely voluntary. If you would like additional information about these conditions or would like more information about the programs, call the BCBSAZ Disease Management voice mail line at (877) My-HBlue or (877) 694-2583.

K. Durable Medical Equipment (DME) - Medical Supplies - Prosthetic Appliances and Orthotics

Subscribers are responsible for applicable deductible and coinsurance and amounts above benefit maximums.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

1. DME

DME refers to those standard items prescribed by an eligible provider that are:

- Designed for repeated medical use and appropriate in the home setting
- Medically necessary to treat an illness or injury
- Specifically designed to improve or support the function of a body part
- Intended to prevent further deterioration of the medical condition for which the equipment has been prescribed
- Not primarily for comfort, convenience or assistance in daily living
- Not primarily useful to a person in the absence of an illness or injury, **and**
- Not available as an over-the-counter item.

Benefits are available for the rental or purchase of DME prescribed by an eligible provider and not otherwise excluded under this benefit plan.

Benefits are limited to the BCBSAZ allowed amount for standard equipment. DME rental is allowed and covered **only** up to the BCBSAZ purchase allowed amount. Deluxe or upgraded equipment will be assessed for medical necessity based upon the attending physician’s documentation of the need for such equipment. Equipment lacking documented medical necessity beyond the standard level will be covered as any standard item, with the subscriber responsible for additional charges to upgrade the equipment.

Certain DME items may not be deemed medically necessary; please have your physician contact BCBSAZ for information.

DME repair or replacement required because of normal use or the growth of a child is covered, but repair or replacement is subject to review.

2. Medical Supplies

Benefits are available for the following:

- Medical supplies prescribed by an eligible provider and not otherwise excluded
- Medical supplies furnished through a home health agency in connection with another covered service
- Disposable supplies required to operate and/or maintain a covered prosthesis or item of durable medical equipment
- Diabetic supplies required by law, (see *“Diabetes and Asthma Supplies and Disease Management”* and *“Retail and Mail Order Pharmacy”*)
- Ostomy supplies when purchased at an eligible DME provider.

3. Prosthetic Appliances and Orthotics

Benefits are available for the following (one unit or one pair, as applicable, per calendar year):

- Prosthetic appliances to replace all or part of the function of an inoperative or malfunctioning body organ or to replace an eye or limb lost as a result of trauma or disease
- Orthotics (e.g., collars, braces, molds) prescribed by an eligible provider to protect, restore or improve impaired bodily function
- Orthopedic shoes **only** when an integral part of a brace except for therapeutic shoes (depth inlay or custom-molded) along with inserts, for individuals with diabetes or if covered in accordance with BCBSAZ medical necessity criteria
- Repair or replacement of prosthetic appliance or orthotic required as the result of normal use or due to the growth of a child. Repair or replacement of a prosthetic appliance or orthotic is subject to review.

Benefits are also available per calendar year for:

- Wig(s), for the diagnosis of alopecia (absence of hair) resulting from illness or injury (up to a maximum benefit of \$300)
- External or internal breast prostheses when needed solely and directly as a result of a medically necessary mastectomy

DME - Medical Supplies - Prosthetic Appliances and Orthotics benefits are not available for:

- Repair costs that exceed the replacement cost of the item
- Repair or replacement of DME or other items lost or damaged due to neglect or use not recommended by the manufacturer
- Medical equipment and/or supplies that can be purchased over-the-counter
- Disposable medical supplies that can be purchased over-the-counter, except as stated above
- Items primarily for assistance in daily living, socialization, personal comfort, convenience or other non-medical reasons
- Supplies used by a provider during office treatments
- Artificial organs determined investigational by BCBSAZ
- Dentures, dental implants or replacement teeth and related services
- Wig(s), when hair loss results from male or female-pattern baldness or natural or premature aging
- Hair transplants
- Adjustable beds, air cleaners, air conditioners, air purifiers, assistive eating devices, atomizers, bathroom equipment, biofeedback devices, Braille teaching texts, bed boards, breast pumps, car seats, cushions, disposable hygienic items, dressing aids and devices, elastic/support stockings (except TED hose), elevators, exercise equipment, foot stools, grab bars, heating and cooling units, humidifiers, incontinence devices/alarms, language and/or communication devices (except artificial larynx and trach speaking valve) or teaching tools, massage equipment, portable and permanent spa and whirlpool equipment and units, reaching and grabbing devices, recliner chairs and vehicle or home modifications.
- Tilt or inversion tables or suspension devices
- Strollers of any kind, including but not limited to, specialty or customized strollers.

L. Emergency or Accident

Benefits are available for covered services for an emergency or accident.

The initial treatment of an emergency or accident does not require precertification (prior approval or advance notice) before benefits can be obtained. There is no precertification requirement for emergency services regardless of the place of service (e.g. ambulance, hospital, emergency room). Subscribers are responsible for access fees, deductible and coinsurance. Applicable coinsurance, access fees and deductible amounts are applied to the out-of-pocket maximum. The emergency room access fee is paid in addition to the deductible and coinsurance requirements. The emergency room access fee is waived if you are admitted to an inpatient room in the hospital.

Benefits for covered services received subsequent to initial emergency treatment are paid the same as non-emergency covered services. This means if you receive such services from a nonPreferred provider, benefits will be paid at the nonPreferred level. In addition, you may be responsible for paying the difference between the billed charges for services rendered by a noncontracted provider and BCBSAZ's allowed amount. For follow-up services, please be sure to check your physician's or other provider's participation or network status with BCBSAZ.

Emergency: an illness or condition which requires relief of severe pain or if not immediately diagnosed and treated, could reasonably be expected to seriously jeopardize life or health or the ability to completely recover resulting in serious impairment or permanent disability.

Accident: a sudden, unexpected bodily injury caused by an unintentional, external chance event or circumstance.

Teletrauma Services: Benefits are also available for telephonic or electronic consultations with providers at a Level 1 trauma center when the emergency department at which the subscriber is receiving treatment is not equipped to handle that subscriber's medical condition and needs additional assistance to appropriately treat or stabilize the subscriber.

Coverage is only available when the subscriber is receiving care in the emergency department, and is only available for emergency services rendered in Arizona.

M. Eosinophilic Gastrointestinal Disorder

Subject to the calendar-year deductible, benefits are available for 75 percent of the cost of amino-acid based formula ("Formula") for subscribers with eosinophilic gastrointestinal disorder. If the Formula is **not** the sole source of nutrition for the subscriber, there is a maximum annual benefit of twenty thousand dollars (\$20,000). Sole source of nutrition is defined as inability to orally receive more than 30 percent of daily caloric needs.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

"Cost" is defined as either billed charges, if the Formula is purchased from a noncontracted provider or the BCBSAZ allowed amount, if purchased through a BCBSAZ contracted provider. The subscriber's costs for Formula to treat eosinophilic gastrointestinal disorder count toward the subscriber's out-of-pocket maximum. BCBSAZ's costs for Formula to treat eosinophilic gastrointestinal disorder count toward the subscriber's benefit plan maximum.

To be eligible for benefits under this section, all of the following criteria must be met:

- The subscriber must be diagnosed with eosinophilic gastrointestinal disorder; **and**
- The subscriber must be under the continuous supervision of an M.D. or D.O. physician or a registered nurse practitioner; **and**
- There is a risk of mental or physical impairment without use of the Formula.

It may be necessary for BCBSAZ to obtain medical record documentation to determine whether the above criteria are met. Benefits are **not** available under this section for the Formula for any medical condition other than eosinophilic gastrointestinal disorder.

Claim submission

Subscribers must submit a claim form containing the following information to receive benefits under this section if Formula is purchased from a noncontracted provider:

- Subscriber's name, identification number and group number

- Prescribing/ordering physician or registered nurse practitioner
- Subscriber's diagnosis for which the Formula was prescribed or ordered
- The amount paid for the Formula
- The name, telephone number and address of the Formula supplier
- The original dated receipt/proof of purchase.

Extended Active Rehabilitation (EAR) – See “Inpatient Rehabilitation Services”

N. Family Planning

Subscribers are responsible for applicable deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for vasectomy and tubal ligation, as well as other methods of contraception (e.g., IUD). Oral and transdermal contraceptive medication and diaphragms are covered under the “Retail and Mail Order Pharmacy” benefit.

O. Home Health Services and Home Infusion - Medication Administration Therapy

Certain medications covered under this benefit require precertification. Call BCBSAZ at (602) 864-4320 or (800) 232-2345, ext. 4320 or go to azblue.com for a listing of medications that require precertification. The list of specific medications that require precertification is subject to change at any time without prior notice. Otherwise covered eligible medications will not be covered if precertification is not obtained when required. If a covered medication requires precertification, but you must obtain the medication outside of BCBSAZ's precertification hours, you may be required by the provider to pay for the medication at the time it is dispensed to you. In such cases, you may then file a claim to BCBSAZ. The claim for such medication will not be denied for lack of precertification, but all other exclusions and limitations of your benefit plan will apply.

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Specialty self-injectable medications are also available through specialty pharmacies under your “Specialty Self-Injectable Medication” benefit.

To be eligible for benefits for home health services and home infusion - medication administration therapy, as described below, you must meet **all** of the following criteria:

- Services are either:
 - ♦ In lieu of hospitalization, meaning the subscriber's condition meets criteria for an inpatient admission at an acute hospital (not a skilled nursing facility, rehabilitation hospital or facility), **or**
 - ♦ Medically necessary, as determined by BCBSAZ, even if the subscriber's condition does not meet criteria for an inpatient admission at an acute hospital, **and**
- Services are ordered by an eligible physician or registered nurse practitioner and include a specific plan of home treatment for recovery from an illness or injury, **and**
- Services are provided by a licensed home health agency approved by BCBSAZ, **and**

Services are for skilled nursing care. Skilled care means services required to be provided by a licensed practical nurse (L.P.N.) or a registered nurse (R.N.) or by an eligible licensed provider, **and expressly excludes custodial care** (see below). **and**
- Services are prescribed and reviewed by your treating physician or registered nurse practitioner at least every thirty (30) days, or as appropriate based on your treatment plan, **and**
- When appropriate, as determined by BCBSAZ, the subscriber or primary caregiver (not compensated for providing assistance) agrees to participate in the home plan of care by learning

the techniques and performing the procedures, for transition of care to the subscriber or primary caregiver.

When **all** of the above criteria are met, benefits are **only** available for the following Home Health Services and Home Infusion - Medication Administration Therapy:

- Services provided on a visiting basis in a subscriber's home. A **"visit"** is defined as **2 hours or less**. Coverage is limited to a maximum of 3 visits per day, which includes any combination of services performed by an eligible provider (see *"Outpatient Services"*).
- Medical supplies, including medications and biologicals
- Durable medical equipment (see *"Durable Medical Equipment"*)
- Home Infusion - Medication Administration Therapy, including:
 - ◆ Intravenous, intramuscular or subcutaneous administration of medication, except as stated in *"Retail and Mail Order Pharmacy"*
 - ◆ Hydration therapy
 - ◆ Blood/blood component
 - ◆ Total parenteral nutrition
 - ◆ Intravenous catheter care
 - ◆ Specialty injectable medications (not available from retail pharmacies)
- Enteral nutrition/tube feeding when it is the **sole source of nutrition**. Sole source of nutrition is defined as the inability to orally receive more than 30 percent of daily caloric needs. Enteral nutrition/tube feeding is used for individuals with a functioning gastrointestinal (GI) tract who are at risk for malnutrition and/or wasting which are generally due to disorders of the throat, esophagus or stomach that prevent nutrients from reaching the absorbing surfaces of the intestines. Examples of such disorders are anatomical or structural problems and chewing and/or swallowing problems. Skilled nursing visits will be covered only for the purpose of instructing the subscriber and/or caregiver (not compensated for providing assistance) to initiate and terminate the feeding, unless the subscriber and/or caregiver cannot perform these tasks, in which case, the covered skilled nursing visits (with a "visit" defined as 2 hours or less) are limited to 3 visits per day.

Home Health - Home Infusion benefits are not available for:

- Home health or home infusion/medication administration services in addition to those described above, even if the services are prescribed and/or are medically necessary
- Continuous home health services or shift nursing (typically rendered in 4 to 12 hour shifts), including 24-hour care or visits exceeding 2 hours (except for limited hospice benefits - see *"Hospice"*)
- Custodial care which is any health services and other related services that are for the comfort or convenience of the subscriber or family member or do not seek to cure or are provided to support or assist with activities of daily living, e.g., personal hygiene, nutrition (except as stated in *"Home Infusion - Medication Administration Therapy"*) or other self care or are provided when acute care is not required or do not require continued administration by licensed skilled medical personnel, e.g., L.P.N., R.N., licensed therapist as determined by BCBSAZ
- Home health and/or home infusion/medication administration therapy services when the subscriber or caregiver (not compensated/reimbursed for providing assistance) has demonstrated proficiency in providing the service.

P. Hospice Services

Please note: If a subscriber receiving Hospice services requires inpatient care other than for pain management or respite care, such admission requires precertification.

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum. Additional deductibles do not apply to the out-of-pocket maximum.

Hospice care must be prescribed by a physician and provided by a licensed hospice agency in the subscriber's or caregiver's home.

Hospice services are an alternative multidisciplinary approach to medical care for the terminally ill. When a subscriber elects to use the hospice benefit, it is in lieu of other medical benefits available under this benefit plan, except when care unrelated to the terminal illness or related complications is required. No curative or aggressive treatments are used. Instead, specially trained members of the hospice team make intermittent visits to the subscriber's home to provide comfort, care and support.

Once you have selected the hospice benefit, the hospice agency is responsible for coordinating all your health care needs, but coverage for services provided under this benefit are still subject to the medical necessity provisions of this benefit plan.

When the subscriber meets the requirements of the hospice agency, benefits are available for:

- Routine care - intermittent visits provided in the subscriber's or caregiver's home by any member of the hospice team.
- Respite care - admission of the subscriber to an approved facility for up to five (5) days to provide rest to the subscriber's family or primary caregiver; respite care is available once every twenty-one (21) days.
- Continuous home care - 24-hour skilled care provided by an R.N. or L.P.N. during a period of crisis, as determined by the hospice agency, in order to maintain the subscriber at home; continuous care is generally delivered in four (4) to eight (8) hour blocks and is not covered for more than seventy-two (72) hours during such period of crisis.
- Inpatient acute care - inpatient admission for pain control or symptom management that cannot be provided in the home setting.

Q. Inpatient Hospital

Precertification is required prior to receiving elective or scheduled inpatient services. Otherwise covered non-emergency inpatient services are subject to an additional \$300 deductible if services are not precertified, except for emergency and maternity admissions.

Subscribers are responsible for deductible, coinsurance, access fees and additional deductibles. An access fee applies to all covered bariatric surgeries, in addition to applicable deductible and coinsurance. See your schedule page for the amount of the access fee.

Applicable coinsurance, access fees and deductible amounts are applied to the out-of-pocket maximum. Additional deductibles do not apply to the out-of-pocket maximum.

Benefits are available for the following hospital services when ordered in connection with a covered service:

- Room and board - semi-private room, unless a hospital has only private rooms, then a standard private room (not deluxe)
- Intensive care units and other special care units
- Operating, recovery and treatment rooms and equipment for covered procedures
- Diagnostic testing, including radiology and laboratory services
- Blood transfusions, whole blood, blood components and blood derivatives
- General, spinal and caudal anesthetic in connection with a covered service
- Radiation therapy or chemotherapy, except in conjunction with a noncovered transplant
- Medications, biologicals and solutions

Medications dispensed at the time of discharge from a hospital are not covered.

R. Inpatient Rehabilitation Services – Extended Active Rehabilitation (EAR)

Precertification is required prior to an admission or transfer to an EAR facility and before EAR services are rendered. Otherwise covered EAR services are not covered if services are not precertified. To obtain precertification, your provider must submit a plan of care that will be evaluated according to BCBSAZ guidelines for EAR services. Copies of the guidelines are available upon request.

Subscribers are responsible for applicable deductible and coinsurance. See below.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for up to a maximum of one hundred twenty (120) days of care per calendar year per subscriber, but are covered at two different levels of benefits.

- The first sixty (60) days are subject to applicable deductible and coinsurance, depending on your choice of provider.
- The second sixty (60) days are also subject to deductible. This benefit plan pays 50 percent of the BCBSAZ allowed amount at both Preferred and nonPreferred providers. Your coinsurance is the remaining 50 percent of the BCBSAZ allowed amount at both Preferred and nonPreferred providers.

If you choose to receive EAR services at a noncontracted provider for any days between 1-120, you will be responsible for the difference between the provider's billed charges and the BCBSAZ allowed amount, in addition to applicable coinsurance and deductible.

EAR benefits are not available for:

- Services rendered after a subscriber has met functional goals and no objectively measurable improvement is reasonably anticipated, as determined by BCBSAZ
- Activity therapy, milieu therapy or any care intended to assist an individual in the activities of daily living or for the comfort or convenience of the subscriber or family member, except for limited hospice benefits
- Massage therapy, except when used as an integral part of medically necessary physical therapy or rehabilitation services
- Custodial therapy (see definition of custodial care under "*Home Health Services and Home Infusion – Medication Administration Therapy*").

S. Long-Term Acute Care (Inpatient)

Precertification is required for all admissions for long-term acute care. Otherwise covered long-term acute care services are not covered if services are not precertified.

Subscribers are responsible for applicable deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Long-term acute care provides specialized acute hospital care for medically complex subscribers who are critically ill, have multisystem complications and/or failures and require hospitalization on an extended basis in a facility offering specialized treatment programs and aggressive clinical and therapeutic interventions on a 24 hour/7 day-a-week basis. When medical necessity criteria for long-term acute care are met, benefits are available for no more than a lifetime maximum per subscriber of three hundred sixty-five (365) days of long-term acute care.

Please note: Beds within a facility may be licensed for different levels of care. Even within the same facility, an "admission" occurs when you move from a bed licensed for one level of care to a bed licensed for a different level of care.

Mammography – See “Preventive Care – Mammography – Routine Physical Exams”

T. Maternity

Pregnancy is not considered a pre-existing condition and therefore will not be subject to any pre-existing condition waiting period that may apply to this benefit plan.

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Maternity benefits are available for covered services related to pregnancy. This includes certain screening tests such as prenatal ultrasounds, alpha-fetoprotein (AFP), rubella immunity, Hepatitis B and HIV exposure, blood type, anemia, urinary tract disease or infections, sexually transmitted diseases and others as determined by BCBSAZ. Certain tests, including some genetic screening, may not be covered. For a complete listing of covered prenatal screening, please call the BCBSAZ Customer Service Department at the numbers listed in the front of this benefit plan booklet.

Maternity benefits are available for the expense incurred by the birth mother, including surrogate birth mothers, for the birth of any child legally adopted by the subscriber, provided that:

- The child is adopted within one year of birth;
- The subscriber is legally obligated to pay the costs of birth; **and**
- The subscriber has provided notice to BCBSAZ within sixty (60) days of their acceptability to adopt children.

This adopted child maternity benefit is considered secondary to any other coverage available to the natural mother. Maternity benefits are not available for surrogate birth mothers who are not subscribers if the above requirements for legal adoption of the child by the subscriber are not met. Maternity benefits are also available for the expense incurred by a subscriber acting as a surrogate mother provided the subscriber is covered as an employee or dependent under this benefit plan. A surrogate mother is a woman who is carrying a child on behalf of another individual. A surrogate pregnancy can be the result of natural or artificial conception.

Group health plans and health insurance plans generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, group health plans may not, under federal law, require that a provider obtain authorization from the group benefit plan or health insurance plan for prescribing a length of stay not in excess of 48 hours (or 96 hours).

U. Medical Foods

Subject to the calendar-year deductible, benefits are available for 50 percent of the cost of medical foods (modified low protein foods and metabolic formulas as defined below) prescribed by a physician to treat inherited metabolic disorders up to a total benefit of \$5,000 per subscriber per calendar year.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

"Cost" is defined as either billed charges, if you purchased the medical foods directly or the BCBSAZ allowed amount, if purchased through a BCBSAZ contracted provider.

Medical food benefits are available for inherited metabolic disorders included in the newborn screening program prescribed by law, including but not limited to, Phenylketonuria (PKU), Maple Syrup Urine Disease, Homocystinuria and Galactosemia. Medical food benefits are **not** available for any condition not included in the newborn screening program, including lactose intolerance without a diagnosis of Galactosemia.

To be eligible for benefits for medical foods, **all** of the following criteria must be met:

- The subscriber must be diagnosed with one of the inherited metabolic disorders, as defined above

- The inherited metabolic disorder must involve amino acid, carbohydrate or fat metabolism and have medically standard methods of diagnosis, treatment and monitoring, including quantification of metabolites in blood, urine or spinal fluid or enzyme or DNA confirmation in tissues
- The subscriber must require specially processed or treated medical foods generally available only under the supervision of an M.D. or D.O. physician or registered nurse practitioner
- The medical foods must be prescribed or ordered under the supervision of an M.D. or D.O. physician or registered nurse practitioner as medically necessary for the therapeutic treatment of one of the inherited metabolic disorders identified above; **and**
- The prescribed or ordered specially processed or treated medical foods must be consumed throughout life, without which, the subscriber may suffer serious mental or physical impairment.

It may be necessary for BCBSAZ to obtain medical record documentation to determine whether the above criteria are met.

“Medical foods” means modified low protein foods and metabolic formulas that are **all** of the following:

- Formulated to be consumed or administered through the gastrointestinal tract under the supervision of an M.D. or D.O. physician or a registered nurse practitioner
- Processed or formulated to contain less than one gram of protein per unit of serving (modified low protein foods only)
- Processed or formulated to be deficient in one or more of the nutrients present in typical foodstuffs (metabolic formula only)
- Administered for the medical and nutritional management of a subscriber with limited capacity to metabolize foodstuffs or certain nutrients contained in the foodstuffs or who has other specific nutrient requirements as established by medical evaluation, **and**
- Essential to the subscriber's optimal growth, health and metabolic homeostasis.

Benefits are not available for the following:

- Medical foods for any medical condition other than those inherited metabolic disorders defined above
- Natural foods that are naturally low in protein and/or galactose
- Spices or flavorings
- Foods/formulas available to any person, even those with an inherited metabolic disorder, as defined above, that may be purchased without a physician or registered nurse practitioner prescription or order and/or that do not require supervision by an M.D. or D.O. physician or registered nurse practitioner.

Claim submission for medical foods

You may purchase medical foods from any source. To receive benefits when you purchase medical foods from a noncontracted provider, you must submit a claim form containing the following information:

- Subscriber's name, identification number and group number
- Prescribing or ordering physician or registered nurse practitioner
- Subscriber's diagnosis for which the medical foods were prescribed or ordered
- Where the medical food was obtained
- The amount paid for the medical foods
- The name, telephone number and address of the medical food supplier
- The original dated receipt/proof of purchase.

Please contact BCBSAZ at (602) 864-5885 or (800) 232-2345, ext. 5885 to request copies of the special Medical Foods Claim Form. To obtain reimbursement for medical foods you purchased directly, please submit the Medical Foods Claim Form and the original dated receipt to the following address:

Attn: Medical Foods
Mail Stop: A-116
Blue Cross Blue Shield of Arizona
P.O. Box 13466
Phoenix, AZ 85002-3466

Please do **not** submit claims for other covered services to this address.

Medical Supplies - See “Durable Medical Equipment (DME) - Medical Supplies - Prosthetic Appliances and Orthotics”

Mental Health – See “Behavioral and Mental Health”

V. Neuropsychological and Cognitive Testing

Subscribers are responsible for applicable deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Services are covered for evaluation of mental function when integral to medical care following head trauma, cerebral vascular accident (stroke), transient ischemic attack (TIA) or other decreased mental function related to a documented medical condition and/or as part of a medically necessary evaluation of a developmental delay. After the initial evaluation of a developmental delay, regardless of the cause of the delay, the only services eligible to treat the delay are physical therapy, occupational therapy and speech therapy, within the benefit limitations outlined in this benefit plan (see “*Physical Therapy – Occupational Therapy – Speech Therapy*”).

Benefits are not available for neuropsychological and cognitive testing under your mental health benefits.

W. Nutritional Counseling/Training

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Nutritional counseling/training visits received from Preferred and nonPreferred physicians and dietitians will all apply to a combined three (3) visit maximum per subscriber, per calendar year visit limit for subscribers diagnosed with the following conditions:

- Coronary Artery Disease
- Heart Failure
- High Cholesterol
- Hypertension
- Pre-Diabetes
- Renal Failure/Renal Disease
- Obesity

X. Outpatient Services

Subscribers are responsible for applicable deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for the following outpatient services:

- Outpatient surgery, defined as operative procedures and other invasive procedures such as epidural injections for pain management and various scope procedures, including but not limited to, colonoscopies.
- Radiation therapy or chemotherapy (except if performed in conjunction with a noncovered transplant)

Benefits are available for the following services, when ordered in conjunction with a covered service:

- Pre-operative testing
- Blood transfusions, whole blood, blood components and blood derivatives.
- Diagnostic testing, including laboratory and radiology
 - ◆ **Laboratory services** may be received in a physician's office, at a free-standing independent clinical laboratory or a hospital's outpatient laboratory department.
 - ◆ **Radiology services** may be received in a physician's office, a free-standing radiology facility or a hospital's outpatient radiology department.

Outpatient Therapy - See "Physical Therapy (PT) - Occupational Therapy (OT) - Speech Therapy (ST)"

Pharmacy Benefit – See "Retail and Mail Order Pharmacy"

Physical Exams (Routine) - See "Preventive Care - Mammography - Routine Physicals"

Y. Physical Therapy (PT), Occupational Therapy (OT), Speech Therapy (ST)

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for Physical Therapy, Occupational Therapy and Speech Therapy services.

Benefits are not available for:

- Cognitive therapy (see "Neuropsychological and Cognitive Testing")
- Services rendered after a subscriber has met functional goals and no objectively measurable improvement is reasonably anticipated, as determined by BCBSAZ
- Activity therapy, milieu therapy or any care intended to assist an individual in the activities of daily living or for the comfort or convenience of the subscriber or family member, except for limited hospice benefits
- Custodial therapy (see definition of custodial care under "Home Health Services and Home Infusion – Medication Administration Therapy")
- Massage therapy, except when used as an integral part of medically necessary physical therapy or rehabilitation services
- Computer speech training and/or therapy programs and devices

Z. Physician Services

Subscribers are responsible for deductible and coinsurance. Covered PT or ST services provided by a chiropractor apply to the combined limit of 12 visits per member, per calendar year for in- and out-of-network visits.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for the following:

- Home or office visits and consultations

- Walk-in clinics (urgent care facilities are not walk-in clinics)
- General surgical procedures (including assistance at surgery)

Surgical assistants (physicians or other eligible providers) are reimbursed at a reduced percentage of the BCBSAZ fee schedule for the surgeon's covered services. Only certain providers are eligible for reimbursement for assisting at surgery. Your out-of-pocket costs will be higher if services are provided by a non-Preferred provider.

Please contact BCBSAZ to determine the assistant's eligibility and network status.

Benefits for these services provided by a non-eligible provider may be denied, in which case you will be responsible for the full charges from that provider.

Also, multiple surgical procedures performed during a single operative session are reviewed to determine appropriate benefits. In general, eligible secondary procedures are reimbursed at reduced levels; incidental procedures are non-reimbursable.

- Inpatient medical visits, including care provided during those visits
- Second surgical opinions

AA. Post-Mastectomy Services

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Benefits are available for breast reconstruction following a medically necessary mastectomy, in accordance with state and/or federal law. Benefits include reconstruction of the breast on which the mastectomy was performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, including postoperative implanted or external prostheses, treatment of physical complications for all stages of the mastectomy, including lymphedema.

Benefits under this provision are subject to all applicable limitations and exclusions of this benefit plan.

BB. Pregnancy, Termination

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Benefits are only available for an abortion in the following circumstances:

- The treating physician certifies in writing the abortion is medically necessary because the pregnancy would endanger the life or health of the mother; **or**
- The abortion is medically necessary because the fetus(es) is/will be non-viable. Non-viable means to a reasonable degree of medical probability, the fetus/newborn is not expected to live longer than thirty (30) days outside the womb. A fetus is not considered non-viable for purposes of this provision if a pregnancy is terminated at a stage of pregnancy too early to determine viability. The determination whether the fetus(es) to be aborted is/will be non-viable will be based on BCBSAZ medical necessity criteria.

Prescription Medications – See “Retail and Mail Order Pharmacy”

CC. Prescription Medications for the Treatment of Cancer

Subscribers are responsible for applicable deductible, coinsurance and copays, depending on where and by whom the medication is dispensed and/or administered.

Applicable coinsurance, copays and deductible amounts are applied to the out-of-pocket maximum.

Claims for an off-label prescription medication will be processed and your out-of-pocket expense calculated as any other eligible prescription medication based on where and by whom the medication is dispensed and/or administered. All other applicable benefit limitations and exclusions will apply. Arizona law requires coverage for off-label use of prescription medications and services directly associated with the physical/actual administration of the prescription medications for the treatment of cancer. "Off-label prescription medication" for purposes of this provision means the medication your physician prescribed for the treatment of cancer has not been approved by the FDA for that specific medical condition and the medication meets all of the requirements specified in Arizona law.

Disclaimer - please read carefully: In administering claims for an off-label prescription medication, BCBSAZ does not represent or warrant that the prescribed medication is safe or effective for the cancer for which your treating provider has prescribed the medication. Further, BCBSAZ does not represent or warrant that: 1) the FDA has or has not approved the medication for any indication; 2) the FDA has or has not determined that the medication is contraindicated for treatment of the specific type of cancer for which it has been prescribed; and/or 3) there are no standard medical reference compendia or acceptable medical literature (as prescribed by law) finding that the medication is contraindicated for treatment of the specific type of cancer for which it has been prescribed. Decisions regarding whether the medication meets the above criteria, is safe and effective for the type of cancer for which it has been prescribed and whether it is appropriate for you, are decisions to be made by your provider using his/her independent medical judgment. BCBSAZ will review the criteria and eligibility for benefits when services require precertification upon being specifically notified that the precertification request involves a prescription medication for the treatment of cancer (see "*Precertification*").

If you have any questions concerning whether the prescribed medication for the treatment of cancer is safe and effective and meets the above criteria, it is recommended that you speak with your provider and provide him/her with a copy of this disclaimer for discussion.

DD. Preventive Care - Mammography - Routine Physical Exams

Applicable coinsurance amounts are applied to the out-of-pocket maximum.

The following services do not have to meet the medical necessity requirement as long as they are not investigational (see "*Experimental or Investigational Treatment*").

If you have a condition or an active symptom of a condition, the tests listed in this benefit section will be considered diagnostic and not preventive. Tests considered to be diagnostic may be subject to applicable cost-sharing and will be subject to all exclusions and limitations of this benefit plan.

1. Preventive Care

Deductible and coinsurance are waived for preventive care services received from Preferred providers. Covered sigmoidoscopies and colonoscopies received from nonPreferred providers are subject to nonPreferred deductible and coinsurance. All other preventive care services are not covered when provided by nonPreferred providers.

- Well-child care from birth to age 6, including routine immunizations and the following tests, as appropriate to the child's age and gender: newborn hearing exam (this may include audiological evaluation in the hospital), annual hearing/vision screening test, blood lead, fasting blood glucose.
- Well-woman care - routine gynecologic exam, including, as appropriate for the subscriber's age: pap test and/or other cervical cancer screening test; and sexually transmitted disease (STD) testing as recommended by the treating physician. Basic laboratory tests associated with the routine gynecologic exam are also covered under this benefit.
- Well-man care – prostate specific antigen (PSA) testing and STD testing as recommended by the treating physician.
- Routine immunizations, as determined by BCBSAZ; immunizations for foreign travel are **not** covered

- Sigmoidoscopy or colonoscopy; the periodic frequency of either test should be determined by your treating physician based on your specific history or condition. Pathology and/or anesthesia services associated with a sigmoidoscopy or colonoscopy are subject to deductible and coinsurance.

2. Mammography

Deductible and coinsurance are waived for mammography services received from Preferred providers. Deductible is waived and coinsurance applies for mammography services received from nonPreferred providers.

Mammography services in accordance with your physician's recommendations.

Please note: Tests covered under the physical exam benefit below may be provided in conjunction with a well-woman or well-man exam or separately.

3. Routine Physical Exam

Deductible and coinsurance are waived for routine physical exam services received from Preferred providers. Routine physical exams are not covered when provided by nonPreferred providers.

Routine physical exam for subscribers age 6 and over, including the following, as appropriate for the subscriber's age and gender: history and physical examination, resting electrocardiogram (EKG), stress EKG, lung function test (spirometry), vision and hearing screening, fecal occult blood test, metabolic panel, complete blood count, lipid panel, fasting glucose, urinalysis, PSA, bone density testing to screen for osteoporosis; and STD testing as recommended by the treating physician.

Any otherwise covered tests, procedures or services not listed above are subject to the applicable deductible and coinsurance, including but not limited to, pathology and anesthesiology.

EE. Reconstructive Surgery and Services

Precertification is required for inpatient reconstructive surgery and services. Otherwise covered inpatient reconstructive surgery and services are subject to an additional \$300 deductible if services are not precertified.

Subscribers are responsible for applicable deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum. Additional deductibles do not apply to the out-of-pocket maximum.

Benefits are available for reconstructive surgery, defined as surgery primarily performed to improve or restore the impaired function of a body part or organ where the dysfunction is a result of the following:

- Injury/trauma
- Illness/disease
- Surgery
- Therapeutic intervention, or
- Congenital defects.

Benefits under this provision are subject to all applicable limitations and exclusions of this benefit plan, including but not limited to, cosmetic surgery, procedures, treatment, office visits, consultations and/or other services for cosmetic purposes. "Cosmetic" means surgery, procedures or treatment and other services performed primarily to enhance or improve appearance, including but not limited to, those surgeries, procedures, treatments and other services performed in the absence of a functional impairment of a body part or organ as documented in the medical record, even if such services will improve emotional, psychological or mental condition or function. This exclusion does not apply to breast reconstruction following a medically necessary mastectomy in accordance with state and/or federal law (see "Post-Mastectomy Services").

FF. Retail and Mail Order Pharmacy

Subscribers are responsible for deductible, coinsurance and copays.

Applicable coinsurance, copays and deductible amounts are applied to the out-of-pocket maximum.

Benefits for prescription medications differ depending on the medication prescribed, whether the medication is obtained at a retail pharmacy, a specialty pharmacy, through mail order, administered in a physician's office or through home health services or acquired under other coverage provisions within this benefit plan.

Benefits for and limitations on prescription medications obtained through a retail or mail order pharmacy are described below.

A prescription medication is eligible for coverage when:

- Approved by the U. S. Food and Drug Administration (FDA) for the diagnosis for which the medication has been prescribed (except as stated in "*Prescription Medications for the Treatment of Cancer*"), **and**
- Dispensed by a pharmacy located in the U.S. and by a pharmacist licensed in the U.S., **and**
- Not otherwise excluded by this benefit plan

Prescriptions dispensed by pharmacies outside the U.S. are covered only when they are prescribed for an urgent or emergent medical situation while the subscriber is traveling outside of the U.S. Claims submitted must include documentation of the medical situation. Claims will be subject to the U.S. dollar exchange rate on the date the claim is paid.

Precertification

Precertification is required for certain medications covered under the retail and mail order pharmacy benefit. A list of medications that require precertification and the process for obtaining precertification is available on the BCBSAZ Web site at azblue.com or you or your provider may contact BCBSAZ at (602) 864-4273 or (800) 232-2345, ext. 4273. **The list of specific medications that require precertification is subject to change at any time without prior notice.**

If precertification is required, but you must obtain the covered medication outside of BCBSAZ precertification hours, you may be required to pay for the medication at the time it is dispensed to you. In those cases, you may file a claim to BCBSAZ for reimbursement. The claim for such medication will not be denied for lack of precertification, but all other exclusions and limitations of your benefit plan will still apply.

Copays, Coinsurance and Deductible

When you fill a prescription at a BCBSAZ contracted pharmacy, you pay the BCBSAZ price (the price for which BCBSAZ has contracted with the pharmacy) in full until your deductible is met. Please check your schedule page for cost-sharing amounts after you meet the plan deductible. If you fail to present your BluePreferred Saver ID card at a contracted pharmacy, the pharmacy may charge you the full retail price for your prescription. In this situation, BCBSAZ's reimbursement will still be based on the BCBSAZ price, not the pharmacy's retail price.

When you fill a covered prescription at a noncontracted pharmacy, you pay for your prescription in full and submit a prescription medication claim form to BCBSAZ. When BCBSAZ processes your prescription claim, you will be responsible for the difference between the pharmacy's retail price and the BCBSAZ prescription medication price, in addition to any applicable deductible, coinsurance or copay amount.

Cost-Sharing and Medication Specifics

- If coinsurance applies to your plan after the deductible is met, you have to pay the greater of any applicable coinsurance or a \$5 copay. If coinsurance applies to your plan after the deductible is met, when the price BCBSAZ pays a contracted pharmacy for a covered medication or your coinsurance for a covered medication is less than a \$5 minimum copay, most pharmacies will

charge you their retail price (if also less than the \$5 minimum copay or your coinsurance), rather than the BCBSAZ price or coinsurance payment. Some pharmacies may charge you the BCBSAZ price or your coinsurance payment when it is less than the \$5 minimum copay.

- Benefit plan limitations and exclusions and other factors will determine if coverage is available for prescription medications. Always consult with your provider to determine which medications are appropriate for you.
- Compounded medications are medications containing at least one FDA-approved component and are custom-mixed by a pharmacist.

Special Coverage Information

- Diabetic Equipment and Supplies. Coverage is available under this benefit for the following diabetic equipment and supplies: test strips for glucose monitors and visual reading and urine testing strips, syringes and lancets. See "*Durable Medical Equipment (DME) - Medical Supplies - Prosthetic Appliances and Orthotics*" for additional diabetic supplies and equipment coverage information.
- Prescription Vitamins. Coverage is available for oral prenatal vitamins and prescription-strength vitamin K and vitamin D when a prescription is written by a physician. No other vitamins are covered. Please see the limitations and exclusions subsection below.
- Injectable Medications. Coverage is available under this benefit only for certain categories of injectable medications. Other injectable medications may be covered under "*Specialty Self-Injectable Medications*" and/or under "*Home Health Services and Home Infusion – Medication Administration Therapy*," subject to BCBSAZ medical coverage guidelines. The injectable medication lists are available at azblue.com or by calling BCBSAZ at (602) 864-4273 or (800) 232-2345, ext. 4273.

Retail and Mail Order Prescription Medication Limitations

BCBSAZ applies limitations to certain prescription medications obtained through the retail and mail order pharmacy benefit. These limitations include, but are not limited to, quantity, age and gender limitations. **BCBSAZ prescription medication limitations are subject to change at any time without prior notice.**

For certain prescription medications, BCBSAZ applies a per-prescription quantity limitation. These prescription medications will be subject to additional cost-sharing each time the amount prescribed exceeds the BCBSAZ per-prescription quantity limitation. When your provider prescribes more than the quantity limitation, you may obtain the prescribed amount. However, you will have to pay additional cost-sharing each time the quantity limitation is exceeded and if it is above the BCBSAZ maximum quantity for a 30-day supply (retail) or 90-day supply (mail order), refill limitations will also apply. Prescription medication refills are covered when approximately $\frac{3}{4}$ of the medication is used as prescribed.

You can check the list of prescription medications subject to BCBSAZ prescription medication limitations at azblue.com or by calling the BCBSAZ Prescription Benefits Department at (602) 864-4273 or (800) 232-2345, ext. 4273.

BCBSAZ has a process available to subscribers and providers for requesting a review by BCBSAZ for coverage of a medication when the use of the medication exceeds or conflicts with BCBSAZ prescription medication limitations.

There is no guarantee that requesting a review will result in coverage of a medication or an increase in quantity. Coverage will be determined by BCBSAZ. You or your provider may request a review for coverage of a medication that exceeds or conflicts with BCBSAZ prescription medication limitations by contacting BCBSAZ at (602) 864-4273 or (800) 232-2345, ext. 4273.

Mail Order Program

Payment for the mail order benefit must be made with a debit or credit card and is only available through the Preferred mail order program. Up to a 90-day supply of maintenance medications (the

same medication and medication strength) may be obtained only through the prescription medication mail order program. **Your deductible and coinsurance will be the same for medications purchased through mail order as medications purchased through a retail pharmacy.** Maintenance medications are medications you take consistently. BCBSAZ prescription medication limitations apply to mail order prescriptions. (For a complete description of these limitations see “Retail and Mail Order Prescription Medication Limitations” above.)

Retail and Mail Order Pharmacy Benefit Limitations and Exclusions

The fact that a medication is recommended or prescribed by a physician does not make it a benefit. Prescription medication benefits are subject to all the limitations and exclusions stated within your benefit plan in addition to the following specific limitations and exclusions:

- Any medication, device, equipment and/or supply (except for diabetic supplies and inhaler spacers) that is lawfully obtainable without a prescription, i.e., over-the-counter items
- Any vitamins, minerals, dietary and nutritional supplements, special foods or diets, except as stated in this benefit plan. Medical benefits are also available for certain medical foods as stated in this benefit plan under “Medical Foods”
- Medications for sexual dysfunction
- Medications to improve or achieve fertility or treat infertility
- Performance, athletic performance or lifestyle enhancement medications or supplies
- Immunizing agents or biological serums sold as separate items
- Medication delivery implants
- Administration of a covered medication
- Any medication labeled “Caution - Limited by Federal Law to Investigational Use” or words to that effect, and/or any experimental medication as determined by BCBSAZ, even though you would be charged for this medication, except as stated in “Prescription Medications for the Treatment of Cancer”
- Any prescription medication dispensed in unit-dose packaging, unless that is the only form in which the medication is available
- Any medication designed for weight gain or loss, including but not limited to, Xenical[®] and Meridia[®], regardless of the condition for which it is prescribed
- Medications dispensed to a subscriber while an inpatient in any facility. To the extent facility coverage is available, medications are included in the reimbursement to the facility and are not separately covered under “Retail and Mail Order Pharmacy.” If the facility services are not covered, there is no coverage for medications dispensed at the facility.
- Prescriptions or refills for medications that are lost, stolen, spilled, spoiled or damaged
- Any medication used for any cosmetic purpose, including but not limited to, hair growth or hair removal
- Specialty self-injectable medications (see “Specialty Self-Injectable Medications” and “Home Health Services and Home Infusion – Medication Administration Therapy”)
- Any medication used to treat a condition not covered under this benefit plan
- Compounded medications are not available through the mail order benefit
- Mail order not covered through a nonPreferred provider

GG. Skilled Nursing Facility (SNF)

Precertification is required prior to admission or transfer to a skilled level of care. Otherwise covered SNF services are not covered if not precertified.

Subscribers are responsible for applicable deductible and coinsurance. See below.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Covered services for skilled nursing may be rendered in a facility that provides only skilled nursing services or in a facility providing other services but whose license includes skilled nursing level of services. Benefits are available for up to a maximum of one hundred eighty (180) days of care per calendar year, but are covered at two different levels of benefits.

- The first ninety (90) days are subject to applicable deductible and coinsurance, depending on your choice of provider.

- The second ninety (90) days are also subject to deductible. This benefit plan pays 50 percent of the BCBSAZ allowed amount at both Preferred and nonPreferred providers. Your coinsurance is the remaining 50 percent of the BCBSAZ allowed amount at both Preferred and nonPreferred providers.

If you choose to receive SNF services at a noncontracted provider for any days between 1-180, you will be responsible for the difference between the provider's billed charges and the BCBSAZ allowed amount, in addition to applicable deductible and coinsurance.

Please note: Beds within a facility may be licensed for different levels of care. Even within the same facility, an "admission" occurs when you move from a bed licensed for one level of care to a bed licensed for a different level of care.

To be eligible for coverage, SNF services must meet both of the following criteria:

- Care is ordered by a physician; **and**
- Care is at a skilled level - level of care will be evaluated. Skilled care means services provided by a licensed practical nurse (L.P.N.) or a registered nurse (R.N.) or by an eligible provider and **expressly excludes custodial care.**
Custodial care means any health services and other related services that are for the comfort or convenience of the subscriber or family member or do not seek to cure or are provided to support or assist with activities of daily living, including, for example, personal hygiene, nutrition (except as stated in "*Home Health Services and Home Infusion – Medication Administration Therapy*") or other self care or are provided when acute care is not required or do not require continued administration by licensed skilled medical personnel, e.g., L.P.N., R.N., licensed therapist.

When skilled nursing facility benefits are exhausted or if the subscriber resides in a custodial status in an eligible institution, benefits **may** be available for the following otherwise covered services when furnished by an eligible provider:

- Durable medical equipment (DME)
- Medications not covered under the "*Retail and Mail Order Pharmacy*" benefit, but otherwise covered under the benefit plan (see "*Home Health Services and Home Infusion - Medication Administration Therapy*")
- Wound care supplies in conjunction with complex wound dressing changes
- Enteral feeding and supplies only when the feeding is the sole source of nutrition
- Physical therapy, occupational and speech therapy services, subject to all limitations described under "*Physical Therapy – Occupational Therapy – Speech Therapy*"
- Physician services

Benefits for any of the above services will only be provided to the extent the benefits would have otherwise been provided on an outpatient basis under this benefit plan.

HH. Specialty Self-Injectable Medications

All self-injectable medications obtained through specialty pharmacies require precertification. Otherwise covered medications will not be covered if precertification is not obtained. If you must obtain the medication outside of BCBSAZ's precertification hours, you may be required by the provider to pay for the medication at the time it is dispensed to you. In such cases, you may then file a claim to BCBSAZ. The claim for such medication will not be denied for lack of precertification, but all other exclusions and limitations of your benefit plan still apply.

Subscribers are responsible for deductible and coinsurance. Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Covered specialty self-injectable medications are available from a list of specialty pharmacies contracted with BCBSAZ. Go to azblue.com to view a list of contracted specialty pharmacies and the specialty self-injectable medication list. To confirm the status of a particular specialty self-injectable

medication, you may also call the BCBSAZ Prescription Benefits Department at (602) 864-4273 or (800) 232-2345, ext. 4273.

Coverage Specifics

- Specialty self-injectable medications are not available under retail and mail order pharmacy benefit coverage. Standard self-injectable medications, such as insulin and Imitrex, are available under retail and mail order pharmacy benefit coverage. You can check the list of standard self-injectable medications available through the “*Retail and Mail Order Pharmacy*” benefit at azblue.com or by calling BCBSAZ at (602) 864-4273 or (800) 232-2345, ext. 4273.
- Specialty self-injectable medications are also available through home infusion providers under your home health/home infusion benefit.
- The presence of a specialty self-injectable medication on any BCBSAZ specialty self-injectable medication list does not guarantee coverage of that medication for a particular subscriber; benefit plan limitations and exclusions, pre-existing condition limitations and other factors will determine if coverage is available. Always consult with your provider to determine which medications are appropriate for you.
- Medications newly approved by the FDA will be available through the “*Home Health Services and Home Infusion – Medication Administration Therapy*” benefit until the medication is evaluated by BCBSAZ for possible inclusion under the specialty self-injectable medication benefit.
- Coverage for each specialty self-injectable medication prescription filled at a contracted specialty pharmacy is limited to a maximum of a 30-day supply, based on the BCBSAZ age, gender and quantity limits.
- Refills are covered when approximately ¾ of the medication is used as prescribed.

Specialty Self-Injectable Medication Limitations and Exclusions

The fact that a specialty self-injectable medication is recommended or prescribed by a physician does not make it a benefit. Specialty self-injectable medication benefits are subject to all the limitations and exclusions stated within your benefit plan, in addition to the following specific limitations and exclusions:

- Administration of a covered medication
- Any medication labeled “Caution – Limited by Federal Law to Investigational Use,” or words to that effect and/or any experimental medication as determined by BCBSAZ, even though you would be charged for this medication, except as stated in “*Prescription Medications for the Treatment of Cancer*”
- Medications dispensed to a subscriber while an inpatient in any facility. To the extent facility coverage is available, medications are included in the reimbursement to the facility and are not separately covered under this benefit “*Specialty Self-Injectable Medication.*” If the facility services are not covered, there is no coverage for medications dispensed at the facility.
- Prescriptions or refills for specialty self-injectable medications that are lost, stolen, spilled, spoiled or damaged
- Any specialty self-injectable medication used to treat a condition not covered under this benefit plan

Sterilization – See “Family Planning”

II. Transplants - Organ - Tissue - Bone Marrow and Stem Cell Transplants

Precertification is required prior to any organ, tissue, bone marrow or stem cell transplant. It is your responsibility to make sure precertification is obtained. Failure to obtain precertification will result in denial of benefits.

Subscribers are responsible for deductible and coinsurance. Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Please note: Because medical research regarding the effectiveness of transplants is ongoing, BCBSAZ periodically reviews conditions to determine eligibility for benefits. You or your treating provider may obtain a list of the approved conditions and medical coverage guidelines upon request. You may also contact the BCBSAZ Care Management Department support line at (877) My-HBlue or (877) 694-2583.

Not all organ, tissue, bone marrow or stem cell transplants are covered, whether performed as independent procedures or in combination with other therapies, e.g., high dose chemotherapy or high dose radiation. Upon receipt of a request for precertification for a transplant, BCBSAZ will undertake a review. **Only** the transplants and combination therapies deemed medically necessary and not investigational by BCBSAZ are eligible for coverage.

Covered Transplants

The following transplants are eligible for coverage when they meet the BCBSAZ coverage criteria:

- Organ transplants – heart; heart-lung; lung (lobar, single and double lung); kidney; pancreas; kidney-pancreas; liver
- Small bowel; small bowel-multivisceral
- Corneal transplants
- Autologous islet cell transplantation (AICT)
- Allogeneic and autologous bone marrow/stem cell transplants

Covered Services

Coverage is available for the following services, provided in connection with or in preparation for, a medically necessary organ, tissue, bone marrow or stem cell transplant:

- Facility and professional services
- Medications and supplies
- Air and ground transportation of a medical team to and from the site in the contiguous states of the United States for the procurement of tissue that is subsequently transplanted into you or your covered dependent
- Expenses related to a covered transplant, including the cost associated with pre-transplant testing, chemotherapy or radiation therapy associated with transplant procedures, harvest and reinfusion of stem cells or bone marrow, medications (including those administered to mobilize stem cells for transplants), inpatient hospitalization and outpatient services
- Bone marrow search and procurement of a suitable bone marrow donor when a subscriber or eligible dependent is the recipient of a covered allogeneic transplant and in accordance with customary transplant center protocol as identified by that specific transplant center
- Expenses incurred by a donor when both the donor and the recipient are covered by BCBSAZ or a benefit plan administered by BCBSAZ. Both donor and recipient are responsible for deductible, coinsurance and/or copay requirements unless and until BCBSAZ is notified that a BCBSAZ subscriber is a donor for a recipient who is also a BCBSAZ subscriber, at which time all covered donor related services following such notification will be processed under the recipient's contract
- Medical expenses incurred by a donor when the recipient is covered by BCBSAZ and the donor is not covered by BCBSAZ. Covered donor expenses include complications and medically necessary follow-up care related to the donation for up to six (6) months post transplant, as long as the recipient's BCBSAZ coverage remains in effect.

Benefits are not available for:

- Nonmyeloablative ("mini") or consecutive ("tandem") ABMT/stem cell rescue procedures, unless they otherwise meet BCBSAZ coverage criteria

- Expenses related to a noncovered transplant including, but not limited to, pre-transplant testing, chemotherapy, radiation therapy, HDC or HDR associated with transplant procedures, harvest and reinfusion of stem cells or bone marrow, medications (including those administered to mobilize stem cells transplants), inpatient hospitalization and outpatient services.
- Expenses in relation to donation of an organ to a recipient who is not covered by BCBSAZ or a benefit plan administered by BCBSAZ.

JJ. Transplant Travel and Lodging

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible are applied to the out-of-pocket maximum.

Transplant travel and lodging reimbursement is available for expenses incurred by the subscriber receiving a covered transplant, a donor donating for a covered transplant and a caregiver(s) for the donor or recipient subscriber that meet the following criteria:

- The recipient subscriber must be a subscriber receiving a covered solid organ, bone marrow or stem cell transplant that has been precertified by BCBSAZ. Travel and lodging expenses incurred for transplants other than covered solid organ, bone marrow or stem cell transplants (such as cornea transplants) are not available for reimbursement, even if such transplants are covered services.
- The recipient subscriber or the donor donating to the recipient subscriber must travel more than seventy-five (75) miles from his/her residence to receive the transplant, donate for a transplant or receive related services.
- The recipient subscriber or donor must be receiving medically necessary pre and post-operative treatments. In addition, this benefit is available when the recipient subscriber must travel to the facility at which the transplant was performed for treatment of complications related to the covered transplant or for routine transplant follow-up care. This benefit is also available for travel related to covered follow-up care or treatment of complications for recipient subscribers who received a transplant while covered by another insurance plan.
- The recipient subscriber must receive the transplant from a provider contracted with BCBSAZ, a provider contracted with the local Blue Cross and/or Blue Shield plan where services are rendered or a Blue Distinction Centers for Transplants (BDCT) facility.
- The caregiver must be providing assistance and support to the recipient subscriber and/or donor who must travel more than seventy-five (75) miles from the recipient subscriber and/or donor's residence. Reimbursement is not available for expenses incurred by the caregiver when the recipient subscriber and/or donor does not have to travel more than seventy-five (75) miles from his/her residence. A caregiver is defined as the person primarily responsible for providing daily care, basic assistance and support to the recipient subscriber and/or donor. Caregivers may perform a wide variety of tasks to assist the recipient subscriber and/or donor in his or her daily life, such as preparing meals, assisting with doctor's appointments, giving medications or assisting with personal care and emotional needs.

Expenses Available for Reimbursement

The following travel/lodging expenses are available for reimbursement:

- Mileage for travel in a personal vehicle (at the rate set by the Internal Revenue Service in effect at the time of travel); car rental charges; bus, train or air fare;
- Room charges from hotels/motels, hostels;
- Meal expenses;
- A rate of up to \$200 per day, up to a lifetime maximum of \$10,000 per covered recipient subscriber who receives a covered solid organ, bone marrow or stem cell transplant(s). The daily maximum is an aggregate amount, not a per person amount, for the recipient subscriber receiving

a covered transplant, caregiver(s) accompanying the recipient subscriber and donors donating for a transplant. The reimbursement will be calculated at \$200 per day for the total number of travel and lodging days, but will not exceed actual covered expenses. The lifetime maximum includes travel and lodging expenses for covered treatment of complications and follow-up care;

- Covered expenses incurred by a donor or caregiver(s) accumulate toward the recipient subscriber's lifetime maximum travel and lodging benefit.

Exclusions and Limitations

This benefit is subject to all exclusions and limitations outlined in this benefit plan. In addition, reimbursement is not available for:

- Travel/lodging related to evaluation, consultation or medical testing to determine if a subscriber is a candidate for transplantation.
- Travel/lodging related to or associated with noncovered transplant services and/or any follow-up care, including treatment of complications.
- Ambulance transportation (ground or air) – see “*Ambulance Services.*”
- Travel and lodging expenses for subscribers, donors and/or caregiver(s) when the recipient subscriber or donor does not travel more than seventy-five (75) miles for an authorized transplant or transplant related services, including follow-up care and treatment of complications.
- Recipient subscriber, donor or caregiver travel expenses, except as stated in this benefit provision.
- Alcoholic beverages, in-room movies, items from in-room mini-bars or refrigerators, laundry/cleaning/valet services, telephone or internet service charges, spa services, gym facilities or other hotel/motel amenities.
- Vehicle maintenance and/or services (e.g., tires, brakes, oil change).
- Lodging and/or meals provided by friends or relatives of subscribers, donors and/or caregivers.
- Home modifications.
- Travel and lodging expenses for transplants other than a covered solid organ, bone marrow or stem cell transplant, even if such a transplant is a covered service.

Claims for Reimbursement

To request reimbursement of eligible transplant travel and lodging expenses, you must submit a Transplant Travel and Lodging claim form along with original dated receipts to BCBSAZ at:

Attn: Transplant Travel Claim Processor
Mail Stop: A116
Blue Cross Blue Shield of Arizona
P.O. Box 13466
Phoenix, AZ 85002-3466

Please contact BCBSAZ at (602) 864-4051 or (800) 232-2345, ext. 4051 to request Transplant Travel and Lodging claim forms.

KK. Urgent Care

Subscribers are responsible for deductible and coinsurance.

Applicable coinsurance and deductible amounts are applied to the out-of-pocket maximum.

Urgent care services are for conditions that require prompt medical attention, but are not emergencies and therefore do not require treatment at an emergency room.

Urgent care services are for conditions that require prompt medical attention, but are not emergencies. BCBSAZ has contracted with certain freestanding urgent care facilities to provide these services to its subscribers. These facilities are listed in your provider directory or you can look on the BCBSAZ Web site at azblue.com under “*Urgent Care Centers.*”

If you obtain urgent care services at a nonPreferred provider who is not specifically listed as a BCBSAZ urgent care provider, you will be responsible for the applicable deductible and/or coinsurance listed on your schedule page. In addition, you may be responsible for paying the difference between the noncontracted provider’s billed charges and BCBSAZ’s allowed amount.

Please be aware that the BCBSAZ Preferred network includes some providers, such as hospitals, that offer urgent care services, but which are not contracted with BCBSAZ as urgent care centers. No matter what the circumstances, if you obtain urgent care services at a hospital or a hospital’s on-site urgent care facility, you will be responsible for the applicable emergency room access fee, deductible and coinsurance.

LL. Vision Exams (Routine) and Eyewear Discounts

This benefit plan does not provide your routine vision benefits. Contact your benefit plan administrator for information.

WHAT IS NOT COVERED

- **Pre-existing Conditions**

A pre-existing condition is a condition, regardless of the cause of the condition, for which medical advice, diagnosis, care or treatment was recommended or received during the six (6) month period immediately preceding the subscriber's enrollment date. For purposes of determining a pre-existing condition and pre-existing condition waiting periods, enrollment date means the subscriber's effective date of coverage under this benefit plan or the first day of the group's eligibility waiting period, whichever is earliest.

Coverage for services related to a pre-existing condition or complications related to the condition will not begin until twelve (12) consecutive months have elapsed from the subscriber's enrollment date. That waiting period may be shortened or eliminated by the amount of credit given for periods of prior creditable coverage. For prior coverage to apply toward this pre-existing condition waiting period you must not have any period of sixty-three (63) days or more (excluding the employer's group's eligibility waiting period) during which you were not covered under any creditable coverage. Creditable coverage includes the following:

- ◆ Coverage provided under a group health plan (insured or self-insured)
- ◆ An individual insurance policy
- ◆ Medicare
- ◆ Medicaid
- ◆ A federal or state public health plan, including but not limited to, AHCCCS and public health plans provided by a foreign government
- ◆ TRICARE
- ◆ A health benefits risk pool
- ◆ The Peace Corps
- ◆ A Bona Fide Association
- ◆ Indian Health Services (IHS)
- ◆ The Federal Employee Health Benefits Plan (FEHBP), or
- ◆ The State Children's Health Insurance Program (SCHIP)

Pregnancy is not considered a pre-existing condition. Newborns enrolled within thirty-one (31) days of birth will not be subject to this pre-existing condition waiting period. If you adopt a child or a child is placed for adoption with you and you enroll him/her within thirty one (31) days of placement, he/she will not be subject to this pre-existing condition waiting period.

- **Noncovered Services and Supplies**

Some limitations and exclusions on certain benefits appear within the specific benefit provision. Expenses for services that exceed benefit limitations are not covered. **BCBSAZ contracted providers are permitted by the terms of their contract with BCBSAZ to charge you for noncovered services and supplies.** We recommend that you check with the provider regarding the cost of noncovered services and supplies before you obtain them.

NOTWITHSTANDING ANY OTHER PROVISION IN THIS BENEFIT PLAN, NO BENEFITS WILL BE PAID FOR EXPENSES ASSOCIATED WITH THE FOLLOWING:

- **Abortions** – non-spontaneous, medically-induced abortions (by surgical or non-surgical means) are not covered, except as stated in this benefit plan (see *"Pregnancy, Termination"*).

Termination of pregnancy including fetal and/or multi-fetal reductions for chromosomal and/or genetic abnormalities that do not affect the viability of the fetus are expressly excluded. Fetal and/or multi-fetal reductions intended to increase the gestational age and/or birth weight of the remaining fetus(es) are expressly excluded.

- **Activity Therapy** - activity therapy, milieu therapy or any care primarily intended to assist an individual in the activities of daily living or for the comfort or convenience of the subscriber or family member, except as stated in this benefit plan.

- **Acupuncture**
- **Alternative Medicine** - non-traditional or alternative medical therapies, e.g., interventions, services or procedures not commonly accepted as part of allopathic or osteopathic curriculum practices; naturopathic and homeopathic medicine; diet therapies; nutritional or lifestyle therapies; aromatherapy.
- **Biofeedback** – biofeedback, neurofeedback and/or hypnotherapy.
- **Cognitive and Vocational Therapy** - services related to improving cognitive functioning (i.e., higher brain functions), reinforcing or re-establishing previously learned thought processes, compensatory training, sensory integrative activities or services related to employability.
- **Complications of Body Piercing/Tattooing** - complications of body piercing, implants (body art) and/or tattooing, e.g., the evaluation, treatment, removal and/or repair of lacerations, infection, cellulitis and keloids.
- **Complications of Noncovered Benefits** - complications, consequences or after effects, whether immediate or delayed, that arise from any condition, service or supply that is not covered under this benefit plan, whether the condition, service or supply occurred or was used prior to or during the time the subscriber was covered by this benefit plan.
- **Cosmetic Services** - surgery, procedures, treatment and office visits and/or consultation and other services for cosmetic purposes. “Cosmetic” means surgery, procedures, treatments and other services performed primarily to enhance or improve appearance, including but not limited to, those surgeries, procedures, treatments and other services performed in the absence of a functional impairment of a body part or organ as documented in the medical record, even if such services will improve emotional, psychological or mental condition or function. This exclusion does not apply to breast reconstruction following a medically necessary mastectomy, in accordance with state and/or federal law (see “*Post-Mastectomy Services*”).
- **Costs Paid By Other Organizations** - costs/services customarily paid for by an employer, the government, biotechnical, pharmaceutical or medical device industry sources or other individuals or organizations, including but not limited to, worksite or ergonomic evaluations
- **Counseling** - counseling/behavioral modification services.
- **Court-Ordered Services** - court-ordered testing, treatment or therapy, unless such services are otherwise covered under this benefit plan as determined by BCBSAZ.
- **Custodial Care** - any health services and other related services that are for the comfort or convenience of the subscriber or family member or do not seek to cure, or are provided to support or assist with activities of daily living, including, for example, personal hygiene, nutrition (except as stated in “*Home Infusion/Medication Administration Therapy*”) or other self care or are provided when acute care is not required or do not require continued administration by licensed skilled medical personnel, e.g., L.P.N., R.N., licensed therapist. (See “*Home Health Services and Home Infusion – Medication Administration Therapy.*”)
- **Dental** - dental or orthodontic services or supplies, whether inpatient or outpatient; placement or replacement of crowns, bridges or implants; any fixed dental reconstruction of the teeth; orthodontics; extractions of teeth; dentures and procedures associated with the fitting of dentures; vestibuloplasty; and surgical orthodontics, except as stated in this benefit plan.
- **Dietary/Nutritional Supplements** - all dietary, caloric and nutritional supplements, e.g., specialized formulas for infants, children or adults or other special foods or diets, even if prescribed by a physician or other eligible provider, except as stated in this benefit plan.
- **Environmental Medicine** - services or supplies associated with environmental medicine or clinical ecology defined as the diagnosis or treatment of environmental illness, e.g., chemical sensitivity(ies) or toxicity(ies) from past or continued exposure to atmospheric contaminants, pesticides, herbicides or foods exposed to atmospheric or environmental contaminants.
- **Fees** - fees other than for medically appropriate in-person, direct subscriber treatment, tests, services, medications, supplies or equipment.

- **Fertility/Infertility Services** - services for retrieval, collection, fertilization, preservation, implantation or storage of sperm/eggs; services, medications and procedures to improve or achieve fertility (ability to conceive) or to diagnose and treat infertility (inability to conceive), as determined by BCBSAZ.
- **Foot Care** - foot care involving trimming of nails, treatment of corns or calluses, flat feet, fallen arches, arch supports and weak feet, except when medically appropriate for diabetic or neurological involvement or peripheral vascular disease of the foot or lower leg (below the knee).
- **Genetic/Chromosome Testing and Screening** – genetic/chromosomal testing of an asymptomatic or unaffected individual or an individual not displaying signs or symptoms of a suspected or specific inherited disorder.
- **Government Services** - services for injuries received in the line of duty and/or services covered by a governmental health care program or provided by a governmental hospital, clinic or other facility at no charge to the subscriber, except as otherwise required by law or unless the facility has been approved for payment under this benefit plan.
- **Growth Hormone(s)** – growth hormone(s) except as determined medically necessary by BCBSAZ to treat diagnostically proven growth hormone deficiency. Growth hormone(s) to treat Idiopathic Short Stature (ISS) is expressly excluded.
- **Hearing Services or Devices** - routine hearing exams, except for hearing screenings included in a physical exam (see *“Preventive Care, Mammography, Routine Physical Exams”*), hearing aid services and supplies, including external, semi-implantable middle ear and implantable bone conduction hearing aids. Diagnostic hearing tests related to a medical condition identified by a physician are covered as any other service.
- **Investigational** - investigational treatments, procedures, equipment, medications, devices or supplies, as determined by BCBSAZ, except as stated in *“Prescription Medications for the Treatment of Cancer”* and *“Cancer Clinical Trials”* (see *“Experimental or Investigational Treatment”*).
- **Lodging and Meals** - lodging and meals, except as stated in *“Transplant Travel and Lodging.”*
- **Manipulation of the Spine Under Anesthesia.**
- **Massage Therapy** – massage therapy, except as stated in this benefit plan (see *“Physical Therapy (PT) – Occupational Therapy (OT) – Speech Therapy (ST)”* and *“Inpatient Rehabilitation”*).
- **Medications** - medications for off-label, unlabeled or orphan medications (orphan medications are used for diagnosis, treatment or prevention of a rare disease or condition) unless otherwise specified by BCBSAZ medical or prescription medication coverage guidelines. This does not include medications used for the treatment of cancer (see *“Prescription Medications for the Treatment of Cancer”*).
- **Medications Dispensed in a Physician’s/Provider’s Office** - prescription medications and over-the-counter medications, including pharmaceutical manufacturers’ samples, dispensed to the subscriber in a physician’s/provider’s office by any mode of administration. This does not include eligible self-injectable medications administered in the physician’s office.
- **Non-Medically Necessary Services** - services that are not medically necessary as determined by BCBSAZ. **Please note:** BCBSAZ may not be able to determine medical necessity until after services are rendered.
- **Over-the-Counter Items** - any medication, device, equipment or supply (except for certain diabetic and asthma supplies and inhaler spacers, as described in *“Retail and Mail Order Pharmacy”*), that is lawfully obtainable without a prescription.
- **Personal Comfort Items** - services or devices intended primarily for assistance in daily living, socialization, personal comfort, convenience or other non-medical reasons for the subscriber or family member, whether inpatient or outpatient.

- **Screening Tests** - screening and/or diagnostic testing or treatment performed without a personal history of a specific diagnosis and/or acute signs or symptoms of the conditions being evaluated, regardless of risk factors, except as stated in this benefit plan and screening and/or diagnostic testing deemed investigational by BCBSAZ, including full body scans, even if component parts of the scans are not investigational, except as stated in this benefit plan (see "*Preventive Care – Mammography – Routine Physical Exams*").
- **Services For Which You Have No Legal Obligation to Pay.**
- **Services from Family Member(s)** - services that are provided by an eligible provider who is a member of your immediate family. "Immediate family" members are: your spouse, children, sister, brother, father and mother. When a provider is also the covered person, services rendered by that provider for him/herself are also excluded from coverage.
- **Services Not Requiring Licensed Professional** - services that do not have to be performed by a licensed professional, which you or an immediate family member or caregiver not compensated by this benefit plan could provide after demonstrating proficiency at providing the service.
- **Services of Ineligible Providers** - inpatient or outpatient services at any facility or from any other health care provider, except those listed as eligible in this benefit plan or otherwise deemed eligible by BCBSAZ (see "*Eligible Providers*").
- **Services or Supplies After Termination Date** - services or supplies rendered or delivered after this coverage terminates, except as stated in this benefit plan.
- **Services or Supplies Prior to Effective Date** - services or supplies rendered or delivered prior to the effective date of this benefit plan.
- **Services or Supplies Related to or Associated with a Noncovered Service or Supply.**
- **Services Without A Prescription** - services and supplies that are required by this benefit plan to have a prescription, but are not prescribed by a physician or other provider licensed to prescribe.
- **Sexual Dysfunction** - evaluation and/or testing, diagnosis, treatment (surgical or non-surgical) or medication or devices for sexual dysfunction, regardless of the cause of the condition, including trauma and complications of medically necessary surgery or treatment.
- **Smoking Cessation** – smoking cessation programs, aids or devices.
- **Strength Training** – strength training, cardiovascular endurance training, fitness/strengthening programs and/or other services primarily designed to improve or increase fitness.
- **Telephonic or Electronic Consultations** – telephonic or electronic consultations except for teletrauma services as stated in this benefit plan (see "*Emergency or Accident*").
- **Therapy Services** - therapy services, except as stated in this benefit plan (see "*Cardiac and Pulmonary Rehabilitation,*" "*Inpatient Extended Active Rehabilitation (EAR) Services*" and "*Physical Therapy – Occupational Therapy - Speech Therapy*").
- **Training and Education** - training and education, except as stated in this benefit plan (see "*Diabetes and Asthma Supplies and Disease Management*").
- **Transplants** - transplants (organ, tissue, bone marrow or stem cell) not approved as a covered benefit by BCBSAZ; high-dose chemotherapy, high-dose radiation or other related services administered in conjunction with a noncovered transplant or expenses related to donation of an organ to a recipient who is not covered by BCBSAZ.
- **Transportation** - transport services or travel expenses, except as stated in "*Ambulance Services*" and "*Transplant Travel and Lodging.*"
- **Transsexual** - transsexual treatment or surgery and/or any related services.

- **Treatment for behavioral/mental health conditions in a non-acute facility** (e.g., residential, skilled nursing).
- **Vision** - routine vision exams and services; vision therapy; all types of refractive keratoplasties; any other procedures, treatments or devices for refractive correction; eyeglasses and contact lenses and the vision examination for prescribing and fitting of same, except as stated in this benefit plan (see "*Cataract Surgery*").
- **Vitamins** - vitamins, minerals and trace elements lawfully obtainable without a prescription, except as stated in this benefit plan (see "*Retail and Mail Order Pharmacy*"). This exclusion does not apply to injectable vitamins, minerals and trace elements that are FDA approved and medically necessary to treat a covered medical condition, as determined by BCBSAZ.
- **Weight Loss/Gain** - weight loss/gain therapy or treatment including medications, special foods, nutritional counseling, weight gain/loss products and supplements, physician monitored weight loss programs, including inpatient weight loss programs, except as stated in this benefit plan. Medically necessary surgical treatment for morbid obesity may be covered.
- **Workers' Compensation** - services for an illness or injury covered by Workers' Compensation or similar benefits, unless you are exempt from such coverage or have made a statutory opt-out election.

BENEFIT PLAN ADMINISTRATION

- **Benefit Plan**

This benefit plan includes the benefit plan booklet and schedule page, any replacement benefit plan booklets, your ID card and any amendments, riders or modifications to this benefit plan, including but not limited to, any changes in deductible, coinsurance or copay amounts.

Benefits are subject to change upon notification to the group and to subscribers as may be required by law (see "*Benefit Plan Amendment*").

- **Coordination of Benefits**

The Group Master Contract between your Employer and BCBSAZ contains a coordination of benefits provision that prevents duplication of payments. Under the provision, if you are eligible for benefits under any other group health insurance, the combined benefit payments from all coverages will not exceed 100 percent of the billed charges. Payment under this benefit plan will not exceed 100 percent of the BCBSAZ allowed amount.

If your other group health insurance does not include a coordination of benefits provision, that coverage pays first. If your other group health insurance provides for coordination of benefits, the following rules will be used to determine which coverage will pay first:

- ◆ If the person is an inpatient on the day this benefit plan becomes effective and benefits are payable under the person's prior health care coverage for the inpatient stay, the prior health care coverage pays first
- ◆ If the person who received care is covered as an active employee under one benefit plan and as a dependent under another, the employee coverage pays first
- ◆ If the person who receives care is covered as an active employee under one benefit plan and as an inactive employee under another, the coverage through active employment pays first
- ◆ If the person who receives care is a dependent child, then the plan benefits of the parent whose birthday occurred earlier in a calendar year shall cover the child first
- ◆ If both parents have the same birthday, the benefits of the plan that covered a parent longer shall cover a dependent child first
- ◆ If one of the plans determines the order of benefits based upon the gender of a parent and as a result, the plans do not agree on the order of benefit determination, the plan with the gender rule shall determine the order of benefits
- ◆ If the dependent child's parents are legally separated or divorced, then the following applies:
 - The coverage of the parent with custody pays first. If the parent with custody has remarried, the stepparent's coverage pays second. The coverage of the parent who does not have custody pays last.
 - Regardless of which parent has custody, whenever a court decree specifies the parent who is financially responsible for the child's health care expenses, the coverage of that parent pays first.
 - If the parents have joint custody, then the plan benefits of the parent whose birthday occurred earlier in a calendar year shall cover the child first.

When none of the above applies, the coverage you have had for the longest continuous period of time pays first (see "*Non-Duplication of Benefits*")

Please note: Under no circumstances are benefits coordinated for covered services provided by a retail and mail order pharmacy.

Having other coverage in addition to this benefit plan may make you ineligible to open and/or contribute to an HSA. Please consult your tax or legal advisor for additional information.

- **Non-Duplication of Benefits**

Under this benefit plan, you are required to promptly notify BCBSAZ of the following situations:

- If you have other medical coverage;
- If there are changes in your other medical coverage (including changes in benefits and/or termination of the coverage); **and**
- If you become eligible for Medicare during the term of this benefit plan.

Where benefits for covered services are payable under this benefit plan and one or more other BCBSAZ group benefit plans or benefit plans administered by BCBSAZ, the rules described above in “*Coordination of Benefits*” will be used to determine which coverage pays first. Payment of the claim will be subject to **all** applicable deductibles, coinsurance and copays and the combined benefit payments will not exceed 100 percent of the BCBSAZ allowed amount.

Where benefits for covered services are payable under this benefit plan and one or more BCBSAZ non-group contracts, benefits will be paid first under the non-group contract. Payment of the claim will be subject to all applicable deductibles, coinsurance and copays and the combined benefit payments will not exceed 100 percent of the BCBSAZ allowed amount. BCBSAZ does not coordinate benefits with non-group coverage provided by an insurance plan other than BCBSAZ.

Please note: Under no circumstances are benefits coordinated for covered services provided by a retail and mail order pharmacy.

Having other coverage in addition to this benefit plan may make you ineligible to open and/or contribute to an HSA. Please consult your tax or legal advisor for additional information.

- **Definitions**

- ♦ **“Dependents”** are the following: (1) the employee's spouse under a legally valid existing marriage; and/or (2) the employee's unmarried children or the unmarried children of his/her spouse. This includes natural children, legally adopted children, step-children, children placed for adoption, children under legal guardianship substantiated by a court order and children who are entitled to coverage under a medical support order and/or (3) a foster child who meets the following criteria: a child you are raising as your own; a child who lives in your home; a child who is chiefly dependent on you for support; a child for whom you have taken full parental responsibility and control. A foster child is not eligible if: a child is temporarily living in your home; a child is placed with you in your home by a social service agency which retains control of the child; or a child whose natural parent is in a position to exercise or share parental responsibility and control.
- ♦ **“Disabled Dependent Child”** is a child who has reached age 19 (or 23, if a full-time student). A disabled dependent child may continue coverage under this benefit plan if the child is otherwise eligible for the benefit plan and meets **all** of the following criteria: (1) has been covered under this benefit plan up to the day he/she is no longer eligible for coverage based on the age limit(s) specified in this benefit plan; and (2) is continuously incapable of self-sustaining employment because of mental retardation or mental or physical disability; and (3) is chiefly dependent upon the employee for maintenance and support.

Medical reports, acceptable to BCBSAZ, must substantiate the incapacity and must be submitted by the employee within thirty-one (31) days of the date such disabled dependent child reaches age 19 (or 23 if a full-time student). The child's eligibility to continue this coverage is subject to periodic review by BCBSAZ. BCBSAZ uses the Social Security Administration medical criteria for determining disabilities as a guide when evaluating the extent of your dependent child's disability. Termination of the Group Master Contract or cessation of child's disability or dependency will terminate the child's coverage under this benefit plan.

- ♦ **“Employee/Retiree”** refers to the person eligible for this benefit plan because of his/her employment relationship to the group.
- ♦ **“Group”** refers to the employer or other entity to which a Group Master Contract is issued under which the employee and/or dependents become entitled to health coverage. The Group Master Contract controls the administration of the group coverage and is on file with the employer. The coverage described in this booklet will terminate when the Group Master Contract terminates. It is the responsibility of your employer or the group to notify subscribers in the event the Group Master

Contract is terminated by the group or if the Group Master Contract is terminated for non-payment of premiums. BCBSAZ will notify subscribers if the Group Master Contract is terminated for any other reason.

- ◆ **“Open Enrollment”** is an annual period during which the employee and/or dependents are eligible to enroll for coverage or change benefit plan options. Your benefit plan administrator will notify the employee if the group has established such an open enrollment period.
- **Eligibility Requirements**
 - ◆ **Employee** - An employee becomes eligible to enroll for coverage after meeting the group's eligibility requirements outlined in the Group Master Contract.
 - ◆ **Dependent Children** - Dependent children are eligible for dependent coverage until: (1) their 19th birthday or (2) the 23rd birthday for a child who is otherwise eligible and is continuously attending an accredited institution as a full-time student. BCBSAZ may require verification of dependency and student status.
 - ◆ **Retiree** – Please see your benefit plan administrator to determine eligibility requirements for a retiree and his/her eligible dependents.
- **Effective Date of Coverage**
 - ◆ **Employee** – An employee's effective date of coverage will be either the date the employee becomes eligible to enroll or the first billing date after the employee becomes eligible to enroll as determined by the group, as long as the employee completes the application process within thirty-one (31) days of becoming eligible. See your schedule page for employee effective date.
 - ◆ **Dependent** - Dependent coverage can only be obtained if an eligible employee has enrolled for coverage. Eligible dependents will have the same effective date as the employee if they are included on the application at the time the employee first enrolls. If the employee and/or dependents do not enroll when first eligible, the employee and/or dependents may only apply for coverage at the group's annual open enrollment period, except as stated in *“Special Enrollment Provisions”* or if court-ordered. The effective date of coverage for an application made during an open enrollment period is the group's anniversary date following that open enrollment period.
 - ◆ **Spouse** - The effective date for a new spouse will be the date of marriage, as long as the employee completes an application within thirty-one (31) days of that date. If the application is not completed within thirty-one (31) days after the date of marriage, the spouse may not enroll until the next open enrollment period, unless he/she qualifies under *“Special Enrollment Provisions.”*
 - ◆ **Retiree** – Please see your benefit plan administrator to determine effective dates of coverage for a retiree and his/her eligible dependents.
 - ◆ **Newborn/Adopted Child/Child Placed for Adoption** - A child is automatically eligible for coverage for the first thirty-one (31) days after the date of birth, adoption or placement for adoption, so long as the parent or guardian covered under this benefit plan remains eligible for coverage during that period and the newborn or child adopted or placed for adoption is otherwise an eligible dependent under this benefit plan. BCBSAZ will continue coverage for the child after the thirty-one (31) day period and you will be responsible for any additional premium, unless you notify BCBSAZ in writing to remove the newborn or adopted child from this benefit plan. The additional premium is prorated from the date of birth, adoption or placement for adoption. Even if no additional premium is required (e.g., you already have family coverage), you must notify BCBSAZ in writing if you wish to remove the child from the benefit plan.
 - ◆ **Other Children** - The effective date for a dependent child who is not a newborn child, adopted child or a child placed for adoption (as described above) shall be the date the child becomes an eligible dependent, as long as you complete an application to add the child within thirty-one (31) days of that date. If an application is not completed within thirty-one (31) days, the child may not enroll until the next open enrollment period, unless the child qualifies under *“Special Enrollment Provisions.”*

- **Loss of Eligibility/Termination Date of Coverage**

The date eligibility ends is not necessarily the date coverage ends under the benefit plan. Coverage for employees and dependents ends in accordance with the requirements of the Group Master Contract.

Termination of coverage may impact any HSA you have established. Please contact your custodian or your tax or legal advisor to discuss these impacts.

Some groups have up to sixty (60) days to notify BCBSAZ that an employee has become ineligible. Until BCBSAZ receives notice and processes the termination of eligibility, benefits may be quoted, precertification given or claims paid that ultimately will be recouped from subscribers or providers, if it is later determined the subscriber(s) were ineligible on the date services were received. Such benefit quotations or precertifications become null and void, regardless of whether the employee has received notice of termination of eligibility from the group.

Employee eligibility ends on the following days:

- ◆ The end of the month in which the employee was entitled to receive compensation from the group for the employee's full-time employment, as defined in the Group Master Contract and for which BCBSAZ has received premium.
- ◆ The end of the month in which an approved leave of absence expires, if the employee fails to return to active full-time employment.
- ◆ The date of death.

Dependent eligibility ends on the following days:

- ◆ The end of the month during which the divorce decree becomes final.
- ◆ The end of the month in which the child turns age 19 and is not a full time student or does not qualify as a disabled dependent.
- ◆ The end of the month in which the child between age 19 and 23 (not disabled) loses full-time student status.
- ◆ The end of the month in which the child marries.
- ◆ The end of the month in which the disability or dependency ceases for a child over age 19 (not a full-time student) or over age 23.
- ◆ The end of the month in which a child covered by a medical support order is no longer eligible under the court order or administrative order.
- ◆ The end of the month in which the employee's death occurs.

Retiree eligibility:

Please see your benefit plan administrator for information regarding loss of retiree's eligibility and termination dates of coverage and the dates for a retiree's dependents.

- **Termination Date of Coverage**

An employee's and/or dependent's coverage will terminate on the **earlier** of the following:

- ◆ The date the Group Master Contract terminates; **or**
- ◆ The last day on which the employee or dependent is eligible for coverage (as described above) **or** the last day of the billing month when eligibility ends, as set forth in the Group Master Contract. The Group Master Contract controls whether coverage terminates on the date eligibility ends or the last day of the billing month when eligibility ends.

Employees' and/or dependents' coverage ends no later than the date the Group Master Contract terminates.

When an employee's coverage terminates, coverage for all dependents also terminates. Subscribers may be eligible for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Subscribers may also be eligible for individual portability coverage or may apply to BCBSAZ for an individual conversion contract.

BCBSAZ will issue a certificate of creditable coverage upon receipt of notice of the employee's termination. Subscribers may request a certificate of creditable coverage at anytime up to twenty-four (24) months after termination of coverage.

- **Special Enrollment Provisions**

If an employee or dependent does not enroll when first eligible, the employee or dependent may enroll for coverage other than at open enrollment **if** he/she meets the following criteria:

- ◆ The employee or dependent at the time of the initial enrollment period was covered under a public or private health insurance policy or other health benefit plan and he/she lost coverage under the plan due to any of the following reasons and the employee or dependent requests coverage by completing an application within thirty-one (31) days of the loss of other coverage:
 - Dependent's termination of employment
 - Dependent's termination of eligibility
 - Dependent's reduction in the number of hours of employment
 - Termination of the other plan's coverage
 - The death of an employed spouse
 - Legal separation or divorce
 - Exhaustion of COBRA
 - Termination of the employer's contribution toward the coverage
 - The person is employed by an employer that offers multiple health benefit plans and the person elects a different plan during an open enrollment
 - The person becomes a dependent of a covered person through marriage, birth, adoption or placement for adoption and BCBSAZ received a completed application no later than thirty-one (31) days after becoming a dependent.
 - Exhaustion of a lifetime maximum on all benefits under a plan
 - The person no longer resides, lives or works in the other plan's service area and no other group benefit plan is available to the person.

If an employee is not a participant in this health plan when a special enrollment qualifying event occurs, the employee and dependents are eligible to enroll in the group health plan and are not considered late enrollees so long as BCBSAZ receives a completed application no later than thirty-one (31) days after the special enrollment qualifying event.

- **Leave of Absence**

Please see your group benefits administrator for information regarding coverage during a leave of absence.

BCBSAZ agrees to continue coverage for subscribers during any leave of absence the group is required to provide by applicable federal or state law, including the Family and Medical Leave Act of 1993 and any amendments or successor provisions. If you return to active employment by the end of the leave of absence period, coverage under this benefit plan will continue for an employee and his/her dependents, so long as the group maintains coverage with BCBSAZ. If not, the employee will cease to be eligible and coverage for the employee and dependent(s) will terminate as described in "*Termination of Coverage*."

- **Medical Support Orders**

Coverage is available to a child of the employee in accordance with any court order or administrative order issued by a court of competent jurisdiction to provide health benefits coverage to a child of the employee. The order must clearly specify the name and last known mailing address of the employee and each child covered by the order and the time period to which the order applies.

Following receipt of the above information from the group, BCBSAZ will add the child to the employee's coverage, subject to the guidelines for adding dependent children, as outlined above. If the employee does not have family coverage, the employee is required to enroll for family coverage and pay the required premium.

- **Termination of Coverage**

All benefits terminate when coverage terminates, except in the following circumstances:

- ♦ **Continuation of Coverage**

Under federal law it is the group's responsibility to inform employees and dependents of the availability, terms and conditions of continuation of coverage available under COBRA. COBRA requires most employers who have twenty or more employees and sponsor a group health plan to offer employees and their covered dependents the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. You must check with your benefit plan administrator to determine if you qualify for continuation coverage.

Continuation of coverage is available when an employee is absent from employment by reason of service in the uniformed services, as defined by applicable federal law. You must check with your group or benefit plan administrator to determine if you qualify for continuation coverage.

- ♦ **Hospitalization**

If a subscriber is an inpatient in an acute care hospital on the day coverage terminates, benefits for covered inpatient facility services delivered during that admission will be provided under this benefit plan. **Any professional services rendered during the stay but after the date of termination are not covered.** This hospital coverage does not apply to inpatient stays in long-term acute care, skilled nursing, extended active rehabilitation or behavioral health facilities.

- ♦ **Disability Extension of Benefits**

This benefit plan uses the medical criteria established by the Social Security Administration to determine total disability. Eligibility to continue coverage for a disabling condition is subject to periodic review.

(1) Group Discontinuation: If you are totally disabled on the date that the group discontinues its agreement with BCBSAZ regarding this benefit plan, medical expense benefits will continue, **for the disabling condition only, for a period not to exceed twelve (12) months from the date of termination.** To ensure an orderly extension of benefits and timely processing of your claims, it is important to provide BCBSAZ with written notice of the disabling condition no later than thirty-one (31) days after such termination. You do not waive your right to extended benefits if you do not notify BCBSAZ; however, claims payments cannot be made until notice is received.

When you provide notice, you will be required to also provide reports satisfactory to BCBSAZ that show the date of your termination, the condition that resulted in your becoming totally disabled and that you have been totally disabled from that condition from the time of such termination. You are eligible for this extension of benefits whether covered as an active employee, the dependent of an active employee or a qualified COBRA beneficiary on the date the group discontinues its agreement with BCBSAZ regarding this benefit plan.

(2) Individual Termination: If you are totally disabled on the date your coverage as an active employee (or as the dependent of an active employee) terminates, medical expense benefits will continue, **for the disabling condition only, for a period not to exceed twelve (12) months from the date of termination.** You do not waive your right to extended benefits if you do not notify BCBSAZ; however, claims payment cannot be made until notice is received.

When you provide notice, you will also be required to provide reports satisfactory to BCBSAZ that show the date of your termination, the condition that resulted in your becoming totally disabled and that you have been totally disabled from that condition from the time of such termination. If you are eligible for extension of benefits because of an individual termination as described above and you elect continuation coverage under COBRA, the extension of benefits shall run concurrently with your continuation coverage under COBRA, until the 12-month extension of benefits period is exhausted. Because these provisions run concurrently, please contact your employer before making any changes to, or terminating, your COBRA continuation coverage.

◆ **Individual Portability Coverage**

You are eligible for certain individual coverage with no medical underwriting or pre-existing condition waiting periods if you meet **all** of the following criteria:

- (1) You have eighteen (18) months of prior continuous creditable coverage; the most recent coverage must be with a group, government or church plan, **and**
- (2) You are no longer eligible for a group plan, Medicare or Medicaid, **and**
- (3) Coverage was not terminated for non-payment of premium or fraud, **and**
- (4) You elected and exhausted COBRA continuation coverage (or other similar coverage) if this coverage was available to you, **and**
- (5) You apply for individual portability coverage within sixty-three (63) days of the date your group (or COBRA) coverage ends.

Please contact BCBSAZ for information on individual portability coverage.

◆ **Conversion Coverage**

If this benefit plan terminates because the group changes its insurance plan, you are not eligible for a conversion contract.

If your coverage under this benefit plan ends for any reason other than the group changing insurance plans and you maintain your permanent residence in Arizona, you may apply for an individual conversion contract offered by BCBSAZ.

You must apply in writing to BCBSAZ for a conversion contract within thirty-one (31) days of your termination from this benefit plan. You may also apply for conversion coverage when your continuation coverage under COBRA expires, provided the Group Master Contract is still in force.

◆ **Transfer Coverage**

If you cease to be a subscriber under this benefit plan (for any reason other than the group changing insurance plans) and you move to an area served by another Blue Cross and/or Blue Shield plan, you may be eligible to enroll for transfer coverage with the BCBS plan serving your new address.

If you do not wish to enroll in the transfer coverage, you may be eligible for other BCBS plan policies. You will have to apply and meet medical underwriting requirements just like any other new customer. You may or may not receive pre-existing condition waiting period credit.

Other coverage options and their benefits and limitations are very different from this coverage. Policies that do not require a health history (such as conversion, transfer or portability coverage) or that do not have pre-existing condition limitations will have significantly higher premiums.

◆ **BCBSAZ Continuous Coverage Policy**

If you are terminating your coverage under this benefit plan and you were covered under a BCBSAZ medically underwritten individual policy directly prior to your coverage under this benefit plan, you may be eligible to return to BCBSAZ individual coverage without having to meet individual medical underwriting guidelines.

To return to individual coverage, you must be under age 65 and there can be no lapse in your coverage through or administered by BCBSAZ. Before your group coverage terminates, please contact BCBSAZ Membership Services at (602) 864-4115 or (800) 232-2345, ext. 4115 for more information.

Except as stated in "*Termination of Coverage*," this benefit plan excludes payment of benefits for services provided after termination.

CLAIMS FILING INFORMATION

- **BCBSAZ Preferred and Participating Providers**

All BCBSAZ Preferred and Participating providers will file a claim for covered services for you. Payment for covered services will be sent directly to the contracted provider

- **Claim Forms**

Medical and prescription medication claim forms are available from BCBSAZ by calling the Supply Line telephone number listed at the front of this booklet. A separate medical foods and transplant travel and lodging claim form is also available (see "*Medical Foods*" or "*Transplant Travel and Lodging*").

Make sure you or your providers file **all** your claims so we can keep track of covered expenses and track your deductible. The deductible for a calendar year is applied in the order in which claims are processed by BCBSAZ (not the date services were rendered).

- **Complete Claims**

Before a claim can be processed to determine whether the service is covered and before the appropriate reimbursement can be determined, the claim must be complete.

To be complete a claim must include, at a minimum, the following information:

- ◆ Subscriber name
- ◆ Subscriber ID number
- ◆ Date of service(s)
- ◆ Name of provider
- ◆ Provider ID number
- ◆ Diagnosis code
- ◆ Procedure code
- ◆ Billed charges
- ◆ Signature of provider who rendered services

When any of this information is not included on the claim, processing the claim may be delayed. Even when all of the above information is on the claim form, it may be necessary to request medical records before a coverage determination can be made.

- **Concurrent Care Decisions**

Benefits may require that your provider submit a plan of care and you then receive precertification for a certain number of visits or services over a certain period of time. You may request precertification for additional periods of care as long as your request is made at least twenty-four (24) hours prior to the expiration of an existing plan of care. A determination will be made as soon as possible in accordance with medical exigencies but no later than twenty-four (24) hours after receipt of the request. If that precertification is denied, you may appeal that denial in the same way you appeal any other coverage denial.

- **Explanation of Benefits (EOB) Form**

An EOB shows the services billed, whether the services are covered or not covered and how access fees, deductibles, copays, coinsurance or benefit maximums were applied. After your claim is processed, an EOB will be sent. Save the EOB for your personal records. You may be charged a fee for duplication of claims records.

- **Initial Claim**

If your claim is not filed properly or is missing information, you will be sent notification within five (5) days of receipt of the claim, unless it is missing so much information you cannot be identified as a subscriber covered by this benefit plan. In that case, it will be returned to the person who submitted the claim. If the claim is complete and properly submitted, it will be processed according to the time periods described in this section.

- **Noncontracted Providers**

A noncontracted provider in or outside of Arizona is not required to file a claim for you. If the provider does not file your claim, send a copy of the itemized bill and a completed claim form to BCBSAZ. Payment for covered services will be made to you and it is your responsibility to pay the provider. In certain limited situations, federal law may allow for payment to be made to other individuals covered under this benefit plan for covered services provided to them. In such a situation, it would be the

responsibility of that individual to pay the provider. Remember, noncontracted providers may charge you for the difference between their billed charges and the BCBSAZ allowed amount (see “*Choosing a Provider*”).

- **Notice of Determination**

If your claim is filed properly and your claim is then denied in whole or in part, you will receive notice of an adverse benefit determination that will:

- ◆ State the specific reason(s) for the adverse benefit decision (e.g., not covered because the provider is ineligible or because services are not covered under this benefit plan),
- ◆ Reference the specific plan provision on which the determination is based,
- ◆ Describe additional material or information, if any, needed to perfect the claim and the reasons such material or information is necessary,
- ◆ Describe applicable grievance/appeal procedures,
- ◆ Disclose any internal rule, guideline or protocol relied on in making the adverse determination (or state that such information is available free of charge upon request),
- ◆ If the denial is based on medical necessity or experimental treatment or similar limit, explain the scientific or clinical judgment for the determination (or state the information will be provided free of charge upon request).

- **Pharmacy Claims**

When you submit a prescription to either a retail or mail order pharmacy, you may submit a claim to BCBSAZ for such prescription in the following circumstances:

- ◆ Coverage for the prescription was denied in whole or in part
- ◆ You feel that you paid the wrong copay or other cost-sharing amount for such prescription
- ◆ You were required to pay other amounts you feel you are not required to pay
- ◆ Other dispute or discrepancy regarding your prescription medication coverage

When you submit a pharmacy claim, a notice will be sent within a reasonable time period, but not longer than thirty (30) days, from receipt of the claim. This notice is in the form of an Explanation of Benefits (EOB), described in this benefit plan booklet.

If a decision on your claim cannot be made within thirty (30) days, the initial processing time may be extended fifteen (15) days. You will receive notice prior to the extension time period indicating why the extension is necessary and the date by which a determination can be expected. If the extension is necessary to obtain additional information, the extension notice will describe the information needed and you or your provider will be given at least forty-five (45) days to submit the information.

- **Post-Service Claims**

When you submit a claim for services that have already been rendered or when precertification is not required and your claim is denied, a notice will be sent within a reasonable time period but not longer than thirty (30) days from receipt of the claim. This notice is in the form of an Explanation of Benefits (EOB), described in this benefit plan booklet.

If a decision on your claim cannot be made within thirty (30) days, the initial processing time may be extended fifteen (15) days. You will receive notice prior to the extension time period indicating why the extension is necessary and the date by which a determination can be expected. If the extension is necessary to obtain additional information, the extension notice will describe the information needed and you or your provider will be given at least forty-five (45) days to submit the information.

- **Pre-Service Claims**

When you request coverage for a service that has not yet been rendered (that is, request precertification), a determination will be made within a reasonable time period considering the medical circumstances, but not later than ten (10) business days from receipt of the precertification request.

If more time is required to make a coverage determination, BCBSAZ has an additional fifteen (15) days in which to respond. You will receive notice prior to the extension time period indicating why the extension is necessary and the date by which a determination can be expected. If the extension is necessary to obtain additional information, the extension notice will describe the information needed and you or your provider will be given at least forty-five (45) days to submit the information.

- **Providers Outside of Arizona – BlueCard**

Some providers in other states will file a claim for services through the Blue Cross and/or Blue Shield plan in the state where services were delivered. In this case, payment for covered services will be made to the provider. If the provider does not file your claim, call the Customer Service telephone number at the front of this booklet for information concerning filing out-of-state claims (see “*BlueCard Program*”).

Claims for covered services received outside the United States should be submitted through the BlueCard program. Please call (800) 810-BLUE (2583) and follow the instructions for care received outside the United States. An international claim submitted through the BlueCard program will be translated (if necessary) and payment for covered services will be made to you or directly to the provider.

- **Time Limit for Claim Filing**

Claims for services provided by network providers, must be filed timely or the Plan may not be liable for payment. The claim notice must include all information necessary to determine benefits and must be filed with BCBSAZ within one year from the date the covered services were provided (see “*Complete Claims*”).

- **Urgent Claims**

IMPORTANT NOTE: Federal law defines an “urgent” medical situation as one where applying the time periods for handling non-urgent care determinations could seriously jeopardize the life or health of the subscriber or the ability of the person to regain maximum function or in the opinion of a physician with knowledge of the subscriber’s medical condition, would subject the subscriber to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim. In this benefit plan, this is the way “emergency” is defined. This benefit plan does **not** require precertification or authorization in an emergency situation.

When you request coverage for an urgent care claim, a determination will be made as soon as possible in accordance with medical exigencies, but no later than seventy-two (72) hours after receipt of the request.

APPEAL AND GRIEVANCE PROCESS

Subscribers and their treating providers may participate in all levels of the appeal process, which is described in detail in the Health Coverage Appeal Information Packet, a separate document provided to you. You may request an additional copy of the Health Coverage Appeal Information Packet from BCBSAZ at any time by contacting the BCBSAZ Supply Line telephone number listed at the front of this booklet.

Below is a summary of those issues that can be appealed and those that are not subject to the appeal process but can be reviewed through the BCBSAZ Grievance Process.

You Can Appeal the Following Decisions:

1. A service that you have or your treating provider has requested is not approved and you have not yet received the service.
2. This health plan does not pay for a service that you have already received.
3. A service was not authorized or a claim was not paid because it is not "medically necessary."
4. A service was not authorized or a claim was not paid because it is not covered under this health plan and you believe it is covered.
5. BCBSAZ does not authorize a referral to a specialist.
6. Where preauthorization for a service is required by your health plan, BCBSAZ does not approve or deny your preauthorization request within ten business days.

You and/or your authorized representative have the right to submit a grievance through the BCBSAZ Grievance Process for the following issues. Please consult the section entitled "*Grievance Process*" for additional information.

1. You disagree with the amount of the BCBSAZ allowed amount.
2. You disagree with how benefits are coordinated when you have coverage with more than one health plan.
3. You disagree with how your claims have been applied to your plan deductible.
4. You disagree with the amount of coinsurance or copays that you paid.
5. You are dissatisfied with any rate increases you may receive under your health plan.
6. You believe BCBSAZ has violated federal or state law.

Federal Rights for Group Plans (Does Not Apply to Government Plans, Church Plans and Other Non-ERISA Qualified Plans)

Levels 2 and 3 of Expedited Appeals and Standard Appeals and Level 2 of the Grievance Process are voluntary. If you choose not to participate in Levels 2 or 3 of the Appeals Process or Level 2 of the Grievance Process, BCBSAZ will waive its right to assert that you have failed to exhaust administrative remedies. Any statute of limitations defense or other defenses based on timeliness will be stopped while your voluntary appeal or grievance is pending.

No fees or costs may be imposed upon you as part of any voluntary level of appeal or grievance. You also have the right to request the following information from BCBSAZ before deciding to submit your claim to Levels 2 & 3: (1) information about applicable rules of Levels 2 and 3, (2) your right to representation, (3) the process for selecting the decision maker and (4) circumstances that may affect the impartiality of the decision maker, if any. If you wish to receive this information, please call or write to the following address and telephone number:

Medical Appeals and Grievances Coordinator
Formal Appeal
Mail Stop: A116
BCBSAZ
P.O. Box 13466
Phoenix, AZ 85002-3466
Phone: (602) 864-5630
Fax: (602) 864-5858

You will have the opportunity to submit written comments, documents or other information in support of your appeal or grievance and you will have access to all documents that are relevant to your claim. Your appeal or grievance will be conducted by a person different from the person who made the initial decision. No deference will be afforded to the initial determination.

If your appeal involves a medical judgment question, BCBSAZ will consult with an appropriately qualified health care practitioner with training and experience in the field of medicine involved. An appropriately trained health care practitioner means a physician trained in the general practice of medicine who will consult with a specialist if deemed necessary in his or her professional judgment. If a health care professional was consulted for the initial determination, a different health care professional will be consulted on appeal. Upon request, BCBSAZ will provide you with the identification of any medical expert whose advice was obtained on behalf of the plan in connection with your appeal.

These Appeal & Grievance rights are in addition to your rights to challenge BCBSAZ's decision in court, including, but not limited to bringing legal action under Section 503(A) of the Employee Retirement Income Security Act of 1974 (ERISA). You and your ERISA plan may have other voluntary alternative dispute resolution options in addition to the Appeals and Grievance Processes described in the benefit plan booklet, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office. You may also be able to obtain information from your group benefits administrator.

Levels of Appeal

There are two types of appeals: (1) Expedited Appeal for urgent matters and (2) Standard Appeal. Each type of appeal has three levels of review. The Expedited Appeals operate similarly to Standard Appeals, except that Expedited Appeals are processed much faster because of the subscriber's condition.

Expedited Appeal (for urgently needed services you have not yet received)	Standard Appeal (for non-urgent services or denied claims)
Level 1 – Expedited Medical Review	Level 1 – Informal Reconsideration
Level 2 – Expedited Appeal	Level 2 – Formal Appeal
Level 3 – Expedited External Independent Review	Level 3 – External Independent Review

Expedited Appeal

1. Level 1 – Expedited Medical Review

The first level of Expedited Appeal is Expedited Medical Review, which is available only when BCBSAZ denies a request for a covered service that has not yet been provided (a precertification request). Expedited Medical Review requires your physician to certify orally or in writing that proceeding with the Standard Appeal process (Informal Reconsideration, Formal Appeal and External Independent Review) could seriously jeopardize your life, health or ability to regain maximum function or subject you to severe pain that cannot be adequately managed without the care or treatment that is the subject of the request. BCBSAZ must notify you of its decision regarding an Expedited Medical Review as soon as possible in accordance with medical exigencies, but no later than one (1) business day.

In the event of a three or four day holiday weekend, BCBSAZ will notify you of its decision as soon as possible in accordance with medical exigencies, but no later than 72 hours after we receive your appeal request.

2. Level 2 – Expedited Appeal

An Expedited Appeal is available when, following an Expedited Medical Review, BCBSAZ affirms a denial of a request for a covered service not yet provided (precertification request). To request an Expedited Appeal, immediately following the Expedited Medical Review, your treating provider will be required to submit to BCBSAZ a written appeal regarding the denial of the requested service not yet provided. BCBSAZ will notify you of its decision regarding an Expedited Appeal within three (3) business days.

3. Level 3 – Expedited External Independent Review

You may request an Expedited External Independent Review if, at the Expedited Medical Review and Expedited Appeal level, BCBSAZ affirms a denial of a request for a covered service not yet provided (precertification request). BCBSAZ will send your appeal to an Independent Review Organization (IRO) for a decision. For cases involving coverage issues, the IRO will issue a decision within two (2) business days. For cases involving issues of medical necessity, the IRO will have five (5) business days to issue a decision.

Standard Appeal

1. Level 1 – Informal Reconsideration

If you are not eligible to participate in the Expedited Appeal process and wish to appeal the denial of a request for a covered service not yet provided (precertification request) or a denial of a claim for a service already provided, you may request an Informal Reconsideration. BCBSAZ must notify you of its decision within thirty (30) days.

2. Level 2 – Formal Appeal

You may proceed to a Formal Appeal if a denial is upheld by BCBSAZ at the Informal Reconsideration level. BCBSAZ must notify you of its decision within thirty (30) days for an appeal of a covered service not yet provided (precertification request) and sixty (60) days for an appeal of a claim for a service already provided.

3. Level 3 – External Independent Review

You are not responsible for the costs of any External Independent Review.

You may request an External Independent Review following an Informal Reconsideration and Formal Appeal. BCBSAZ will send your appeal to an Independent Review Organization (IRO) for a decision. For appeals involving medical necessity issues, the IRO has twenty-one (21) days to issue a decision regarding your appeal. For cases involving coverage issues, the IRO must issue a decision within fifteen (15) business days.

Grievance Process

If you cannot resolve one of the issues that are not subject to the appeal process, you may direct a complaint or reconsideration request to BCBSAZ. Your complaint or reconsideration request must be made to BCBSAZ within one (1) year of the occurrence. These time limits may be extended by BCBSAZ in its sole and absolute discretion for good cause. Examples of good cause include a death in the immediate family or serious illness of you or someone in your immediate family. Good cause does not include travel for any reason other than death or serious illness as noted.

BCBSAZ will then review the situation, including any new information brought to our attention. You will be notified of BCBSAZ's decision within thirty (30) days of receipt for preservice issues and within sixty (60) days of receipt for claims and other post service issues.

The 30 or 60-day limit may be extended if necessary and in accordance with applicable law and you will be notified if for any reason the 30 or 60-day time period will not be met.

If you do not find BCBSAZ's decision satisfactory, you may send a written grievance to BCBSAZ. The grievance must be filed within sixty (60) days of receiving BCBSAZ's decision regarding your complaint or reconsideration request. The written grievance must state your reason for the grievance, including the reason for dissatisfaction with the initial decision and any additional information for review.

BCBSAZ will review your grievance and you will be notified of BCBSAZ's final decision within sixty (60) days of the date BCBSAZ received your grievance.

GENERAL PROVISIONS

- **Benefit Plan Amendment**

There is no guarantee to continued benefits as outlined in this benefit plan. This benefit plan may be amended and benefits may be added, deleted or changed upon sixty (60) days' notice to the group or as required to comply with state or federal laws. Please review and retain this benefit plan booklet, any replacement benefit plan booklets, all schedule pages, all riders, amendments and other communications concerning your coverage.

- **Billing Limitations and Exceptions**

BCBSAZ network providers may not bill for the difference between the provider's billed charges and the BCBSAZ allowed amount, except as stated below.

In most situations, Arizona law prohibits BCBSAZ contracted providers from charging you more than the access fee, deductible, copay or coinsurance, amounts you are obligated to pay under your benefit plan for covered services.

When there is another source of payment such as a liability insurer or government payer, BCBSAZ contracted providers may be entitled to collect from the other source, or from proceeds received from the other source, any difference between the BCBSAZ allowed amount and the provider's billed charges, pursuant to A.R.S. §33-931.

A.R.S. §33-931 may give providers medical lien rights independent of this contract or any contract with BCBSAZ. BCBSAZ is not a party to any collection dispute that may arise under the provisions of A.R.S. §33-931.

The provisions of this section do **not** constitute subrogation (reimbursement to the health plan from other payment sources). Contact your Plan Administrator for information regarding subrogation. If you are represented by an attorney in a dispute concerning recovery for injuries or illness, please show this section of your benefit plan booklet to your attorney.

- **BlueCard Program**

When you obtain health care services through BlueCard outside the geographic area BCBSAZ serves, the amount you pay for covered services is calculated on the **lower** of:

- ◆ The billed charges for your covered services, **or**
- ◆ The negotiated price that the Blue Cross and/or Blue Shield Plan ("Host Blue") passes on to us.

Often, this "negotiated price" will consist of a simple discount that reflects the actual price paid by the Host Blue. But sometimes it is an estimated price that factors into the actual price expected settlements, withholds, any other contingent payment arrangement and non-claims transactions with your health care provider or with a specified group of providers. The negotiated price may also be billed charges reduced to reflect an **average** expected savings with your health care provider or with a specified group of providers. The price that reflects average savings may result in greater variation (more or less) from the actual price paid than will the estimated price. The negotiated price will also be adjusted in the future to correct for over- or underestimation of past prices. However, the amount you pay is considered a final price.

Statutes in a small number of states may require the Host Blue to use a basis for calculating subscriber liability for covered services that does not reflect the entire savings realized or expected to be realized, on a particular claim or to add a surcharge. Should any state statutes mandate subscriber liability calculation methods that differ from the usual BlueCard method noted in the above paragraph or require a surcharge, BCBSAZ would then calculate your liability for any covered health care services in accordance with the applicable state statute in effect at the time you received your care.

- **Blue Cross and Blue Shield of Arizona**

BCBSAZ is an independent licensee of the Blue Cross and Blue Shield Association. It is a nonprofit corporation organized under the laws of the State of Arizona as a hospital, medical, dental and optometric services corporation and is authorized to operate a health care services organization as a line of business.

- **Blue Cross and Blue Shield Association**

The subscriber hereby expressly acknowledges his/her understanding that the benefit plan constitutes a contract solely between the contract holder and BCBSAZ, which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association ("Association"), an association of independent Blue Cross and Blue Shield plans, permitting BCBSAZ to use the Blue Cross and/or Blue Shield Service Mark(s) in the State of Arizona and that BCBSAZ is not contracting as the agent of the Association.

The subscriber further acknowledges and agrees that he/she has not entered into this contract based upon representations by any person other than BCBSAZ and that no person, entity or organization other than BCBSAZ shall be held accountable or liable to the subscriber for any of BCBSAZ's obligations to the subscriber created under this benefit plan. This paragraph shall not create any additional obligations whatsoever on the part of BCBSAZ other than those obligations created under other provisions of this benefit plan.

- **Broker Commissions**

BCBSAZ sells health and dental coverage products either directly or through independent licensed insurance brokers. Commission payments to brokers are one of the costs factored into premiums, but BCBSAZ's premium calculation is not based on whether a product is sold directly or by a broker. BCBSAZ generally pays a commission to the broker of record or permitted assignee until the contract is terminated or the contract holder terminates the relationship with the broker or becomes ineligible. Brokers are required under their agreement with BCBSAZ to provide information on commission rates with BCBSAZ. More detailed information about broker commissions is available for review at azblue.com or you may obtain a copy by calling BCBSAZ at (602) 864-4021.

- **Claim Editing Procedures**

In order to process claims accurately, BCBSAZ utilizes a number of editing systems to verify benefits, eligibility, claims accuracy and compliance with BCBSAZ coding guidelines and medical policy. Claim edits are updated by BCBSAZ from time to time. Editing systems and clinically based claims coding software is utilized by BCBSAZ to process professional and outpatient facility claims for surgery, laboratory, radiology, maternity and dental services. BCBSAZ's editing software and systems are designed to identify the following: Procedure unbundling, separate billing for incidental services, mutually exclusive procedures, correct use of coding guidelines, subscriber's age and sex edits. The editing software is not used to audit the diagnosis code to change or modify the intensity of service of evaluation and management codes.

- **Confidentiality/Release of Information**

BCBSAZ takes confidentiality very seriously and various processes are in place to safeguard sensitive or confidential information and to release such information in accordance with state and federal law.

If you wish to authorize someone to have access to your information, please call the Customer Service Department and request a Confidential Information Release Form. Once BCBSAZ receives the completed form, it will release information to the person you have designated.

- **Court or Administrative Orders Concerning Dependent Children/Access to Information Concerning Dependent Children**

When the employee is not the custodial parent of a child who is covered because of a court or administrative order to provide health benefits to that child, BCBSAZ will provide benefit information to the custodial parent, permit the custodial parent to submit claims for the child and make payments directly to the custodial parent, provider or state agency as applicable.

Whether issues relate to a court or administrative order concerning coverage or simply access to information, BCBSAZ is not a party to domestic disputes. Such matters must be resolved between the parents of the dependent child. Under Arizona law, both parents have equal rights of access to information about their children, unless there is a court order denying such access. Absent a copy of such order and subject to the confidentiality provisions described above, BCBSAZ provides equal parental access to information.

- **Disclaimer of Liability**

All network providers are independent contractors and not employees, agents or representatives of BCBSAZ. These independent providers have an agreement with BCBSAZ concerning reimbursement and administrative policies. Each provider exercises independent medical judgment. BCBSAZ's role is limited to administration of the benefits under this benefit plan. Your provider may recommend services or

treatment not covered under this benefit plan. Whether to proceed with the service or procedure if benefits have been denied is an issue to be decided between you and your provider.

Use of the terms "Preferred," "PPO," "Participating," "contracted" or "network" in describing any provider is not a statement as to the professional ability of the provider.

BCBSAZ has no control over any diagnosis, treatment, care or other services rendered by any provider and disclaims any and all liability for any loss or injury to you caused by any provider by reason of the provider's negligence, failure to provide treatment or otherwise.

- **Discretionary Authority**

BCBSAZ has discretionary authority to determine eligibility for benefits and extent of coverage under the terms of this benefit plan.

- **Government Health Care Programs**

If you and/or your dependents are eligible for services by a government health care program other than Medicare (such as AHCCCS or Medicaid), in most cases this benefit plan will be primary for covered services. It is important that you notify the government health care program of your coverage under this benefit plan, so that claims payment can be coordinated.

Where benefits for covered services are paid by Medicare as primary, this benefit plan will not duplicate those payments.

Please note: Having other coverage in addition to this benefit plan may make you ineligible to open and/or contribute to an HSA. Please consult your tax or legal advisor for additional information.

- **Legal Action**

This benefit plan is governed by and construed and enforced in accordance with the laws of the state of Arizona and applicable federal law.

Lawsuits

This benefit plan has an appeal program for resolving disputes with subscribers. You are encouraged to use the appeal program prior to filing a lawsuit, as issues can often be resolved when further information is provided through the appeal process.

In accordance with Arizona law, before a subscriber may file a lawsuit pursuant to Arizona's Health Care Insurer Liability Act, the subscriber must first **either** complete all available levels of appeal according to the BCBSAZ appeal process or provide **written notice** to BCBSAZ **at least thirty (30) days prior to filing the lawsuit**. The written notice must set forth the basis for the lawsuit and must be sent by **certified mail** to the following address:

Attn: Legal Department
Mail Stop: C300
Blue Cross Blue Shield of Arizona, Inc.
8220 N. 23rd Avenue
Phoenix, AZ 85021-4872

Failure to comply with these provisions may result in dismissal of the lawsuit.

Completion of all applicable levels of appeal is required before bringing a lawsuit **other than** a suit filed pursuant to the Health Care Insurer Liability Act. Failure to complete the appeal process may result in dismissal of the lawsuit for failure to exhaust BCBSAZ's administrative remedies.

By providing this notice, BCBSAZ does not waive, but expressly reserves all applicable defenses available under Arizona and federal law.

Lawsuits by BCBSAZ

BCBSAZ may, at its discretion, investigate opportunities to initiate or join class action or other lawsuits premised on suspected conduct by entities that result in higher payments by third party payors, including fully-insured and/or self-funded accounts, than otherwise would have been required. BCBSAZ reviews these cases and makes a good faith decision based on the unique facts of each case whether to file a lawsuit or participate in a pending matter. BCBSAZ may also bring lawsuits against vendors or other entities to recover various economic damages. If BCBSAZ participates as a plaintiff and recovers damages, those funds will be distributed to self-funded accounts on a pro-rata basis after deduction of

fees, costs and other administration expenses. This paragraph is not intended to limit or waive any claims BCBSAZ may have against any person/entity or limit or waive any claim the self-funded account chooses to pursue on its own behalf.

- **Non-Assignability of Benefits**

The benefits of this benefit plan are not assignable. You may not assign or transfer the rights to receive any portion of your benefits to any person or entity, either through power of attorney or outright assignment.

- **Notices to Subscribers**

Generally, all notices and correspondence dealing with claims are sent to the employee by ordinary mail to the last address in BCBSAZ's membership records or may be sent electronically or both. The employee is responsible for notifying BCBSAZ of any change of name or address.

- **Payments Made in Error**

If an erroneous payment or over-payment is made to you or on your behalf, BCBSAZ and/or the Plan may obtain reimbursement from you or the provider of services, depending on to whom payment was made or the amount owed may be offset against a future claim arising from any covered service. **Payments made in error do not constitute a waiver concerning the claim(s) at issue or of any right to deny payment for noncovered services.**

- **Provider and Third Party Administrator Reimbursement Arrangements**

BCBSAZ has negotiated varied reimbursement methods with network providers. BCBSAZ network providers have generally agreed to accept the lesser of billed charges or the BCBSAZ fee schedule, including any contractual arrangements. The BCBSAZ fee schedule for professional services is referred to as the Prevailing Fee. The BCBSAZ fee schedule for inpatient services is referred to as the Diagnosis Related Grouping (DRG). A DRG is a category of diagnoses or procedures used to reimburse hospitals specific dollar amounts depending on the category of reason for admission (diagnosis) or treatment (procedure). Some institutional providers are paid on a per diem (per day) basis.

- **Release of Records**

Subject to Arizona or federal law, the subscriber agrees that BCBSAZ may obtain any and all records or information relating to his/her health, condition, treatment, prior health insurance claims or health benefit programs. This information may be obtained from any provider or insurance company.

BCBSAZ reserves the right to reject or suspend a claim based on lack of medical information or records (see "Complete Claims").

- **Rescission of Coverage**

Coverage for any person ineligible to be on the benefit plan as described in the Group Master Contract will be rescinded, that is, as never having been in effect. Premiums paid for the coverage for the ineligible person will be refunded; minus any claims paid for that person. BCBSAZ is entitled to recover claim payments that exceed the amount of premium paid. Such rescission does not affect the coverage of those persons on the benefit plan who remain eligible for coverage.

A subscriber's eligibility to enroll in this health plan is not based on the subscriber's health status. An omission or misrepresentation of health information in your application for group coverage is not a basis for rescission of your group coverage.

- **Statement of ERISA Rights**

(Does Not Apply to Government Plans, Church Plans or Other Non-ERISA Qualified Plans)

As a subscriber to a group health insurance benefit plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

Please note: For purposes of ERISA, your employer is the "Plan Administrator." BCBSAZ is not the Plan Administrator.

ERISA provides that all subscribers shall be entitled to:

◆ **Receive information about your plan and benefits**

Under ERISA, you are entitled to examine, without charge, at the Plan Administrator's office and other locations, such as worksites and union halls, all documents governing the Plan that are available from the Plan Administrator, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. Upon written request to the Plan Administrator, you may obtain copies of the Plan documents, including insurance contracts and collective bargaining agreements and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

◆ **Continue group health plan coverage**

COBRA is the abbreviation for a federal law that regulates continuation of health care coverage for you, your spouse or dependents if there is a loss of coverage under the Plan as a result of a qualifying event. Unless you have an agreement with your employer to pay your COBRA premiums, you or your dependents will be responsible for full payment of the premium to continue coverage under your group plan. Review your benefit plan booklet and talk to your benefits administrator about your COBRA continuation coverage rights.

◆ **Receive credit for pre-existing condition waiting periods**

If you have creditable coverage from one health plan, you may receive credit toward meeting the pre-existing condition waiting period of another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance plan when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage and when your COBRA continuation coverage ends, if you request such a certificate before losing coverage or if you request it within 24 months of losing your coverage. Without evidence of creditable coverage, you may be subject to a pre-existing condition waiting period of 11 months from your effective date (or 18 months, if you are a late enrollee in your group plan).

◆ **Prudent actions by plan fiduciaries**

In addition to creating certain rights for group subscribers, ERISA also imposes certain duties on the "plan fiduciaries," those responsible for administration of the health plan. The plan fiduciaries have a duty to operate the plan prudently and in the interest of you and other subscribers.

◆ **Enforce your rights**

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

If your claim for a benefit is denied in whole or in part, you have a right to know why it was denied, obtain copies of documents related to the decision (at no charge) and appeal any denial, all within the time periods required by ERISA.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a Federal court. The court will decide who should pay court costs and

legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

◆ **Assistance with your Questions**

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

• **Third-Party Beneficiaries**

The provisions of this benefit plan are only for the benefit of those covered under this benefit plan. Except as stated in this benefit plan, no third party may seek to enforce or benefit from any provisions of this benefit plan.

• **Your Right to Information**

You have the right to inspect and copy your information and records that BCBSAZ maintains, with some limited exceptions required by law. This right is described in the Notice of Privacy Practices provided to you at the time of enrollment and available by request from BCBSAZ.

Please note: If you choose to review your medical records in person, BCBSAZ will require a reasonable amount of time to research and retrieve the records before scheduling a time with you to review the records.

INDEX

Accident.....	24, 28
Activity Therapy.....	33, 37, 50
Ambulance	20
Anesthetic.....	32
Appeal and Grievance Process	65
Basics.....	8
Behavioral and Mental Health Services	20
Billing Limitations/Exceptions.....	68
Blood Transfusions	32, 37
Blue Cross and Blue Shield of Arizona	68
BlueCard Program	13, 64, 68
Bone Density Testing.....	40
Bone Marrow Transplants	45
Breast Prostheses.....	28
Breast Reconstruction.....	38
Cancer Clinical Trials	22
Cancer Treatment (prescription drugs for).....	38
Cardiac and Pulmonary Rehabilitation.....	23
Care Management	23
Cataract Surgery	24
Chemotherapy.....	32, 37, 46
Children	56, 57, 69
Claims Filing Information.....	62
COBRA.....	59, 60, 72
Colonoscopy	40
Confidentiality; Release of Information	69
Continuing Physician Care.....	14
Continuous Coverage Policy.....	61
Contraceptive	30
Coordination of Benefits.....	55
Custodial Care	31, 44, 51
Customer Service Information.....	6
Dental.....	24, 25, 51
Dependent.....	56, 57
Description of Benefits and Services	20
Detoxification.....	21, 26
Diabetes and Asthma Supplies and Disease Management.....	26
Disabled Dependent Child	56
Disease Management	26, 27
Durable Medical Equipment (DME) - Medical Supplies - Prosthetic Appliances and Orthotics	27
Effective Date of Coverage	57
Eligibility	57, 58
Emergency	20, 21, 29
Enrollment	57, 59
ERISA Rights	71
Explanation of Benefits (EOB)	62
Extended Active Rehabilitation (EAR)	33
Family Planning.....	30
Fertility.....	43, 52
Financial Responsibility.....	16
Government Health Care Programs	70
Grievance	65, 67
Gynecologic Exam	39

Health Savings Account.....	8
Home Health Services	30
Hospice Services	31
Hospital	71
Hospitalization	21, 30, 33, 60
ID Card	8
Immunizations	39
Infertility	43, 52
Infusion/Medication Therapy	30
Inpatient.....	21, 32, 33
Intensive Care Units.....	32
Laboratory	22, 32, 37
Learning Disabilities	22
Leave of Absence	59
Long-term Acute Care.....	33
Loss of Eligibility/Termination Date of Coverage	58
Mammography	39, 40
Mastectomy	28, 38
Maternity.....	34
Medical Foods	34, 35
Medical Supplies	27
Medical Support Orders	59
Neuropsychological and Cognitive Testing.....	36
Noncovered Services and Supplies	50
Non-Duplication of Benefits.....	56
Notice to Subscribers	71
Office Locations	7
Office Visits	37
Osteoporosis	40
Out-of-Network Providers.....	14
Outpatient Services.....	21, 23, 36
Physical Therapy (PT) - Occupational Therapy (OT) - Speech Therapy (ST).....	37
Physician Services	37
Portability Coverage.....	61
Post-Mastectomy Services.....	38
Precertification	18, 19
Pre-existing Conditions	50
Pregnancy	14, 15, 34, 50
Prescription Drugs.....	38, 42
Prescription Drugs (cancer treatment).....	38
Prescription Medications	41, 42, 43
Preventive Care - Mammography - Routine Physical Exams.....	39
Prosthetic Appliances and Orthotics	28
Providers	13, 14, 16, 21, 64
Radiation Therapy.....	32, 37, 46
Radiology	22, 32
Radiology Services	37
Reconstructive Surgery And Services	40
Release of Records.....	71
Retail Pharmacy.....	41
Schedule Page.....	10
Sigmoidoscopy.....	40
Skilled Care	30, 44
Skilled Nursing Facility.....	43
Specialty Self-Injectable Medications	44

Termination of Coverage.....	58, 60
Transplant Travel and Lodging	47
Transplants	45, 46, 53
Tubal Ligation.....	30
Urgent Care.....	48
Vasectomy.....	30
Vision.....	54
What Is Not Covered.....	50
Your Responsibilities.....	10
Your Right to Information	73

GROUP SUBSCRIBERS

PLEASE PRINT CLEARLY

- ADDRESS CHANGE
- DIRECTORY REQUEST
- MAIL ORDER PHARMACY FORM
(Walgreen's Healthcare Plus)

Name: _____

Address: _____

City: _____ **State:** _____ **Zip Code:** _____

Telephone Number: _____

ID Number: _____ **Group #** _____

Dear Subscriber:

As a BCBSAZ subscriber we have made it convenient for you to change your name, address or phone number by using any of the following methods. First, you can complete the information requested above and return this form either by faxing to (602) 864-4041 or mailing to the address listed below. Secondly, you can call customer service during regular business hours 8:00 a.m. to 4:30 p.m., Monday through Friday. In the metro Phoenix area please call (602) 864-4115, all others please call (800) 232-2345, ext. 4115. Lastly, you can make your changes online. First you must register with our BlueNet suite of services. Simply go to azblue.com, choose **Member**, then **Register Here**.

If you would like to receive an updated provider directory or Walgreen's mail order form please complete the information requested above and mail to the address listed below or call our automated supply line. In the metro Phoenix area please call (602) 995-6960, all others please call (800) 232-2345, ext. 6960. Please allow three weeks for delivery.

Please mail this form to: Attn: Membership Services
MS A102
Blue Cross Blue Shield of Arizona
PO Box 13466
Phoenix, AZ 85002-3466

MEMBERSHIP SERVICES DEPARTMENT
BLUE CROSS BLUE SHIELD OF ARIZONA