Business Blue
Master Group Policy
And
Enrollee Certificate

GROUP POLICY

FOR

State of Idaho Traditional Plan
(Retirees)

Group #10040000

Effective Date: July 1, 2016

Notice of Privacy Practices
Blue Cross of Idaho Health Services, Inc. (we, us, our) is committed to protecting the privacy of your personal financial and health information. We maintain physical, electronic, and procedural safeguards that comply with legal requirements. You can find an explanation of our privacy practices on our website at www.bcidaho.com/about_us/privacy_policy.asp or by calling 1-877-488-7788.

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BUSINESS BLUE
MASTER GROUP POLICY
BENEFITS OUTLINE

OBSTETRIC OR GYNECOLOGICAL CARE NOTICE:
You do not need prior authorization from Blue Cross of Idaho or from any other person (including a primary care provider) in order to obtain access to obstetrical or gynecological care from a health care professional in our network who specializes in obstetrics or gynecology. The health care professional, however, may be required to comply with certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan, or procedures for making referrals. For a list of participating health care professionals who specialize in obstetrics or gynecology, please visit our Web site at www.bcidaho.com. You may also call our Customer Service Department at (208) 331-8897 or (866) 804-2253 for assistance in locating a Provider.

GRANDFATHERED HEALTH PLAN NOTICE:
Blue Cross of Idaho believes this Policy is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Policy may not include certain consumer protections of the Affordable Care Act that apply to other plans. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to your Group Administrator.

WOMEN'S HEALTH AND CANCER RIGHTS ACT NOTICE:
The Women's Health and Cancer Rights Act of 1998 requires health plans and insurers to provide the following mastectomy-related services.

Specifically, if health plans and insurers cover mastectomies/lumpectomies, they must also cover, in a manner determined in consultation with the attending physician and the patient:
1. Reconstruction of the breast on which the mastectomy/lumpectomy was performed;
2. Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
3. Prostheses and treatment of physical complications at all stages of the mastectomy/ lumpectomy, including lymphedemas.

This Benefits Outline describes the benefits of this Policy in general terms. It is important to read the Policy in full for specific and detailed information that includes additional exclusions and limitations on benefits. The Office of Group Insurance will be able to help if you have questions.

Throughout this Policy, Blue Cross of Idaho may be referred to as BCI. For Covered Services under the terms of this Policy, Maximum Allowance is the amount established as the highest level of compensation for a Covered Service. There is more detailed information on how Maximum Allowance is determined and how it affects out-of-state coverage in the Definitions Section.

To locate a Contracting Provider in your area, please visit our Web site at www.bcidaho.com. You may also call our Customer Service Department at 1-208-331-8897 or 1-866-804-2253 for assistance in locating a Provider.

SPANISH (Español): Para obtener asistencia en Español, llame al (208) 331-8897 or (866) 804-2253.
TAGALOG (Tagalog): Kung kailangan niyo ang tulong sa Tagalog tumawag sa (208) 331-8897 or (866) 804-2253.
CHINESE (中文): 如果需要中文的帮助，请拨打这个号码(208) 331-8897 or (866) 804-2253。
NAVAJO (Dine): Dinek'ehgo shika at'ohwol ninisingo, kwiijigo holne' (208) 331-8897 or (866) 804-2253.

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ELIGIBILITY AND ENROLLMENT

Eligible Retiree - An officer or employee of a state agency, department or institution, including state officials, and elected officials who was hired on or before June 30, 2009. The retiree must be under age 65, have at least ten (10) years (20,800 hours) of credited state service, be receiving monthly retirement benefits from a State Retirement System and retire directly from state service.

Retirees hired after June 30, 2009 are not eligible for coverage unless they have credited state service of at least twenty thousand eight hundred (20,800) hours before June 30, 2009 and subsequent to reemployment, election or reappointment on or after July 1, 2009 accumulate an additional six thousand two hundred forty (6,240) continuous hours of credited state service and are otherwise eligible for coverage.

(see the Policy for additional Eligibility and Enrollment provisions)

Note: In order to receive benefits, some Covered Services require Prior Authorization. Please review the "Services Requiring Prior Authorization Notice" attached to this Benefits Outline for more specific details.

Insureds should check with BCI to determine if the treatment or service being considered requires Prior Authorization. All Inpatient Admissions and Emergency Admissions require Inpatient Notification Review or Emergency Admission Notification, as appropriate.

If an Insured chooses a Noncontracting or a nonparticipating Provider, the Insured may be responsible for any charges that exceed the Maximum Allowance.

COMPREHENSIVE MAJOR MEDICAL BENEFITS[1]	
Deductibles: • Individual • Family	 Insured pays first $350 of eligible expenses per Benefit Period Insureds pay a combination of $1,050 of eligible expenses for all Insureds under same Family Coverage per Benefit Period ***(No Insured may contribute more than the Individual Deductible amount toward the Family Deductible.)***
Out-of-Pocket Limit – ***Deductible plus Coinsurance*** • Individual • Family Out-of-Pocket expenses associated with the following are not included in the Out-of-Pocket Limit: • Amounts that exceed the Maximum Allowance. • Amounts that exceed benefit limits. • Amounts that exceed the Medicare Limiting Charge, if applicable. • Dental Covered Services, except Dental Services Related to Accidental Injury. • Prescription Drug Covered Services. • Noncovered services or supplies.	 Insured pays $4,300 of eligible expenses per Benefit Period When an Insured has met the Out-of-Pocket Limit, the benefits payable on behalf of the Insured for Covered Services will increase to 100% of the Maximum Allowance during the remainder of the Benefit Period, except for dental covered services, and Prescription Drug Covered Services. Insureds pay a combination of $8,600 of eligible expenses per Benefit Period When Insureds have met the Out-of-Pocket Limit, the benefits payable on behalf of all the Insureds for Covered Services will increase to 100% of the Maximum Allowance during the remainder of the Benefit Period, except for, dental covered services, Prescription Drug Covered Services, and amounts exceeding benefit limits. (No Insured may contribute more than the Individual Out-of-Pocket Limit toward the Family Out-of-Pocket Limit.)
Be aware that your actual costs for services provided by a Noncontracting Provider may exceed this Policy's Out-of-Pocket Limit for Noncontracting services. In addition, Noncontracting Providers can bill you for the difference between the amount charged by the Provider and the amount allowed by Blue Cross of Idaho, and that amount is not counted toward the Out-of-Pocket Limit.	

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SERVICES BCI COVERS	*AMOUNT OF PAYMENT*
Ambulance Transportation Service	BCI pays 80% of Maximum Allowance after Deductible
Breastfeeding Support and Supply Services *(Includes rental and/or purchase of manual or electric breast pumps. Limited to one (1) breast pump purchase per Benefit Period, per Insured. Hospital Grade Breast Pumps require Prior Authorization)*	BCI pays 100% of Maximum Allowance (Deductible does not apply)
Cardiac Rehabilitation Services	BCI pays 80% of Maximum Allowance after Deductible
Chiropractic Care Services • Contracting Chiropractic Physician • Noncontracting Chiropractic Physician	BCI pays 80% of Maximum Allowance after Deductible BCI pays 50% of Maximum Allowance after Deductible (Up to a combined total of 18 visits per Insured, per Benefit Period)
Dental Services Related to Accidental Injury	BCI pays 80% of Maximum Allowance after Deductible
Diabetes Self-Management Education Services • Only for Providers approved by BCI	BCI pays 80% of Maximum Allowance after Deductible
Diagnostic Services	BCI pays 80% of Maximum Allowance after Deductible
Durable Medical Equipment / Orthotic Devices / Prosthetic Appliances	BCI pays 80% of Maximum Allowance after Deductible
Home Health Skilled Nursing Care Services	BCI pays 80% of Maximum Allowance after Deductible
Home Intravenous Therapy • For Providers Contracting with BCI • For Noncontracting Providers	BCI pays 80% of Maximum Allowance after Deductible BCI pays 20% of Maximum Allowance after Deductible
Hospice Services	BCI pays 100% of Maximum Allowance (Deductible does not apply)
Hospital Services • Includes coverage for newborn nursery charges	BCI pays 80% of Maximum Allowance after Deductible

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SERVICES BCI COVERS	*AMOUNT OF PAYMENT*
Inpatient Physical Rehabilitation Care	BCI pays 80% of Maximum Allowance after Deductible
Maternity Services and/or Involuntary Complications of Pregnancy	BCI pays 80% of Maximum Allowance after Deductible
Nutritional Formula Therapy	BCI pays 80% of Maximum Allowance after Deductible
Outpatient Physical Rehabilitation and Habilitation Therapy Services	BCI pays 80% of Maximum Allowance after Deductible (up to 20 visits per Insured, per Benefit Period)
Outpatient Rehabilitation and Habilitation Therapy Services • Outpatient Occupational Therapy • Outpatient Respiratory Therapy • Outpatient Speech Therapy	BCI pays 80% of Maximum Allowance after Deductible (Up to a combined total of 20 visits per Insured, per Benefit Period)
Post-Mastectomy/Lumpectomy Reconstructive Surgery	BCI pays 80% of Maximum Allowance after Deductible
Prescribed Contraceptive Services *(Includes diaphragms, implantables, intrauterine devices (IUDs), injections and tubal ligation.)*	BCI pays 100% of Maximum Allowance (Deductible does not apply)
Professional Services (Surgical/Medical)	BCI pays 80% of Maximum Allowance after Deductible
Psychiatric Inpatient Services *(Facility and Professional Services)*	BCI pays 80% of Maximum Allowance after Deductible
Psychiatric Outpatient Services *(Facility and Professional Services)*	BCI pays 80% of Maximum Allowance after Deductible
Selected Other Therapy Services Includes, but is not limited to: • Radiation Therapy • Chemotherapy • Renal Dialysis • Enterostomal	BCI pays 80% of Maximum Allowance after Deductible
Skilled Nursing Facility	BCI pays 80% of Maximum Allowance after Deductible (limited to 30 days per Insured, per Benefit Period)

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SERVICES BCI COVERS	*AMOUNT OF PAYMENT*
Temporomandibular Joint (TMJ) Syndrome	BCI pays 80% of Maximum Allowance after Deductible (Lifetime Benefit Limit is $2,000 per Insured)
Transplant Services	BCI pays 80% of Maximum Allowance after Deductible (Includes BCI approved transportation, lodging, meals and other living expenses.)
Wellness/Preventive Care Services • For specifically listed Covered Services • For services not specifically listed *Specific benefits are for:* • *Well baby care and Well Child care - routine or scheduled examinations, including Preventive Lead Screening, Rubella Screening, PKU tests and Hepatitis C virus infection screening.* • *Adult examinations - annual physical examinations, including pap tests, preventive screening mammogram services, fecal occult blood test, PSA tests, cholesterol panel, CBC and SMAC blood tests, Preventive Lead Screening, Diabetes Screening, Lung Cancer Screening for Insureds age 55 and over and Hepatitis C virus infection screening.* • *For enrolled eligible females as required by Women's Preventive Health Care: transmittable Diseases Screening (Chlamydia, Gonorrhea, Human Immunodeficiency Virus (HIV), Human papillomavirus (HPV), Syphilis, Tuberculosis (TB)) and Breast Cancer (BRCA) Risk Assessment and Genetic Testing for High Risk Family History of Breast or Ovarian Cancer. For Enrollee or the Enrolled Eligible Dependent spouse: Diabetes Screening for Pregnant Women.* • *Immunizations - Accellular Pertussis, Diphtheria, Hemophilus Influenza B, Hepatitis A, Hepatitis B, Influenza, Measles, Mumps, Pneumococcal (pneumonia), Poliomyelitis (polio), Rubella, Tetanus, Varicella (Chicken Pox) and routine immunizations included in the State of Idaho Vaccine for Children Program, as amended or revised.* *Other immunizations not specifically listed may be covered at the discretion of BCI when Medically Necessary.* *No benefits are provided for travel vaccines.*	BCI pays 100% of Maximum Allowance BCI pays 80% of Maximum Allowance after Deductible BCI pays 80% of Maximum Allowance after Deductible

[1] Comprehensive Major Medical Benefits are paid secondary to Medicare. Blue Cross of Idaho will not cover any part of a benefit to the extent the Covered Service is actually paid or would have been paid under Medicare Part A and/or Part B.

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PRESCRIPTION DRUG BENEFITS
Three-Tier Copayment Program

	Participating	**Non-Participating***
Tier 1: Generic Drugs	Insured pays $10 per prescription	Insured pays $10 per prescription
Tier 2: Preferred Brand Name Drugs	Insured pays $25 per prescription	Insured pays $25 per prescription
Tier 3: Non-Preferred Brand Name Drugs	Insured pays $50 per prescription	Insured pays $50 per prescription
Maintenance Drugs Only One (1) Copayment for ***each*** 30-day supply Two (2) Copayments for ***each*** 60-day supply Three (3) Copayments for each 90 day supply of Maintenance drugs only (1-30 day supply, 1 Copayment; 31-60 day supply, 2 Copayments, 61-90 day supply, 3 Copayments) **Non-maintenance Drugs** Limited to a 30-day supply at one time. **Note:** Certain Prescription Drugs have Generic equivalents. If the Insured or Provider requests a Brand Name Drug and a Generic Drug is available, the Insured is responsible for the difference between the price of the Generic Drug and the Brand Name Drug plus any applicable Copayment.		**For a covered Prescription Drug dispensed by a Physician or a Licensed Pharmacist who is not a Participating Pharmacist, the Insured is responsible for paying for the Prescription Drug at the time of purchase and must submit a claim to BCI or one (1) of its designated claims processing vendors. The amount of payment for a covered Prescription Drug is the balance remaining after subtracting the Prescription Drug Copayment and/or Coinsurance from the lower of the Allowed Charge or the Usual Charge for the Prescription Drug.*
Diabetes Management	**Participating**	**Non-Participating***
Insulin Syringes/Needles Insulin syringes/needles covered if purchased within 30 days of Insulin purchase (only 1 Copayment required)	Insulin subject to above listed pharmacy copayments.	Insulin subject to above listed pharmacy copayments.
Other Diabetic Supplies Benefits shall be provided for blood sugar diagnostics: • lancets • test strips (blood glucose and urine) • alcohol swabs	Insured pays $10 per item	Insured pays $10 per item

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PRESCRIPTION DRUG BENEFITS
Three-Tier Copayment Program

Prescribed Contraceptives	BCI pays 100% for Women's Preventive Prescription Drugs and devices as specifically listed on the BCI Web site, www.bcidaho.com; Deductible does not apply. The day supply allowed shall not exceed a 90-day supply at one (1) time, as applicable to the specific contraceptive drug or supply.	
Human Growth Hormone Therapy (Prior Authorization required.)	Subject to above listed pharmacy copayments	Subject to above listed pharmacy copayments

Attachment A:

NON-EMERGENCY SERVICES REQUIRING PRIOR AUTHORIZATION
ANNUAL NOTICE

NOTICE: ***Prior Authorization is required to determine if the services listed below are Medically Necessary and a Covered Service. If Prior Authorization has not been obtained to determine Medical Necessity, services may be subject to denial. Any dispute involved in Blue Cross of Idaho's Medical Necessity decision must be resolved by use of the Blue Cross of Idaho appeal process.***

If Non-Medically Necessary services are performed by Contracting Providers, without the Prior Authorization by Blue Cross of Idaho, and benefits are denied, the cost of said services are not the financial responsibility of the Insured.

The Insured is financially responsible for Non-Medically Necessary services performed by a provider who does not have a provider contract with Blue Cross of Idaho.

For additional information, please check with your Provider, call Customer Service at the telephone number listed on the back of the Enrollee's Identification Card or check our BCI Web site at www.bcidaho.com.

Prior Authorization is not a guarantee of payment. It is a pre-service determination of Medical Necessity based on information provided to Blue Cross of Idaho at the time the Prior Authorization request is made. Blue Cross of Idaho retains the right to review the Medical Necessity of services, eligibility of services and benefit limitations and exclusions after services are received.

The following services require Prior Authorization:

Surgical Services – Inpatient or Outpatient

- Cellular, tissue and organ Transplants
- Nasal and sinus procedures
- Eyelid Surgery
- Spinal Surgery
- Jaw Surgery
- Plastic and reconstructive Surgery
- Surgery for snoring or sleep problems
- Invasive treatment of lower extremity veins (including but not limited to varicose veins)
- Advanced imaging services: (not applicable for Emergency Room or Inpatient Services)
  - Magnetic Resonance Imaging (MRI)
  - Magnetic Resonance Angiography (MRA)
  - Computed Tomography Scans (CT Scan)
  - Positron Emission Tomography (PET)
  - Nuclear Cardiology
  - Echocardiography

Other Services – Inpatient or Outpatient

- Inpatient admissions
- All Outpatient infusion therapy including Home Intravenous Therapy drugs as listed on the BCI Web site, www.bcidaho.com
- Non-emergent ambulance transport
- Certain Prescription Drugs as listed on the BCI Web site, www.bcidaho.com
- Restorative dental services following accidental injury to sound natural teeth
- Sleep Studies
- Hospice services
- Hospital Grade Breast Pumps
- Growth hormone therapy
- Genetic testing services
- Home health skilled nursing services
- Outpatient cardiac Rehabilitation services
- Mental Health and Substance Abuse Services:

- Intensive Outpatient Program (IOP)
- Partial Hospitalization Program(PHP)
- Residential Treatment Program
- Psychological testing/neuropsychological evaluation testing
- Electroconvulsive Therapy (ECT)

The following services require Prior Authorization when the expected charges exceed five hundred dollars ($500):

• Rental or purchase of Durable Medical Equipment, except for oxygen therapy equipment related to Durable Medical Equipment
• Prosthetic Appliances
• Orthotic Devices
• Oral appliances for Sleep Apnea

ACCEPTANCE

In consideration of the accepted Blue Cross of Idaho fully insured proposal, and the continuing payment of premiums when due, and subject to all terms of this Policy, Blue Cross of Idaho hereby agrees to provide each enrolled Insured of the Group the benefits of this Policy (Group Policy Number 10040000), beginning on each Insured's Effective Date.

This Policy renews on an annual basis. Premium payments are due on a month-to-month basis. The Group's Policy Date is July 1, 2016 to June 30, 2017.

State of Idaho
Department of Administration
650 West State Street
P.O. Box 83720
Boise, ID 83720-0003

Blue Cross of Idaho
Health Service, Inc.
PO Box 7408
Boise, ID 83707

Rex Warwick, CHC
Vice President, Sales

_____
Robert L. Geddes
Director, Department of Administration

July 1, 2016

HOW TO SUBMIT CLAIMS

An Insured must submit a claim to Blue Cross of Idaho (BCI) in order to receive benefits for Covered Services. There are three ways for an Insured to submit a claim:

1. The health care Provider (hospital, doctor, or other facility or specialist) can file the claims for the Insured. Most Providers will submit a claim on an Insured's behalf if the Insured shows them a BCI identification card and asks them to send BCI the claim.

2. The Insured can send BCI the claim.

3. For Medicare eligible Insureds: the hospital will file Medicare Part A claims for the Insured, and the Physician or other Provider will file Medicare Part B claims. Generally, the Provider will also file Blue Cross of Idaho claims. To avoid possible confusion, the Insured should confirm with the Providers that they will file Blue Cross of Idaho claims on behalf of the Insured.

To File An Insured's Own Claim
If a Provider prefers that an Insured file the claim, here is the procedure to follow:

1. Ask the Provider for an itemized billing. The itemized billing should show each service received and its procedure code and its diagnosis code, the date each service was furnished, and the charge for each service. Medicare eligible Insureds should wait until Medicare has processed the claim and the Insured has received the Medicare Explanation of Benefits. BCI cannot accept billings that only say "Balance Due," "Payment Received" or some similar statement.

2. Obtain a Member Claim Form from the Provider or any of BCI's offices, and follow the instructions. Use a separate billing and Member Claim Form for each patient.

3. Attach the billing and/or Medicare's Explanation of Benefits to the Member Claim Form and send it to:

   Blue Cross of Idaho Claims Control
   Blue Cross of Idaho
   P.O. Box 7408
   Boise, ID 83707

For assistance with claims or health benefit information, please call BCI Customer Service at 1-208-331-8897 or 1-866-804-2253.

How Blue Cross of Idaho Notifies the Insured
BCI will send the Insured an Explanation of Benefits (EOB) as soon as the claim is processed. The EOB will show all the payments BCI made and to whom the payments were sent. It will also explain any charges BCI did not pay in full. Insureds should keep this EOB for their records.

INPATIENT NOTIFICATION SECTION

This section describes procedures that must be followed in order for Insureds to receive the maximum benefits available for Covered Services. As specified, Non-Emergency Preadmission Notification or Emergency Admission Notification is required for all Inpatient services.

NOTE: Some Inpatient services also require the Provider to obtain Prior Authorization. Please refer to the Prior Authorization Section.

I. Non-emergency Preadmission Notification

Non-Emergency Preadmission Notification is a notification to Blue Cross of Idaho by the Insured and is required for all Inpatient admissions except Covered Services subject to Emergency or Maternity delivery Admission Notification. An Insured should notify BCI of all proposed Inpatient admissions as soon as he or she knows he or she will be admitted as an Inpatient. The notification should be made before any Inpatient admission. Non-Emergency Preadmission Notification informs BCI, or a delegated entity, of the Insured's proposed Inpatient admission to a Licensed General Hospital, Alcohol or Substance Abuse Treatment Facility, Psychiatric Hospital, or any other Facility Provider. This notification alerts Blue Cross of Idaho of the proposed stay. When timely notification of an Inpatient admission is provided by the Insured to BCI, payment of benefits is subject to the specific benefit levels, limitations, exclusions and other provisions of this Policy.

For Non-Emergency Preadmission Notification call BCI at the telephone number listed on the back of the Enrollee's Identification Card.

II. Emergency Admission Notification

When an Emergency Admission occurs for Emergency Medical Conditions and notification cannot be completed prior to admission due to the Insured's condition, the Insured, or his or her representative, should notify BCI within twenty-four (24) hours of the admission. If the admission is on a weekend or legal holiday, BCI should be notified by the end of the next working day after the admission.

This notification alerts BCI to the emergency stay.

III. Continued Stay Review

BCI will contact the hospital utilization review department and/or the attending Physician regarding the Insured's proposed discharge. If the Insured will not be discharged as originally proposed, BCI will evaluate the Medical Necessity of the continued stay and approve or disapprove benefits for the proposed course of Inpatient treatment. Payment of benefits is subject to the specific benefit levels, limitations, exclusions and other provisions of this Policy.

IV. Discharge Planning

BCI will provide information about benefits for various post-discharge courses of treatment.

PRIOR AUTHORIZATION SECTION

NOTICE: ***Prior Authorization is required to determine if the services listed in the Attachment A are Medically Necessary and a Covered Service. If Prior Authorization has not been obtained to determine Medical Necessity, services may be subject to denial. Any dispute involved in Blue Cross of Idaho's Medical Necessity decision must be resolved by use of the Blue Cross of Idaho appeal process.***

If Non-Medically Necessary services are performed by Contracting Providers, without the Prior Authorization by Blue Cross of Idaho, and benefits are denied, the cost of said services are not the financial responsibility of the Insured. The Insured is financially responsible for Non-Medically Necessary services performed by a Provider who does not have a Provider contract with Blue Cross of Idaho.

Prior Authorization is a request by the Insured's Contracting Provider to BCI, or delegated entity, for authorization of an Insured's proposed treatment. BCI may review medical records, test results and other sources of information to ensure that it is a Covered Service and make a determination as to Medical Necessity or alternative treatments.

The Insured is responsible for obtaining Prior Authorization when seeking treatment from a Noncontracting Provider.

Please refer to Attachment A of the Benefits Outline, check the BCI Web site at www.bcidaho.com, or call Customer Service at the telephone number listed on the back of the Insured's Identification Card to determine if the Insured's proposed services require Prior Authorization. To request Prior Authorization, the Contracting Provider must notify BCI of the Insured's intent to receive services that require Prior Authorization.

The Insured is responsible for notifying BCI if the proposed treatment will be provided by a Noncontracting Provider.

The notification may be completed by telephone call or in writing and must include the information necessary to establish that the proposed services are Covered Services under the Insured's Policy and Medically Necessary. BCI will respond to a request for Prior Authorization received from either the Provider or the Insured within two (2) business days of the receipt of the medical information necessary to make a determination.

Prior Authorization is not a guarantee of payment. It is a pre-service determination of Medical Necessity based on information provided to Blue Cross of Idaho at the time the Prior Authorization request is made. Blue Cross of Idaho retains the right to review the Medical Necessity of services, eligibility of services and benefit limitations and exclusions after services are received.

COMPREHENSIVE MAJOR MEDICAL BENEFITS SECTION

This section specifies the benefits an Insured is entitled to receive for the Covered Services described, subject to the other provisions of this Policy. When an Insured has received Medicare benefits for Covered Services, BCI shall pay secondary subject to provisions of this Policy and when required by Medicare.

I. Benefit Period

The Benefit Period is the specified period of time during which an Insured's benefits for incurred Covered Services accumulate toward annual benefit limits, Deductible amounts and Out-of-Pocket Limits. The Benefit Period consists of the policy year from July 1 to June 30 of the following year unless otherwise noted. If the Insured's Effective Date is after the Policy Date, the initial Benefit Period for that Insured may be less than twelve (12) months.

The Benefit Period for Hospice Covered Services is a continuous six (6) month period that begins when a Hospice Plan of Treatment is approved by Blue Cross of Idaho (BCI). .

II. Deductible

A. Individual

The Individual Deductible is shown in the Benefits Outline.

B. Family

The Family Deductible is shown in the Benefits Outline.

III. Out-of-Pocket Limit

The Out-of-Pocket Limit is shown in the Benefits Outline. Eligible Out-of-Pocket expenses include only the Insured's Deductible and Coinsurance for eligible Covered Services. If an Insured is admitted as an Inpatient at the end of a Benefit Period and the hospitalization continues uninterrupted into the succeeding Benefit Period, all eligible Out-of-Pocket expenses incurred for Inpatient Hospital Services are considered part of the Benefit Period in which the date of admission occurred. Out-of-Pocket expenses associated with the following are not included in the Out-of-Pocket Limit:

A. Amounts that exceed the Maximum Allowance.

B. Amounts that exceed benefit limits.

C. Amounts that exceed the Medicare Limiting Charge, if applicable.

D. Dental Covered Services except Dental Services Related to Accidental Injury.

E. Prescription Drug Covered Services.

F. Noncovered services or supplies.

IV. Aggregate Deductible and Out-of-Pocket Maximums

Only in the instance where both the Enrollee and the Enrollee's spouse are Retirees under age 65 of the Group and each Insured has separate coverage under the same Health Benefit Plan, the Deductible and Out-of-Pocket amounts accrued under one Insured's enrollment shall also be credited toward the family aggregate Deductible and Out-of-Pocket amounts of the other Insured's enrollment, as applicable.

V. Providers

All Providers and Facilities listed must be licensed and/or registered by the state where the services are rendered, unless exempt by federal law, and must be performing within the scope of license in order for BCI to provide benefits.

VI. Covered Services

Note: In order to receive benefits, some Covered Services require Prior Authorization. Please review the Prior Authorization Section for more specific details.

To be eligible for benefits, Covered Services must be Medically Necessary and must be provided to an eligible Insured under the terms of this Policy. Coverage includes Medically Necessary care and treatment of a Congenital Anomaly for newborn and newly adopted children.

The Benefits Outline, attached to this Policy, is an easy reference document that contains general payment information and a descriptive list of Covered Services. Benefits for Covered Services may be subject to Copayments, Deductibles, Coinsurance and other limits specified in the Benefits Outline.
Only the following are eligible Major Medical expenses:

A. Hospital Services

1. **Inpatient Hospital Services**

a) **Room and Board and General Nursing Service**

Room and board, special diets, the services of a dietician, and general nursing service when an Insured is an Inpatient in a Licensed General Hospital is covered as follows:

(1) A room with two (2) or more beds is covered. If a private room is used, the benefit provided in this section for a room with two (2) or more beds will be applied toward the charge for the private room. Any difference between the charges is a noncovered expense under this Policy and is the sole responsibility of the Insured.

(2) If isolation of the Insured is: (a) required by the law of a political jurisdiction, or (b) required to prevent contamination of either the Insured or another patient by the Insured, then payment for approved private room isolation charges shall be in place of the benefits for the daily room charge stated in paragraph one (1).

(3) Benefits for a bed in a Special Care Unit shall be instead of the benefits for the daily room charge stated in paragraph one (1).

(4) A bed in a nursery unit is covered.

b) **Ancillary Services**

Licensed General Hospital services and supplies including:

(1) Use of operating, delivery, cast, and treatment rooms and equipment.

(2) Prescribed drugs administered while the Insured is an Inpatient.

(3) Administration and processing of whole blood and blood products when the whole blood or blood products are actually used in a transfusion for an Insured; whole blood or blood plasma that is not donated on behalf of the Insured or replaced through contributions on behalf of the Insured.

(4) Anesthesia, anesthesia supplies and services rendered by the Licensed General Hospital as a regular hospital service and billed by the same hospital in conjunction with a procedure that is a Covered Service.

(5) All medical and surgical dressings, supplies, casts, and splints that have been ordered by a Physician and furnished by a Licensed General Hospital.

(6) Oxygen and administration of oxygen.

(7) Patient convenience items essential for the maintenance of hygiene provided by a Licensed General Hospital as a regular hospital service in connection with a covered hospital stay. Patient convenience items include but are not limited to, an admission kit, disposable washbasin, bedpan or urinal, shampoo, toothpaste, toothbrush, and deodorant.

(8) Diagnostic Services and Therapy Services.

If Diagnostic Services or Therapy Services furnished through a Licensed General Hospital are provided by a Physician under contract with the same hospital to perform such services and the Physician bills separately, then the Physician's services are a Covered Service.

2. **Outpatient Hospital Services**

a) **Emergency Care—**Licensed General Hospital services and supplies for the treatment of Accidental Injuries and Emergency Medical Conditions.

b) **Surgery—**Licensed General Hospital or Ambulatory Surgical Facility services and supplies including removal of sutures, anesthesia, anesthesia supplies and services. The furnished supplies and services must be in conjunction with a Covered Service rendered by an employee of one (1) of the above facilities who is not the surgeon or surgical assistant.

c) **Therapy Services**

3. **Special Services**

a) **Preadmission Testing**

Tests and studies required with the Insured's admission and accepted or rendered by a Licensed General Hospital on an Outpatient basis prior to a scheduled admission as an Inpatient, if the services would have been available to an Inpatient of a Licensed General Hospital. Preadmission Testing does not include tests or studies performed to establish a diagnosis.

Preadmission Testing benefits are limited to Inpatient admissions for Surgery. Preadmission Testing must be conducted within seven (7) days prior to an Insured's Inpatient admission.

Preadmission Testing is a Covered Service only if the services are not repeated when the Insured is admitted to the Licensed General Hospital as an Inpatient, and only if the tests and charges are included in the Inpatient medical records.

No benefits for Preadmission Testing are provided if the Insured cancels or postpones the admission to the Licensed General Hospital as an Inpatient. If the Licensed General Hospital or Physician cancels or postpones the admission then benefits are provided.

b) Hospital benefits may be provided for dental extractions, or other dental procedures if certified by a Physician that a non-dental medical condition requires hospitalization to safeguard the health of the Insured. Non-dental conditions that may receive hospital benefits are:

(1) Brittle diabetes.
(2) History of a life-endangering heart condition.
(3) History of uncontrollable bleeding.
(4) Severe bronchial asthma.
(5) Children under ten (10) years of age who require general anesthetic.
(6) Other non-dental life-endangering conditions that require hospitalization, subject to approval by BCI.

B. Skilled Nursing Facility

Benefits provided to an Inpatient of a Licensed General Hospital are also provided for services and supplies customarily rendered to an Inpatient of a Skilled Nursing Facility. Benefits are provided up to the maximum stay (the number of days for a maximum stay is shown in the Benefits Outline). If the Insured is receiving care at a Skilled Nursing Facility at the end of a Benefit Period, this annual maximum stay benefit shall not renew the following Benefit Period until the Insured is discharged. However, no benefits are provided when the care received consists primarily of:

1. Room and board, routine nursing care, training, supervisory, or Custodial Care.
2. Care for senile deterioration, mental deficiency or intellectual disability.
3. Care for Mental or Nervous Conditions, Alcoholism or Substance Abuse or Addiction.
4. Maintenance Physical Therapy, hydrotherapy, Speech Therapy, or Occupational Therapy.

When Medicare is primary, the number of days as shown in the Benefits Outline is in addition to the Skilled Nursing Facility days paid in full by Medicare.

C. Ambulance Transportation Service

Ambulance Transportation Service is covered for Medically Necessary transportation of an Insured within the local community by Ambulance under the following conditions:

1. From an Insured's home or scene of Accidental Injury or Emergency Medical Condition to a Licensed General Hospital.
2. Between Licensed General Hospitals.
3. Between a Licensed General Hospital and a Skilled Nursing Facility.
4. From a Licensed General Hospital to the Insured's home.
5. From a Skilled Nursing Facility to the Insured's home.

For purposes of C.1., 2. and 3. above, if there is no facility in the local community that can provide Covered Services appropriate to the Insured's condition, then Ambulance Transportation Service means transportation to the closest facility that can provide the necessary service.

For purposes of this section, Ambulance means a specially designed and equipped vehicle used only for transporting the sick and injured.

D. Psychiatric Care Services

1. Covered Psychiatric Care services include Intensive Outpatient Program (IOP), Partial Hospitalization Program (PHP), Residential Treatment Program, psychological testing/neuropsychological evaluation testing and Electroconvulsive Therapy (ECT).

   Payments for Inpatient or Outpatient Psychiatric Services apply to Covered Services furnished by any of the following:
   - Licensed General Hospital
   - Alcoholism or Substance Abuse Treatment Facility
   - Psychiatric Hospital
   - Licensed Clinical Social Worker (LCSW)
   - Licensed Clinical Professional Counselor (LCPC)
   - Licensed Marriage and Family Therapist (LMFT)
   - Clinical Psychologist
   - Physician
2. **Inpatient Psychiatric Care**
   The benefits provided for Inpatient hospital services and Inpatient medical services in this section are also provided for the care of Mental or Nervous Conditions, Alcoholism, Substance Abuse or Addiction, or any combination of these.
3. **Outpatient Psychiatric Care**
   The benefits provided for Outpatient Hospital Services and Outpatient Medical Services in this section are also provided for Mental or Nervous Conditions, Alcoholism, Substance Abuse or Addiction, or any combination of these. The use of Hypnosis to treat an Insured's Mental or Nervous Condition is a Covered Service.
4. **Outpatient Psychotherapy Services –** Covered Services include professional office visit services, family, individual and/or group therapy.

E. Maternity Services

The benefits provided for Licensed General Hospital Services and Surgical/Medical Services are also provided for the maternity services listed below when rendered by a Licensed General Hospital or Physician to the Enrollee or the Enrollee's spouse (if an Insured). Nursery care of a newborn infant is not a maternity service and is covered under Inpatient Hospital Services.

No benefits are provided for any Normal Pregnancy or Involuntary Complications of Pregnancy for enrolled Eligible Dependent children. However, tests to determine pregnancy are covered. All other diagnostic x-ray and laboratory services related to pregnancy, childbirth, or miscarriage are not covered for dependent children.

1. **Normal Pregnancy**
   Normal Pregnancy includes all conditions arising from pregnancy or delivery, including any condition usually associated with the management of a difficult pregnancy that is not defined below as an Involuntary Complication of Pregnancy.

2. **Involuntary Complications of Pregnancy**
   a) Involuntary Complications of Pregnancy include but are not limited to:
      (1) Cesarean section delivery, ectopic pregnancy that is terminated, spontaneous termination of pregnancy that occurs during a period of gestation in which a viable birth is not possible (miscarriage), puerperal infection, and eclampsia.
      (2) Conditions requiring Inpatient confinement (when the pregnancy is not terminated), the diagnoses of which are distinct from pregnancy but are adversely affected or are caused by pregnancy. These conditions include acute nephritis, nephrosis, cardiac decompensation, missed abortion, and similar medical and surgical conditions of comparable severity, but do not include false labor, occasional spotting, Physician-prescribed bed rest during pregnancy, morning sickness, hyperemesis gravidarum, preeclampsia, and similar conditions associated with the management of a difficult pregnancy not constituting a nosologically distinct complication of pregnancy.
   3. If you have a birth, benefits for any hospital length of stay in connection with childbirth for the mother or newborn child will include forty-eight (48) hours following a vaginal delivery and ninety-six (96) hours following a cesarean section delivery. Federal law generally does not prohibit the mother's or newborn's attending Provider, after consulting with the mother, from discharging the mother or her newborn earlier than forty-eight (48) hours or ninety-six (96) hours as applicable. For stays in excess of forty-eight (48) hours or ninety-six (96) hours, additional benefits may be available under the terms of Item III., Continued Stay Review, in the Inpatient Notification Section.

F. Transplant Services

For Covered Services rendered, BCI will pay or otherwise satisfy a percentage of the Maximum Allowance as shown in the Benefits Outline.

1. **Autotransplants**
   Autotransplants of arteries, veins, ear bones (ossicles), cartilage, muscles, skin and tendons; teeth or tooth buds.
   a) The applicable benefits provided for hospital and Surgical/Medical Services are provided only for a recipient of Medically Necessary Autotransplant services. Autologous blood transfusion, heart valves, regardless of their source; and implanting of artificial or mechanical pacemakers are not considered Transplants and are a Covered Service if Medically Necessary.
   b) No benefits are available for services, expenses, or other obligations of or for a deceased donor (even if the donor is an Insured).
2. **Transplants**
   Transplants of corneas, kidneys, bone marrow, livers, hearts, lungs, heart/lung and pancreas/kidney combinations.
   a) The applicable benefits provided for Hospital and Surgical/Medical Services are provided for a recipient of Medically Necessary Transplant services.
   b) Benefits for a recipient of a bone marrow, liver, heart, lung, heart/lung or pancreas/kidney combination Transplant(s) are subject to the following conditions:
      (1) The Transplant must be preauthorized by BCI.
      (2) The recipient must have the Transplant performed at an appropriate Recognized Transplant Center. If the recipient is eligible for Medicare, the recipient must have the Transplant performed at a Recognized Transplant Center that is approved by the Medicare program for the requested Transplant Covered Services.
   c) If the recipient is eligible to receive benefits for these Transplant services, Organ Procurement charges are paid for the donor (even if the donor is not an Insured). Benefits for the donor will be charged to the recipient's coverage.
   d) If the recipient is eligible to receive benefits for these Transplant services, an allowance may be provided for the reimbursement of transportation and living

expenses of the Insured recipient and/or the Insured recipient's immediate family. The allowance is only available upon the following terms and conditions;

(1) The allowance is available only for the listed expenses incurred by the recipient or the recipient's immediate family members.

(2) The allowance is requested upon the submission to Blue Cross of Idaho of dated receipts showing the service provided, the cost of the service, and the name, address and phone number of the service provider.

(3) The listed expenses must have been incurred between the time periods of five days prior to the transplant to 120 days after the transplant.

(4) Blue Cross of Idaho reserves the exclusive right to deny application of the allowance and payment of any such expenses it deems inappropriate, excessive, or not in keeping with the intent of this provision.

3. **Exclusions and Limitations**

In addition to any other exclusions and limitations of this Policy, the following exclusions and limitations apply to Transplant or Autotransplant services. No benefits are available under this Policy for the following:

a) Transplants of brain tissue or brain membrane, islet tissue, pancreas, intestine, pituitary and adrenal glands, hair Transplants, or any other Transplant not specifically named as a Covered Service in this section; or for Artificial Organs including but not limited to, artificial hearts or pancreases.

b) Any eligible expenses of a donor related to donating or transplanting an organ or tissue unless the recipient is an Insured who is eligible to receive benefits for Transplant services after benefits for the recipient have been paid, subject to the provisions of this Policy.

c) The cost of a human organ or tissue that is sold rather than donated to the recipient.

d) Transportation costs including but not limited to, Ambulance Transportation Service or air service for the donor, or to transport a donated organ or tissue.

e) Living expenses for the donor or donor's family members, except as specifically listed as a Covered Service in this Policy.

f) Costs covered or funded by governmental, foundation or charitable grants or programs; or Physician fees or other charges, if no charge is generally made in the absence of insurance coverage.

g) Any complication to the donor arising from a donor's Transplant Surgery is not a covered benefit under the Insured Transplant recipient's Policy. If the donor is a BCI Insured, eligible to receive benefits for Covered Services, benefits for medical complications to the donor arising from Transplant Surgery will be allowed under the donor's policy.

h) Costs related to the search for a suitable donor.

G. Surgical/Medical Services

1. **Surgical Services**

a) **Surgery**—Surgery performed by a Physician or other Professional Provider.

b) **Multiple Surgical Procedures**—benefits for multiple surgical procedures performed during the same operative session by one (1) or more Physicians or other Professional Providers are calculated based upon the Maximum Allowance and payment guidelines.

c) **Surgical Supplies**—when a Physician or other Professional Provider performs covered Surgery in the office, benefits are available for a sterile suture or Surgery tray normally required for minor surgical procedures.

d) **Surgical Assistant**—Medically Necessary services rendered by a Physician or other appropriately qualified surgical assistant who actively assists the operating surgeon in the performance of covered Surgery where an assistant is required. The percentage of the Maximum Allowance that is used as the actual Maximum Allowance to calculate the amount of payment under this section for Covered Services rendered by a surgical assistant is 20% for a Physician assistant and 10% for other appropriately qualified surgical assistants.

e) **Anesthesia**—in conjunction with a covered procedure, the administration of anesthesia ordered by the attending Physician and rendered by a Physician or other

Professional Provider. The use of Hypnosis as anesthesia is not a Covered Service. General anesthesia administered by the surgeon or assistant surgeon is not a Covered Service.

f) **Second and Third Surgical Opinion**—

(1) Services consist of a Physician's consultative opinion to verify the need for elective Surgery as first recommended by another Physician.

(2) Specifications:

(a) Elective Surgery is covered Surgery that may be deferred and is not an emergency.

(b) Use of a second consultant is at the Insured's option.

(c) If the first recommendation for elective Surgery conflicts with the second consultant's opinion, then a third consultant's opinion is a Covered Service.

(d) The third consultant must be a Physician other than the Physician who first recommended elective Surgery or the Physician who was the second consultant.

2. **Inpatient Medical Services**

Inpatient medical services rendered by a Physician or other Professional Provider to an Insured who is receiving Covered Services in a Licensed General Hospital or Skilled Nursing Facility.

Inpatient medical services also include consultation services when rendered to an Insured as an Inpatient of a Licensed General Hospital by another Physician at the request of the attending Physician. Consultation services do not include staff consultations that are required by Licensed General Hospital rules and regulations.

3. **Outpatient Medical Services**

The following Outpatient medical services rendered by a Physician or other Professional Provider to an Insured who is an Outpatient, provided such services are not related to pregnancy, Chiropractic Care, Mental or Nervous Conditions, Alcoholism, Substance Abuse or Addiction, except as specified elsewhere in this section:

a) **Emergency Care**—medical care for the treatment of an Accidental Injury or Emergency Medical Condition.

b) **Special Therapy Services**—deep radiation therapy or chemotherapy for a malignancy when such therapy is performed in the Physician's office.

c) **Home, Office and Other Outpatient Visits**—medical care visits and consultations for the examination, diagnosis, or treatment of an Accidental Injury, Disease, condition or Illness.

d) **Wellness/Preventive Care Services**

Benefits are provided for:

(1) Well-Baby and Well-Child Care— see Benefits Outline for complete list.

(2) Adult Examinations— see Benefits Outline for complete list.

(3) Immunizations: —see Benefits Outline for complete list.

H. Diagnostic Services

Diagnostic Services include mammograms. Tests to determine pregnancy and Pap tests are covered regardless of results. Benefits for Medically Necessary genetic testing are only available when Prior Authorization has been completed and approved by BCI.

I. Therapy Services

1. **Radiation Therapy**
2. **Chemotherapy**
3. **Renal Dialysis**
4. **Physical Therapy**

a) Payment is limited to Physical Therapy Services related to Habilitative and Rehabilitative care, with reasonable expectation that the services will produce measurable improvement in the Insured's condition in a reasonable period of time. Physical Therapy Services are covered when performed by:

(1) A Physician.

(2) A Licensed Physical Therapist, provided the Covered Services are directly related to a written treatment regimen prepared by the Therapist.
(3) A Podiatrist.

b) No benefits are provided for:
(1) The following Physical Therapy Services when the specialized skills of a Licensed Physical Therapist are not required:
(a) Range of motion and passive exercises that are not related to restoration of a specific loss of function but are useful in maintaining range of motion in paralyzed extremities.
(b) Assistance in walking, such as that provided in support for feeble or unstable patients.
(2) Facility-related charges for Outpatient Physical Therapy Services, health club dues or charges, or Physical Therapy Services provided in a health club, fitness facility, or similar setting.
(3) General exercise programs, even when recommended by a Physician or a Chiropractic Physician, and even when provided by a Licensed Physical Therapist.
(4) Maintenance, palliative or supportive care.
(5) Behavioral modification services.

5. **Respiratory Therapy**
6. **Occupational Therapy**
a) Payment is limited to Occupational Therapy Services related to Habilitative and Rehabilitative care, with reasonable expectation that the services will produce measurable improvement in the Insured's condition in a reasonable period of time. Occupational Therapy Services are covered when performed by:
(1) A Physician.
(2) A Licensed Occupational Therapist, provided the Covered Services are directly related to a written treatment regimen prepared by an Occupational Therapist and approved by a Physician.
b) No benefits are provided for:
(1) Facility-related charges for Outpatient Occupational Therapy Services, health club dues or charges, or Occupational Therapy Services provided in a health club, fitness facility, or similar setting.
(2) General exercise programs, even when recommended by a Physician or a Chiropractic Physician, and even when provided by a Licensed Occupational Therapist.
(3) Maintenance, palliative or supportive care.
(4) Behavioral modification services.

7. **Speech Therapy**
Benefits are limited to Speech Therapy Services related to Habilitative and Rehabilitative care, with reasonable expectation that the services will produce measurable improvement in the Insured's condition in a reasonable period of time. Speech Therapy Services are covered when performed by either of the following:
a) A Physician.
b) A Speech Therapist, provided the services are directly related to a written treatment regimen designed by the Therapist.
c) No benefits are provided for:
(1) Maintenance or supportive care.
(2) Behavioral modification services.
8. **Enterostomal Therapy**
9. **Home Intravenous Therapy (Home Infusion Therapy)**
Benefits are limited to medications, services and/or supplies provided to or in the home of the Insured, including but not limited to, hemophilia-related products and services and IVIG products and services that are administered via an intravenous, intraspinal, intra-arterial,

intrathecal, subcutaneous, enteral, or intramuscular injection or access device inserted into the body.

Benefits for this Therapy are only available as preauthorized and approved by BCI when Medically Necessary.

J. Home Health Skilled Nursing Care Services

Professional nursing services provided to a Homebound Insured that can only be rendered by a licensed registered nurse (R.N.) or a licensed practical nurse (L.P.N.), provided such nurse does not ordinarily reside in the Insured's household or is not related to the Insured by blood or marriage. The services must be Medically Necessary and preauthorized by BCI and the patient's Physician and must not constitute Custodial Care. Services must be provided by a Medicare certified Home Health Agency and limited to intermittent Skilled Nursing Care. The patient's Physician must review the care at least every thirty (30) days. No benefits are provided during any period of time in which the Insured is receiving Hospice Covered Services.

K. Hospice Services

1. **Conditions**

An Insured must specifically request Hospice benefits and must meet the following conditions to be eligible:

a) The attending or primary Physician must certify that the Insured is a terminally ill patient with a life expectancy of six (6) months or less.
b) The Insured must live within the Hospice's local geographical area.
c) The Insured must be formally accepted by the Hospice.
d) The Insured must have a designated volunteer Primary Care Giver at all times.
e) Services and supplies must be prescribed by the attending Physician and included in a Hospice Plan of Treatment approved in advance by BCI. The Hospice must notify BCI within one (1) working day of any change in the Insured's condition or Plan of Treatment that may affect the Insured's eligibility for Hospice Benefits.
f) Palliative care (which controls pain and relieves symptoms but does not provide a cure) must be appropriate to the Insured's Illness.

2. **Exclusions and Limitations**

No benefits are provided for:

a) Hospice Services not included in a Hospice Plan of Treatment and not provided or arranged and billed through a Hospice.
b) Continuous Skilled Nursing Care except as specifically provided as a part of Respite Care or Continuous Crisis Care.
c) Hospice benefits provided during any period of time in which an Insured is receiving Home Health Skilled Nursing Care benefits.

L. Chiropractic Care Services

Services rendered, referred, or prescribed by a Chiropractic Physician licensed by the state where services are rendered. For BCI to provide benefits, the Chiropractic Physician must be practicing within the scope of license.

M. Durable Medical Equipment

The lesser of the Maximum Allowance or billed charge for rental, (but not to exceed the lesser of the Maximum Allowance or billed charge for the total purchase price) or, at the option of BCI, the purchase of Medically Necessary Durable Medical Equipment required for therapeutic use. The Durable Medical Equipment must be prescribed by an attending Physician or other Professional Provider within the scope of license. No benefits are available for the replacement of any item of Durable Medical Equipment that has been used by an Insured for less than five (5) years (whether or not the item being replaced was covered under this Policy). Benefits shall not exceed the cost of the standard, most economical Durable Medical Equipment that is consistent, according to generally accepted medical treatment practices, with the Insured's condition. If the Insured and his or her Provider have chosen a more expensive treatment than is determined to be the standard and most economical by BCI, the excess charge is solely the responsibility of the Insured. Equipment items considered to be common household items are not covered.

Due to ongoing service requirements and safety issues relating to oxygen equipment, BCI will not limit the cost of oxygen and the rental of oxygen delivery systems to the purchase price of the system(s).

N. Prosthetic Appliances

The purchase, fitting, necessary adjustment, repair, and replacement of Prosthetic Appliances including post mastectomy prostheses.

Benefits for Prosthetic Appliances are subject to the following limitations:

1. The Prosthetic Appliance must be approved by BCI before the Insured purchases it.
2. Benefits shall not exceed the cost of the standard, most economical Prosthetic Appliance that is consistent, according to generally accepted medical treatment practices, with the Insured's condition. If the Insured and his or her Provider have chosen a more expensive treatment than is determined to be the standard and most economical by BCI, the excess charge is solely the responsibility of the Insured.
3. No benefits are provided for dental appliances or major Artificial Organs including but not limited to, artificial hearts and pancreases.
4. Following cataract Surgery or for the treatment of Keratoconus, benefits for a required contact lens or a pair of eyeglasses are limited to the first contact lens or pair of eyeglasses, which must be purchased within ninety (90) days.
5. No benefits are provided for the rental or purchase of any synthesized, artificial speech or communications output device or system or any similar device, appliance or computer system designed to provide speech output or to aid an inoperative or unintelligible voice, except for voice boxes to replace all or part of a surgically removed larynx.

O. Orthotic Devices

Orthotic Devices include but are not limited to, Medically Necessary braces, back or special surgical corsets, splints for extremities, and trusses, when prescribed by a Physician, Chiropractic Physician, Podiatrist, Licensed Physical Therapist or Licensed Occupational Therapist. Arch supports, other foot support devices, orthopedic shoes, and garter belts are not considered Orthotic Devices. Benefits shall not exceed the cost of the standard, most economical Orthotic device that is consistent, according to generally accepted medical treatment practices, with the Insured's condition.

P. Dental Services Related to Accidental Injury

Dental services which are rendered by a Physician or Dentist and required as a result of Accidental Injury to the jaw, Sound Natural Tooth, mouth, or face. Such services are covered only for the twelve (12) month period immediately following the date of injury providing the Policy remains in effect during the twelve (12) month period. Temporomandibular Joint (TMJ) disorder and Injuries as a result of chewing or biting are not considered Accidental Injuries. No benefits are available under this section for Orthodontia or orthognathic services.

Benefits are provided for repair of damage to a Sound Natural Tooth, lips, gums, and other portions of the mouth, including fractures of the maxilla or mandible. Repair or replacement of damaged dentures, bridges, or other dental appliances is not covered, unless the appliance must be modified or replaced due to Accidental Injury to a Sound Natural Tooth which are abutting the bridge or denture.

Benefits for dental services related to Accidental Injury under this provision shall be secondary to dental benefits available to an Insured under another benefit section of this Policy or available under a dental policy of insurance, contract, or underwriting plan that is separate and distinct from this Policy.

Q. Inpatient Physical Rehabilitation Only

Benefits are provided for Inpatient Physical Rehabilitation subject to the following:

1. Admission for Inpatient Physical Rehabilitation must occur within one hundred twenty (120) days of discharge from an Acute Care Licensed General Hospital.
2. Continuation of benefits is contingent upon approval by BCI of a Physical Rehabilitation Plan of Treatment and documented evidence of patient progress submitted to BCI at least twice each month.

R. Diabetes Self-Management Education Services

Diabetes Self-Management Education includes instruction in the basic skills of diabetes management through books/educational material as well as an individual or group consultation with a certified diabetes educator, nurse, or dietitian in an American Diabetes Association (ADA) certified program.

Approved programs must meet the standards of the ADA; or are supervised by a certified diabetes educator.

S. Outpatient Rehabilitation and Habilitation Therapy Services

T. Outpatient Physical Rehabilitation and Habilitation Therapy Services

For Covered Services rendered by a Physical Therapist, BCI will pay or otherwise satisfy a percentage of the Maximum Allowance up to the benefit limit as shown in the Benefits Outline.

U. Post-Mastectomy/Lumpectomy Reconstructive Surgery

Reconstructive Surgery in connection with a Disease related mastectomy/lumpectomy, including:

1. Reconstruction of the breast on which the mastectomy/lumpectomy was performed;
2. Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
3. Prostheses and treatment of physical complications at all stages of the mastectomy/lumpectomy, including lymphedemas;

in a manner determined in consultation with the attending Physician and the Insured.

V. Temporomandibular Joint (TMJ) Syndrome

Benefits are provided up to the Lifetime Benefit Limit as specified in the Benefits Outline for services, including Surgery and supplies related to orthognathics or to the misalignment or discomfort of the temporomandibular joint, including splinting services and supplies.

W. Cardiac Rehabilitation Services

Cardiac Rehabilitation is a Covered Service for Insureds who have a clear medical need and who are referred by their attending Physician and (1) have a documented diagnosis of acute myocardial infarction (MI) within the preceding 12 months; (2) have had coronary artery bypass (CABG) graft Surgery; (3) have percutaneous transluminal coronary angioplasty (PTCA) or coronary stenting; (4) have had heart valve Surgery; (5) have had heart or heart-lung transplantation; (6) have current stable angina pectoris; or (7) have compensated heart failure. Services must adhere to Medicare guidelines and have Prior Authorization by Blue Cross of Idaho.

Benefits for Covered Services are shown in the Benefits Outline.

X. Nutritional Formula Therapy

Nutritional Formula Therapy is a Covered Service when all of the following criteria are met:

1. Nutritional Formula Therapy must be related to developmental and Rehabilitative care where there is a reasonable expectation that the services will maintain adequate weight and nutrition of the Insured during the first 2 years of life,
2. Nutritional Formula Therapy must be prescribed by a Physician, and
3. The nutritional formula prescribed by the Physician must not be available over the counter.

Y. Prescribed Contraceptive Services

Covered Services include prescribed devices, injectable, insertable and implantable methods of temporary contraception, such as diaphragms, intrauterine devices (IUDs) and injections. Covered Services include tubal ligation.

There are no benefits for:

1. Over-the-counter items including, but not limited to condoms, spermicides, and sponges.
2. Prescribed contraceptives that could otherwise be purchased over-the-counter.
3. Oral contraceptive prescription drugs and other prescription hormonal contraceptives. See Prescription Drug Benefit Section for oral contraceptive benefits.

Z. Breastfeeding Support and Supply Services

The lesser of the Maximum Allowance or billed charge for rental, (but not to exceed the lesser of the Maximum Allowance or billed charge for the total purchase price) or, at the option of BCI, the purchase of breastfeeding support and supplies. The breastfeeding support and supplies must be prescribed by an attending Physician or other Professional Provider within the scope of license and must be supplied by a Provider. If the Insured and her Provider have chosen a more expensive item than is determined to be the standard and most economical by BCI, the excess charge is solely the responsibility of the Insured. Supply items considered to be personal care items or -common household items are not covered.

VII. Additional Amount of Payment Provisions

Any amounts remaining unpaid for Covered Services under any other benefit section of this Policy are not eligible for payment under this Comprehensive Major Medical Benefits section. For Covered Services eligible for benefits under more than one benefit section of this Policy, the amount paid for Covered Services may be applied to any benefit limit(s) in each benefit section. Except as specified elsewhere in this Policy, BCI will provide the following benefits for Covered Services after an Insured has satisfied his or her individual Deductible or, if applicable, the family Deductible has been satisfied:

A. Unless stated otherwise, for Major Medical Covered Services furnished in the state of Idaho, BCI will pay or otherwise satisfy a percentage of the Maximum Allowance (shown in the Benefits Outline) if the Covered Services were rendered by a. Several Providers are paid at different rates and/or have different benefit limitations as described in that specific benefit section and in the Benefits Outline. Please refer to the applicable section of the Benefits Outline under “SERVICES BCI COVERS”.

B. For Major Medical Covered Services furnished outside the state of Idaho by a Provider, BCI will provide benefit payments according to the following:

1. If the Provider has an agreement for claims payment with the Blue Cross and/or Blue Shield plan in the area where the Covered Services were rendered, BCI will base payment on the local Blue Cross and/or Blue Shield plan’s contractual charge or the actual charge, whichever is less. The Provider shall not make an additional charge to an Insured for amounts in excess of BCI’s payment except for Deductibles, Coinsurance, Copayments, and noncovered services.
2. If the Provider does not have an agreement for claims payment with the Blue Cross and/or Blue Shield plan in the area where the Covered Services were rendered, BCI will base payment on the Maximum Allowance. The Provider is not obligated to accept BCI’s payment as payment in full. BCI is not responsible for the difference, if any, between BCI’s payment and the actual charge, except as stated elsewhere in this Policy.

C. A Contracting Provider rendering Covered Services shall not make an additional charge to an Insured for amounts in excess of BCI’s payment except for Deductibles, Coinsurance, Copayments, and noncovered services.

D. A Noncontracting Provider inside or outside the state of Idaho is not obligated to accept BCI’s payment as payment in full. BCI is not responsible for the difference, if any, between BCI’s payment and the actual charge, unless otherwise specified.

E. For Medicare eligible Insureds, benefits under this Policy will be reduced to the extent such benefits are provided (or would be provided) under the provisions of Medicare Part A and Part B of the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965. For Insureds enrolled in Medicare Part A and Part B, BCI will provide benefits after Medicare’s payment.

PRESCRIPTION DRUG BENEFITS SECTION

This Prescription Drug Benefits Section specifies the benefits an Insured is entitled to receive for Covered Services described in this section, subject to all of the other provisions of this Policy.

I. Prescription Drug Copayment/Coinsurance

For the types and levels of benefits coverage regarding Prescription Drug Copayments and/or Coinsurance, see the Benefits Outline.

Maintenance Prescription Drugs:

For a thirty (30)-day or less supply of a Maintenance Prescription Drug, the Insured is responsible for paying one (1) Copayment amount.

For a thirty-one (31)-day to sixty (60)-day supply of a Maintenance Prescription Drug, the Insured is responsible for paying two (2) Copayment amounts.

For a sixty-one (61)-day to ninety (90)-day supply of a Maintenance Prescription Drug, the Insured is responsible for paying three (3) Copayment amounts.

Non-maintenance Prescription Drugs:

For Prescription Drugs, other than a Maintenance Prescription Drug, the Insured is responsible for paying one (1) Copayment amount for each covered prescription.

Diabetic Supplies:

Insulin syringes/needles have no Copayment if purchased within thirty (30) days of insulin purchase. All other supplies will be subject to applicable Copayment, Coinsurance and/or Deductible.

II. Providers

The following are Providers under this section:
Licensed Pharmacist
Participating Pharmacy/Pharmacist
Physician

III. Dispensing Limitations

Each covered prescription for a Maintenance Prescription Drug is limited to no more than a ninety (90)-day supply. All other covered prescriptions are limited to no more than a thirty (30)-day supply. However, prescriptions and Prescription Drugs may be subject to more restrictive quantity limits.

IV. Amount Of Payment

A. The amount of payment for a covered Prescription Drug dispensed by a Participating Pharmacist is the balance remaining after subtracting the Prescription Drug Copayment from the lower of the Allowed Charge or the Usual Charge for the Prescription Drug.

B. For a covered Prescription Drug dispensed by a Physician or a Licensed Pharmacist who is not a Participating Pharmacist, the Insured is responsible for paying for the Prescription Drug at the time of purchase and must submit a claim to BCI or one (1) of its designated claims processing vendors. The amount of payment for a covered Prescription Drug is the balance remaining after subtracting the Prescription Drug Copayment and/or Coinsurance from the lower of the Allowed Charge or the Usual Charge for the Prescription Drug.

C. Submission of a prescription to a pharmacy is not a claim. If an Insured receives Covered Services from a pharmacy and believes that the Copayment, Coinsurance or other amount is incorrect, the Insured may then submit a written claim to BCI requesting reimbursement of any amounts the Insured believes were incorrect. Refer to the Inquiry And Appeals Procedures in the General Provisions Section of this Policy.

V. Generic Drugs

Certain Prescription Drugs are restricted to Generics for payment by BCI. Even if the Insured, the Physician, or other duly licensed Provider requests the Brand Name Drug, the Insured is responsible for the difference between the price of the Generic and the Brand Name Drug, plus any applicable Brand Name Drug Copayment/Coinsurance.

VI. Utilization Review

Prescription Drug benefits include utilization review of Prescription Drug usage for the Insured's health and safety. If there are patterns of over-utilization or misuse of drugs the Insured's personal Physician and Pharmacist will be notified. BCI reserves the right to limit benefits to prevent over-utilization or misuse of Prescription Drugs.

VII. Prior Authorization

Certain Prescription Drugs may require Prior Authorization. If the Insured's Physician or other Provider prescribes a drug, which requires Prior Authorization, the Insured will be informed by the Provider or Pharmacist. To obtain Prior Authorization the Insured's Physician must notify BCI or its designated agent, describing the Medical Necessity for the prescription. Within a reasonable period of time, but no later than fifteen (15) days after BCI or its designated agent, receives a request for Prior Authorization, BCI or its designated agent, will notify the Insured and/or the attending Provider(s) of its determination, or BCI or its designated agent, may request additional information necessary to make an informed determination.

VIII. Covered Services

Prescription Drugs approved by the Pharmacy and Therapeutics Committee including compounded medications of which at least one (1) ingredient is a Prescription Drug, Pharmacy Supplies, Diabetic Supplies, insulin in bottles and cartridges for insulin pens, and any other drug that, under applicable state law, may be dispensed only upon written prescription of a Physician, when the drugs or medicines are directly related to the treatment of an Illness, Disease, medical condition or Accidental Injury and are dispensed by a Licensed Pharmacist or Physician on or after the Insured's Effective Date. Benefits for Prescription Drugs are available up to the limits stated in Item III. of this section.

Covered Prescription Drugs include human growth hormone therapy.

Covered Prescription Drugs include oral medications prescribed for the treatment of erectile dysfunction or impotency resulting from a prostatectomy. Benefits are limited to six (6) doses per thirty (30) day period and Prior Authorization through BCI or its designated agent, must be completed.

IX. Definitions

A. Allowed Charge—the amount payable for a Prescription Drug as determined by the reimbursement formula agreed upon between the Participating Pharmacist and one (1) or more of BCI's designated claims processing vendors.

B. Brand Name Drug—a Prescription Drug, approved by the FDA, that is protected by a patent and is marketed and supplied under the manufacturer's brand name.

C. Diabetic Supplies—supplies that can be purchased at a Participating Pharmacy using the Insured's pharmacy benefit. Includes: insulin syringes/needles, insulin pen needles, lancets, test strips (blood glucose and urine), and alcohol swabs.

D. Formulary—a list of Prescription Drugs approved by Blue Cross of Idaho's Pharmacy and Therapeutics Committee. This list is managed and subject to periodic review and amendment by the Pharmacy and Therapeutics Committee.

Prescription Drugs covered by the Prescription Drug Benefit are classified into one of three tiers as follows.

First Tier - Generic Drugs: Prescription Drugs approved by the FDA, that have the same active ingredients, strength, and dosage as its Brand Name Drug counterpart.

Second Tier - Preferred Brand Name Drugs: Brand Name Drugs that are on BCI's Formulary due to their quality and cost-effectiveness as determined by BCI's Pharmacy and Therapeutics Committee.

Third Tier - Non-Preferred Brand Name Drugs: Brand Name Drugs that are not on BCI's Formulary.

E. **Generic Drug**—a Prescription Drug, approved by the FDA, that has the same active ingredients, strength, and dosage as its Brand Name Drug counterpart.

F. **Maintenance Prescription Drug**—a Prescription Drug, as determined by BCI or its designated agent, that an Insured takes on a regular or long-term basis for treatment of a chronic or on-going medical condition. It is not a Prescription Drug that an Insured takes for treatment of an acute medical condition.

G. **Participating Pharmacy/Pharmacist**—a Licensed Pharmacist or retail pharmacy that has a contract with one (1) or more of BCI's designated claims processing vendors for the purpose of providing Prescription Drug Covered Services to Insureds under this Policy.

H. **Pharmacy And Therapeutics Committee**—a committee of Physicians and Licensed Pharmacists established by BCI that recommends policy regarding the evaluation, selection, and therapeutic use of various drugs. The Committee and BCI may also review, deny or determine alternative benefits for newly FDA approved prescription drugs, biological agent or other agents.

I. **Pharmacy Supplies**—supplies that can be purchased at a Participating Pharmacy using the Insured's pharmacy benefit. Includes: strips; lancets; alcohol swabs; insulin syringes/needles; insulin in bottles and cartridges for insulin pens; and insulin pens.

J. **Prescription Drugs**—drugs, biologicals and compounded prescriptions that are FDA approved and can be dispensed only according to a written prescription given by a Physician and/or duly licensed provider, that are listed and accepted in the *United States Pharmacopeia, National Formulary,* or *AMA Drug Evaluations* published by the American Medical Association (AMA), that are prescribed for human consumption, and that are required by law to bear the legend: "Caution—Federal Law prohibits dispensing without prescription."

K. **Usual Charge**—the lowest retail price being charged by a Licensed Pharmacist for a Prescription Drug at the time of purchase by an Insured.

X. Exclusions And Limitations

In addition to any other exclusions and limitations of this Policy, the following exclusions and limitations apply to this particular section and throughout the entire Policy, unless otherwise specified.

If an Insured also has a Prescription Drug discount through a manufacturer, coupon, store or discount card program, that Prescription Drug discount will be applied prior to applying the benefits available under this Policy. Prescription Drug benefits are limited to the Insured's Out-of-Pocket expenses under the discount Drug program, up to the Prescription Drug benefit available under this Policy.

A. General Exclusions

No benefits are provided for the following:

1. Drugs used for the termination of early pregnancy, and complications arising therefrom, except when required to correct an immediately life-endangering condition.
2. Over-the-counter drugs other than insulin, even if prescribed by a Physician. Notwithstanding this exclusion, BCI, through the determination of the BCI Pharmacy and Therapeutics Committee may choose to cover certain over-the-counter medications when Prescription Drug benefits are provided under this Policy. Such approved over-the-counter medications must be identified by BCI in writing and will specify the procedures for obtaining benefits for such approved over-the-counter medications. Please note that the fact a particular over-the-counter drug or medication is covered does not require BCI to cover or otherwise pay or reimburse the Insured for any other over-the-counter drug or medication.
3. Charges for the administration or injection of any drug, except for vaccinations listed on the Prescription Drug Formulary.

4. Therapeutic devices or appliances, including hypodermic needles, syringes, support garments, and other non-medicinal substances except Diabetic Supplies, regardless of intended use.
5. Drugs labeled "Caution—Limited by Federal Law to Investigational Use," or experimental drugs, even though a charge is made to the Insured.
6. Immunization agents, except for vaccinations listed on the Prescription Drug Formulary, biological sera, blood or blood plasma. Benefits may be available under the Major Medical Benefits Section of this Policy.
7. Medication that is to be taken by or administered to an Insured, in whole or in part, while the Insured is an Inpatient in a Licensed General Hospital, rest home, sanatorium, Skilled Nursing Facility, extended care facility, convalescent hospital, nursing home, or similar institution which operates or allows to operate on its premises, a facility for dispensing pharmaceuticals.
8. Any prescription refilled in excess of the number specified by the Physician, or any refill dispensed after one (1) year from the Physician's original order.
9. Any newly FDA approved Prescription Drug, biological agent, or other agent until it has been reviewed and approved by BCI's Pharmacy and Therapeutics Committee.
10. Any Prescription Drug, biological or other agent, which is:
    a) Prescribed primarily to aid or assist the Insured in the cessation of the use of tobacco.
    b) Prescribed primarily to aid or assist the Insured in weight loss, including all anorectics, whether amphetamine or nonamphetamine.
    c) Prescribed primarily to retard the rate of hair loss or to aid in the replacement of lost hair.
    d) Prescribed primarily to increase fertility, including but not limited to, drugs which induce or enhance ovulation.
    e) Prescribed primarily for personal hygiene, comfort, beautification, or for the purpose of improving appearance.
    f) Provided by or under the direction of a Home Intravenous Therapy Company, Home Health Agency or other Provider approved by BCI. Benefits are available for this Therapy Service under the Major Medical Benefits Section of this Policy only as preauthorized and approved when Medically Necessary.
11. Lost, stolen, broken or destroyed medications, except in the case of loss due directly to a natural disaster.

ELIGIBILITY AND ENROLLMENT SECTION

I. Eligibility and Enrollment

All Eligible Retirees will have the opportunity to apply for coverage under this Policy. All applications submitted to Blue Cross of Idaho (BCI) by the Group now or in the future, shall be for Eligible Retirees or Eligible Dependents only. Once enrolled under the Policy, Eligible Retirees may not change to another Policy until an Open Enrollment Period.

A. Eligible Retiree - An officer or employee of a state agency, department or institution, including state officials, and elected officials who was hired on or before June 30, 2009. The retiree must be under age 65, have at least ten (10) years (20,800 hours) of credited state service, be receiving monthly retirement benefits from a State Retirement System and retire directly from state service.

Retirees hired after June 30, 2009 are not eligible for coverage unless they have credited state service of at least twenty thousand eight hundred (20,800) hours before June 30, 2009 and subsequent to reemployment, election or reappointment on or after July 1, 2009 accumulate an additional six thousand two hundred forty (6,240) continuous hours of credited state service and are otherwise eligible for coverage.

B. Eligible Dependent

Eligible Dependent means: (1) The spouse of the Enrollee and/or (2) the children of an Enrollee or Enrollee's spouse, up to their 26th birthday. The term "children" includes natural children, stepchildren, adopted children, or children in the process of adoption from time placed with the Enrollee. The term "children" also includes children legally dependent upon the Enrollee or Enrollee's spouse for support where a normal parent-child relationship exists with the expectation that the Enrollee will continue to rear that child to adulthood. However, if one or both of that child's natural parents live in the same household with the Enrollee, a parent-child relationship shall not be deemed to exist even though the Enrollee or the Enrollee's spouse provides support.

C. Conditions

1. An Eligible Retiree's spouse may not enroll in this plan if said spouse is an Eligible Retiree/Employee of the Group and enrolled in any other Health Benefit Plan offered by the Group.
2. Under special circumstances approved by the Group, other children under the custodial care of the Enrollee may be considered as Eligible Dependent(s).
3. If both parents are Eligible Retirees/Employees of the Group and enrolled in any Health Benefit Plan offered by the Group, eligible dependent children may be enrolled under one or the other parent's policy, but not both.
4. An Enrollee must notify BCI and/or the Group within thirty (30) days when a dependent no longer qualifies as an Eligible Dependent. Coverage for the former Eligible Dependent will terminate the last day of the month in which the change in eligibility status took place.
5. A retiree is no longer eligible for health care coverage when the retiree turns 65. The retiree's dependent spouse and eligible dependent children remain eligible for health care coverage until the spouse turns 65. A retiree's dependent spouse and other dependents are no longer eligible for health care coverage when the retiree's dependent spouse turns 65.

II. Loss of Eligibility if the Group Cancels

If the State of Idaho cancels this Blue Cross of Idaho coverage, the retired Insured ceases to be an Eligible Retiree on the Effective Date of the cancellation, unless otherwise determined by the Group.

III. Payment Of Premium And Effective Date

A. All Eligible Retirees will have the opportunity to apply for coverage. All applications submitted to Blue Cross of Idaho now or in the future, must be for Eligible Retirees or Eligible Dependents only. Payment of premium is the responsibility of the Enrolled Retiree.

B. To be eligible for continuous group medical coverage, the Eligible Retiree must enroll within sixty (60) days of the date of retirement.

C. For a person who is an Eligible Retiree and who applies for coverage on or before the first day he or she first becomes eligible as provided in item I., the Effective Date is the first day of the month after the person first becomes eligible.

Except as provided otherwise in this section, the Effective Date of coverage for an Eligible Retiree or an Eligible Dependent will be the first day of the month following the month of enrollment,

D. For an Eligible Retiree to enroll himself or herself and any Eligible Dependents for coverage under this Policy (or for an Enrollee to enroll Eligible Dependents for coverage under this Policy) the Eligible Retiree or Enrollee, as the case may be, must complete a Blue Cross of Idaho application and submit it and any required premiums to Blue Cross of Idaho.

The initial enrollment period is sixty (60) days for an Eligible Dependent who is an Enrollee's newborn natural child, or child who is adopted by the Enrollee, or placed for adoption with the Enrollee before age eighteen (18). An Enrollee's newborn Dependent, including adopted newborn children who are placed with the adoptive Enrollee within sixty (60) days of the adopted child's date of birth, are covered under this Policy from and after the date of birth for 60 days.

In order to continue coverage beyond the sixty (60) days outlined above, the Enrollee must complete an enrollment application and submit the required premium within thirty-one (31) days of the date monthly billing is received by the Group and a notice of premium is provided to the Enrollee by the Group.

The Effective Date of coverage will be the date of birth for a newborn natural child or a newborn child adopted or placed for adoption within sixty (60) days of the child's date of birth, provided the child is enrolled during the applicable initial enrollment period.

If the date of adoption or the date of placement for adoption of a child is more than sixty (60) days after the child's date of birth, the Effective Date of coverage will be the date of adoption or the date of placement for adoption. In this Policy, 'child' means an individual who has not attained age eighteen (18) years as of the date of the adoption or placement for adoption. In this Policy, "placed for adoption" means physical placement in the care of the adoptive Enrollee, or in those circumstances in which such physical placement is prevented due to the medical needs of the child requiring placement in a medical facility, it means when the adoptive Enrollee signs an agreement for adoption of the child and signs an agreement assuming financial responsibility for the child.

E. **Late Enrollee**

If an Eligible Retiree or an Eligible Dependent does not enroll during the applicable initial enrollment period described in Paragraph D. of this section, the Eligible Retiree or Eligible Dependent is a Late Enrollee. The Effective Date of coverage for a Late Enrollee will be the first day of the month following the receipt and acceptance of a completed enrollment application.

F. **Special Enrollment Periods**

An Eligible Retiree or Eligible Dependent will not be considered a Late Enrollee if:

1. The Eligible Retiree or Eligible Dependent meets each of the following:
   a) The individual was covered under Qualifying Previous Coverage at the time of the initial enrollment period;
   b) The individual lost coverage under Qualifying Previous Coverage as a result of termination of employment or eligibility, the involuntary termination of the Qualifying Previous Coverage; and
   c) The individual requests enrollment within 30 days after termination of the Qualifying Previous Coverage.

2. The individual is employed by an employer that offers multiple Health Benefit Plans and the individual elects a different plan during an open enrollment period.

3. A court has issued a court order requiring that coverage be provided for an Eligible Dependent by an Enrollee under this Policy, and application for enrollment is made within 30 days after issuance of the court order.

4. The individual first becomes eligible.

5. The Eligible Employee and/or Eligible Dependent become eligible for a premium assistance subsidy under Medicaid or the Children's Health Insurance Program (CHIP) and coverage under this Policy is requested no later than 60 days after the date the Eligible Employee and/or Eligible Dependent is determined to be eligible for such assistance.

6. Coverage under Medicaid or CHIP for an Eligible Employee and/or Eligible Dependent is terminated as a result of loss of eligibility for such coverage, and coverage is requested under this Policy no later than 60 days after the date of termination of such coverage.

IV. Qualified Medical Child Support Order

A. If this Policy provides for family coverage, Blue Cross of Idaho shall comply with a Qualified Medical Child Support Order (QMCSO) according to the provisions of Section 609 of ERISA and any other applicable federal or state laws. A medical child support order is any judgment, decree or order (including approval of a settlement agreement) issued by a court of competent jurisdiction that:

1. Provides for child support with respect to a child of an Enrollee under this Policy or provides for health benefit coverage to such a child, is made pursuant to a state domestic relations law (including a community property law) and relates to benefits under this Policy, or

2. Enforces a law relating to medical child support described in Section 1908 of the Social Security Act with respect to a group health plan.

B. A medical child support order meets the requirements of a QMCSO if such order clearly specifies:

1. The name and the last known mailing address (if any) of the Enrollee and the name and mailing address of each child covered by the order;

2. A reasonable description of the type of coverage to be provided by this Policy to each such child, or the manner in which such type of coverage is to be determined;

3. The period to which such order applies.

C. Within 15 days of receipt of a medical child support order, Blue Cross of Idaho shall notify the party who sent the order, the group administrator, and each affected child of such receipt and of the criteria by which Blue Cross of Idaho determines if the medical child support order is a QMCSO With respect to a medical child support order, affected children may designate a representative for receipt of copies of notices sent to each of them.

D. Blue Cross of Idaho shall make benefit payments to the respective party for reimbursement of eligible expenses paid by an enrolled affected child or by an enrolled affected child's custodial parent, legal guardian or the Idaho Department of Health and Welfare.

DEFINITIONS SECTION

For reference, most terms defined in this section are capitalized throughout this Policy. Other terms may be defined where they appear in this Policy. All Providers and Facilities must be licensed and/or registered by the state where the services are rendered, unless exempt by federal law, and must be performing within the scope of license in order for BCI to provide benefits. Definitions in this Policy shall control over any other definition or interpretation unless the context clearly indicates otherwise.

Accidental Injury—an objectively demonstrable impairment of bodily function or damage to part of the body caused by trauma from a sudden, unforeseen external force or object, occurring at a reasonably identifiable time and place, and without an Insured's foresight or expectation, which requires medical attention at the time of the accident. The force may be the result of the injured party's actions, but must not be intentionally self-inflicted, unless caused by a medical condition or domestic violence. Contact with an external object must be unexpected and unintentional, or the results of force must be unexpected and sudden.

Acute Care—Medically Necessary Inpatient treatment in a Licensed General Hospital or other Facility Provider for sustained medical intervention by a Physician and Skilled Nursing Care to safeguard an Insured's life and health. The immediate medical goal of Acute Care is to stabilize the Insured's condition, rather than upgrade or restore an Insured's abilities.

Adverse Benefit Determination—any denial, reduction, rescission of coverage, or termination of, or the failure to provide payment for, a benefit for services or ongoing treatment under this Policy.

Alcoholism—a behavioral or physical disorder manifested by repeated excessive consumption of alcohol to the extent that it interferes with an Insured's health, social, or economic functioning.

Alcoholism Or Substance Abuse Treatment Facility—a Provider that is acting under the scope of its license, where required, that is primarily engaged in providing detoxification and Rehabilitative care for Alcoholism, or Substance Abuse, or Addiction.

Ambulatory Surgical Facility (Surgery Center)—a Facility Provider that is Medicare Certified and/or otherwise acting under the scope of its license, where required, with a staff of Physicians, which:

1. Has permanent facilities and equipment for the primary purpose of performing surgical procedures on an Outpatient basis.
2. Provides treatment by or under the supervision of Physicians and provides Skilled Nursing Care while the Insured is in the facility.
3. Does not provide Inpatient accommodations.
4. Is not primarily a facility used as an office or clinic for the private practice of a Physician or other Professional Provider.

American Psychiatric Association—an organization composed of medical specialists who work together to ensure effective treatment for all persons with a mental disorder.

American Psychological Association—a scientific and professional organization that represents psychology in the United States.

Artificial Organs—permanently attached or implanted man-made devices that replace all or part of a Diseased or nonfunctioning body organ, including but not limited to, artificial hearts and pancreases.

Autotransplant (Or Autograft)—the surgical transfer of an organ or tissue from one location to another within the same individual.

Benefit Period—the period of time from July 1 to June 30 of the following year, unless otherwise noted, during which an Insured accumulates annual benefit limits, Deductible amounts and Out-of-Pocket Limits and may receive Covered Services.

Blue Cross of Idaho Health Service, Inc. (Blue Cross of Idaho or BCI)—a nonprofit mutual insurance company.

BlueCard—a program to process claims for most Covered Services received by Insureds outside of BCI's service area while capturing the local Blue Cross and/or Blue Shield Plan's Provider discounts.

Certified Nurse-Midwife—an individual licensed to practice as a Certified Nurse Midwife.

Certified Registered Nurse Anesthetist—a licensed individual registered as a Certified Registered Nurse Anesthetist.

Chiropractic Care—services rendered, referred, or prescribed by a Chiropractic Physician.

Chiropractic Physician—an individual licensed to practice chiropractic.

Clinical Laboratory Improvement Amendments (CLIA)—a Centers for Medicare & Medicaid Services (CMS) program which regulates all human performed laboratory testing in the United States to ensure quality laboratory testing.

Clinical Nurse Specialist—an individual licensed to practice as a Clinical Nurse Specialist.

Clinical Psychologist—an individual licensed to practice clinical psychology by the state where the service was rendered.

Coinsurance—the percentage of the Maximum Allowance or the actual charge, whichever is less, an Insured is responsible to pay Out-of-Pocket for Covered Services after satisfaction of any applicable Deductibles or Copayments, or both.

Congenital Anomaly—a condition existing at or from birth, which is a significant deviation from the common form or function of the body, whether caused by a hereditary or a developmental defect or Disease. In this Policy, the term significant deviation is defined to be a deviation which impairs the function of the body and includes but is not limited to the conditions of cleft lip, cleft palate, webbed fingers or toes, sixth toes or fingers, or defects of metabolism and other conditions that are medically diagnosed to be Congenital Anomalies

Continuous Crisis Care—Hospice Nursing Care provided during periods of crisis in order to maintain a terminally ill Insured at home. A period of crisis is one in which the Insured's symptom management demands predominantly Skilled Nursing Care.

Contracting Provider—a Provider that has entered into a written agreement with BCI regarding payment for rendered Covered Services.

Copayment—a designated dollar and/or percentage amount, separate from Coinsurance, that an Insured is financially responsible for and must pay to a Provider at the time certain Covered Services are rendered.

Cost Effective—a requested or provided medical service or supply that is Medically Necessary in order to identify or treat an Insured's health condition, illness or injury and that is:

1. Provided in the most cost-appropriate setting consistent with the Insured's clinical condition and the Provider's expertise. For example, when applied to services that can be provided in either an Inpatient hospital setting or Outpatient hospital setting, the Cost Effective setting will generally be the outpatient setting. When applied to services that can be provided in a hospital setting or in a physician office setting, the Cost Effective setting will generally be the physician office setting.
2. Not more costly than an alternative service or supply, including no treatment, and at least as likely to produce an equivalent result for the Insured's condition, Disease, Illness or injury.

Covered Service—when rendered by a Provider, a service, supply, or procedure specified in this Policy for which benefits will be provided to an Insured.

Custodial Care—care designated principally to assist an Insured in engaging in the activities of daily living; or services which constitute personal care, such as help in walking and getting in and out of bed, assistance in eating, dressing, bathing, and using the toilet; preparation of special diets; and supervision of medication, which can usually be self-

administered and does not require the continuing attention of trained medical or paramedical personnel. Custodial Care is normally, but not necessarily, provided in a nursing home, convalescent home, rest home, or similar institution.

Deductible—the amount an Insured is responsible to pay Out-of-Pocket before BCI begins to pay benefits for Covered Services. The amount credited to the Deductible is based on the Maximum Allowance or the actual charge, whichever is less.

Dentist—an individual licensed to practice Dentistry.

Dentistry Or Dental Treatment—the treatment of teeth and supporting structures, including but not limited to, the replacement of teeth.

Diagnostic Imaging Provider—a person or entity that is licensed, where required, and/or Medicare Certified (and/or otherwise acting under the scope of license) to render Covered Services.

Diagnostic Service—a test or procedure performed on the order of a Physician or other Professional Provider because of specific symptoms, in order to identify a particular condition, Disease, Illness, or Accidental Injury. Diagnostic Services, include but are not limited to:

1. Radiology services.
2. Laboratory and pathology services.
3. Cardiographic, encephalographic, and radioisotope tests.

Disease—any alteration in the body or any of its organs or parts that interrupts or disturbs the performance of vital functions, thereby causing or threatening pain, weakness, or dysfunction. A Disease can exist with or without an Insured's awareness of it, and can be of known or unknown cause(s).

Durable Medical Equipment—items which can withstand repeated use, are primarily used to serve a therapeutic purpose, are generally not useful to a person in the absence of Accidental Injury, Disease or Illness, and are appropriate for use in the Insured's home.

Durable Medical Equipment Supplier—a business that is licensed, where required, and/or Medicare Certified (and/or otherwise acting under the scope of license) to sell or rent Durable Medical Equipment.

Effective Date—the date when coverage for an Insured begins under this Policy.

Electroconvulsive Therapy (ECT)—Electroconvulsive Therapy (ECT) is a treatment for severe forms of depression, bipolar disorder, schizophrenia and other serious mental illnesses that uses electrical impulses to induce a convulsive seizure.
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Eligible Dependent—(1) the spouse of the Enrollee and/or (2) the children of an Enrollee or Enrollee's spouse, up to their 26th birthday. The term "children" includes natural children, stepchildren, adopted children, or children in the process of adoption from time placed with the Enrollee. The term "children" also includes children legally dependent upon the Enrollee or Enrollee's spouse for support where a normal parent-child relationship exists with the expectation that the Enrollee will continue to rear that child to adulthood. However, if one or both of that child's natural parents live in the same household with the Enrollee, a parent-child relationship shall not be deemed to exist even though the Enrollee or the Enrollee's spouse provides support.

Eligible Retiree (Retiree)—an officer or employee of a state agency, department or institution, including state officials, and elected officials who was hired on or before June 30, 2009. The retiree must be under age 65, have at least ten (10) years (20,800 hours) of credited state service, be receiving monthly retirement benefits from a State Retirement System and retire directly from state service.

Retirees hired after June 30, 2009 are not eligible for coverage unless they have credited state service of at least twenty thousand eight hundred (20,800) hours before June 30, 2009 and subsequent to reemployment, election or reappointment on or after July 1, 2009 accumulate an additional six thousand two hundred forty (6,240) continuous hours of credited state service and are otherwise eligible for coverage.

Emergency Inpatient Admission—Medically Necessary Inpatient admission to a Licensed General Hospital or other Inpatient Facility due to the sudden, acute onset of a medical condition or an Accidental Injury which requires immediate medical treatment to preserve life or prevent severe, irreparable harm to an Insured.

Emergency Medical Condition—a condition in which sudden and unexpected symptoms are sufficiently severe to necessitate immediate medical care. Emergency Medical Conditions, include but are not limited to, heart attacks, cerebrovascular accidents, poisonings, loss of consciousness or respiration, and convulsions.

Emergency Admission Notification—notification by the Insured to BCI of an Emergency Inpatient Admission resulting in an evaluation conducted by BCI to determine the Medical Necessity of an Insured's Emergency Inpatient Admission, and the accompanying course of treatment.

Enrollee—an Eligible Retiree who has enrolled for coverage and has satisfied the requirements of the Eligibility and Enrollment Section.

Enrollment Date—the date of enrollment of an Eligible Retiree or Eligible Dependent under this Policy, or if earlier, the first day of the eligibility waiting period for such enrollment.

Family—means two (2) or more persons related by blood, marriage, or law who are enrolled under the same identification number.

Freestanding Diabetes Facility—a person or entity that is recognized by the American Diabetes Association, and/or otherwise acting under the scope of its license, where required, to render Covered Services.

Freestanding Dialysis Facility—a Medicare Certified Facility Provider, or other Facility Provider acting under the scope of its license, that is primarily engaged in providing dialysis treatment, maintenance, or training to patients on an Outpatient or home care basis.

Group—the State of Idaho as represented by the Department of Administration.

Habilitation (or Habilitative)—developing skills and functional abilities necessary for daily living and skills related to communication of persons who have never acquired them.

Health Benefit Plan—any hospital or medical policy or certificate, any subscriber contract provided by a hospital or professional service corporation, or managed care organization subscriber contract. Health Benefit Plan does not include policies or certificates of insurance for specific Disease, hospital confinement indemnity, accident-only, credit, dental, vision, Medicare supplement, long-term care, or disability income insurance, student health benefits-only coverage issued as a supplement to liability insurance, Workers' Compensation or similar insurance, automobile medical payment insurance, or nonrenewable short-term coverage issued for a period of twelve (12) months or less.

Homebound—confined primarily to the home as a result of a medical condition. The term connotes that it is "a considerable and taxing effort" to leave the home due to a medical condition and not because of inconvenience.

Home Health Agency—any agency or organization that provides Skilled Nursing Care services and other therapeutic services.

Home Health Aide—an individual employed by a Hospice, under the direct supervision of a licensed registered nurse (R.N.), who performs and trains others to perform, intermittent Custodial Care services which include but are not limited to, assistance in bathing, checking vital signs, and changing dressings.

Home Health Nursing—the delivery of Skilled Nursing services under the direction of a Physician to a Homebound patient in their home on an intermittent basis. Home Health Nursing is generally intended to transition a Homebound patient from a hospital setting to a home or prevent a hospital stay.

Home Intravenous Therapy Company—a licensed, where required, and/or Medicare Certified (and/or otherwise acting under the scope of its license) Pharmacy or other entity that is principally engaged in providing services, medical supplies, and equipment for certain home infusion Therapy Covered Services, to Insureds in their homes or other locations outside of a Licensed General Hospital.

Hospice—a Medicare Certified (and/or otherwise acting under the scope of its license, if required) public agency or private organization designated specifically to provide services for care and management of terminally ill patients, primarily in the home.

Hospice Nursing Care—Skilled Nursing Care and Home Health Aide services provided as a part of the Hospice Plan of Treatment.

Hospice Plan Of Treatment—a written plan of care that describes the services and supplies for the Medically Necessary palliative care and treatment to be provided to an Insured by a Hospice. The written plan of care must be established and periodically reviewed by the attending Physician.

Hospital Grade Breast Pump—a stronger piston based breast pump that meets hospital requirements for electrical safety, cleaning and sterilization for rental between users. Typically used by a mother with a premature baby or a personal medical condition that affects milk production.

Hypnosis—an induced passive state in which there is an increased responsiveness to suggestions and commands, provided that these do not conflict seriously with the subject's conscious or unconscious wishes.

Illness—a deviation from the healthy and normal condition of any bodily function or tissue. An Illness can exist with or without an Insured's awareness of it, and can be of known or unknown cause(s).

Inpatient—an Insured who is admitted as a bed patient in a Licensed General Hospital or other Facility Provider and for whom a room and board charge is made.

Insured—an Enrollee or an enrolled Eligible Dependent covered under this Policy.

Intensive Outpatient Program—Intensive Outpatient Program (IOP) is a treatment program that includes extended periods of therapy sessions, several times a week for a minimum of three (3) hours per day, a minimum of three (3) days per week and a minimum of nine (9) hours per week. It is an intermediate setting between traditional therapy sessions and partial hospitalization.

Investigational—any technology (service, supply, procedure, treatment, drug, device, facility, equipment or biological product), which is in a developmental stage or has not been proven to improve health outcomes such as length of life, quality of life, and functional ability. A technology is considered investigational if, as determined by BCI, it fails to meet any one of the following criteria:

- The technology must have final approval from the appropriate government regulatory body. This applies to drugs, biological products, devices, and other products/procedures that must have approval from the U.S. Food and Drug Administration (FDA) or another federal authority before they can be marketed. Interim approval is not sufficient. The condition for which the technology is approved must be the same as that BCI is evaluating.
- The scientific evidence must permit conclusions concerning the effect of the technology on health outcomes. The evidence should consist of current published medical literature and investigations published in peer-reviewed journals. The quality of the studies and consistency of results will be considered. The evidence should demonstrate that the technology can measure or alter physiological changes related to a Disease, injury, Illness, or condition. In addition, there should be evidence that such measurement or alteration affects health outcomes.
- The technology must improve the net health outcome. The technology's beneficial effects on health outcomes should outweigh any harmful effects on health outcomes.
- The technology must be as beneficial as any established alternatives.
- The technology must show improvement that is attainable outside the investigational setting. Improvements must be demonstrated when used under the usual conditions of medical practice.

If a technology is determined to be investigational, all services specifically associated with the technology, including but not limited to associated procedures, treatments, supplies, devices, equipment, facilities or drugs will also be considered investigational.

In determining whether a technology is investigational, BCI considers the following source documents: Blue Cross Blue Shield Association Technology Evaluation Center (TEC) assessments, the Blue Cross and Blue Shield Association Medical Policy Reference Manual as adopted by BCI, and Blue Cross of Idaho Medical Policies. BCI also considers current published medical literature and peer review publications based upon scientific evidence, and evidence-based guidelines developed by national organizations and recognized authorities.

Keratoconus—a developmental or dystrophic deformity of the cornea in which it becomes cone-shaped due to a thinning and stretching of the tissue in its central area.

Large Employer—any person, firm, corporation, partnership, or association that is actively engaged in business that, on at least 50% of its working days during the preceding calendar year, employed no less than fifty-one (51) Eligible Employees, the majority of whom were employed within this state. In determining the number of Eligible Employees, companies that are affiliated companies, or that are eligible to file a combined tax return for purposes of state taxation, shall be considered one (1) employer.

Licensed Clinical Professional Counselor (LCPC)—a licensed individual providing diagnosis and treatment of Mental or Nervous Conditions.

Licensed Clinical Social Worker (LCSW)—a licensed individual providing diagnosis and treatment of Mental or Nervous Conditions.

Licensed General Hospital—a short term, Acute Care, general hospital that:

1. Is an institution licensed in the state in which it is located and is lawfully entitled to operate as a general, Acute Care hospital.
2. Is primarily engaged in providing Inpatient diagnostic and therapeutic services for the diagnosis, treatment, and care of injured and sick persons by or under the supervision of Physicians, for compensation from and on behalf of its patients.
3. Has functioning departments of medicine and Surgery.
4. Provides twenty-four (24) hour nursing service by or under the supervision of licensed R.N.s.
5. Is not predominantly a:
    a. Skilled Nursing Facility
    b. Nursing home
    c. Custodial Care home
    d. Health resort
    e. Spa or sanatorium
    f. Place for rest
    g. Place for the aged
    h. Place for the treatment or Rehabilitative care of Mental or Nervous Conditions
    i. Place for the treatment or Rehabilitative care of Alcoholism or Substance Abuse or Addiction
    j. Place for Hospice care
    k. Residential Treatment Facility
    l. Transitional Living Center

Licensed Marriage and Family Therapist (LMFT)—a licensed individual providing diagnosis and treatment of Mental or Nervous Conditions.

Licensed Pharmacist—an individual licensed to practice pharmacy.

Licensed Rehabilitation Hospital—a Facility Provider principally engaged in providing diagnostic, therapeutic, and Physical Rehabilitation Services to Insureds on an Inpatient basis.

Lifetime Benefit Limit—the greatest aggregate amount payable by BCI on behalf of an Insured for specified Covered Services covered under any agreement, certificate, contract, or policy issued or administered by BCI on behalf of the Group during all periods in which the Insured has been continuously enrolled with the Group. Lifetime Benefit Limit shall only apply to Temporomandibular Joint (TMJ) Syndrome Services as shown in the Benefits Outline.

Limiting Charge—the maximum amount under Medicare that a Physician or other Professional Provider can charge, without penalty, for services rendered to a Medicare patient.

Maximum Allowance— for covered services under the terms of this Policy, Maximum Allowance is the lesser of the billed charge or the amount established by BCI as the highest level of compensation for a Covered Service. If the Covered Services are rendered outside the state of Idaho by a Noncontracting or Contracting Provider with a Blue Cross and/or Blue Shield affiliate in the location of the Covered Services, the Maximum Allowance is the lesser of the billed charge or the amount established by the affiliate as compensation.

The Maximum Allowance is determined using many factors, including pre-negotiated payment amounts; diagnostic related groupings (DRGs); a resource based relative value scale (RBRVS); ambulatory payment classifications (APCs); the Provider's charge(s); the charge(s) of Providers with similar training and experience within a particular geographic area; Medicare reimbursement amounts; and/or the cost of rendering the Covered Service. Moreover, Maximum Allowance may differ depending on whether the Provider is Contracting or Noncontracting.

In addition, Maximum Allowance for Covered Services provided by Contracting or Noncontracting Dentists is determined using many factors, including pre-negotiated payment amounts, a calculation of charges submitted by Contracting Idaho Dentists, and/or a calculation of the average charges submitted by all Idaho Dentists.

Medicaid—Title XIX (Grants to States for Medical Assistance Programs) of the United States Social Security Act as amended.

Medically Necessary (or Medical Necessity)—the Covered Service or supply recommended by the treating Provider to identify or treat an Insured's condition, Disease, Illness or Accidental Injury and which is determined by BCI to be:

1. The most appropriate supply or level of service, considering potential benefit and harm to the Insured.
2. Proven to be effective in improving health outcomes;
   a. For new treatment, effectiveness is determined by peer reviewed scientific evidence;
   b. For existing treatment, effectiveness is determined first by peer reviewed scientific evidence, then by professional standards, then by expert opinion.
3. Not primarily for the convenience of the Insured or Provider.
4. Cost Effective for this condition.

The fact that a Provider may prescribe, order, recommend, or approve a service or supply does not, in and of itself, necessarily establish that such service or supply is Medically Necessary under this Policy.

The term Medically Necessary as defined and used in this Policy is strictly limited to the application and interpretation of this Policy, and any determination of whether a service is Medically Necessary hereunder is made solely for the purpose of determining whether services rendered are Covered Services.

In determining whether a service is Medically Necessary, BCI considers the medical records and, the following source documents: Blue Cross Blue Shield Association Technology Evaluation Center (TEC) assessments, the Blue Cross and Blue Shield Association Medical Policy Reference Manual as adopted by BCI, and Blue Cross of Idaho Medical Policies. BCI also considers, current published medical literature and peer review publications based upon scientific evidence, and evidence-based guidelines developed by national organizations and recognized authorities.

Medicare—Title XVIII (Health Insurance for the Aged and Disabled) of the United States Social Security Act as amended.

Medicare Certified—Centers for Medicare and Medicaid Services (CMS) develops standards that health care organizations must meet in order to begin and continue participating in the Medicare and Medicaid programs. These minimum health and safety standards are the foundation for improving quality and protecting the health and safety of beneficiaries.

These standards are the minimum health and safety requirements that providers and suppliers must meet in order to be Medicare and Medicaid Certified.

Mental Or Nervous Conditions—means and includes mental disorders, mental Illnesses, psychiatric Illnesses, mental conditions, and psychiatric conditions (whether organic or inorganic, whether of biological, nonbiological, chemical or nonchemical origin and irrespective of cause, basis, or inducement). Mental and Nervous Conditions, include but are not limited to: psychoses, neurotic disorders, schizophrenic disorders, affective disorders, personality disorders, and

psychological or behavioral abnormalities associated with transient or permanent dysfunction of the brain or related neurohormonal systems.

Noncontracting Provider—a Professional Provider or Facility Provider that has not entered into a written agreement with BCI regarding payment for Covered Services rendered to an Insured.

Nurse Practitioner—an individual licensed to practice as a Nurse Practitioner.

Occupational Therapist—an individual licensed to practice occupational therapy.

Office Visit—any direct, one-on-one examination and/or exchange, conducted in the Provider's office, between an Insured and a Provider, or members of his or her staff for the purposes of seeking care and rendering Covered Services. For purposes of this definition, a Medically Necessary visit by a Physician to a Homebound Insured's place of residence may be considered an Office Visit.

Open Enrollment Period—an enrollment period, as specified by the Group, when an Enrollee may change benefit plan options, i.e. move from the Traditional plan to the PPO.

Ophthalmologist—a doctor of medicine (M.D.) who is both a medical doctor and a surgeon. The ophthalmologist is licensed to examine, diagnose and treat disorders and diseases of the eye and visual system of the brain, as well as prescribe corrective lenses (glasses or contacts).

Optometrist—a person who is licensed and specializes in optometry to examine, measure and treat certain visual defects by means of corrective lenses or other methods that do not require a license as a physician.

Organ Procurement—Diagnostic Services and medical services to evaluate or identify an acceptable donor for a recipient and a donor's surgical and hospital services directly related to the removal of an organ or tissue for such purpose. Transportation for a donor or for a donated organ or tissue is not an Organ Procurement service.

Orthotic Devices—any rigid or semi-rigid supportive devices that restrict or eliminate motion of a weak or Diseased body part.

Out-Of-Pocket Limit—the amount of Out-of-Pocket expenses incurred during one (1) Benefit Period that an Insured is responsible for paying. Eligible Out-of-Pocket expenses include only the Insured's Deductible and Coinsurance for eligible Covered Services.

Outpatient—an Insured who receives services or supplies while not an Inpatient.

Partial Hospitalization Program—Partial Hospitalization Program (PHP) is a treatment program that provides interdisciplinary medical and psychiatric services. Partial Hospitalization Program (PHP) involves a prescribed course of psychiatric treatment provided on a predetermined and organized schedule and provided in lieu of hospitalization for a patient who does not require full-time hospitalization.

Physical Rehabilitation—Medically Necessary non-acute therapy rendered by qualified health care professionals. Physical Rehabilitation is intended to restore an Insured's physical health and well-being as close as reasonably possible to the level that existed immediately prior to the occurrence of a condition, Disease, Illness, or Accidental Injury.

Physical Rehabilitation Plan Of Treatment—a written plan which describes the services and supplies for the Physical Rehabilitation care and treatment to be provided to an Insured. The written plan must be established and periodically reviewed by an attending Physician.

Physical Therapist—an individual licensed to practice physical therapy.

Physician—a doctor of medicine (M.D.) or doctor of osteopathy (D.O.) licensed to practice medicine.

Physician Assistant—an individual licensed to practice as a Physician Assistant.

Podiatrist—an individual licensed to practice podiatry.

Policy—this Policy, which includes only the Benefits Outline, individual enrollment applications, Insured identification cards, any written endorsements, riders, amendments, or any other written agreements between BCI and the Group executed by an authorized officer of BCI and the Group.

Policy Date—the date specified in this Policy on which coverage commences for the Group (July 1).

Post-Service Claim—any claim for a benefit under this Policy that does not require prior approval or preauthorization before services are rendered.

Preadmission Testing—tests and studies required in connection with an Insured's Inpatient admission to a Licensed General Hospital that are rendered or accepted by the Licensed General Hospital on an Outpatient basis. Preadmission tests and studies must be done prior to a scheduled Inpatient admission to the Licensed General Hospital, provided the services would have been available to an Inpatient of that hospital. Preadmission Testing does not include tests or studies performed to establish a diagnosis.

Prescription Drugs—drugs, biologicals, and compounded prescriptions that are FDA approved and can be dispensed only according to a written prescription given by a Physician and/or duly licensed provider, that are listed with approval in the *United States Pharmacopeia, National Formulary* or *AMA Drug Evaluations* published by the American Medical Association (AMA), that are prescribed for human consumption, and that are required by law to bear the legend: "Caution—Federal Law prohibits dispensing without prescription."

Pre-Service Claim—any claim for a benefit under this Policy that requires prior approval or preauthorization before services are rendered.

Primary Care Giver—a person designated to give direct care and emotional support to an Insured as part of a Hospice Plan of Treatment. A Primary Care Giver may be a spouse, relative, or other individual who has personal significance to the Insured. A Primary Care Giver must be a volunteer who does not expect or claim any compensation for services provided to the Insured.

Prior Authorization—the Provider's or the Insured's request to BCI, or delegated entity, for a medical necessity determination of an Insured's proposed treatment. BCI or the delegated entity may review medical records, test results and other sources of information to make the determination. Prior Authorization is not a determination of benefit coverage. Benefit coverage and eligibility for payment is determined solely by BCI.

Prosthetic and Orthotic Supplier—a person or entity that is licensed, where required, and Medicare Certified (or otherwise acting under the scope of its license)to render Covered Services.

Prosthetic Appliances—Prosthetic Appliances are devices that replace all or part of an absent body organ, including contiguous tissue, or replace all or part of the function of a permanently inoperative or malfunctioning body organ.

Provider—a person or entity that is licensed, where required, to render Covered Services. For the purposes of this Policy, Providers include any facility or individual who provides a Covered Service while operating within the scope of their professional license and applicable state law, unless exempted by federal law.

1. Facility Providers
    - a. Ambulatory Surgical Facility (Surgery Center)
    - b. Alcoholism or Substance Abuse Treatment Facility
    - c. CLIA Certified, Independent Laboratory
    - d. Home Intravenous Therapy Company
    - e. Hospice
    - f. Licensed Rehabilitation Hospital
    - g. Psychiatric Hospital
    - h. Diagnostic Imaging Provider
    - i. Freestanding Diabetes Facility
    - j. Freestanding Dialysis Facility
    - k. Home Health Agency
    - l. Licensed General Hospital
    - m. Prosthetic and Orthotic Supplier

n. Radiation Therapy Center
o. Skilled Nursing Facility

2. Professional Providers
   a. Ambulance Transportation Service
   b. Audiologist
   c. Certified Nurse-Midwife
   d. Certified Registered Nurse Anesthetist
   e. Speech Therapist
   f. Chiropractic Physician
   g. Clinical Nurse Specialist
   h. Clinical Psychologist
   i. Licensed Clinical Professional Counselor (LCPC)
   j. Licensed Clinical Social Worker (LCSW)
   k. Licensed Marriage and Family Therapist (LMFT)
   l. Dentist/Denturist
   m. Durable Medical Equipment Supplier
   n. Licensed Occupational Therapist
   o. Licensed Pharmacist
   p. Licensed Physical Therapist
   q. Nurse Practitioner
   r. Optometrist/Optician
   s. Physician
   t. Physician Assistant
   u. Podiatrist

Psychiatric Hospital—Facility Provider principally engaged in providing diagnostic and therapeutic services and Rehabilitation Services for the Inpatient treatment of Mental or Nervous Conditions, Alcoholism or Substance Abuse or Addiction. These services are provided by or under the supervision of a staff of Physicians, and continuous nursing services are provided under the supervision of a licensed R.N. A Psychiatric Hospital provides these services for compensation from and on behalf of its patients.

Public Employee Retirement System of Idaho (PERSI)—the retirement system for public employees of the State of Idaho as provided for in Idaho Code, Title 59, Chapter 13. Also referred to as the PERSI.

Qualifying Previous And Qualifying Existing Coverage—"Creditable coverage" means, with respect to an individual, health benefits or coverage provided under any of the following;

1. Group health benefit plan;
2. Health insurance coverage without regard to whether the coverage is offered in the group market, the individual market or otherwise;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid);
5. Chapter 55 of Title 10, United States Code (medical and dental care for members and certain former members of the uniformed services and their dependents). For purposes of 55 Title 10, United States Code, "uniformed services" means the armed forces, the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service;
6. A medical care program of the Indian Health Services or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5, United States Code (Federal Employees Health Benefits Program (FEHBP)); \
9. A public health plan, which for purposes of this act, means a plan established or maintained by a state, a foreign country, the U.S. government, or other political subdivision of a state, the U.S. government or foreign country that provides health insurance coverage to individuals enrolled in the plan; or
10. A health benefit plan under section 5 (e) of the Peace Corps Act (22 U.S.C. 2504 (e)).

A State Children's Health Insurance Program (CHIP), under Title XXI of the Social Security Act, is creditable coverage, whether it is a stand-alone separate program, a CHIP Medicaid expansion program, or a combination program, and whether it is provided through a group health plan, health insurance, or any other mechanism.

CMS Insurance Standards Bulletin, Transmittal No. 05-01 clarified that:

"Any public health plan, including a plan established or maintained by the U. S. government, or a foreign country, is creditable coverage for purposes of identifying eligible individuals under Part B of Title XXVII of the Public Health Service Act (PHS Act)".

Radiation Therapy Center—a Facility Provider that is primarily engaged in providing Radiation Therapy Services to patients on an Outpatient basis

Recognized Transplant Center—a Licensed General Hospital that meets any of the following criteria:
1. Is approved by the Medicare program for the requested Transplant Covered Services.
2. Is included in the Blue Cross and Blue Shield System's National Transplant Networks.
3. Has arrangements with another Blue Cross and/or Blue Shield Plan for the delivery of the requested Transplant Covered Services, based on appropriate approval criteria established by that Plan.
4. Is approved by BCI based on the recommendation of BCI's Medical Director.

Rehabilitation (or Rehabilitative)—restoring skills and functional abilities necessary for daily living and skills related to communication that have been lost or impaired due to disease, illness or injury.

Respite Care—care provided to a Homebound Insured as part of a Hospice Plan of Treatment. The purpose of Respite Care is to provide the Primary Care Giver a temporary period of rest from the stress and physical exhaustion involved in caring for the Insured at home.

Residential Treatment Program—a twenty-four (24) hour level of care that provides Insureds with long-term or severe mental disorders or substance abuse-related disorders with residential care. Care includes treatment with a range of diagnostic and therapeutic behavioral health services that cannot be provided through existing community programs.

Skilled Nursing Care—nursing service that must be rendered by or under the direct supervision of a licensed R.N. to maximize the safety of an Insured and to achieve the medically desired result according to the orders and direction of an attending Physician. The following components of Skilled Nursing Care distinguish it from Custodial Care that does not require professional health training:
1. The observation and assessment of the total medical needs of the Insured.
2. The planning, organization, and management of a treatment plan involving multiple services where specialized health care knowledge must be applied in order to attain the desired result.
3. Rendering to the Insured, direct nursing services that require specialized training.

Skilled Nursing Facility—a licensed Facility Provider primarily engaged in providing Inpatient Skilled Nursing Care to patients requiring convalescent care rendered by or under the supervision of a Physician. Other than incidentally, a Skilled Nursing Facility is not a place or facility that provides minimal care, Custodial Care, ambulatory care, or part-time care services; or care or treatment of Mental or Nervous Conditions, Alcoholism, or Substance Abuse or Addiction.

Sound Natural Tooth—for avulsion or traumatic tooth loss, a Sound Natural Tooth is considered to be one in which the existing conditions of the tooth and its supporting structures did not influence the outcome of the Injury in question, is without impairment, including but not limited to periodontal or other conditions, and is not in need of the treatment provided for any reason other than the Accidental Injury.

For injuries related to fracture of the coronal surface, a Sound Natural Tooth is considered to be one which has not been restored by, including but not limited to, a crown, inlay, onlay or porcelain restoration, or treated by endodontics.

Special Care Unit—a designated unit within a Licensed General Hospital that has concentrated facilities, equipment, and support services to provide an intensive level of care for critically ill patients.

Substance Abuse Or Addiction—a behavioral or physical disorder manifested by repeated excessive use of a drug or alcohol to the extent that it interferes with an Insured's health, social, or economic functioning.

Surrogate—An adult woman who enters into an agreement to bear a child conceived through assisted conception for intended parents.

Surgery—within the scope of a Provider's license, the performance of:
1. Generally accepted operative and cutting procedures.
2. Endoscopic examinations and other invasive procedures using specialized instruments.
3. The correction of fractures and dislocations.
4. Customary preoperative and postoperative care.

Temporomandibular Joint (TMJ) Syndrome—jaw joint conditions including temporomandibular joint disorders and craniomandibular disorders, and all other conditions of the joint linking the jaw bone and skull and the complex muscles, nerves, and other tissues relating to that joint.

Therapy Services—Therapy Services include only the following:
1. Radiation Therapy—treatment of Disease by x-ray, radium, or radioactive isotopes.
2. Chemotherapy—treatment of malignant Disease by chemical or biological antineoplastic agents.
3. Renal Dialysis—treatment of an acute or chronic kidney condition, which may include the supportive use of an artificial kidney machine.
4. Physical Therapy—treatment by physical means, hydrotherapy, heat or similar modalities, physical agents, biomechanical and neurophysiological principles, or devices to relieve pain, restore maximum function, or prevent disability following a condition, Disease, Illness, Accidental Injury, or loss of a body part.
5. Respiratory Therapy—treatments introducing dry or moist gases into the lungs.
6. Occupational Therapy—treatment that employs constructive activities designed and adapted for a physically disabled Insured to help him or her satisfactorily accomplish the ordinary tasks of daily living and tasks required by the Insured's particular occupational role.
7. Speech Therapy—corrective treatment of a speech impairment resulting from a condition, Illness, Disease, Surgery, or Accidental Injury; or from Congenital Anomalies, or previous therapeutic processes.
8. Enterostomal Therapy—counseling and assistance provided by a specifically trained enterostomal therapist to Insureds who have undergone a surgical procedure to create an artificial opening into a hollow organ (e.g., colostomy).
9. Growth Hormone Therapy—treatment administered by intramuscular injection to treat children with growth failure due to pituitary disorder or dysfunction.
10. Home Intravenous Therapy (Home Infusion Therapy)—treatment provided in the home of the Insured or other locations outside of a Licensed General Hospital, that is administered via an intravenous, intraspinal, intra-arterial, intrathecal, subcutaneous, enteral, or intramuscular injection or access device inserted into the body, at or under the direction of a Home Health Agency or other Provider approved by BCI.

Totally Disabled (or Total Disability)—as certified in writing by an attending Physician, a condition resulting from Disease, Illness or Accidental Injury causing:
1. An Enrollee's inability to perform the principal duties of the regular employment or occupation for which the Enrollee is or becomes qualified through education, training, or experience; and the Enrollee is not in fact engaged in any work profession, or avocation for fees, gain, or profit; or
2. An enrolled Eligible Dependent to be so disabled and impaired as to be unable to engage in the normal activities of an individual of the same age and gender.

Transplant—surgical removal of a donated organ or tissue and the transfer of that organ or tissue to a recipient.

EXCLUSIONS AND LIMITATIONS SECTION

In addition to the exclusions and limitations listed elsewhere in this Policy, the following exclusions and limitations apply to the entire Policy, unless otherwise specified.

I. General Exclusions and Limitations

There are no benefits for services, supplies, drugs or other charges that are:

A. Not Medically Necessary. If services requiring Prior Authorization by Blue Cross of Idaho are performed by a Contracting Provider and benefits are denied as not Medically Necessary, the cost of said services are not the financial responsibility of the Insured. However, the Insured could be financially responsible for services found to be not Medically Necessary when provided by a Noncontracting Provider.

B. In excess of the Maximum Allowance.

C. For hospital Inpatient or Outpatient care for extraction of teeth or other dental procedures, unless necessary to treat an Accidental Injury or unless an attending Physician certifies in writing that the Insured has a non-dental, life-endangering condition which makes hospitalization necessary to safeguard the Insured's health and life.

D. Not prescribed by or upon the direction of a Physician or other Professional Provider; or which are furnished by any individuals or facilities other than Licensed General Hospitals, Physicians, and other Providers.

E. Investigational in nature.

F. Provided for any condition, Disease, Illness or Accidental Injury to the extent that the Insured is entitled to benefits under occupational coverage, obtained or provided by or through the employer under state or federal Workers' Compensation Acts, or under Employer Liability Acts, or other laws providing compensation for work-related injuries or conditions. This exclusion applies whether or not the Insured claims such benefits or compensation, or recovers losses from a third party.

G. Provided or paid for by any federal governmental entity except when payment under this Policy is expressly required by federal law, or provided or paid for by any state or local governmental entity where its charges therefore would vary, or would be affected by the existence of coverage under this Policy.

H. Provided for any condition, Accidental Injury, Disease or Illness suffered as a result of any act of war or any war, declared or undeclared.

I. Furnished by a Provider who is related to the Insured by blood or marriage and who ordinarily dwells in the Insured's household.

J. Received from a dental, vision, or medical department maintained by or on behalf of an employer, a mutual benefit association, labor union, trust or similar person or group.

K. For Surgery intended mainly to improve appearance or for complications arising from Surgery intended mainly to improve appearance, except for:

1. Reconstructive Surgery necessary to treat an Accidental Injury, infection, or other Disease of the involved part; or
2. Reconstructive Surgery to correct Congenital Anomalies in an Insured who is a dependent child.
3. Benefits for reconstructive Surgery to correct an Accidental Injury are available even though the accident occurred while the Insured was covered under a prior insurer's coverage.

L. Rendered prior to the Insured's Effective Date.

M. For personal hygiene, comfort, beautification (including non-surgical services, drugs, and supplies intended to enhance the appearance), or convenience items or services even if prescribed by a Physician, including but not limited to, air conditioners, air purifiers, humidifiers, physical fitness equipment or programs, spas, hot tubs, whirlpool baths, waterbeds or swimming pools and therapies, including but not limited to, educational, recreational, art, aroma, dance, sex, sleep, electro sleep, vitamin, chelation, homeopathic or naturopathic, massage, or music.

N. For telephone consultations; and all computer or Internet communications, except as specified as a Covered Service in this Policy.

O. For failure to keep a scheduled visit or appointment; for completion of a claim form; or for personal mileage, transportation, food or lodging expenses, unless specified as a Covered Service in this Policy; or for mileage, transportation, food or lodging expenses billed by a Physician or other Professional Provider.

P. For Inpatient admissions that are primarily for Diagnostic Services or Therapy Services; or for Inpatient admissions when the Insured is ambulatory and/or confined primarily for bed rest, special diet, behavioral problems, environmental change, or for treatment not requiring continuous bed care.

Q. For Inpatient or Outpatient Custodial Care; or for Inpatient or Outpatient services consisting mainly of educational therapy, behavioral modification, self-care or self-help training, except as specified as a Covered Service in this Policy.

R. For any cosmetic foot care, including but not limited to, treatment of corns, calluses, and toenails (except for surgical care of ingrown or Diseased toenails).

S. Related to Dentistry or Dental Treatment, even if related to a medical condition; or Orthoptics, eyeglasses or Contact Lenses, or the vision examination for prescribing or fitting eyeglasses or Contact Lenses.

T. For hearing aids or examinations for the prescription or fitting of hearing aids.

U. For any treatment of either gender leading to or in connection with transsexual Surgery, gender transformation, sexual dysfunction, or sexual inadequacy, including erectile dysfunction and/or impotence, even if related to a medical condition, except as specified as a Covered Service in this Policy.

V. Made by a Licensed General Hospital for the Insured's failure to vacate a room on or before the Licensed General Hospital's established discharge hour.

W. Not directly related to the care and treatment of an actual condition, Illness, Disease or Accidental Injury.

X. Furnished by a facility that is primarily a place for treatment of the aged or that is primarily a nursing home, a convalescent home, or a rest home.

Y. For Acute Care, Rehabilitative care, diagnostic testing except as specified as a Covered Service in this Policy; for Mental or Nervous Conditions and Substance Abuse or Addiction services not recognized by the American Psychiatric and American Psychological Associations.

Z. Incurred by an Eligible Dependent child for care or treatment of any condition arising from or related to pregnancy, childbirth, delivery, or an Involuntary Complication of Pregnancy.

AA. Except as specified as a Covered Service in this Policy, for any of the following:

1. For appliances, splints or restorations necessary to increase vertical tooth dimensions or restore the occlusion, except as specified as a Covered Service in this Policy;
2. For orthognathic Surgery, including services and supplies to augment or reduce the upper or lower jaw;

3. For implants in the jaw; for pain, treatment, or diagnostic testing or evaluation related to the misalignment or discomfort of the temporomandibular joint (jaw hinge), including splinting services and supplies, except as specified as a Covered Service in this Policy;
4. For alveolectomy or alveoloplasty when related to tooth extraction.

AB. For weight control or treatment of obesity or morbid obesity, even if Medically Necessary, including but not limited to Surgery for obesity. For reversals or revisions of Surgery for obesity, except when required to correct a life-endangering condition.

AC. For use of operating, cast, examination, or treatment rooms or for equipment located in a Contracting or Noncontracting Provider's office or facility, except for Emergency room facility charges in a Licensed General Hospital, unless specified as a Covered Service in this Policy.

AD. For the reversal of sterilization procedures, including but not limited to, vasovasostomies or salpingoplasties.

AE. Treatment for infertility and fertilization procedures, including but not limited to, ovulation induction procedures and pharmaceuticals, artificial insemination, in vitro fertilization, embryo transfer or similar procedures, or procedures that in any way augment or enhance an Insured's reproductive ability, including but not limited to laboratory services, radiology services or similar services related to treatment for fertility or fertilization procedures. Any expenses, procedures or services related to Surrogate pregnancy, delivery or donor eggs.

AF. For Transplant services and Artificial Organs, except as specified as a Covered Service under this Policy.

AG. For acupuncture.

AH. For surgical procedures that alter the refractive character of the eye, including but not limited to, radial keratotomy, myopic keratomileusis, Laser-In-Situ Keratomileusis (LASIK), and other surgical procedures of the refractive-keratoplasty type, to cure or reduce myopia or astigmatism, even if Medically Necessary, unless specified as a Covered Service in a Vision Benefits Section of this Policy, if any. Additionally, reversals, revisions, and/or complications of such surgical procedures are excluded, except when required to correct an immediately life-endangering condition.

AI. For Hospice, except as specified as a Covered Service in this Policy.

AJ. For pastoral, spiritual, bereavement, or marriage counseling.

AK. For homemaker and housekeeping services or home-delivered meals.

AL. For the treatment of injuries sustained while committing a felony, voluntarily taking part in a riot, or while engaging in an illegal act or occupation, unless such injuries are a result of a medical condition or domestic violence.

AM. For treatment or other health care of any Insured in connection with an Illness, Disease, Accidental Injury or other condition which would otherwise entitle the Insured to Covered Services under this Policy, if and to the extent those benefits are payable to or due the Insured under any medical payments provision, no fault provision, uninsured motorist provision, underinsured motorist provision, or other first party or no fault provision of any automobile, homeowner's, or other similar policy of insurance, contract, or underwriting plan.

In the event Blue Cross of Idaho (BCI) for any reason makes payment for or otherwise provides benefits excluded by the above provisions, it shall succeed to the rights of payment or reimbursement of the compensated Provider, the Insured, and the Insured's heirs and personal representative against all insurers, underwriters, self-insurers, or other such obligors contractually liable or obliged to the Insured, or his or her estate for such services, supplies, drugs or other charges so provided by BCI in connection with such Illness, Disease, Accidental Injury or other condition.

AN. Any services or supplies for which an Insured would have no legal obligation to pay in the absence of coverage under this Policy or any similar coverage; or for which no charge or a different charge is usually made in the absence of insurance coverage or for which reimbursement or payment is contemplated under an agreement entered into with a third party.

AO. For a routine or periodic mental or physical examination that is not connected with the care and treatment of an actual Illness, Disease or Accidental Injury or for an examination required on account of employment; or related to an occupational injury; for a marriage license; or for insurance, school or camp application; or for sports participation physicals; or a screening examination including routine hearing examinations, unless specified as a Covered Service under this Policy.

AP. For immunizations except as provided as a Covered Service under Wellness/Preventive Care Services in this Policy.

AQ. For breast reduction Surgery or Surgery for gynecomastia.

AR. For nutritional supplements, except as specified as a Covered Service in this Policy.

AS. For replacements or nutritional formulas except, when administered enterally due to impairment in digestion and absorption of an oral diet and is the sole source of caloric need or nutrition in an Insured, except as specified as a Covered Service in this Policy.

AT. For vitamins and minerals, unless required through a written prescription and cannot be purchased over the counter, except as specified as a Covered Service in this Policy.

AU. For an elective abortion, except to preserve the life of the female upon whom the abortion is performed, unless benefits for an elective abortion are specifically provided by a separate Endorsement to this Policy.

AV. For alterations or modifications to a home or vehicle.

AW. For special clothing, including shoes (unless permanently attached to a brace).

AX. Provided to a person enrolled as an Eligible Dependent, but who no longer qualifies as an Eligible Dependent due to a change in eligibility status that occurred after enrollment.

AY. Provided outside the United States, which if had been provided in the United States, would not be a Covered Service under this Policy.

AZ. For Outpatient pulmonary and/or Outpatient cardiac Rehabilitation, except as specified as a Covered Service in this Policy.

AAA. For complications arising from the acceptance or utilization of noncovered services.

AAB. For the use of Hypnosis, as anesthesia or other treatment, except as specified as a Covered Service.

AAC. For dental implants, appliances (with the exception of sleep apnea devices), and/or prosthetics, and/or treatment related to Orthodontia, even when Medically Necessary, unless specified as a Covered Service in this Policy.

AAD. For arch supports, orthopedic shoes, and other foot devices.

AAE. Benefits for contraceptives, unless specified as a Covered Service in this Policy.

AAF. For cranial prostheses (wigs).

AAG. For cranial molding helmets, unless used to protect post cranial vault surgery.

AAH. For surgical removal of excess skin that is the result of weight loss or gain, including but not limited to association with prior weight reduction (obesity) surgery.

AAI. For the purchase of Therapy or Service Dogs/Animals and the cost of training/maintaining said animals.

II. Preexisting Condition Waiting Period

There is no preexisting condition waiting period for benefits available under this Policy.

GENERAL PROVISIONS SECTION

I. Entire Policy—Changes

This Policy, which includes only the Benefits Outline, Group application, individual enrollment applications, Insured identification cards, and any written endorsements, riders, amendments or other written agreements, and any policies, terms, conditions, or requirements incorporated by reference at bcidaho.com approved in writing by an authorized Blue Cross of Idaho (BCI) officer, is the entire Policy between the Group and BCI. No agent or representative of BCI, other than a BCI officer, may change this Policy or waive any of its provisions. This Policy supplants and replaces any and all previous oral or written agreements, certificates, contracts, policies or representations, which shall have no further force and effect.

II. Records of Insured Eligibility and Changes in Insured Eligibility

A. The Group shall furnish completed applications or other BCI approved forms required by BCI for it to provide coverage of the Group's Insureds under this Policy. In addition, the Group will provide written notification to BCI within thirty (30) days of the Effective Date of any changes in an Insured's enrollment and benefit coverage status under this Policy.

B. A notification by the Group to BCI must be furnished on BCI approved forms, and according to rules and regulations of BCI. The notification must include all information reasonably required by BCI to effect changes, and must be accompanied by payment of applicable premiums.

III. Termination or Modification of This Policy

A. The Group or BCI may unilaterally terminate or modify the terms of this Policy as required by statutory and/or regulatory changes. Such termination or modification shall be effective immediately or as required by the statutory or regulatory change. BCI shall give the Group written notice of such modification or termination.

B. This Policy may be unilaterally terminated by BCI for any of the following:

1. For the Group's fraud or intentional misrepresentation of a material fact.
2. If BCI elects not to renew all of its Health Benefit Plans delivered or issued for delivery to Large Employers in the state of Idaho. In which case, BCI will provide notice to the Group and its Insureds of such nonrenewal at least one hundred eighty (180) days in advance of the date of nonrenewal.

C. If the Group fails to pay premiums as agreed in the Eligibility and Enrollment Section, this Policy will terminate without notice at the end of the period for which the last premiums were paid. However, if the Group makes premium payments within sixty (60) days after the due date, BCI will reinstate this Policy as of the due date. No benefits are available during this sixty (60)-day period unless all premiums are properly paid before expiration of the sixty (60)-day period.

D. No more than 120 days prior to the date of annual renewal, BCI must provide to the Group a written proposal of renewal rates for the then current benefit plan

IV. Termination or Modification of an Insured's Coverage Under This Policy

A. If an Enrollee ceases to be an Eligible Retiree, the Enrollee's coverage and the coverage of any and all enrolled Eligible Dependents will terminate on the last day of the last month for which payment was made.

B. Except as provided in this paragraph, coverage for an Insured who is no longer eligible under this Policy will terminate on the date an Insured no longer qualifies as an Insured, as defined in the Eligibility and Enrollment Section. Coverage will not terminate because of age for an Insured who is a dependent child incapable of self-sustaining employment by reason of intellectually disability or physical handicap, who became so incapable prior to reaching the age limit, and who is chiefly dependent on the Enrollee for support and maintenance, provided the Enrollee, within thirty-one (31) days of when the dependent child reaches the age limit, has submitted to BCI (at the Enrollee's expense) a Physician's certification of such dependent child's incapacity. BCI may require, at reasonable intervals during the two (2) years following when the child reaches the age limit,

subsequent proof of the child's continuing disability and dependency. After two (2) years, BCI may require such subsequent proof once each year. Coverage for the dependent child will continue so long as this Policy remains in effect, the child's disability and financial dependency exists, and the child has not exhausted benefits.

C. Termination or modification of this Policy automatically terminates or modifies all of the Insured's coverage and rights hereunder. It is the responsibility of the Group to notify all of its Insureds of the termination or any modification of this Policy, and BCI's notice to the Group, upon mailing or any other delivery, constitutes complete and conclusive notice to the Insureds.

D. Except as otherwise provided in this Policy, no benefits are available to an Insured for Covered Services rendered after the date of termination of an Insured's coverage.

E. Prior to legal finalization of an adoption, the coverage provided in this Policy for a child placed for adoption with an Enrollee continues as it would for a naturally born child of the Enrollee until the first of the following events occurs:

1. The date the child is removed permanently from placement and the legal obligation terminates, or
2. The date the Enrollee rescinds, in writing, the agreement of adoption or the agreement assuming financial responsibility.

If one (1) of the foregoing events occurs, coverage terminates on the last day of the month in which such event occurs.

F. Coverage under this Policy will terminate for an Eligible Dependent on the last day of the month he or she no longer qualifies as an Eligible Dependent due to a change in eligibility status.

V. Benefits After Termination of Coverage

A. When this Policy remains in effect but an Insured's coverage terminates for reasons other than those specified in General Provisions IV.E., benefits will be continued:

1. If the Insured is eligible for and properly elects continuation coverage in accordance with the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and any amendments thereto.

   Most employers who employ twenty (20) or more people on a typical business day are subject to COBRA. If the Group is subject to COBRA, an Insured may be entitled to continuation coverage. Insureds should check with the Group for details.
2. For Covered Services of an Insured who is being treated as an Inpatient on the day the Insured's coverage terminates, but only until the Insured is discharged, or the end of the Benefit Period in which coverage terminated, or until benefits are exhausted, whichever occurs first. Benefits for Covered Services are limited to the Inpatient treatment of the condition, Accidental Injury, Disease or Illness causing the Inpatient confinement.

B. When the Group or BCI terminates this Policy, benefits will be continued:

1. For Covered Services of an Insured who is being treated as an Inpatient on the day the Insured's coverage terminates, but only until the Insured is discharged, or the end of the Benefit Period in which coverage terminated, or until benefits are exhausted, whichever occurs first. Benefits for Covered Services are limited to the Inpatient treatment of the condition, Accidental Injury, Disease or Illness causing the Inpatient confinement.
2. For Covered Services directly related to a pregnancy that existed on the date of termination, in accordance with state law and regulations. Such Covered Services are subject to all the terms, limitations, and provisions of this Policy and will be provided for no more than twelve (12) consecutive months following the date coverage terminates or until the conclusion of the pregnancy, or until replacement coverage is in effect according to General Provisions section XXIX. of this Policy, whichever occurs first.
3. For Covered Services directly related to a Total Disability that existed on the date of termination, in accordance with state law and regulations. Such Covered Services are subject to all the terms, limitations, and provisions of this Policy and will be provided for no more

than twelve (12) consecutive months following the date coverage terminates or until the Total Disability ceases, whichever occurs first.

VI. Transfer Privilege

An Insured is eligible to transfer his or her health care coverage to a BCI individual policy if the Insured ceases to be eligible for coverage under this Policy. If an Insured's enrollment status changes as indicated below, the following Insureds may apply for transfer:

A. The Enrollee, if the Enrollee ceases to be an Eligible Retiree as specified in the Eligibility and Enrollment Section. The Enrollee may include enrolled Eligible Dependents in the Enrollee's application for transfer.

B. An enrolled dependent child who ceases to be an Eligible Dependent as specified in the Eligibility and Enrollment Section.

C. The Enrollee's spouse (if an Insured) upon entry of a final decree of divorce or annulment.

D. The Enrollee's enrolled Eligible Dependents upon the Enrollee's death.

To apply for a transfer, the Insured must submit a completed application and the appropriate premium to BCI within thirty (30) days after the loss of eligibility of coverage. If approved, benefits under the new policy are subject to the rates, regulations, terms, and provisions of the new policy.

If the Group or BCI terminates this Policy, and the Group provides another health care plan to its employees effective immediately after the termination of this Policy, no Insured will be entitled to this transfer privilege.

VII. Contract Between BCI and the Group—Description of Coverage

This Policy is a contract between BCI and the Group. BCI will provide the Group with a copy of the Policy. This Policy shall not be construed as a contract between BCI and any Enrollee. BCI's mailing or other delivery of this Policy to the Group constitutes complete and conclusive issuance and delivery thereof to each Enrollee.

VIII. Applicable Law

This Policy shall be governed by and interpreted according to the laws of the state of Idaho. BCI and the Group consent to the jurisdiction of the state courts of Ada County in the state of Idaho in the event of any dispute between them. The rights of the Insureds and coverage under this Policy may be affected by applicable state and federal laws, including without limitation the Health Insurance Portability and Accountability Act.

IX. Notice

Any notice required under this Policy must be in writing. BCI's notices to the Group will be sent to the Group's mailing address or electronic address as they appear on BCI's records, and mailing or any delivery to the Group constitutes complete and conclusive notice to the Insureds. Notice given to BCI must be sent to BCI's address contained in the Group Application. The Group shall give BCI immediate written notice of any change of address for the Group or any of its Insureds. BCI shall give the Group immediate written notice of any change in BCI's address. When BCI is required to give advice or notice, the depositing of such advice or notice with the U.S. Postal Service, regular mail, or the other delivery, including electronic distribution, conclusively constitutes the giving of such advice or notice on the date of such mailing or delivery.

X. Benefits to Which Insureds are Entitled

A. Subject to all of the terms of this Policy, an Insured is entitled to benefits for Covered Services in the amounts specified in the benefit sections and/or in the Benefits Outline.

B. In the event of an Inpatient Admission that occurs prior to the Group's transfer to BCI and the Effective Date of coverage under this Policy, benefits will be provided only when the Insured receives services that are Covered Services under this Policy. The outgoing carrier has primary responsible for providing benefits for the Inpatient treatment from the date of admission until the first of the following events occur:

- The Insured is discharged,
- The Benefit Period under the previous coverage ends, or

- Until benefits under the outgoing carrier's policy are exhausted.

BCI will provide benefits for Covered Services incurred following the Effective Date of coverage reduced by the benefits paid by the outgoing carrier.

C. Benefits will be provided only if Covered Services are prescribed by, or performed by, or under the direction of a Physician or other Professional Provider and are regularly and customarily included in such Covered Providers' charges.

D. Covered Services are subject to the availability of Licensed General Hospitals and other Facility Providers and the ability of the employees of such Providers and of available Physicians to provide such services. BCI shall not assume nor have any liability for conditions beyond its control which affect the Insured's ability to obtain Covered Services.

XI. Notice of Claim

BCI is not liable under this Policy to provide benefits unless a proper claim is furnished to BCI that shows Covered Services have been rendered to an Insured. A claim must be provided within one (1) year from the date a Covered Service is rendered. The claim must include all the data necessary for BCI to determine benefits.

XII. Release and Disclosure of Medical Records and Other Information

In order to effectively apply the provisions of this Policy, BCI may obtain information from Providers and other entities pertaining to any health related services that the Insured may receive or may have received in the past. BCI may also disclose to Providers and other entities, information obtained from the Insured's transactions such as policy coverage, premiums, payment history and claims data necessary to allow the processing of a claim and for other health care operations. To protect the Insured's privacy, BCI treats all information in a confidential manner. For further information regarding BCI's privacy policies and procedures, the Insured may request a copy of BCI's Notice of Privacy Practices by contacting Customer Service at the number provided in this Policy.

Each Insured also authorizes disclosures to the employer, association, trust fund, union, or similar entity to which this Policy is issued for purposes of utilization review or audit and such other disclosures as may be permitted or required by law.

XIII. Exclusion of General Damages

Liability under this Policy for benefits conferred hereunder, including recovery under any claim or breach of this Policy, is limited to the actual benefits for Covered Services as provided herein and shall specifically exclude any claim for general damages, including but not limited to, alleged pain, suffering or mental anguish, or for economic loss, or consequential loss or damages.

XIV. Payment of Benefits

A. The Insured authorizes BCI to make payments directly to Providers rendering Covered Services to the Insured for benefits provided under this Policy. Notwithstanding this authorization, BCI reserves and has the right to make such payments directly to the Insured. Except as provided by law, BCI's right to pay an Insured directly is not assignable by an Insured nor can it be waived without BCI's concurrence nor may the right to receive benefits for Covered Services under this Policy be transferred or assigned, either before or after Covered Services are rendered.

B. Once Covered Services are rendered by a Provider, BCI is not obligated to honor Insured requests not to pay claims submitted by such Provider, and BCI shall have no liability to any person because of its rejection of such request. However, for good cause and in its sole discretion, BCI may nonetheless deny all or any part of any Provider claim.

XV. Insured/Provider Relationship

A. The choice of a Provider is solely the Insured's.

B. BCI does not render Covered Services but only makes payment for Covered Services received by Insureds. BCI is not liable for any act or omission or for the level of competence of any Provider, and BCI has no responsibility for a Provider's failure or refusal to render Covered Services to an Insured.

C. The use or nonuse of an adjective such as Contracting or Noncontracting is not a statement as to the ability of the Provider.

XVI. Participating Plan

BCI may, in its sole discretion, make an agreement with any appropriate entity (referred to as a Participating Plan) to provide, in whole or in part, benefits for Covered Services to Insureds, but it shall have no obligation to do so.

XVII. Coordination of This Policy's Benefits With Other Benefits

This Coordination of Benefits (COB) provision applies when an Insured has health care coverage under more than one (1) Contract. Contract is defined below.

The Order of Benefit Determination Rules govern the order in which each Contract will pay a claim for benefits. The Contract that pays first is called the Primary Contract. The Primary Contract must pay benefits in accordance with its policy terms without regard to the possibility that another Contract may cover some expenses. The Contract that pays after the Primary Contract is the Secondary Contract. The Secondary Contract may reduce the benefits it pays so that payments from all Contracts does not exceed one hundred percent (100%) of the total Allowable Expenses.

A. Definitions

1. A Contract is any of the following that provides benefits or services for medical or dental care or treatment. If separate Contracts are used to provide coordinated coverage for members of a group, the separate Contracts are considered parts of the same Contract and there is no COB among those separate contracts.

   a) Contract includes: group and non-group insurance contracts, health maintenance organization (HMO) contracts, Closed Panel Plans or other forms of group or group type coverage (whether insured or uninsured); medical care components of long-term care contracts, such as skilled nursing care; medical benefits under group or individual automobile contracts; and Medicare or any other federal governmental plan, as permitted by law.

   b) Contract does not include: hospital indemnity coverage or other fixed indemnity coverage; accident only coverage; specified disease or specified accident coverage; limited benefit health coverage, as defined by state law; school accident type coverage; benefit for non-medical components of long-term care policies; Medicare supplement policies; Medicare or any other federal governmental plans, unless permitted by law.

   Each Contract for coverage under a) or b) is a separate Contract. If a Contract has two (2) parts and COB rules apply only to one (1) of the two (2), each of the parts is treated as a separate Contract.

2. This Contract means, in a COB provision, the part of the Contract providing the health care benefits to which the COB provision applies and which may be reduced because of the benefits of other Contracts. Any other part of the Contract providing health care benefits is separate from this plan. A Contract may apply one (1) COB provision to certain benefits, such as dental benefits, coordinating only with similar benefits, any may apply under COB provision to coordinate other benefits.

3. The Order of Benefit Determination Rules determine whether This Contract is a Primary Contract or Secondary Contract when the Insured has health care coverage under more than

one (1) Contract. When This Contract is primary, it determines payment for its benefits first before those of any other Contract without considering any other Contract's benefits. When This Contract is secondary, it determines its benefits after those of another Contract and may reduce the benefits it pays so that all Contract benefits do not exceed one hundred percent (100%) of the total Allowable Expense.

4. Allowable Expense is a health care expense, including Deductibles, Coinsurance and Copayments, that is covered at least in part by any Contract covering the Insured. When a Contract provides benefits in the form of services, the reasonable cash value of each service will be considered an Allowable Expense and a benefit paid. An expense that is not covered by any Contract covering the Insured is not an Allowable Expense. In addition, any expense that a provider by law or in accordance with a contractual agreement is prohibited from charging a covered person is not an Allowable Expense.

   The following are examples of expenses that are not Allowable Expenses:

   a) The difference between the cost of a semi-private hospital room and a private hospital room is not an Allowable Expense, unless one of the Contracts provides coverage for private hospital room expenses.

   b) If an Insured is covered by two (2) or more Contracts that compute their benefit payments on the basis of usual and customary fees or relative value schedule reimbursement methodology, or other similar reimbursement methodology, any amount in excess of the highest reimbursement amount for a specific benefit is not an Allowable Expense.

   c) If an Insured is covered by two (2) or more Contracts that provide benefits or services on the basis of negotiated fees, an amount in excess of the highest of the negotiated fees it not an Allowable Expense.

   d) If an Insured is covered by one (1) Contract that calculates its benefits or services on the basis of usual and customary fees or relative value schedule reimbursement methodology or other similar reimbursement methodology and another Contract that provides its benefits or services on the basis of negotiated fees, the Primary Contract's payment arrangement shall be the Allowable Expense for all Contracts. However, if the provider has contracted with the Secondary Contract to provide the benefit or service for a specific negotiated fee or payment amount that is different than the Primary Contract's payment arrangement and if the provider's contract permits, the negotiated fee or payment shall be the Allowable Expense used by the Secondary Contract to determine its benefits.

   e) The amount of any benefit reduction by the Primary Contract because a covered person has failed to comply with the Contract provisions is not an Allowable Expense. Examples of these types of Contract provisions include second surgical opinions, pre-certificate of admissions, and preferred provider arrangements.

5. Closed Panel Plan is a Contract that provides health care benefits to covered persons primarily in the form of services through a panel of providers that have contracted with or are employed by the Group, and that excludes coverage for services provided by other providers, except in cases of emergency or referral by a panel member.

6. Custodial Parent is the parent awarded custody by a court decree or, in the absence of a court decree, is the parent with whom the child resides more than one half of the calendar year excluding any temporary visitation.

B. Order Of Benefit Determination Rules

When an Insured is covered by two (2) or more Contracts, the rules for determining the order of benefit payments are as follows:

1. The Primary Contract pays or provides its benefits according to its terms of coverage and without regard to the benefits of any other Contract.

2. a) Except as provided in Paragraph 2.b) below, a Contract that does not contain a coordination of benefits provision that is consistent with this regulation is always primary unless the provisions of both Contracts state that the complying Contract is primary.

   b) Coverage that is obtained by virtue of membership in a group that is designed to supplement a part of a basic package of benefits and provides that this supplementary coverage shall be excess to any other parts of the Contract provided by the Contract holder. Examples of these types of situations are major medical coverages that are superimposed over base plan hospital and surgical benefits, and insurance type coverages that are written in connection with a Closed Panel Plan to provide out-of-network benefits.

3. A Contract may consider the benefits paid or provided by another Contract in calculating payment of its benefits only when it is secondary to that other Contract.

4. Each Contract determines its order of benefits using the first of the following rules that apply:

   a) Non-Dependent or Dependent. The Contract that covers the Insured other than as a dependent, for example as an employee, member, policyholder, subscriber or retiree is the Primary Contract and the Contract that covers the Insured as a dependent is the Secondary Contract. However, if the Insured is a Medicare beneficiary and, as a result of federal law, Medicare is secondary to the Contract covering the Insured as a dependent; and primary to the Contract covering the Insured as other than a dependent (e.g. a retired employee); then the order of benefits between the two Contracts is reversed so that the Contract covering the Insured as an employee, member, policyholder, subscriber or retiree is the Secondary Contract and the other Contract is the Primary Contract.

   b) Dependent Child Covered Under More Than One Contract. Unless there is a court decree stating otherwise, when a dependent child is covered by more than one Contract the order of benefits is determined as follows:

      (1) For a dependent child whose parents are married or are living together, whether or not they have ever been married: The Contract of the parent whose birthday falls earlier in the calendar year is the Primary Contract; or If both parents have the same birthday, the Contract that has covered the parent the longest is the Primary Contract.

      (2) For a dependent child whose parents are divorced or separated or not living together, whether or not they have ever been married:

         i. If a court decree states that one of the parents is responsible for the dependent child's health care expenses or health care coverage and the Contract of that parent has actual knowledge of those terms, that Contract is primary. This rule applies toContract year commencing after the Contract is given notice of the court decree;

         ii. If a court decree states both parents have joint custody without specifying that one parent has responsibility for the health care expenses or health care coverage, the provisions of Subparagraph (1) above shall determine the order of benefits;

         iii. If a court decree states that the parents have joint custody without specifying that one parent has responsibility for the health care expenses or health care coverage of the dependent child, the provisions of Subparagraph (1) shall determine the order of benefits; or

iv. If there is no court decree allocating responsibility for the dependent child's health care expenses or health care coverage, the order of benefits for the child are as follows:
1. The Contract covering the Custodial Parent;
2. The Contract covering the spouse of the Custodial Parent;
3. The Contract covering the non-Custodial Parent; and then
4. The Contract covering the spouse of the non-Custodial Parent.

For a dependent child covered under more than one Contract of individuals who are not the parents of the child, the provisions of Subparagraph (1) or (2) above shall determine the order of benefits as if those individuals were the parents of the child.

c) Active Employee or Retired or Laid-off Employee. The Contract that covers an Insured as an active employee, that is, an employee who is neither laid off nor retired, is the Primary Contract. The Contract covering that same Insured as a retired or laid-off employee is the Secondary Contract. The same would hold true if an Insured is a dependent of an active employee and that same Insured is a dependent of a retired or laid-off employee. If the other Contract does not have this rule, and as a result, the Contracts do not agree on the order of benefits, this rule is ignored. This rule does not apply if the rule labeled 4.a) can determine the order of benefits.

d) COBRA or State Continuation Coverage. If an Insured whose coverage is provided pursuant to COBRA or under a right of continuation provided by state or other federal law is covered under another Contract, the Contract covering the Insured as an employee, member, subscriber or retiree or covering the Insured as a dependent of an employee, member, subscriber or retiree is the Primary Contract and the COBRA or state or other federal continuation coverage is the Secondary Contract. If the other Contract does not have this rule, and as a result, the Contracts do not agree on the order of benefits, this rule is ignored. This rule does not apply if the rule labeled 4.a) can determine the order of benefits.

e) Longer or Shorter Length of Coverage. The Contract that covered the Insured as an employee, member, policyholder, subscriber, or retiree longer is the Primary Contract and the Contract that covered the Insured the shorter period of time is the Secondary Contract.

f) If the preceding rules do not determine the order of benefits, the Allowable Expenses shall be shared equally between the Contracts meeting the definition of Contract. In addition, This Contract will not pay more than it would have paid had it been the Primary Contract.

C. Effect On The Benefits Of This Contract

1. When This Contract is secondary, it may reduce its benefits so that the total benefits paid or provided by all Contracts during a Contract year are not more than the total Allowable Expenses. In determining the amount to be paid for any claim, the Secondary Contract will calculate the benefits it would have paid in the absence of other health care coverage and apply that calculated amount to any Allowable Expense under its Contract that is unpaid by the Primary Contract. The Secondary Contract may then reduce its payment by the amount so that, when combined with the amount paid by the Primary Contract, the total benefits paid or provided by all Contracts for the claim do not exceed the total Allowable Expenses for that claim. In addition, the Secondary Contract shall credit to its Contract deductible any amounts it would have credited to its deductible in the absence of other health care coverage.

2. If a covered person is enrolled in two or more Closed Panel Plans and if, for any reason, including the provision of service by a non-panel provider, benefits are not payable by one Closed Panel Plan, COB shall not apply between that Contract and other Closed Panel Plans.

D. Facility Of Payment

A payment made under another Contract may include an amount that should have been paid under This Contract. If it does, BCI may pay that amount to the organization that made that payment. That amount will then be treated as though it were a benefit paid under This Contract. BCI will not have to pay that amount again. The term "payment made" includes providing benefits in the form of services, in which case "payment made" means the reasonable cash value of the benefits provided in the form of services.

E. Right Of Recovery

If the amount of the payments made by BCI is more than it should have paid under this COB provision, it may recover the excess from one or more of the Insureds it has paid or for whom it has paid; or any other Insured or organization that may be responsible for the benefits or services provided for the covered Insured. The "amount of the payments made" includes the reasonable cash value of any benefits provided in the form of services.

XVIII. Benefits for Medicare Eligibles Who are Covered Under This Policy

A. If the Group has twenty (20) or more employees, any Eligible Employee or spouse of an Eligible Employee who becomes or remains an Insured of the Group covered by this Policy after becoming eligible for Medicare (due to reaching age sixty-five (65)) is entitled to receive the benefits of this Policy as primary.

B. If the Group has one hundred (100) or more employees or the Group is an organization which includes an employer with one hundred (100) or more employees, any Eligible Employee, spouse of an Eligible Employee or dependent child of an Eligible Employee who becomes or remains an Insured of the Group covered by this Policy after becoming eligible for Medicare due to disability is entitled to receive the benefits of this Policy as primary.

C. An Insured eligible for Medicare based solely on end stage renal Disease is entitled to receive the benefits of this Policy as primary for eighteen (18) months only, beginning with the month of Medicare entitlement, if Medicare entitlement is effective before March 1, 1996. If Medicare entitlement is effective on or after March 1, 1996, the Insured is entitled to receive the benefits of this Policy as primary for thirty (30) months only, beginning with the month of Medicare entitlement.

D. The Group's retirees, if covered under this Policy, and Eligible Retirees or spouses of Eligible Retirees who are not subject to paragraphs A., B. or C. of this provision and who are Medicare eligible, will receive the benefits of this Policy reduced by any benefits available under Medicare. This applies even if the Insured fails to enroll in Medicare or does not claim the benefits available under Medicare.

E. If an Insured receives Covered Services from a Provider who has opted out of Medicare, based on the Medicare Beneficiary Freedom to Contract Act, and the Insured has entered into a private contract with the Provider, this Policy will remain secondary and pay benefits as if Medicare had made a payment.

XIX. Indemnity by the Group and Blue Cross of Idaho

Anything contained in this Policy notwithstanding, including any limitation on damages, the Group and BCI agree to defend, indemnify and hold harmless the other from and against any claim, demand, expense, loss, damage, cost, judgment, fee or liability the other receives, incurs or sustains that is caused by or arises out of any negligent act or omission of the indemnifying party related to this Policy. The indemnification obligation of the Group is subject to the limitations of the Idaho Tort Claims Act, including dollar amounts.

XX. Incorporated by Reference

All of the terms, limitations and exclusions of coverage contained in this Policy are incorporated by reference into all sections, endorsements, riders, and amendments and are as effective as if fully expressed in each one unless specifically noted to the contrary.

XXI. Inquiry and Appeals Procedures

A. Informal Inquiry

For any initial questions concerning a claim, an Insured should call or write BCI's Customer Service Department. BCI's phone numbers and addresses are listed on the Explanation of Benefits (EOB).

B. Formal Appeal

An Insured who wishes to formally appeal a Pre-Service Claim decision by BCI may do so through the following process:

1. A written appeal must be sent to the Appeals and Grievance Coordinator within one hundred eighty (180) days after receipt of the notice of Adverse Benefit Determination. Urgent claim appeals, and the documents in support of such appeals may be submitted by phone or facsimile. The appeal should set forth the reasons why the Insured contends BCI's decision was incorrect. Any written comments, documents or other relevant information may be submitted with the appeal.
2. After receipt of the appeal, all facts, including those originally used in making the initial decision and any additional information that is sent or that is otherwise relevant, will be reviewed by a BCI Medical Director or physician designee. For non-urgent claim appeals, BCI will mail a written reply to the Insured within fifteen (15) days after receipt of the written appeal. Urgent claim appeals will be notified orally within seventy-two (72) hours. If the original decision is upheld, the reply will state the specific reasons for denial and the specific provisions on which the decision is based. Each appeal will be processed as quickly as possible taking into account the medical exigencies of each claim.
3. Furthermore, the Insured or their authorized representative has the right to reasonable access to, and copies of all documents, records, and other information that are relevant to the appeal.
4. If the original, non-urgent claim decision is upheld upon reconsideration, the Insured may send an additional written appeal to the Appeals and Grievance Coordinator requesting further review. This appeal must set forth the reasons for requesting additional reconsideration and must be sent within thirty (30) days of BCI's mailing of the initial reconsideration decision. A BCI Medical Director who is not subordinate to the Medical Director or physician designee who decided the initial appeal, will issue a final decision after consideration of all relevant information. A final decision on the appeal will be made within fifteen (15) days of its receipt.

C. An Insured who wishes to formally appeal a Post-Service Claims decision by BCI may do so through the following process:

1. A written appeal must be sent to the Appeals and Grievance Coordinator within one hundred eighty (180) days after receipt of the notice of Adverse Benefit Determination. This written appeal should set forth the reasons why the Insured contends BCI's decision was incorrect. Any written comments, documents or other relevant information may be submitted with the appeal.
2. After receipt of the written appeal, all facts, including those originally used in making the initial decision and any additional information that is sent or that is otherwise relevant, will be reviewed by a BCI Medical Director, or physician designee if the appeal requires medical judgment. BCI shall mail a written reply to the Insured within thirty (30) days after receipt of the written appeal. If the original decision is upheld, the reply will list the specific reasons for denial and the specific provisions on which the decision is based. Each appeal will be processed as quickly as possible.
3. Furthermore, the Insured or their authorized representative has the right to reasonable access to, and copies of all documents, records, and other information that are relevant to the appeal.
4. If the original decision is upheld upon reconsideration, the Insured may send an additional written appeal to the Appeals and Grievance Coordinator requesting *further review*. This appeal must set forth the reasons for requesting additional reconsideration and must be sent within sixty (60) days of BCI's mailing of the initial reconsideration decision. A BCI Medical Director who is not subordinate to the Medical Director or physician designee who decided the initial appeal, will issue a final decision after consideration of all relevant information, if the appeal requires medical judgment. A final decision on the appeal will be made within thirty (30) days of its receipt. If the appeal does not require medical judgment, a BCI Vice President who did not decide the initial appeal will issue the decision.

D. Insured's Rights to an Independent External Review

Please read this carefully. It describes a procedure for review of a disputed health claim by a qualified professional who has no affiliation with BCI. If an Insured or their authorized representative requests an independent external review of a claim, the decision made by the independent reviewer will be binding and final on BCI. The Insured or their authorized representative will have the right to further review the claim by a court, arbitrator, mediator or other dispute resolution entity only if your plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), as more fully explained below under "Binding Nature of the External Review Decision."

If BCI issues a final Adverse Benefit Determination of an Insured's request to provide or pay for a health care service or supply, an Insured may have the right to have BCI's decision reviewed by health care professionals who have no association with BCI. An Insured has this right only if BCI's denial decision involved:

- The Medical Necessity, appropriateness, health care setting, level of care, or effectiveness of an Insured's health care service or supply, or
- BCI's determination that an Insured's health care service or supply was Investigational.

An Insured must first exhaust BCI's internal grievance and appeal process. Exhaustion of that process includes completing all levels of appeal. Exhaustion of the appeals process is not required if BCI failed to respond to a standard appeal within thirty-five (35) days in writing or to an urgent appeal within three business days of the date the Insured filed the appeal, unless the Insured requested or agreed to a delay. BCI may also agree to waive the exhaustion requirement for an external review request. The Insured may file for an internal urgent appeal with BCI and for an expedited external review with the Idaho Department of Insurance at the same time if the Insured's request qualifies as an "urgent care request" defined below.

An Insured may submit a written request for an external review to:

Idaho Department of Insurance
ATTN: External Review
700 W State St, 3rd Floor
Boise ID 83720-0043

For more information and for an external review request form:

- See the department's web site, www.doi.idaho.gov, or
- Call the department's telephone number, (208) 334-4250, or toll-free in Idaho, 1-800-721-3272.

An Insured may act as their own representative in a request or an Insured may name another person, including an Insured's treating health care provider, to act as an authorized representative for a request. If an Insured wants someone else to represent them, an Insured must include a signed "Appointment of an Authorized Representative" form with the request. An Insured's written external review request to the Department of Insurance must include a completed form authorizing the release of any medical records the independent review organization may require to reach a decision on the external review, including any judicial review of the external review decision pursuant to ERISA, if applicable. The department will not act on an external review request without an Insured's completed authorization form. If the request qualifies for external review, BCI's final Adverse Benefit Determination will be reviewed by an independent review organization selected by the Department of Insurance. BCI will pay the costs of the review.

Standard External Review Request: An Insured must file a written external review request with the Department of Insurance within four (4) months after the date BCI issues a final notice of denial.

1. Within seven (7) days after the Department of Insurance receives the request, the Department of Insurance will send a copy to BCI.

2. Within fourteen (14) days after BCI receives the request from the Department of Insurance, we will review the request for eligibility. Within five (5) business days after BCI completes that review, we will notify the Insured and the Department of Insurance in writing if the request is eligible or what additional information is needed. If BCI denies the eligibility for review, the Insured may appeal that determination to the Department.
3. If the request is eligible for review, the Department of Insurance will assign an independent review organization to your review within seven (7) days of receipt of BCI's notice. The Department of Insurance will also notify the Insured in writing.
4. Within seven (7) days of the date you receive the Department of Insurance's notice of assignment to an independent review organization, The Insured may submit any additional information in writing to the independent review organization that they want the organization to consider in its review.
5. The independent review organization must provide written notice of its decision to the Insured, BCI and to the Department of Insurance within forty-two (42) days after receipt of an external review request.

Expedited External Review Request: An Insured may file a written "urgent care request" with the Department of Insurance for an expedited external review of a pre-service or concurrent service denial. The Insured may file for an internal urgent appeal with BCI and for an expedited external review with the Idaho Department of Insurance at the same time.

"Urgent care request" means a claim relating to an admission, availability of care, continued stay or health care service for which the covered person received emergency services but has not been discharged from a facility, or any Pre-Service Claim or concurrent care claim for medical care or treatment for which application of the time periods for making a regular external review determination:

1. Could seriously jeopardize the life or health of the Insured or the ability of the Insured to regain maximum function;
2. In the opinion of the Provider with knowledge of the covered person's medical condition, would subject the Insured to severe pain that cannot be adequately managed without the disputed care or treatment; or
3. The treatment would be significantly less effective if not promptly initiated.

The Department of Insurance will send your request to us. BCI will determine, no later than the second (2nd) full business day, if the request is eligible for review. BCI will notify the Insured and the Department of Insurance no later than one (1) business day after BCI's decision if the request is eligible. If BCI denies the eligibility for review, the Insured may appeal that determination to the Department of Insurance.

If the request is eligible for review, the Department of Insurance will assign an independent review organization to the review upon receipt of BCI's notice. The Department of Insurance will also notify the Insured. The independent review organization must provide notice of its decision to the Insured, BCI and to the Department of Insurance within seventy-two (72) hours after the date of receipt of the external review request. The independent review organization must provide written confirmation of its decision within forty-eight (48) hours of notice of its decision. If the decision reverses BCI's denial, BCI will notify the Insured and the Department of Insurance of BCI's intent to pay for the covered benefit as soon as reasonably practicable, but not later than one (1) business day after receiving notice of the decision.

Binding Nature of the External Review Decision:
If the Group is subject to the federal Employee Retirement Income Security Act (ERISA) laws (generally, any plan offered through an employer to its employees), the external review decision by the independent review organization will be final and binding on BCI. The Insured may have additional review rights provided under federal ERISA laws.

If the Group is not subject to ERISA requirements, the external review decision by the independent review organization will be final and binding on both BCI and the Insured. **This means that if the Insured elects to request external review, the Insured will be bound by the decision of the**

independent review organization. The Insured will not have any further opportunity for review of BCI's denial after the independent review organization issues its final decision. If the Insured chooses not to use the external review process, other options for resolving a disputed claim may include mediation, arbitration or filing an action in court.

Under Idaho law, the independent review organization is immune from any claim relating to its opinion rendered or acts or omissions performed within the scope of its duties unless performed in bad faith or involving gross negligence.

XXII. Plan Administrator—COBRA

BCI is not the plan administrator for compliance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and any amendments to it. Except for services BCI has agreed to perform regarding COBRA, the Group is responsible for satisfaction of notice, disclosure, and other obligations if these laws are applicable to the Group.

XXIII. Reimbursement of Benefits Paid by Mistake

If BCI mistakenly makes payment for benefits on behalf of an Enrollee or his or her Eligible Dependent(s) that the Enrollee or his or her Eligible Dependent(s) is not entitled to under this Policy, the Enrollee must reimburse the erroneous payment to BCI.

The reimbursement is due and payable as soon as BCI notifies the Enrollee and requests reimbursement. BCI may also recover such erroneous payment from any other person or Provider to whom the payments were made. If reimbursement is not made in a timely manner, BCI may reduce benefits or reduce an allowance for benefits as a set-off toward reimbursement.

Even though BCI may elect to continue to provide benefits after mistakenly paying benefits, BCI may still enforce this provision. This provision is in addition to, not instead of, any other remedy BCI may have at law or in equity.

XXIV. Subrogation and Reimbursement Rights and Obligations of Blue Cross of Idaho

The benefits of this Policy will be available to an Insured when he or she is injured, suffers harm or incurs loss due to any act, omission, or defective or unreasonably hazardous product or service of another person, firm, corporation or entity (hereinafter referred to as "third party"). To the extent that such benefits for Covered Services are provided or paid for by Blue Cross of Idaho under this Policy or any other Blue Cross of Idaho plan, agreement, certificate, contract or policy, Blue Cross of Idaho shall be subrogated and succeed to the rights of the Insured or, in the event of the Insured's death, to the rights of his or her heirs, estate, and/or personal representative.

As a condition of receiving benefits for Covered Services in such an event, the Insured or his or her personal representative shall furnish Blue Cross of Idaho in writing with the names and addresses of the third party or parties that caused or are responsible, or may have caused or may be responsible for such injury, harm or loss, and all facts and information known to the Insured or his or her personal representative concerning the injury, harm or loss.

Blue Cross of Idaho may at its option elect to enforce either or both of its rights of subrogation and reimbursement.

Subrogation is taking over the Insured's right to receive payments from other parties. The Insured or his or her legal representative will transfer to Blue Cross of Idaho any rights he or she may have to take legal action arising from the injury, harm or loss to recover any sums paid on behalf of the Insured. Thus, Blue Cross of Idaho may initiate litigation at its sole discretion, in the name of the Insured, against any third party or parties. Furthermore, the Insured shall fully cooperate with Blue Cross of Idaho in its investigation, evaluation, litigation and/or collection efforts in connection with the injury, harm or loss and shall do nothing whatsoever to prejudice Blue Cross of Idaho's subrogation rights and efforts. Blue Cross of Idaho will be reimbursed in full for all benefits paid even if the Insured is not made whole or fully compensated by the recovery. Moreover, Blue Cross of Idaho is not responsible for any attorney's fees or other expenses or costs incurred by the Insured without prior written consent of Blue Cross of Idaho and, therefore, the "common fund" doctrine does not apply to any amounts recovered by any attorney the Insured hires regardless of whether amounts recovered are used to repay benefits paid by Blue Cross of Idaho, or otherwise.

Additionally, Blue Cross of Idaho may at its option elect to enforce its right of reimbursement from the Insured, or his or her legal representative, of any benefits paid from monies recovered as a result of the injury, harm or loss. The Insured shall fully cooperate with Blue Cross of Idaho in its investigation, evaluation, litigation and/or collection efforts in connection with the injury, harm or loss and shall do nothing whatsoever to prejudice Blue Cross of Idaho's reimbursement rights and efforts.

The Insured shall pay Blue Cross of Idaho as the first priority, and Blue Cross of Idaho shall have a constructive trust and an equitable lien on, all amounts from any recovery by suit, settlement or otherwise from any third party or parties or from any third party's or parties' insurer(s), indemnitor(s) or underwriter(s), to the extent of benefits provided by Blue Cross of Idaho under this Policy, regardless of how the recovery is allocated (*i.e.*, pain and suffering) and whether the recovery makes the Insured whole. Thus, Blue Cross of Idaho will be reimbursed by the Insured, or his or her legal representative, from monies recovered as a result of the injury, harm or loss, for all benefits paid even if the Insured is not made whole or fully compensated by the recovery. Moreover, Blue Cross of Idaho is not responsible for any attorney's fees or other expenses or costs incurred by the Insured without prior written consent of Blue Cross of Idaho and, therefore, the "common fund" doctrine does not apply to any amounts recovered by any attorney the Insured hires regardless of whether amounts recovered are used to repay benefits paid by Blue Cross of Idaho, or otherwise.

To the extent that Blue Cross of Idaho provides or pays benefits for Covered Services, Blue Cross of Idaho's rights of subrogation and reimbursement extend to any right the Insured has to recover from the Insured's insurer, or under the Insured's "Medical Payments" coverage or any "Uninsured Motorist," "Underinsured Motorist," or other similar coverage provisions, and workers' compensation benefits.

Blue Cross of Idaho shall have the right, at its option, to seek reimbursement from, or enforce its right of subrogation against, the Insured, the Insured's personal representative, a special needs trust, or any trust, person or vehicle that holds any payment or recovery from or on behalf of the Insured including the Insured's attorney.

Blue Cross of Idaho's subrogation and reimbursement rights shall take priority over the Insured's rights both for expenses already incurred and paid by Blue Cross of Idaho for Covered Services, and for benefits to be provided or payments to be made by Blue Cross of Idaho in the future on account of the injury, harm or loss giving rise to Blue Cross of Idaho's subrogation and reimbursement rights. Further, Blue Cross of Idaho's subrogation and reimbursement rights for incurred expenses and/or future expenses yet to be incurred are primary and take precedence over the rights of the Insured, even if there are deficiencies in any recovery or insufficient financial resources available to the third party or parties to totally satisfy all of the claims and judgments of the Insured and Blue Cross of Idaho.

Collections or recoveries made in excess of such incurred Blue Cross of Idaho expenses shall first be allocated to such future Blue Cross of Idaho expenses, and shall constitute a special Deductible applicable to such future benefits and services under this or any subsequent Blue Cross of Idaho policy. Thereafter, Blue Cross of Idaho shall have no obligation to make any further payment or provide any further benefits until the benefits equal to the special Deductible have been incurred, delivered, and paid by the Insured.

XXV. Independent Blue Cross and Blue Shield Plans

The Group (on behalf of itself and its participants), hereby expressly acknowledges its understanding this Policy constitutes a contract solely between the Group and BCI, which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans (the "Association"), permitting BCI to use the Blue Cross and Blue Shield Service Marks in the state of Idaho, and that BCI is not contracting as the agent of the Association. The Group, on behalf of itself and its participants, further acknowledges and agrees that it has not entered into this Policy based upon representations by any person, entity, or organization other than BCI and that no person, entity, or organization other than BCI shall be held accountable or liable to the Group for any of BCI's obligations to the Group created under this Policy. This paragraph shall not create any additional obligations whatsoever on the part of BCI other than those obligations created under other provisions of this Policy or by applicable law.

XXVI. Statements

In the absence of fraud, all statements made by an applicant, or the policyholder, or by an enrolled person shall be deemed representations and not warranties, and no statement made for the purpose of acquiring insurance shall void such insurance or reduce benefits unless contained in a written instrument signed by the policyholder or the enrolled person.

XXVII. Membership, Voting, Annual Meeting and Participation

The Group, as the policyholder, is a member of BCI and is entitled to vote in person or by proxy at the meetings of policyholders. The Group shall designate to BCI in writing the person who has the right to vote in person or by proxy on behalf of the Group. The annual meeting of policyholders of BCI is held on the last Friday of April of each year at 2:00 p.m., at the corporation's registered office, 3000 East Pine Avenue, Meridian, Idaho. This notice shall be sufficient as to notification of such annual meetings. If any dividends are distributed, the policyholders shall share in them according to the articles of incorporation and bylaws of BCI and under the conditions set by the board of directors of BCI.

XXVIII. Out-of-Area Services

Blue Cross of Idaho (BCI) has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Programs." Whenever Enrollees access healthcare services outside the geographic area BCI serves, the claim for those services may be processed through one of these Inter-Plan Programs and presented to BCI for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Programs available to Enrollees under this Policy are described generally below.

Typically, Enrollees, when accessing care outside the geographic area BCI serves, obtain care from healthcare Providers that have a contractual agreement (i.e., are "participating Providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, Enrollees may obtain care from non-participating healthcare Providers. BCI payment practices in both instances are described below.

A. BlueCard® Program

Under the BlueCard® Program, when Enrollees access covered healthcare services within the geographic area served by a Host Blue, BCI will remain responsible to the Group for fulfilling BCI contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its participating healthcare Providers. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, our action will be consistent with the spirit of this description.

Liability Calculation Method Per Claim

The calculation of the Enrollee liability on claims for covered healthcare services processed through the BlueCard Program will be based on the lower of the participating healthcare Provider's billed covered charges or the negotiated price made available to BCI by the Host Blue.

Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's healthcare Provider contracts. The negotiated price made available to BCI by the Host Blue may represent a payment negotiated by a Host Blue with a healthcare Provider that is one of the following:

(i) an actual price. An actual price is a negotiated payment without any other increases or decreases, or

(ii) an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the Provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, Provider refunds not applied on a claim-specific basis, retrospective settlements, and performance-related bonuses or incentives; or

(iii) an average price. An average price is a percentage of billed covered charges representing the aggregate payments negotiated by the Host Blue with all of its healthcare Providers or a similar classification of its Providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices (i.e., prospective adjustments may mean that a current price reflects additional amounts or credits for claims already paid to Providers or anticipated to be paid to or received from Providers). However, the amount paid by the Enrollee is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims. The BlueCard Program requires that the price submitted by a Host Blue to BCI is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

A small number of states require a Host Blue either (i) to use a basis for determining Enrollee liability for covered healthcare services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (ii) to add a surcharge. Should the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, BCI would then calculate Enrollee liability in accordance with applicable law.

Return of Overpayments
Under the BlueCard Program, recoveries from a Host Blue or its participating healthcare Providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare Provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a claim-by-claim or prospective basis.

B. Non-Participating Healthcare Providers Outside BCI Service Area
Please refer to the Additional Amount of Payment Provisions section in this Policy.

XXIX. Replacement Coverage
If this Policy replaces prior Group coverage within sixty (60) days of the date of termination of prior coverage, BCI shall immediately cover all employees and dependents validly covered under the prior coverage at the date of termination who meet the Group's eligibility requirements and who would otherwise be eligible for coverage under this Policy, regardless of any exclusions or limitations relating to active employment or nonconfinement.

The previous paragraph is subject to all other provisions of Idaho Code Section 41-2215, including BCI's right to deduct from any benefits becoming payable under this Policy the amount of benefits under the prior Group coverage pursuant to an extension of benefits provision for Insureds who are Totally Disabled.

XXX. Individual Benefits Management
Individual Benefits Management allows BCI to provide alternative benefits in place of specified Covered Services when alternative benefits allow the Insured to achieve optimum health care in the most cost-effective way.

The decision to allow alternative benefits will be made by BCI in its sole and absolute discretion on a case-by-case basis. BCI may allow alternative benefits in place of specified Covered Services when an Insured, or the Insured's legal guardian and his or her Physician concur in the request for and the advisability of alternative benefits. BCI reserves the right to modify, limit, or cease providing alternative benefits at any time.

A determination to cover alternative benefits for an Insured shall not be deemed to waive, alter, or affect BCI's right to reject any other requests or recommendations for alternative benefits.

XXXI. Coverage and Benefits Determination
BCI is vested with authority and discretion to determine whether a claim for benefits is covered under the terms of this Policy, based on all the terms and provisions set forth in this Policy, and also to determine the amount of benefits owed on claims which are covered.

XXXII. Health Care Providers Outside the United States

The benefits available under this Policy are also available to Insureds traveling or living outside the United States. The Inpatient Notification and Prior Authorization requirements will apply. If the Provider is a Contracting Provider with BlueCard, the Contracting Provider will submit claims for reimbursement on behalf of the Insured. Reimbursement for Covered Services will be made directly to the Contracting Provider. If the Health Care Provider does not participate with BlueCard, the Insured will be responsible for payment of services and submitting a claim for reimbursement to BCI. BCI will require the original claim along with an English translation. It is the Insured's responsibility to provide this information.

BCI will reimburse covered Prescription Drugs purchased outside the United States by Insureds who live outside the United States where no suitable alternative exists. Reimbursement will also be made in instances where Insureds are traveling and new drug therapy is initiated for acute conditions or where emergency replacement of drugs originally prescribed and purchased in the United States is necessary. The reimbursable supply of drugs in travel situations will be limited to an amount necessary to assure continuation of therapy during the travel period and for a reasonable period thereafter.

Finally, there are no benefits for services, supplies, drugs or other charges that are provided outside the United States, which if had been provided in the United States, would not be a Covered Service under this Policy.

XXXIII. Summaries of Benefits and Coverage

BCI shall timely prepare (and update) Summaries of Benefits and Coverage (SBC) for the Policy(s) as required by Section 2715 of the Public Health Service Act (PHSA). The SBC(s) will be provided by BCI in an electronic format to the Group for distribution to its employees, dependents, retirees and COBRA eligible Insureds if applicable.

The Group shall provide all necessary benefit plan information in a timely manner to BCI for the preparation of the Group's SBC(s). The SBC(s) will be distributed to its employees, dependents, retirees and COBRA eligible Insureds if applicable by the Group in compliance with requirements of Section 2715 of the PHSA.

In witness whereof, BLUE CROSS OF IDAHO HEALTH SERVICE, INC., by its duly authorized officer, has executed this Policy.

Blue Cross of Idaho
Health Service, Inc.
PO Box 7408
Boise, ID 83707

Rex Warwick

Rex Warwick, CHC
Vice President, Sales