This is only a summary. If you want more detail about your coverage and costs, you can get the complete terms in the policy or plan document at PacificSource.com/oregon/individual-plan-details-2016 or by calling 1-888-977-9299

Important Questions	Answers	Why this Matters:
What is the overall deductible?	Participating provider: $1,250 person/$2,500 family | Non-participating provider: $5,000 person/$10,000 family Doesn't apply to: Participating provider services: preventive care, office visits, outpatient rehab in an office setting, Rx drugs. Pediatric vision exam and hardware.	You must pay all the costs up to the **deductible** amount before this plan begins to pay for covered services you use. Check your policy or plan document to see when the **deductible** starts over (usually, but not always, January 1st). See the chart starting on page 2 for how much you pay for covered services after you meet the **deductible**.
Are there other deductibles for specific services?	No.	You don't have to meet **deductibles** for specific services, but see the chart starting on page 2 for other costs for services this plan covers.
Is there an out–of–pocket limit on my expenses?	Yes. $6,350 person participating provider/$12,700 family participating provider | $10,000 person non-participating provider/$20,000 family non-participating provider	The **out-of-pocket limit** is the most you could pay during a coverage period (usually one year) for your share of the cost of covered services. This limit helps you plan for health care expenses.
What is not included in the out–of–pocket limit?	Premiums, balance-billed charges, and health care this plan doesn't cover.	Even though you pay these expenses, they don't count toward the **out–of–pocket limit**.
Does this plan use a network of providers?	Yes. For a list of **preferred providers**, see PacificSource.com or call **1-888-977-9299**.	If you use an in-network doctor or other health care **provider**, this plan will pay some or all of the costs of covered services. Be aware, your in-network doctor or hospital may use an out-of-network **provider** for some services. Plans use the term in-network, **preferred**, or participating for **providers** in their **network**. See the chart starting on page 2 for how this plan pays different kinds of **providers**.
Do I need a referral to see a specialist?	No.	You can see the **specialist** you choose without permission from this plan.
Are there services this plan doesn't cover?	Yes.	Some services this plan doesn't cover are listed under the **Excluded Services & Other Covered Services** of this SBC. See your policy or plan document for additional information about **excluded services**.

- **Co-payments** are fixed dollar amounts (for example, $15) you pay for covered health care, usually when you receive the service.
- **Co-insurance** is *your* share of the costs of a covered service, calculated as a percent of the **allowed amount** for the service. For example, if the plan's **allowed amount** for an overnight hospital stay is $1,000, your **co-insurance** payment of 20% would be $200. This may change if you haven't met your **deductible**.
- The amount the plan pays for covered services is based on the **allowed amount**. If an out-of-network **provider** charges more than the **allowed amount**, you may have to pay the difference. For example, if an out-of-network hospital charges $1,500 for an overnight stay and the **allowed amount** is $1,000, you may have to pay the $500 difference. (This is called **balance billing**.)
- This plan may encourage you to use **participating providers** by charging you lower **deductibles, co-payments** and **co-insurance** amounts.

Common Medical Event	Services You May Need	Your cost if you use a Participating Provider	Your cost if you use a Non-participating Provider	Limitations & Exceptions
If you visit a health care provider's office or clinic	Primary care visit to treat an injury or illness	$20 co-pay/visit	Deductible then 55% co-insurance	---none---
	Specialist visit	$40 co-pay/visit	Deductible then 55% co-insurance	---none---
	Other practitioner office visit	Not covered	Not covered	Not covered.
	Preventive care/screening/immunization	No charge	Deductible then 55% co-insurance Tobacco Cessation: Not covered	Limited to: Routine Physicals: 13 visits ages 0-36 months, annually ages 3 and older. Well Woman Visits: annually. Immunizations: CDC and USPSTF Preventive Care Grade A and B Recommended. Preventive Colonoscopy: Ages 50-75. High Risk Colonoscopy: Under age 50.
If you have a test	Diagnostic test (x-ray, blood work)	Deductible then 10% co-insurance	Deductible then 55% co-insurance	---none---
	Imaging (CT/PET scans, MRIs)	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Pre-authorization required.
If you need drugs to treat your illness or	Generic drugs	Retail: $10 co-pay Mail:	Deductible then 90% co-insurance	Retail limited to 30 day supply. Mail limited to 90 day supply. Pre-authorization required for certain drugs.

condition More information about **prescription drug coverage** is available at PacificSource.com.		$20 co-pay		
	Preferred brand drugs	Retail: $30 co-pay Mail: $90 co-pay	Deductible then 90% co-insurance	See Generic drugs above.
	Non-preferred brand drugs	Retail: 50% co-insurance Mail: 50% co-insurance	Deductible then 90% co-insurance	See Generic drugs above.
	Specialty drugs	50% co-insurance	Deductible then 90% co-insurance	Participating provider benefit available only through our specialty pharmacy services provider. Limited to 30 day supply. Pre-authorization required for certain drugs.
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	Deductible then 10% co-insurance	Deductible then 55% co-insurance	---none---
	Physician/surgeon fees	Deductible then 10% co-insurance	Deductible then 55% co-insurance	---none---
If you need immediate medical attention	Emergency room services	Medical Emergency: Deductible then 10% co-insurance Non-Emergency: Deductible then 10% co-insurance	Medical Emergency: Deductible then 10% co-insurance Non-Emergency: Deductible then 55% co-insurance	---none---
	Emergency medical transportation	Deductible then 10% co-insurance	Deductible then 10% co-insurance	Limited to nearest facility able to treat condition. Air covered if ground medically or physically inappropriate. Non-participating air covered up to 200% of Medicare allowance.
	Urgent care	$60 co-pay/visit	Deductible then 55% co-insurance	---none---
If you have a hospital stay	Facility fee (e.g., hospital room)	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Limited to semi-private room unless intensive or coronary care units, medically necessary isolation, or hospital

				only has private rooms. Pre-authorization required for some inpatient services.
	Physician/surgeon fee	Deductible then 10% co-insurance	Deductible then 55% co-insurance	---none---
If you have mental health, behavioral health, or substance abuse needs	Mental/Behavioral health outpatient services	$20 co-pay/visit	Deductible then 55% co-insurance	---none---
	Mental/Behavioral health inpatient services	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Pre-authorization required.
	Substance use disorder outpatient services	$20 co-pay/visit	Deductible then 55% co-insurance	---none---
	Substance use disorder inpatient services	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Pre-authorization required.
If you are pregnant	Prenatal and postnatal care	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Preventive prenatal: No co-insurance.
	Delivery and all inpatient services	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Practitioner delivery and hospital visits are covered under prenatal and postnatal care. Facility is covered the same as any other hospital services. Coverage includes termination of pregnancy.
If you need help recovering or have other special health needs	Home health care	Deductible then 10% co-insurance	Deductible then 55% co-insurance	No coverage for private duty nursing or custodial care. Pre-authorization required.
	Rehabilitation services	Inpatient: Deductible then 10% co-insurance Outpatient: $20 co-pay/visit if provided in an office setting, all other settings Deductible then 10% co-insurance	Inpatient: Deductible then 55% co-insurance Outpatient: Deductible then 55% co-insurance	Inpatient: Covered up to a combined 30 days/year, unless medically necessary to treat a mental health diagnosis. Pre-authorization required. Outpatient: Covered up to 30 visits/year, unless medically necessary to treat a mental health diagnosis. Preauthorization required. No coverage for recreation therapy.
	Habilitation services	Inpatient: Deductible then 10% co-	Inpatient: Deductible then 55%	Inpatient: Covered up to a combined 30 days/year, unless medically necessary to

		insurance Outpatient: $20 co-pay/visit if provided in an office setting, all other settings Deductible then 10% co-insurance	co-insurance Outpatient: Deductible then 55% co-insurance	treat a mental health diagnosis. Pre-authorization required. Outpatient: Covered up to 30 visits/year, unless medically necessary to treat a mental health diagnosis. Preauthorization required. No coverage for recreation therapy.
	Skilled nursing care	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Limited to 60 days/year. No coverage for custodial care. Pre-authorization required.
	Durable medical equipment	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Limited to: $5,000/year overall; pre-authorization required for power-assisted wheelchairs; one pair/year for glasses or contact lenses to correct a specific vision defect from a severe medical or surgical problem; one per ear every 48 months for hearing aid age 0-18 (or age 0-25 if student); no coverage for adult hearing aids; and one breast pump/pregnancy. Pre-authorization required if over $800.
	Hospice service	Deductible then 10% co-insurance	Deductible then 55% co-insurance	Pre-authorization required. No coverage for private duty nursing.
If your child needs dental or eye care	Eye exam	No charge	50% co-insurance	One routine eye exam per year for children 18 or younger when provided by a licensed provider.
	Glasses	No charge	50% co-insurance	One pair of lenses and frames from the Pediatric Exchange Collection per year for children 18 or younger. Additional coatings not covered.
	Dental check-up	Not covered	Not covered	Not covered.

Excluded Services & Other Covered Services:

Services Your Plan Does NOT Cover (This isn't a complete list. Check your policy or plan document for other excluded services.)

- Acupuncture
- Bariatric Surgery
- Chiropractic Care
- Cosmetic Surgery (except in certain situations)
- Custodial Care
- Dental Care (Adult)
- Dental Check-up(Child)
- Hearing Aids (Adult)
- Infertility Treatment
- Long-term Care
- Massage Therapy
- Non-emergency care when traveling outside the U.S.
- Outpatient Recreational Therapy
- Private Duty Nursing
- Routine Eye Care (Adult)
- Routine foot care, other than with diabetes mellitus

Other Covered Services (This isn't a complete list. Check your policy or plan document for other covered services and your costs for these services.)

- Hearing Aids (Child)
- Weight Loss Programs

Your Rights to Continue Coverage:

Federal and State laws may provide protections that allow you to keep this health insurance coverage as long as you pay your **premium**. There are exceptions, however, such as if:

- You commit fraud
- The insurer stops offering services in the State
- You move outside the coverage area

For more information on your rights to continue coverage, contact the insurer at (888) 977-9299. You may also contact your state insurance department at (503) 947-7984 or the toll free message line at (888) 877-4894; by writing to the Oregon Insurance Division, Consumer Protection Unit, 350 Winter Street NE, Salem, OR 97301-3883; through the Internet at http://www.oregon.gov/DCBS/insurance/gethelp/Pages/fileacomplaint.aspx; or by e-mail at: cp.ins@state.or.us.

Your Grievance and Appeals Rights:

If you have a complaint or are dissatisfied with a denial of coverage for claims under your plan, you may be able to **appeal** or file a **grievance**. For questions about your rights, this notice, or assistance, you can contact: your state insurance department at (503) 947-7984 or the toll free message line at (888) 877-4894; by writing to the Oregon Insurance Division, Consumer Protection Unit, 350 Winter Street NE, Salem, OR 97301-3883; through the Internet at http://www.oregon.gov/DCBS/insurance/gethelp/Pages/fileacomplaint.aspx; or by e-mail at: cp.ins@state.or.us.

Does this Coverage Provide Minimum Essential Coverage?

The Affordable Care Act requires most people to have health care coverage that qualifies as "minimum essential coverage". **This plan or policy does provide minimum essential coverage.**

Does this Coverage Meet the Minimum Value Standard?

The Affordable Care Act establishes a minimum value standard of benefits of a health plan. The minimum value standard is 60% (actuarial value). **This health coverage does meet the minimum value standard for the benefits it provides.**

Language Access Services:

Spanish (Español): Para obtener asistencia en Español, llame al 1-888-977-9299.

To see examples of how this plan might cover costs for a sample medical situation, see the next page.

About these Coverage Examples:

These examples show how this plan might cover medical care in given situations. Use these examples to see, in general, how much financial protection a sample patient might get if they are covered under different plans.

This is not a cost estimator.

Don't use these examples to estimate your actual costs under this plan. The actual care you receive will be different from these examples, and the cost of that care will also be different.

See the next page for important information about these examples.

Having a baby
(normal delivery)

- **Amount owed to providers:** $7,540
- **Plan pays** $5,520
- **Patient pays** $2,020

Sample care costs:

Hospital charges (mother)	$2,700
Routine obstetric care	$2,100
Hospital charges (baby)	$900
Anesthesia	$900
Laboratory tests	$500
Prescriptions	$200
Radiology	$200
Vaccines, other preventive	$40
Total	**$7,540**

Patient pays:

Deductibles	$1,250
Co-pays	$20
Co-insurance	$600
Limits or exclusions	$150
Total	$2,020

Managing type 2 diabetes
(routine maintenance of a well-controlled condition)

- **Amount owed to providers:** $5,400
- **Plan pays** $3,500
- **Patient pays** $1,900

Sample care costs:

Prescriptions	$2,900
Medical Equipment and Supplies	$1,300
Office Visits and Procedures	$700
Education	$300
Laboratory tests	$100
Vaccines, other preventive	$100
Total	**$5,400**

Patient pays:

Deductibles	$1,250
Co-pays	$460
Co-insurance	$110
Limits or exclusions	$80
Total	$1,900

Note: These numbers assume the patient is participating in our diabetes wellness program. If you have diabetes and do not participate in the wellness program, your costs may be higher. For more information about the diabetes wellness program, please contact: 1-888-977-9299.

American Indian and Native American Benefits: If you are a Native American enrolled on this plan and receive services directly from the Indian Health Service, Indian Tribe, Tribal Organizations, or Urban Indian Organization, or through referral under the contract health services, the services will not be subject to any Deductible, Copayments, or Coinsurance.

Questions and answers about the Coverage Examples:

What are some of the assumptions behind the Coverage Examples?

- Costs don't include **premiums**.
- Sample care costs are based on national averages supplied by the U.S. Department of Health and Human Services, and aren't specific to a particular geographic area or health plan.
- The patient's condition was not an excluded or preexisting condition.
- All services and treatments started and ended in the same coverage period.
- There are no other medical expenses for any member covered under this plan.
- Out-of-pocket expenses are based only on treating the condition in the example.
- The patient received all care from in-network **providers**. If the patient had received care from out-of-network **providers**, costs would have been higher.

What does a Coverage Example show?

For each treatment situation, the Coverage Example helps you see how **deductibles, co-payments,** and **co-insurance** can add up. It also helps you see what expenses might be left up to you to pay because the service or treatment isn't covered or payment is limited.

Does the Coverage Example predict my own care needs?

✘ **No.** Treatments shown are just examples. The care you would receive for this condition could be different based on your doctor's advice, your age, how serious your condition is, and many other factors.

Does the Coverage Example predict my future expenses?

✘ **No.** Coverage Examples are **not** cost estimators. You can't use the examples to estimate costs for an actual condition. They are for comparative purposes only. Your own costs will be different depending on the care you receive, the prices your **providers** charge, and the reimbursement your health plan allows.

Can I use Coverage Examples to compare plans?

✓ **Yes.** When you look at the Summary of Benefits and Coverage for other plans, you'll find the same Coverage Examples. When you compare plans, check the "Patient Pays" box in each example. The smaller that number, the more coverage the plan provides.

Are there other costs I should consider when comparing plans?

✓ **Yes.** An important cost is the **premium** you pay. Generally, the lower your **premium**, the more you'll pay in out-of-pocket costs, such as **co-payments, deductibles,** and **co-insurance**. You should also consider contributions to accounts such as health savings accounts (HSAs), flexible spending arrangements (FSAs) or health reimbursement accounts (HRAs) that help you pay out-of-pocket expenses.

PacificSource OR Standard Plan PSN Individual Medical Policy

PacificSource Health Plans, herein called PacificSource, will pay the benefits of this Individual Medical Policy ('policy' herein) for covered losses in accordance with the policy provisions.

The term of this policy is from month to month and is guaranteed renewable as long as required premiums are paid. We will renew this policy annually on January 1st of each year, subject to termination for any of the reasons stated under **General Policy Provisions**.

PacificSource may change the premiums or other provisions of this policy as allowed by state law. If premiums or other policy provisions are changed, PacificSource will give the policyholder at least 60 days written notice before the change becomes effective. Failure on the part of the policyholder to pay premium after notice of a change will mean the policyholder terminates this policy as of the effective date of the change. The policyholder may deposit premium in advance, but doing so will not extend the policy term or limit the right of PacificSource to change the premium. PacificSource will make no change in premium or policy provisions unless the same change is made to all policies of the same form and class.

This policy you are applying for does not include coverage for pediatric dental care, which is considered an essential health benefit under the Affordable Care Act. Pediatric dental care is available in the market and can be purchased as a stand-alone product. Please contact your insurance agent, your health insurance company, or your state's insurance exchange if you wish to purchase a stand-alone dental care product.

This policy is issued in consideration of payment of the initial premium and of the application, a copy of which is attached to and made part of this policy.

IN WITNESS WHEREOF, PacificSource has caused this policy to be executed as of 12:00:01 a.m. local time on the policy effective date.

PacificSource Health Plans

By:

Kenneth P. Provencher
President, CEO

Please read the policy carefully. If you are not satisfied with the policy for any reason, it may be returned to PacificSource within ten days after receipt and any premium paid will be refunded.

POLICY INFORMATION

Policyholder: Sample Policyholder
Additional Insured Persons:
Policy Number:
Policy Effective Date:
Monthly Premium:
Date of Issue:

PacificSource Health Plans Headquarters
PO Box 7068, Springfield, OR 97475-0068
Website: PacificSource.com

PacificSource Customer Service Department
Phone (541) 684-5582 or (888) 977-9299
Email cs@pacificsource.com

Para asistirle en español, por favor llame al numero (800) 624-6052, extensión 5456

CONTENTS

SCHEDULE OF BENEFITS

Schedule of Benefits for Medical, Pharmacy, and Vision would be inserted here. See website for plan specific schedules.

ADMINISTRATIVE PROVISIONS

This policy, including endorsements, addendums, and any other attached papers, if any, constitutes the entire contract of insurance. No change in this policy is valid unless approved by an executive officer of PacificSource and unless such approval is endorsed hereon or attached hereto. No agent has the authority to change the policy or to waive any of its provisions.

The validity and interpretation of this agreement, and the rights and obligations of the parties hereunder, will be governed by the laws of the state and the federal government. Therefore, coverage is subject to change as required by law. If any provision of this agreement is held to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect.

The provisions of this policy conform to the minimum requirements of state law and control over any conflicting statutes of any state in which the member resides on or after the effective date of this policy.

The waiver by either party to this agreement of any breach of any of the provisions of this agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or of a different provision of this agreement.

A person may be guilty of insurance fraud if they submit an application or claim containing a false or deceptive statement with either the intent to defraud PacificSource, or the knowledge that they are facilitating a fraud. Misrepresentations, omissions, concealments of facts and incorrect statements shall not prevent a recovery under this policy unless the misrepresentations, omissions, concealments of facts and incorrect statements are shown by PacificSource to be either material to the risk assumed by PacificSource or fraudulent.

If the member's age has been misstated, the benefits may be adjusted based on the relationship of the premium paid to the premium that should have been paid based on the correct age.

ELIGIBILITY

Requirements for enrollment

In order to be eligible as an insured policyholder, you must satisfy the following requirements:

- You must have completed a state approved policy application that includes appropriate signatures and initials.
- Your application must be accepted by PacificSource.
- You must not be entitled to benefits under Medicare Part A or B nor be enrolled in a Medicare Choice or Advantage plan.
- You must be a current resident of the policy's state of issuance.

Family Members

While you are insured under this policy, the following family members are also eligible for coverage:

- Your legal spouse or your qualified domestic partner.
- Your, your spouse's, or your qualified domestic partner's natural or step children under age 26, regardless of the child's place of residence, marital status, or financial dependence on you.
- Your, your spouse's, or your qualified domestic partner's unmarried dependent children age 26 or over who are mentally or physically disabled. To qualify as dependents, they must have been continuously unable to support themselves since turning age 26 because of a mental or physical disability. PacificSource requires documentation of the disability from the child's physician, and will review the case before determining eligibility for coverage.
- A child placed for adoption with you, your spouse, or your qualified domestic partner. Placed for adoption means the assumption and retention by you, your spouse, or your qualified domestic partner of a legal obligation for full or partial support and care of a child in anticipation of adoption of the child. Coverage will continue assuming continued eligibility under this plan unless placement is disrupted prior to legal adoption and the child is removed from placement.
- A foster child placed with you, your spouse, or your qualified domestic partner. Placement means an individual who is placed by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. Coverage will continue assuming continued eligibility under this plan unless placement is disrupted and the child is removed from placement.
- A child placed in your, your spouse's, or your qualified domestic partner's guardianship. To be eligible for coverage, the child must be unmarried; not in a qualified domestic partnership; under age 19; AND for whom you are the court appointed legal custodian or guardian with the expectation the child will live in your household for at least a year.

No family or household members other than those listed above are eligible to enroll under your coverage.

Your eligible family members may be added to the coverage the first day of any future month following a qualifying event.

Enrolling New Family Members

Family members that were not enrolled on the policy effective date may enroll as family members upon acceptance of an application submitted within 60 days of the qualifying event according to the following:

- The policyholder's newly acquired spouse is enrolled on the first of the month following the date of marriage.
- The policyholder's newly acquired qualified domestic partner is enrolled on the first of the month following the qualification of the domestic partnership. (See 'Qualified domestic partner' in the Definitions section.)

- The policyholder's newly acquired stepchild is enrolled on the first of the month following the date of marriage.
- The policyholder's newly acquired qualified domestic partner's child is enrolled on the first of the month following the qualification of the domestic partnership.
- The policyholder's, spouse's, or qualified domestic partner's newborn child is eligible from the moment of birth.
- The policyholder's, spouse's, or qualified domestic partner's adopted child, foster child, or a child placed for the purpose of adoption is enrolled on the day the child is placed with the policyholder, spouse, or qualified domestic partner.
- The policyholder's family member who is not eligible for coverage and experiences a loss of other coverage due to one of the following reasons is eligible on the first day following the loss of coverage upon payment of premium:
  - Legal separation;
  - Divorce or dissolution of qualified domestic partnership;
  - Cessation of dependent status; or
  - Death of primary policyholder.

PacificSource does not limit, exclude, or deny coverage under this policy based on health status. An eligible family member of the policyholder may be added to the coverage the first day of any future month.

OPEN ENROLLMENT

Subject to 'Requirements for enrollment' stated above, PacificSource will accept applications for enrollment during the open enrollment period from November 1, 2015 through January 31, 2016. During this period a family member may be added to an existing or newly issued policy and enrolled on the first day of the month following the open enrollment period.

EFFECTIVE DATE OF COVERAGE

An enrollee's coverage will commence on the policy effective date, or if later added to the policy, an enrollment date approved by PacificSource.

PREMIUM

Premium is due the first day of each month while the policy remains in effect. Premium is not considered paid until it has been received in the form of cash or a form readily convertible to cash. The monthly premium amount is shown on the policy's cover page.

Premium Modifications

PacificSource may modify premium rates after state approval on any renewal date by giving the member a 60 day prior written notice. Payment of premium after receiving notice of modification constitutes the policyholder's acceptance of the change.

Monthly Premiums

Rates are based on the age and tobacco status of each family member. Premiums will be charged for the subscriber, spouse, qualified domestic partner, adult children age 21 and older, and up to three children under age 21.

Grace Period

If enrolled in the Oregon Health Insurance Marketplace, there is a 30 day grace period for payment of each monthly premium if the policyholder does not qualify for premium subsidy or tax credit. There is a three month grace period for payment of each monthly premium if the policyholder is receiving premium subsidy or tax credit. The policy will expire at the end of the grace period or after PacificSource has notified the policyholder in writing at the last known address that premium is past due. Coverage and all claim liability end on the last day of the last month through which premiums were accepted by PacificSource. If PacificSource deposits funds remitted by the policyholder after the grace period, that action does not automatically constitute reinstatement of an expired policy. Enrollees who are receiving a subsidy will have coverage for all allowable claims for the first month of the three month grace period. Subsequent claims in the second and third month of the grace period will be pended until payment is received.

If enrolled direct through PacificSource, a grace period of 30 days will be granted for the payment of each premium falling due after the first premium. The policy will expire at the end of the grace period or, if later, ten days after PacificSource has notified the policyholder in writing at the last known address that premium is past due. Coverage and all claim liability end on the last day of the last month through which premiums were accepted by PacificSource. If PacificSource deposits funds remitted by the policyholder after the grace period, that action does not automatically constitute reinstatement of an expired policy.

Premium Refund

If for any reason the policyholder, policyholder estate or entity cancels coverage under this policy, the policyholder, policyholder's estate or entity shall notify PacificSource on a timely basis. PacificSource will refund to the policyholder, policyholder's estate or entity any unused premium received for the period of ineligibility. 'Unused collected premium' means that portion of any premium collected which is not used, on a pro-rata basis to the beginning of the next billing cycle at the time of cancellation, by PacificSource to insure against loss when there is no risk of loss, or that portion of any collected premium which would have not been collected had the policyholder paid monthly.

Unpaid Premium

Any premium due and unpaid or covered by a note or written order may be deducted from a claim paid under the terms of this policy.

GENERAL POLICY PROVISIONS

This policy becomes effective at 12:00:01 a.m. local time on the date shown on the cover page and continues in effect provided premiums are paid when due and in the required amounts. This policy is automatically renewed from month to month thereafter unless modified or terminated as described below. In the event this policy is terminated, coverage will end at 11:59:59 p.m. local time on the date of termination.

This policy is guaranteed renewable with respect to all enrolled individuals at the option of the policyholder, except in the following cases:

- For nonpayment of the required premium, notice of cancellation for nonpayment of premiums will be mailed within 15 days after the due date of the missed premium for that period;
- For fraud or the intentional misrepresentation of a material fact by the policyholder;
- When PacificSource discontinues offering or renewing all of its individual health benefit plans within the state of issuance or in a specific area within the state. Discontinuation of all individual health benefit plans is subject to notification at least 180 days in advance of discontinuation of the plans;
- When PacificSource discontinues offering and renewing this individual health benefit plan in a specified area within the state of issuance because of an inability to reach an agreement with the healthcare providers or organization of healthcare providers to provide services under the plan within the service area. Discontinuation of this individual health plan is subject to notification at least 90 days in advance of discontinuation of the plan;
- If the state's Department of Insurance finds that renewal would not be in the interest of the enrollee, or would impair PacificSource's ability to meet its contractual obligations;
- When the enrollee no longer lives or resides in the state and/or a PacificSource provider network service area, and the termination of coverage is not related to the health status of any enrollee; or
- When the policyholder terminates the policy on any premium due date with 14 days prior written notice.

Policy modifications. PacificSource may modify any provision of the policy on the policy's renewal date by giving the policyholder a 60 day prior written notice. Rejection of any modification terminates this policy at the end of the 60 day notification period. Payment of premium after receiving notice of modification constitutes the policyholder's acceptance of the change.

Rescissions. If the application for this policy contains any intentional misrepresentation of material facts by an enrollee, or an enrollee performs an act, practice or omission that constitutes fraud, PacificSource may rescind the policy. The enrollee will be given 30 days advance notice of PacificSource's decision to rescind coverage and offered an opportunity to appeal that decision.

Time limit on certain defenses. After two years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for

such policy shall be used to void the policy or to deny a claim for loss incurred or disability commencing after the expiration of such two year period.

No claim for loss incurred or disability commencing after two years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

In the absence of fraud, all statements made by the applicant, policyholder, or member will be considered representations and not warranties. No statement made for the purpose of effecting insurance will void the insurance or reduce benefits unless it is contained in a written document signed by the policyholder or the member, a copy of which has been furnished to that person.

PacificSource is not liable for quality of healthcare. Members have the sole right to choose their healthcare providers. PacificSource is not responsible for the quality of care a person receives since all those who provide care do so as independent contractors. PacificSource cannot be held liable for any claim for damages or injuries you experience while receiving health services or supplies.

USING THE PROVIDER NETWORK

This section explains how your plan's benefits differ when you use participating and non-participating providers and explains how we apply the reimbursement rate. This information is not meant to prevent you from seeking treatment from any provider if you are willing to take increased financial responsibility for the charges incurred. Your network name is listed at the beginning of the Medical Schedule of Benefits.

All healthcare providers are independent contractors. PacificSource cannot be held liable for any claim for damages or injuries you experience while receiving medical care.

PARTICIPATING PROVIDERS

Participating providers contract with PacificSource to furnish medical services and supplies to members enrolled in this plan for a set fee. That fee is called the contracted allowable fee. Participating providers agree not to collect more than the contracted allowable fee. Participating providers bill PacificSource directly, and we pay them directly. When you receive covered services or supplies from a participating provider, you are only responsible for the amounts stated in your Medical Schedule of Benefits. Depending on your plan, those amounts can include a deductible, co-payment, and/or co-insurance payment.

PacificSource contracts directly and/or indirectly with participating providers throughout our Oregon, Idaho, and Montana service areas and in bordering communities in southwest Washington. We also have an agreement with nationwide provider networks which includes more than 550,000 participating physicians and 5,000 participating hospitals. These providers outside our service area are also considered PacificSource participating providers under your plan.

It is not safe to assume that when you are treated at a participating medical facility, all services are performed by participating providers. Whenever possible, you should arrange for

professional services such as surgery and anesthesiology to be provided by a participating provider. Doing so will help you maximize your benefits and limit your out-of-pocket expenses.

Risk-sharing Arrangements

By agreement, a participating provider may not bill a member for any amount in excess of the contracted allowable fee. However, the agreement does not prohibit the provider from collecting co-payments, deductibles, co-insurance, and non-covered services from the member. And, if PacificSource was to become insolvent, a participating provider agrees to continue to provide covered services to a member for the duration of the period for which premium was paid to PacificSource on behalf of the member. Again, the participating provider may only collect applicable co-payments, deductibles, co-insurance, and amounts for non-covered services from the member.

NON-PARTICIPATING PROVIDERS

When you receive services or supplies from a non-participating provider, your out-of-pocket expense is likely to be higher than if you had used a participating provider. If the same services or supplies are available from a participating provider to whom you have reasonable access (explained in the next section), you may be responsible for more than the deductible, co-payment, and/or co-insurance amounts stated in your Medical Schedule of Benefits.

Allowable Fee for Non-participating Providers

To maximize your plan's benefits, always make sure your healthcare provider is a PacificSource participating provider. Do not assume all services at a participating facility are performed by participating providers.

PacificSource bases payment to non-participating providers on our 'allowable fee' which is derived from several sources, depending on the service or supply and the geographical area where it is provided. The allowable fee may be based on data collected from the Centers for Medicare and Medicaid Services (CMS), contracted vendors, other nationally recognized databases, or PacificSource, as documented in PacificSource's payment policy.

In PacificSource's service areas, the allowable fee for professional services is based on PacificSource's standard non-participating provider reimbursement rate. Outside the PacificSource service area and in areas where our members do not have reasonable access to a participating provider through one of our third party provider networks, the allowable fee, depending upon the service and supply, can be based on data collected from PacificSource or other nationally recognized databases. If the service is based on the usual, customary, and reasonable charge (UCR), PacificSource will utilize the 85th percentile. UCR is based on data collected for a geographic area. Provider charges for each type of service are collected and ranked from lowest to highest. Charges at the 85th position in the ranking are considered to be the 85th percentile.

To calculate our payment to non-participating providers, we determine the allowable fee, then subtract the non-participating provider benefits shown in the 'Non-participating Provider' column of your Medical Schedule of Benefits. Our allowable fee is often less than the non-participating provider's charge. In that case, the difference between our allowable fee and the provider's billed charge is also your responsibility. That amount does not count toward this

plan's out-of-pocket maximum. It also does not apply toward any deductibles or co-payments required by the plan. In any case, after any co-payments or deductibles, the amount PacificSource pays to a non-participating provider will not be less than 50 percent of the allowable fee for a like service or supply.

To maximize your plan's benefits, please check with us before receiving care from a non-participating provider. Our Customer Service Department can help you locate a participating provider in your area.

Example of Provider Payment

The following illustrates how payment could be made for the same service in two different settings: with a participating provider and with a non-participating provider. This is only an example; your plan's benefits may be different.

	Participating Provider	**Non-participating Provider**
Provider's usual charge	$120	$120
Billed charge after negotiated provider discounts	$100	$120
PacificSource's allowable fee	$100	$100
Allowable fee less patient co-insurance	$80	$50
Percent of payment	80%	50%
PacificSource's payment	**$80**	**$50**
Patient's responsibility:		
Co-insurance	20%	50%
Patient's amount of allowable fee	$20	$50
Difference between allowable fee and billed charge after discounts	$0	$20
Patient's total payment to provider	**$20**	**$70**

COVERAGE WHILE TRAVELING

Your PacificSource plan is powered by the network shown at the beginning of your Medical Schedule of Benefits. You can save out-of-pocket expense by using a participating provider in your service area. Your network covers Oregon, Idaho, Montana, southwest Washington, and eastern Washington. When you need medical services outside of your network, you can save out-of-pocket expense by using the participating providers identified on our website at PacificSource.com.

Nonemergency Care While Traveling

To find a participating provider outside the regions covered by your network, go to the PacificSource.com website. Nonemergency care outside the United States is not covered.

- If a participating provider is available in your area, your plan's participating provider benefits will apply if you use a participating provider.
- If a participating provider is available but you choose to use a non-participating provider, your plan's non-participating provider benefits will apply.

Emergency Services While Traveling

In medical emergencies (see the Covered Expenses – Emergency Services section of this policy), your plan pays benefits at the participating provider level regardless of your location. Your covered expenses are based on our allowable fee. If you are admitted to a hospital as an inpatient following the stabilization of your emergency condition, your physician or hospital should contact the PacificSource Health Services Department at (888) 691-8209 as soon as possible to make a benefit determination on your admission. If you are admitted to a non-participating hospital, PacificSource may require you to transfer to a participating facility once your condition is stabilized in order to continue receiving benefits at the participating provider level.

FINDING PARTICIPATING PROVIDER INFORMATION

You can find up-to-date participating provider information:

- By asking your healthcare provider if he or she is a participating provider for your network.
- On the PacificSource website, PacificSource.com. Simply click on 'Find a Doctor or Drug' and you can easily look up participating providers, specialists, behavioral health providers, and hospitals. You can also print your own customized directory. We can even send you a text with the provider's location and contact number.
- By contacting the PacificSource Customer Service Department. Our staff can answer your questions about specific providers. If you'd like a complete provider directory for your plan, just ask, we'll be glad to mail you a directory free of charge.

TERMINATION OF PROVIDER CONTRACTS

PacificSource will use best efforts to notify you within 30 days of learning about the termination of a provider contractual relationship if you have received services in the previous three months from such a provider when:

- A provider terminates a contractual relationship with PacificSource in accordance with the terms and conditions of the agreement;
- A provider terminates a contractual relationship with an organization under contract with PacificSource; or
- PacificSource terminates a contractual relationship with an individual provider or the organization with which the provider is contracted in accordance with the terms and conditions of the agreement.

Note: on the date a provider's contract with PacificSource terminates, they become a non-participating provider and any services you receive from them will be paid at the percentage shown in the 'Non-participating Provider' column of your Medical Schedule of Benefits. To avoid unexpected costs, be sure to verify each time you see your provider that they are still participating in the network.

You may be entitled to continue care with an individual provider for a limited period of time after the medical services contract terminates. Contact Customer Service for additional information.

COVERED EXPENSES

Understanding Medical Necessity

This plan provides comprehensive medical coverage when care is medically necessary to treat an illness, injury, or disease. Be careful – just because a treatment is prescribed by a healthcare professional does not mean it is medically necessary under the terms of this plan. Also remember that just because a service or supply is a covered benefit under this plan does not necessarily mean all billed charges will be paid.

Medically necessary services and supplies that are excluded from coverage under this plan can be found in the Benefit Limitations and Exclusions section of this policy, as well as the section on Preauthorization. If you ever have a question about your plan benefits, contact the PacificSource Customer Service Department.

Understanding Experimental/Investigational Services

Except for specified Preventive Care services, the benefits of this policy are paid only toward the covered expense of medically necessary diagnosis or treatment of illness, injury, or disease. This is true even though the service or supply is not specifically excluded. All treatment is subject to review for medical necessity. Review of treatment may involve prior approval, concurrent review of the continuation of treatment, post-treatment review or any combination of these. For additional information, see 'medically necessary' in the Definitions section of this policy.

Be careful. Your healthcare provider could prescribe services or supplies that are not covered under this plan. Also, just because a service or supply is a covered benefit does not mean all related charges will be paid.

New and emerging medical procedures, medications, treatments, and technologies are often marketed to the public or prescribed by physicians before FDA approval, or before research is available in qualified peer-reviewed literature to show they provide safe, long term positive outcomes for patients.

To ensure you receive the highest quality care at the lowest possible cost, we review new and emerging technologies and medications on a regular basis. Our internal committees and Health Services staff make decisions about PacificSource coverage of these methods and medications based on literature reviews, standards of care and coverage, consultations, and review of evidence-based criteria with medical advisors and experts.

Eligible Healthcare Providers

This plan provides benefits only for covered expenses and supplies rendered by a physician (M.D. or D.O.), nurse practitioner, hospital or specialized treatment facility, durable medical equipment supplier, or other licensed medical providers as specifically stated in this policy. The services or supplies provided by individuals or companies that are not specified as eligible

practitioners are not eligible for reimbursement under the benefits of this plan. For additional information, see 'practitioner', 'specialized treatment facility', and 'durable medical equipment supplier' in the Definitions section of this policy.

To be eligible, the provider must also be practicing within the scope of their license. For example although an Optometrist is an eligible provider for vision exams, they are not eligible to provide chiropractic services.

After Hours and Emergency Care

If you have a medical emergency, always go directly to the nearest emergency room, or call 911 for help.

If you're facing a non-life threatening emergency, contact your provider's office, or go to an Urgent Care facility. Urgent Care facilities are listed in our online provider directory at PacificSource.com. Simply enter your city and state or Zip code, then select Urgent Care in the 'Specialty Category' field.

Appropriate Setting

It is important to have services provided in the most suitable and least costly setting. For example, if you go to the Emergency Room to have a throat culture instead of going to a doctor's office or Urgent Care it could result in higher out-of-pocket expenses for you.

Your Annual Out-of-Pocket Limit

This plan has an out-of-pocket limit provision to protect you from excessive medical expenses. The Medical Schedule of Benefits shows your plan's annual out-of-pocket limits for participating and/or non-participating providers. If you incur covered expenses over those amounts, this plan will pay 100 percent of eligible charges, subject to the allowable fee.

Your expenses for the following do not count toward the annual out-of-pocket limit:

- Charges over the allowable fee for services of non-participating providers; or
- Incurred charges that exceed amounts allowed under this plan.

Charges that do not count toward the out-of-pocket limit or that are not covered by this plan will continue to be your responsibility even after the out-of-pocket limit is reached.

Out-of-pocket limits are applied on a calendar year basis. If this policy renews or is modified mid calendar year, the previously satisfied out-of-pocket amount will be credited toward the renewed policy. If the out-of-pocket limit increases mid calendar year, you will need to satisfy the difference between the increase and the amount you have already satisfied under the prior policy's requirement. If the out-of-pocket limit decreases, any excess in the amount credited to the lower amount is not refundable.

PLAN BENEFITS

This plan provides benefits for the following services and supplies as outlined on your Medical Schedule of Benefits. The following list of benefits is exhaustive. These services and supplies

may require you to satisfy a deductible, make a co-payment, and/or pay co-insurance, and they may be subject to additional limitations or maximum dollar amounts (maximum dollar amounts do not apply to Essential Health Benefits). For a medical expense to be eligible for payment, you must be covered under this plan on the date the expense is incurred. Please refer to your Medical Schedule of Benefits and the Benefit Limitations and Exclusions section of this policy for more information.

PacificSource covers **Essential Health Benefits** as defined by the Secretary of the U.S. Department of Health and Human Services. Essential health benefits fall into the following ten categories:

- Ambulatory patient services;
- Emergency services;
- Hospitalization;
- Laboratory services;
- Maternity and newborn care;
- Mental health and substance use disorder services, including behavioral health treatment;
- Pediatric services, including oral and vision care;
- Prescription drugs;
- Preventive and wellness services and chronic disease management; and
- Rehabilitation and habilitation services and devices.

PREVENTIVE CARE SERVICES

This plan covers the following preventive care services when provided by a physician, physician assistant, or nurse practitioner:

- **Routine physicals** including appropriate screening radiology and laboratory tests and other screening procedures for members age 22 and older are covered once per calendar year. Screening exams and laboratory tests may include, but are not limited to, blood pressure checks, weight checks, occult blood tests, urinalysis, complete blood count, prostate exams, cholesterol exams, stool guaiac screening, EKG screens, blood sugar tests, and tuberculosis skin tests.

  Only laboratory tests and other diagnostic testing procedures related to the routine physical exam are covered by this benefit. Any laboratory tests and other diagnostic testing procedures ordered during, but not related to, a routine physical examination are not covered by this preventive care benefit. Please see Outpatient Services in this section.

- **Well woman visits**, including the following:

  - One **routine gynecological exam** each calendar year for women 18 and over. Exams may include Pap smear, pelvic exam, breast exam, blood pressure check, and weight

check. Covered lab services are limited to occult blood, urinalysis, and complete blood count.

- **Routine preventive mammograms** for women as recommended:
  - There is no deductible, co-payment, and/or co-insurance for mammograms that are considered 'routine' according to the guidelines of the U.S. Preventive Services Task Force.
  - Diagnostic mammograms for any woman desiring a mammogram for medical cause. The deductible, co-payment, and/or co-insurance stated in your Medical Schedule of Benefits for 'Outpatient Services – Diagnostic and Therapeutic Radiology and Lab' apply to diagnostic mammograms related to the ongoing evaluation or treatment of a medical condition.
- **Pelvic exams and Pap smear exams** for women 18 to 64 years of age annually, or at any time when recommended by a women's healthcare provider.
- **Breast exams** annually for women 18 years of age or older or at any time when recommended by a women's healthcare provider for the purpose of checking for lumps and other changes for early detection and prevention of breast cancer.

  Members have the right to seek care from obstetricians and gynecologists for covered services without preapproval or preauthorization.

- **Colorectal cancer screening** exams and lab work including the following:
  - A fecal occult blood test;
  - A flexible sigmoidoscopy;
  - A colonoscopy; or
  - A double contrast barium enema.

  A colonoscopy performed for routine screening purposes is considered to be a preventive service. The deductible, co-payment, and/or co-insurance stated in your Medical Schedule of Benefits for 'Preventive Care – Routine Colonoscopy' applies to colonoscopies that are considered 'routine' according to the guidelines of the U.S. Preventive Services Task Force for age 50 through 75.

  A colonoscopy performed for evaluation or treatment of a known medical condition is considered to be Outpatient Surgery. The deductible, co-payment, and/or co-insurance stated in your Medical Schedule of Benefits for 'Professional Services – Surgery' and for 'Outpatient Services – Outpatient Surgery/Services' apply to colonoscopies related to ongoing evaluation or treatment of a medical condition.

  A colonoscopy performed for screening purposes on individuals at 'high risk' under age 50 is also considered a preventive service. An individual is at high risk for colorectal cancer if the individual has:

  - Family medical history of colorectal cancer;

- Prior occurrence of cancer or precursor neoplastic polyps;
- Prior occurrence of a chronic digestive disease condition such as inflammatory bowel disease;
- Crohn's disease or ulcerative colitis; or
- Other predisposing factors.

- **Prostate cancer screening**, including a digital rectal examination and a prostate-specific antigen test.
- **Well baby/well child care exams** for members age 21 and younger according to the following schedule:
  - At birth: One standard in-hospital exam
  - Ages 0-2: 12 additional exams during the first 36 months of life
  - Ages 3-21: One exam per calendar year

  Only laboratory tests and other diagnostic testing procedures related to a well baby/well child care exam are covered by this benefit. Any laboratory tests and other diagnostic testing procedures ordered during, but not related to, a well baby/well child care exam are not covered by this preventive care benefit. Please see Outpatient Services in this section.
- Age-appropriate childhood and adult **immunizations** for primary prevention of infectious diseases as recommended and adopted by the Centers for Disease Control and Prevention, American Academy of Pediatrics, American Academy of Family Physicians, or a similar standard-setting body. Benefits do not include immunizations for more elective, investigative, unproven, or discretionary reasons (e.g. travel). Covered immunizations include, but may not be limited to the following:
  - Diphtheria, pertussis, and tetanus (DPT) vaccines, given separately or together;
  - Hemophilus influenza B vaccine;
  - Hepatitis A vaccine;
  - Hepatitis B vaccine;
  - Human papillomavirus (HPV) vaccine;
  - Influenza virus vaccine;
  - Measles, mumps, and rubella (MMR) vaccines, given separately or together;
  - Meningococcal (meningitis) vaccine ;
  - Pneumococcal vaccine;
  - Polio vaccine;

- Shingles vaccine for ages 60 and over; or
- Varicella (chicken pox) vaccine.

- **Tobacco cessation program services** are covered at no charge only when provided by a PacificSource approved program. Specific nicotine replacement therapy will be covered according to the program's description. Prescribed tobacco cessation related medication will be covered to the same extent this policy covers other prescription medications.

Any plan deductible, co-payment, and/or co-insurance amounts stated in your Medical Schedule of Benefits are waived for the following recommended preventive care services when provided by a participating provider:

- Services that have a rating of 'A' or 'B' from the U.S. Preventive Services Task Force (USPSTF);
- Immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention (CDC);
- Preventive care and screening for infants, children, and adolescents supported by the Health Resources and Services Administration (HRSA); and
- Preventive care and screening for women supported by the HRSA that are not included in the USPSTF recommendations.

A and B list for preventive services can be found at:
http://www.uspreventiveservicestaskforce.org/Page/Name/uspstf-a-and-b-recommendations/

The list of Women's preventive services can be found at:
http://www.hrsa.gov/womensguidelines/

For enrollees who do not have Internet access, please contact PacificSource Customer Service at the number shown on the first page of this policy for a complete description of the preventive services lists.

Current USPSTF recommendations include the September 2002 recommendations regarding breast cancer screening, mammography, and prevention, not the November 2009 recommendations**.** Cancer risk-reducing medications are covered according to the September 2013 USPSTF recommendations, at no cost, subject to reasonable medical management.

PEDIATRIC SERVICES

This plan covers the following services for individuals age 18 and younger when provided by a participating provider. Coverage for pediatric services will end on the last day of the policy year in which the enrolled individual turns 19.

- **Routine vision examinations** are covered on this plan. Benefits are subject to the deductible, limitations, co-payment, and/or co-insurance stated in your Vision Schedule of Benefits.

- **Vision hardware** including lenses, frames and contact lenses are covered on this plan. Benefits are subject to the deductible, limitations, co-payment, and/or co-insurance stated in your Vision Schedule of Benefits.

PROFESSIONAL SERVICES

This plan covers the following professional services when medically necessary:

- Services of a **physician (M.D., D.O., naturopathy, or other provider practicing within the scope of their license),** for diagnosis or treatment of illness, injury, or disease.

- Services of a licensed **physician assistant** under the supervision of a physician.

- Services of a **nurse practitioner**, including certified registered nurse anesthetist (C.R.N.A.) and certified nurse midwife (C.N.M.), or other provider practicing within the scope of their license, for medically necessary diagnosis or treatment of illness, injury, or disease.

- **Urgent care services** provided by a physician. 'Urgent care' means services for an unforeseen illness, injury, or disease that requires treatment within 24 hours to prevent serious deterioration of a patient's health. Urgent conditions are normally less severe than medical emergencies. Examples of conditions that could need urgent care are sprains and strains, vomiting, cuts, and headaches.

- **Outpatient rehabilitation services** provided by a licensed physical therapist, occupational therapist, speech language pathologist, physician, or other practitioner licensed to provide physical, occupational, or speech therapy within the scope of the provider's license. Services must be prescribed in writing by a licensed physician, dentist, podiatrist, nurse practitioner, or physician assistant. The prescription must include site, modality, duration, and frequency of treatment. Covered services are for the purpose of restoring certain functional losses due to disease, illness, or injury only and do not include maintenance services. Total covered expenses for outpatient rehabilitation services are limited to a maximum of 30 visits per calendar year subject to review for medical necessity, unless medically necessary to treat a mental health diagnosis. Treatment of neurodevelopmental problems and other problems associated with pervasive developmental disorders for which rehabilitation services would be appropriate are covered when criteria for supplemental services are met. (For information on cardiac rehabilitation see section under 'Other Covered Services, Supplies, and Treatments'.)

  Services for speech therapy will only be allowed when needed to correct stuttering, hearing loss, peripheral speech mechanism problems, and deficits due to neurological disease or injury. Speech and/or cognitive therapy for acute illnesses, and injuries are covered up to one year post injury when the services do not duplicate those provided by other eligible providers, including occupational therapists or neuropsychologists. This exclusion does not apply if medically necessary as part of a treatment plan.

  Outpatient pulmonary rehabilitation programs are covered when prescribed by a physician for patients with severe chronic lung disease that interferes with normal daily activities despite optimal medication management.

For related provisions, see ‘motion analysis’, ‘vocational rehabilitation’, ‘speech therapy’, and ‘temporomandibular joint’ under ‘Excluded Services – Types of Treatments’ in the Benefit Limitations and Exclusions section of this policy.

- **Outpatient habilitation services** provided by a licensed physical therapist, occupational therapist, speech language pathologist, physician, or other practitioner licensed to provide physical, occupational, or speech therapy within the scope of the provider’s license. Services must be prescribed in writing by a licensed physician, dentist, podiatrist, nurse practitioner, or physician assistant. The prescription must include site, modality, duration, and frequency of treatment. Total covered expenses for outpatient habilitation services are limited to a maximum of 30 visits per calendar year subject to review for medical necessity, unless medically necessary to treat a mental health diagnosis. Treatment of neurodevelopmental problems and other problems associated with pervasive developmental disorders for which habilitation services would be appropriate are covered when criteria for supplemental services are met.
- Services of a licensed audiologist for medically necessary **audiological (hearing) tests**.
- Services of a dentist or physician to treat **injury of the jaw or natural teeth**. Services must be provided within 18 months of the injury. Except for the initial examination, services for treatment of an injury to the jaw or natural teeth require preauthorization to be covered.
- Services of a dentist or physician for **orthognathic (jaw) surgery** as follows:
  - When medically necessary to repair an accidental injury. Services must be provided within one year after the accident; or
  - For removal of a malignancy, including reconstruction of the jaw within one year after that surgery.
- Services of a board-certified or board-eligible **genetic counselor** when referred by a physician or nurse practitioner for evaluation of genetic disease.
- Medically necessary **telemedical health services** for health services covered by this plan when provided in person by a healthcare professional. Coverage of telemedical health services are subject to the same deductible, co-payment, and/or co-insurance requirements that apply to comparable health services provided in person.

HOSPITAL AND SKILLED NURSING FACILITY SERVICES

This plan covers medically necessary **hospital inpatient services**. Charges for a hospital room are covered up to the hospital’s semi-private room rate (or private room rate, if the hospital does not offer semi-private rooms). Charges for a private room are covered if the attending physician orders hospitalization in an intensive care unit, coronary care unit, or private room for medically necessary isolation. Coverage includes eligible services provided by a hospital owned or operated by the state, or any state approved mental health and developmental disabilities program.

In addition to the hospital room, covered inpatient hospital services may include (but are not limited to):

- Anesthesia and post-anesthesia recovery;
- Dressings, equipment, and other necessary supplies;
- Inpatient medications;
- Intensive and/or specialty care units;
- Lab services provided by hospital;
- Operating room;
- Radiology services; or
- Respiratory care.

The plan does not cover charges for rental of telephones, radios, or televisions, or for guest meals or other personal items.

Services of a **skilled nursing facility and convalescent homes** are covered for up to 60 days per calendar year when preauthorized by PacificSource. For skilled nursing benefits to renew after each stay the member must be discharged and at least 90 consecutive days must pass before readmission. Services must be medically necessary. Confinement for custodial care is not covered.

Inpatient rehabilitation services are covered when medically necessary to restore and improve lost body functions after illness, injury, or disease. **Inpatient habilitation services** are covered when medically necessary to help a person keep, restore, or improve skills and functioning for daily living related to skills that have been lost or impaired because a person was sick, injured or disabled. These services must be consistent with the condition being treated, and must be part of a formal written treatment program prescribed by a physician and subject to preauthorization by PacificSource. Total covered expenses for combined inpatient rehabilitation and habilitation services are limited to a maximum of 30 visits per calendar year subject to review for medical necessity, unless medically necessary to treat a mental health diagnosis. Treatment for head or spinal cord injuries are covered when criteria for supplemental services are met. Recreation therapy is only covered as part of an inpatient rehabilitation admission.

OUTPATIENT SERVICES

'Outpatient services are medical services that take place without being admitted to the hospital.' This plan covers the following outpatient care services:

- **Advanced diagnostic imaging procedures** that are medically necessary for the diagnosis of illness, injury, or disease. For purposes of this benefit, advanced diagnostic imaging procedures include CT scans, MRI's, PET scans, CATH labs and nuclear cardiology studies. In all situations and settings, benefits are subject to the deductibles, co-payments, and/or co-insurance stated in your Medical Schedule of Benefits for Outpatient Services – Advanced Diagnostic Imaging.

- Diagnostic **radiology and laboratory procedures** provided or ordered by a physician, nurse practitioner, alternative care practitioner, or physician assistant. These services may be performed or provided by laboratories, radiology facilities, hospitals, and physicians, including services in conjunction with office visits.

- **Emergency room services**. The emergency room benefit stated in your Medical Schedule of Benefits covers only physician and hospital facility charges in the emergency room. The benefit does not cover further treatment provided on referral from the emergency room.

  Emergency medical screening and emergency services, including any diagnostic tests necessary for emergency care (including radiology, laboratory work, CT scans and MRI's) are subject to the deductibles, co-payments, and/or co-insurance stated in your Medical Schedule of Benefits for either 'Outpatient Services – Diagnostic and Therapeutic Radiology and Lab' or 'Outpatient Services – Advanced Diagnostic Imaging', depending on the specific service provided.

  For emergency medical conditions, non-participating providers are paid at the participating provider level.

- **Surgery** and other outpatient services. Benefits are based on the setting where services are performed.

  - For surgeries or outpatient services performed in a physician's office, the benefit stated in your Medical Schedule of Benefits for Professional Services – Office Procedures and Supplies applies.

  - For surgeries or outpatient services performed in an ambulatory surgical center or outpatient hospital setting, both the benefits shown on your Medical Schedule of Benefits for Professional Services – Surgery Charges and the Outpatient Services - Outpatient Surgery/Services apply.

- **Therapeutic radiology services, chemotherapy, and renal dialysis** provided or ordered by a physician. Covered services include a prescribed, orally administered anticancer medication used to kill or slow the growth of cancerous cells.

- After the first three months of treatment, absent a specifically negotiated amount, benefits for members who are receiving services for **end-stage renal disease (ESRD)** are limited to 125 percent of the current Medicare allowable amount for participating and non-participating ESRD service providers. During the first three months of treatment, benefits are paid at the cost share level applied to other benefits in the same category.

  In accordance with federal and state laws, there is an initial period where this policy will be primary to Medicare. Once that period of time has elapsed the plan will pay up to the amount it would have paid in the secondary position.

- Other medically necessary **diagnostic services** provided in a hospital or outpatient setting, including testing or observation to diagnose the extent of a medical condition.

EMERGENCY SERVICES

For emergency medical conditions, this plan covers services and supplies necessary to determine the nature and extent of the emergency condition and to stabilize the patient.

An emergency medical condition is an injury or sudden illness, including severe pain, so severe that a prudent layperson with an average knowledge of health and medicine would expect that failure to receive immediate medical attention would risk seriously damaging the health of a person or fetus in the case of a pregnant woman. Examples of emergency medical conditions include (but are not limited to):

- Convulsions or seizures;
- Difficulty breathing;
- Major traumatic injuries;
- Poisoning;
- Serious burns;
- Sudden abdominal or chest pains;
- Sudden fevers;
- Suspected heart attacks;
- Unconsciousness; or
- Unusual or heavy bleeding.

If you need immediate assistance for a medical emergency, call 911. *If you have an emergency medical condition, you should go directly to the nearest emergency room or appropriate facility. Emergency and non-emergency services are subject to the deductible, co-payments, and/or co-insurance stated in your Medical Schedule of Benefits.*

If you are admitted to a non-participating hospital after your emergency condition is stabilized, PacificSource may require you to transfer to a participating facility in order to continue receiving benefits at the participating provider level.

MATERNITY SERVICES

Maternity means, in any one pregnancy, all prenatal services including complications and miscarriage, delivery, postnatal services provided within six weeks of delivery, and routine nursery care of a newborn child. Maternity services are covered subject to the deductible, co-payments, and/or co-insurance stated in your Medical Schedule of Benefits.

Medically necessary services, medication, and supplies to manage diabetes during pregnancy from conception through six weeks postpartum will not be subjected to a deductible, co-payment, or co-insurance.

Services of a physician or a licensed certified nurse midwife for **pregnancy**. Services are subject to the same payment amounts, conditions, and limitations that apply to similar expenses for illness.

Please contact the PacificSource Customer Service Department as soon as you learn of your pregnancy. Our staff will explain your plan's maternity benefits and help you enroll in our free prenatal care program.

This plan provides **routine nursery care** of a newborn while the mother is hospitalized and eligible for pregnancy-related benefits under this plan if the newborn is also eligible and enrolled in this plan.

Special Information about Childbirth – PacificSource covers hospital inpatient services for childbirth according to the Newborns' and Mothers' Health Protection Act of 1996. This plan does not restrict the length of stay for the mother or newborn child to less than 48 hours after vaginal delivery, or to less than 96 hours after Cesarean section delivery. Your provider is allowed to discharge you or your newborn sooner than that, but only if you both agree. For childbirth, your provider does not need to preauthorize your hospital stay with PacificSource.

MENTAL HEALTH AND CHEMICAL DEPENDENCY SERVICES

This plan covers medically necessary crisis intervention, diagnosis, and treatment of mental health conditions and chemical dependency the same as any other illness. Refer to the Benefit Limitations and Exclusions section of this policy for more information on services not covered by your plan.

Providers Eligible for Reimbursement

A mental and/or chemical healthcare provider (see Definitions section of this policy) is eligible for reimbursement if:

- The mental and/or chemical healthcare provider is authorized for reimbursement under the laws of your policy's state of issuance; and
- The mental and/or chemical healthcare provider is accredited for the particular level of care for which reimbursement is being requested by the Joint Commission on Accreditation of Hospitals or the Commission on Accreditation of Rehabilitation Facilities; and
- The patient is staying overnight at the mental and/or chemical healthcare facility (see Definitions section of this policy) and is involved in a structured program at least eight hours per day, five days per week; or
- The mental and/or chemical healthcare provider is providing a covered benefit under this policy.

Eligible mental and/or chemical healthcare providers are:

- A program licensed, approved, established, maintained, contracted with, or operated by the accrediting and licensing authority of the state wherein the program exists;
- A medical or osteopathic physician licensed by the State Board of Medical Examiners;
- A psychologist (Ph.D.) licensed by the State Board of Psychologists' Examiners;
- A nurse practitioner registered by the State Board of Nursing;

- A clinical social worker (L.C.S.W.) licensed by the State Board of Clinical Social Workers;
- A Licensed Professional Counselor (L.P.C.) licensed by the State Board of Licensed Professional Counselors and Therapists;
- A Licensed Marriage and Family Therapist (L.M.F.T.) licensed by the State Board of Licensed Professional Counselors and Therapists;
- A Board Certified Behavior Analyst (B.C.B.A) licensed by the State Board of Behavior Analysis;
- A Board Certified Assistant Behavior Analyst (BCaBA) licensed by the State Board of Behavior Analysis;
- A Board Certified Behavior Analyst, Doctoral level (BCBA-D) licensed by the State Board of Behavior Analysis;
- A Behavior Analyst Interventionist (BAI) licensed by the State Board of Behavior Analysis; and
- A hospital or other healthcare facility licensed by the Joint Commission on Accreditation of Hospitals or the Commission on Accreditation of Rehabilitation Facilities for inpatient or residential care and treatment of mental health conditions and/or chemical dependency.

Medical Necessity and Appropriateness of Treatment

- As with all medical treatment, mental health and chemical dependency treatment is subject to review for medical necessity and/or appropriateness. Review of treatment may involve pre-service review, concurrent review of the continuation of treatment, post-treatment review, or a combination of these. PacificSource will notify the patient and patient's provider when a treatment review is necessary to make a determination of medical necessity.
- A second opinion may be required for a medical necessity determination. PacificSource will notify the patient when this requirement is applicable.
- PacificSource must be notified of an emergency admission within two business days.
- Medication management by a licensed physician (such as a psychiatrist) does not require review.
- Treatment of substance abuse and related disorders is subject to placement criteria established by the American Society of Addiction Medicine.

Mental Health Parity and Addiction Equity Act of 2008

This health plan complies with all federal laws and regulations related to the Mental Health Parity and Addiction Equity Act of 2008.

HOME HEALTH AND HOSPICE SERVICES

- This plan covers **home health services** when preauthorized by PacificSource. Covered services include services by a licensed Home Health Agency providing skilled nursing;

physical, occupational, and speech therapy; and medical social services. Private duty nursing is not covered.

- **Home infusion services** are covered when preauthorized by PacificSource. This benefit covers parenteral nutrition, medications, and biologicals (other than immunizations) that cannot be self-administered. Benefits are paid at the percentage stated in your Medical Schedule of Benefits for home healthcare.

- This plan covers **hospice services** when preauthorized by PacificSource. Hospice services including respite care are intended to meet the physical, emotional, and spiritual needs of the patient and family during the final stages of illness and dying, while maintaining the patient in the home setting. Services are intended to supplement the efforts of an unpaid caregiver. Hospice benefits do not cover services of a primary caregiver such as a relative or friend, or private duty nursing. PacificSource uses the following criteria to determine eligibility for hospice benefits:

  - The member's physician must certify that the member is terminally ill with a life expectancy of less than six months;

  - The member must be living at home;

  - A non-salaried primary caregiver must be available and willing to provide custodial care to the member on a daily basis; and

  - The member must not be undergoing treatment of the terminal illness other than for direct control of adverse symptoms.

Only the following hospice services are covered:

  - Durable medical equipment, oxygen, and medical supplies;

  - Home nursing visits;

  - Home health aides when necessary to assist in personal care;

  - Home visits by a medical social worker;

  - Home visits by the hospice physician;

  - Prescription medications for the relief of symptoms manifested by the terminal illness;

  - Medically necessary physical, occupational, and speech therapy provided in the home;

  - Home infusion therapy;

  - Inpatient hospice care when provided by a Medicare-certified or state-certified program when admission to an acute care hospital would otherwise be medically necessary;

  - Pastoral care and bereavement services; and

  - Respite care provided in a nursing facility to provide relief for the primary caregiver, subject to a maximum of five consecutive days and to a lifetime maximum benefit of 30

days. A member must be enrolled in a hospice program to be eligible for respite care benefits.

The member retains the right to all other services provided under this contract, including active treatment of non-terminal illnesses, except for services of another provider that duplicate the services of the hospice team.

DURABLE MEDICAL EQUIPMENT

- This plan covers **prosthetic and orthotic devices** that are medically necessary to restore or maintain the ability to complete activities of daily living or essential job-related activities and that are not solely for comfort or convenience. Benefits include coverage of all services and supplies medically necessary for the effective use of a prosthetic or orthotic device, including formulating its design, fabrication, material and component selection, measurements, fittings, static and dynamic alignments, and instructing the patient in the use of the device. Benefits also include coverage for any repair or replacement of a prosthetic or orthotic device that is determined medically necessary to restore or maintain the ability to complete activities of daily living or essential job-related activities and that is not solely for comfort or convenience.

- This plan covers **durable medical equipment** prescribed exclusively to treat medical conditions. Covered equipment includes crutches, wheelchairs, orthopedic braces, home glucose meters, equipment for administering oxygen, and non-power assisted prosthetic limbs and eyes. Durable medical equipment must be prescribed by a licensed M.D., D.O., N.P., P.A., D.D.S., D.M.D., or D.P.M. to be covered. This plan does not cover equipment commonly used for nonmedical purposes, for physical or occupational therapy, or prescribed primarily for comfort. Please see the Benefit Limitations and Exclusions section for information on items not covered. The following limitations apply to durable medical equipment:

  - The cost of durable medical equipment that is not considered an essential health benefit is covered up to $5,000 per calendar year. Examples of essential health benefits are prosthetics and orthotic devices, oxygen and oxygen supplies, diabetic supplies, wheelchairs, breast pumps, and medical foods for the treatment of inborn errors of metabolism.

  - This benefit covers the cost of either purchase or rental of the equipment for the period needed, whichever is less. Repair or replacement of equipment is also covered when necessary, subject to all conditions and limitations of the plan. If the cost of the purchase, rental, repair, or replacement is over $800, preauthorization by PacificSource is required.

  - Only expenses for durable medical equipment, or prosthetic and orthotic devices that are provided by a PacificSource contracted provider or a provider that satisfies the criteria of the Medicare fee schedule for Suppliers of Durable Medical Equipment, Prosthetics, Orthotics, Supplies (DMEPOS) and Other Items and Services are eligible for reimbursement. Mail order or Internet/Web based providers are not eligible providers.

- Purchase, rental, repair, lease, or replacement of a power-assisted wheelchair (including batteries and other accessories) requires preauthorization by PacificSource and is payable only in lieu of benefits for a manual wheelchair.
- The durable medical equipment benefit also covers lenses to correct a specific vision defect resulting from a severe medical or surgical problem, such as stroke, neurological disease, trauma, or eye surgery other than refraction procedures. Coverage is subject to the following limitations:
    - The medical or surgical problem must cause visual impairment or disability due to loss of binocular vision or visual field defects (not merely a refractive error or astigmatism) that requires lenses to restore some normalcy to vision.
    - The maximum allowance for glasses (lenses and frames), or contact lenses in lieu of glasses, is limited to one pair per year when surgery or treatment is performed on either eye. Other policy limitations, such as exclusions for extra lenses, other hardware, tinting of lenses, eye exercises, or vision therapy, also apply.
    - Benefits for subsequent medically necessary vision corrections to either eye (including an eye not previously treated) are limited to the cost of lenses only.
    - Reimbursement is subject to the deductible, co-payment, and/or co-insurance stated in your Medical Schedule of Benefits for durable medical equipment and is in lieu of, and not in addition to any other vision benefit payable.
- The durable medical equipment benefit also covers hearing aids for members 18 years of age or younger, or 19 to 25 years of age and enrolled in a secondary school or an accredited educational institution. Coverage is limited to a maximum benefit of one per ear every 48 months.
- Medically necessary treatment for sleep apnea and other sleeping disorders is covered when preauthorized by PacificSource. Coverage of oral devices includes charges for consultation, fitting, adjustment, follow-up care, and the appliance. The appliance must be prescribed by a physician specializing in evaluation and treatment of obstructive sleep apnea, and the condition must meet criteria for obstructive sleep apnea.
- Manual and electric breast pumps are covered at no cost once per pregnancy when purchased or rented from a participating licensed provider, or purchased from a retail outlet. Hospital-grade breast pumps are not covered.

TRANSPLANT SERVICES

This plan covers certain medically necessary organ and tissue transplants. It also covers the cost of acquiring organs or tissues needed for covered transplants and limited travel expenses for the patient, subject to certain limitations.

All pre-transplant evaluations, services, treatments, and supplies for transplant procedures require preauthorization by PacificSource.

This plan covers the following medically necessary organ and tissue transplants:

- Bone marrow, peripheral blood stem cell and high-dose chemotherapy when medically necessary;
- Heart;
- Heart – Lungs;
- Kidney;
- Kidney – Pancreas;
- Liver;
- Lungs;
- Pancreas whole organ transplantation; or
- Pediatric bowel.

This plan only covers transplants of human body organs and tissues. Transplants of artificial, animal, or other non-human organs and tissues are not covered.

Expenses for the acquisition of organs or tissues for transplantation are covered only when the transplantation itself is covered under this contract, and is subject to the following limitations:

- Testing of related or unrelated donors for a potential living related organ donation is payable at the same percentage that would apply to the same testing of an insured recipient.
- Expense for acquisition of cadaver organs is covered, payable at the same percentage and subject to the same limitations, if any, as the transplant itself.
- Medical services required for the removal and transportation of organs or tissues from living donors are covered. Coverage of the organ or tissue donation is payable at the same percentage as the transplant itself if the recipient is a PacificSource member.
  - If the donor is not a PacificSource member, only those complications of the donation that occur during the initial hospitalization are covered, and such complications are covered only to the extent that they are not covered by another health plan or government program. Coverage is payable at the same percentage as the transplant itself.
  - If the donor is a PacificSource member, complications of the donation are covered as any other illness would be covered.
- Transplant related services, including human leukocyte antigen (HLA) typing, sibling tissue typing, and evaluation costs, are considered transplant expenses and accumulate toward any transplant benefit limitations and are subject to PacificSource's provider contractual agreements. (See Payment of Transplant Benefits below.)

Travel and housing expenses for the recipient and one caregiver are limited to $5,000 per transplant. Travel and living expenses are not covered for the donor.

Payment of Transplant Benefits

If a transplant is performed at a participating Center of Excellence transplantation facility, covered charges of the facility are subject to plan deductibles (co-insurance and co-payment amounts after deductible are waived). If our contract with the facility includes the services of the medical professionals performing the transplant (such as physicians, nurse practitioners, and anesthesiologists), those charges are also subject to plan deductibles (co-insurance and co-payment amounts after deductible are waived). If the professional fees are not included in our contract with the facility, then those benefits are provided according to your Medical Schedule of Benefits.

Transplant services that are not received at a participating Center of Excellence and/or services of non-participating medical professionals are paid at the non-participating provider percentages stated in your Medical Schedule of Benefits. The maximum benefit payment for transplant services of non-participating providers is 125 percent of the Medicare allowance.

PRESCRIPTION DRUGS

Using Your PacificSource Pharmacy Benefits

Refer to your Pharmacy Schedule of Benefits for your specific benefit information.

Retail Pharmacy Network

To use your PacificSource pharmacy benefits, you must show the pharmacy plan number on your PacificSource ID card at the participating pharmacy to receive your plan's highest benefit level. When obtaining prescription drugs at a participating retail pharmacy, the PacificSource pharmacy benefits can only be accessed through the pharmacy plan number printed on your PacificSource ID card. That plan number allows the pharmacy to collect the appropriate deductible, co-payment, and/or co-insurance amount from you and bill PacificSource electronically for the balance.

Mail Order Service

This plan includes a participating mail order service for prescription drugs. Most, but not all, covered prescription drugs are available through this service. Questions about availability of specific drugs may be directed to the PacificSource Customer Service Department or to the plan's participating mail order service vendor. Forms and instructions for using the mail order service are available from PacificSource and on our website, PacificSource.com.

Specialty Drug Program

PacificSource contracts with a specialty pharmacy provider for high-cost injectable medications and biotech drugs. A pharmacist-led CareTeam provides individual follow-up care and support to covered members with prescriptions for specialty medications by providing them strong clinical support, as well as the best overall value for these specific medications. The CareTeam also provides comprehensive disease education and counseling, assesses patient health status, and offers a supportive environment for patient inquiries.

Specialty drugs are not available through the participating retail pharmacy network, mail order service, or non-contracted Specialty pharmacies without preauthorized exception. More information regarding our exclusive specialty pharmacy provider and a list of drugs requiring

preauthorization and/or are subject to restrictions is available on our website, PacificSource.com/drug-list/.

PacificSource Medication Synchronization Program

To ensure your medication is effective, it's important to take it exactly as prescribed. This can be challenging if you take multiple medications that refill at different times and require many trips to the pharmacy. Through our medication synchronization program, your ongoing prescriptions can be coordinated so refills are ready at the same time. If you wish to have your medication refills synchronized, please ask your doctor or pharmacist to contact our Pharmacy Services Department at (800) 624-6052, ext. 3784, or email at pharmacy@pacificsource.com. We will work with your providers to evaluate your options and develop your synchronization plan.

Other Covered Pharmaceuticals

Supplies covered under your pharmacy benefit are in place of, not in addition to, those same covered supplies under the medical plan. Member cost share for items in this section are applied on the same basis as for other prescription drugs, unless otherwise noted.

Diabetic Supplies

Refer to the applicable Drug List, at PacificSource.com/Drug-List, to see which diabetic supplies are covered under your pharmacy benefit. Some diabetic supplies, such as glucose monitoring devices, may only be covered under your medical benefit.

Contraceptives

Any deductible, co-payment, and/or co-insurance amounts are waived for Food and Drug Administration (FDA) approved contraceptive methods for all women with reproductive capacity, as supported by the Health Resources and Services Administration (HRSA), when provided by a participating pharmacy. If a generic exists, preferred brand contraceptives will remain subject to regular pharmacy plan benefits. When no generic exists, preferred brands are covered at no cost. If a generic becomes available, the preferred brand will no longer be covered under the preventive care benefit.

If the initial three month supply is prescribed then a twelve month refill of the same contraceptive is covered, regardless if the initial prescription was covered under this plan.

Orally Administered Anticancer Medications

Orally administered anticancer medications used to kill or slow the growth of cancerous cells are available. Co-payments for orally administered anticancer medication are applied on the same basis as for other drugs. Orally administered anticancer medications covered under the pharmacy plan are in place of, not in addition to, those same covered drugs under the medical plan.

Limitations and Exclusions

- This plan only covers drugs prescribed by a licensed physician (or other licensed practitioner eligible for reimbursement under your plan) prescribing within the scope of his or her professional license, except for:

- Over-the-counter drugs or other drugs that federal law does not prohibit dispensing without a prescription. Over-the-counter tobacco cessation drugs may be covered under your plan, but will require a prescription from your doctor.
- Drugs for any condition excluded under the health plan. This includes drugs intended to promote fertility, improve sexual function unless for treatment of a mental health diagnosis of sexual dysfuntion, treat obesity or weight loss, improve cosmetic conditions (hair loss, wrinkles, etc.), and drugs that are deemed experimental or investigational.
- Some specialty drugs that are not self-administered are not covered by this pharmacy benefit, but may be covered under the medical plan's office supply benefit. For a list of drugs that are covered under your Medical Benefit and which require Prior Authorization, please refer to the Medical Drug and Diabetic Supply formulary on our website, PacificSource.com/drug-list. If you have additional questions about your medical drug benefit or your drug is not listed on our website, please contact Customer Service.
- Some immunizations may be covered under either your medical or pharmacy benefit. Vaccines covered under the pharmacy benefit include: influenza, hepatitis B, zoster and pneumococcal. Most other immunizations must be provided by your doctor under your medical benefit.
- Drugs and devices to treat erectile dysfunction unless medically necessary to treat a medical diagnosis.
- Drugs used as a preventive measure against hazards of travel.
- Vitamins, minerals, and dietary supplements, except for prescription prenatal vitamins and fluoride products, and for services that have a rating of 'A' or 'B' from the U.S. Preventive Services Task Force (USPSTF).

- Certain drugs require Prior Authorization (PA), which means that we need to review documentation from your doctor before a drug will be covered. An up-to-date list of drugs requiring preauthorization along with all of our requirements is available on our website, PacificSource.com/drug-list/.
- Certain drugs are subject to Step Therapy (ST) protocols, which mean that we may require you to try a pre-requisite drug before we will pay for the requested drug. An up-to-date list of drugs requiring Step Therapy along with all of our requirements is available on our website, PacificSource.com/drug-list/.
- Certain drugs have Quantity Limits (QL), which means that we will generally not pay for quantities above the FDA approved maximum dosing without an approved exception. An up-to-date list of drugs with Quantity Limits is available on our website, PacificSource.com/drug-list/.
- Your plan has limitations on the quantity of medication that can be filled or refilled. This quantity depends on the type of pharmacy you are using and the days' supply of the prescription.
  - Retail pharmacies: you can get up to a 30 day supply.

- Mail order pharmacies: you can get up to a 90 day supply.
- Specialty pharmacies: you can get up to a 30 day supply.

- For drugs purchased at non-participating pharmacies or at participating pharmacies without using the PacificSource pharmacy benefits, reimbursement is limited to our in-network contracted rates. This means you may not be reimbursed the full cash price you pay to the pharmacy.
- Prescription drug benefits are subject to your plan's coordination of benefits provision. (For more information, see Claims Payment – Coordination of Benefits in your policy.)
- For most prescriptions, you may refill your prescription only after 70 percent of the previous supply has been taken. This is calculated by the number of days that have elapsed since the previous fill and the days' supply entered by the pharmacy. PacificSource will generally not approve early refills, except under the following circumstances:
  - The request is for ophthalmic solutions or gels which are susceptible to spillage or wastage.
  - The number of requests for the patient in question has not exceeded three requests in the previous 12 months.
  - The member will be on vacation in a location that does not allow for reasonable access to a network pharmacy for subsequent refills.
  - The previous supply has been lost or stolen AND is not a controlled substance.
  - In some circumstances, the standard co-payment may be applied to early refills.

OTHER COVERED SERVICES, SUPPLIES, AND TREATMENTS

- This plan covers services of a state certified ground or air **ambulance** when private transportation is medically inappropriate because the acute medical condition requires paramedic support. Benefits are provided for emergency ambulance service and/or transport to the nearest facility capable of treating the condition. Air ambulance service is covered only when ground transportation is medically or physically inappropriate. Reimbursement to non-participating air ambulance services are based on 200 percent of the Medicare allowance. In some cases Medicare allowance may be significantly lower than the provider's billed amount. The provider may hold you responsible for the amount they bill in excess of the Medicare allowance, as well as applicable deductibles and co-insurance. Nonemergency ground or air ambulance between facilities requires preauthorization.
- This plan covers **biofeedback** to treat migraine headaches or urinary incontinence when provided by an otherwise eligible practitioner. Benefits are limited to a lifetime maximum of ten sessions.
- This plan covers **blood transfusions**, including the cost of blood or blood plasma.

- This plan covers removal, repair, or replacement of **breast prostheses** due to a contracture or rupture, but only when the original prosthesis was for a medically necessary mastectomy. Preauthorization by PacificSource is required, and eligibility for benefits is subject to the following criteria:

  - The contracture or rupture must be clinically evident by a physician's physical examination, imaging studies, or findings at surgery;

  - This plan covers removal, repair, and/or replacement of the prosthesis;

  - Removal, repair, and/or replacement of the prosthesis is not covered when recommended due to an autoimmune disease, connective tissue disease, arthritis, allergenic syndrome, psychiatric syndrome, fatigue, or other systemic signs or symptoms.

- This plan covers **breast reconstruction** in connection with a medically necessary mastectomy. Coverage is provided in a manner determined in consultation with the attending physician and patient for:

  - All stages of reconstruction of the breast on which the mastectomy was performed;

  - Surgery and reconstruction of the other breast to produce a symmetrical appearance;

  - Prostheses; and

  - Treatment of physical complications of the mastectomy, including lymphedema.

  Benefits for breast reconstruction are subject to all terms and provisions of the plan, including deductibles, co-payments, and/or co-insurance stated in your Medical Schedule of Benefits.

- This plan covers **cardiac rehabilitation** as follows:

  - Phase I (inpatient) services are covered under inpatient hospital benefits.

  - Phase II (short-term outpatient) services are covered subject to the deductible, co-payment, and/or co-insurance stated in your Medical Schedule of Benefits for diagnostic lab and x-ray. Benefits are limited to services provided in connection with a cardiac rehabilitation exercise program that does not exceed 36 visits and are considered reasonable and necessary.

  - Phase III (long-term outpatient) services are not covered.

- This plan covers **child abuse medical assessments** which includes the taking of a thorough medical history, a complete physical examination and interview by or under the direction of a licensed physician or other licensed health care professional trained in the evaluation, diagnosis and treatment of child abuse. Child abuse medical assessments are covered when performed at a community assessment center. Community assessment center means a neutral, child-sensitive community-based facility or service provider to which a child from the community may be referred to receive a thorough child abuse medical assessment for the purpose of determining whether the child has been abused or neglected.

- This plan covers bilateral **cochlear implants** when medically necessary.
- This plan covers IUD, diaphragm, and cervical cap **contraceptives and contraceptive devices** along with their insertion or removal, as well as hormonal contraceptives including oral, patches and rings prescribed by your physician or a pharmacist. Contraceptive devices that can be obtained over the counter or without a prescription, such as condoms are not covered.
- This plan covers **corneal transplants**. Preauthorization is not required.
- In the following situations, this plan covers **cosmetic or reconstructive surgery:**
  - When necessary to correct a functional disorder; or
  - When necessary due to a congenital anomaly; or
  - When necessary because of an accidental injury, or to correct a scar or defect that resulted from treatment of an accidental injury; or
  - When necessary to correct a scar or defect on the head or neck that resulted from a covered surgery.

  Cosmetic or reconstructive surgery is provided for one attempt and must take place within 18 months after the injury, surgery, scar, or defect first occurred unless determined otherwise through medical necessity evaluation. Preauthorization by PacificSource is required for all cosmetic and reconstructive surgeries covered by this plan. For information on breast reconstruction, see 'breast prostheses' and 'breast reconstruction' in this section.
- This plan covers dental and orthodontic services for the treatment of **craniofacial anomalies** when medically necessary to restore function. Coverage includes but is not limited to physical disorders identifiable at birth that affect the bony structure of the face or head, such as a cleft palate, cleft lip, craniosynostosis, craniofacial microsomia and Treacher Collins syndrome. Coverage is limited to the least costly clinically appropriate treatment. Cosmetic procedures and procedures to improve on the normal range of functions are not covered. See the exclusions for cosmetic/reconstructive services, dental examinations and treatments, jaw surgery, and orthognathic surgery under the 'Excluded Services' section.
- This plan provides coverage for certain **diabetic equipment, supplies and training** as follows:
  - Diabetic supplies other than insulin and syringes (such as lancets, test strips, and glucostix) are covered subject to the deductible, co-payment, and/or co-insurance stated in your Medical Schedule of Benefits for durable medical equipment. You may purchase those supplies from any retail outlet and send your receipts to PacificSource, along with your name and member ID number. We will process the claim and mail you a reimbursement check.
  - Insulin pumps are covered subject to preauthorization by PacificSource.

- Diabetic insulin and syringes are covered under your prescription drug benefit. Lancets and test strips are also available under that prescription benefit in lieu of those covered supplies under the medical plan.

- This plan covers outpatient and self-management training and education for the treatment of diabetes, subject to the deductible, co-payment, and/or co-insurance for office visits stated in the Medical Schedule of Benefits. To be covered, the training must be provided by a licensed healthcare professional with expertise in diabetes.

- This plan covers medically necessary telemedical health services, via two-way electronic communication, provided in connection with the treatment of diabetes. (See Professional Services in this section.)

- This plan covers **dietary or nutritional counseling** provided by a registered dietitian under certain circumstances. It is covered under the diabetic education benefit, or for management of inborn errors of metabolism (excluding obesity), or for management of anorexia nervosa or bulimia nervosa as determined by necessary evaluation.

- This plan covers nonprescription **elemental enteral formula** ordered by a physician for home use. Formula is covered when medically necessary to treat severe intestinal malabsorption and the formula comprises a predominant or essential source of nutrition. Coverage is subject to the deductible, co-payment, and/or co-insurance stated in your Medical Schedule of Benefits for durable medical equipment.

- This plan covers routine **foot care** for patients with diabetes mellitus.

- **Hospitalization for dental procedures** is covered when the patient has another serious medical condition that may complicate the dental procedure, such as serious blood disease, unstable diabetes, or severe cardiovascular disease, or the patient is physically or developmentally disabled with a dental condition that cannot be safely and effectively treated in a dental office. Coverage requires preauthorization by PacificSource, and only charges for the facility, anesthesiologist, and assistant physician are covered. Hospitalization because of the patient's apprehension or convenience is not covered.

- This plan covers treatment for **inborn errors of metabolism** involving amino acid, carbohydrate, and fat metabolism for which widely accepted standards of care exist for diagnosis, treatment, and monitoring, including quantification of metabolites in blood, urine or spinal fluid or enzyme or DNA confirmation in tissues. Coverage includes expenses for diagnosing, monitoring and controlling the disorders by nutritional and medical assessment, including but not limited to clinical visits, biochemical analysis and medical foods used in the treatment of such disorders. Nutritional supplies are covered subject to the deductible, co-payment, and/or co-insurance stated in your Medical Schedule of Benefits for durable medical equipment.

- **Injectable drugs and biologicals** administered by a physician are covered when medically necessary for diagnosis or treatment of illness, injury, or disease. This benefit does not include immunizations (see Preventive Care Services in this section) or drugs or biologicals that can be self-administered or are dispensed to a patient.

- This plan covers **maxillofacial prosthetic services** when prescribed by a physician as necessary to restore and manage head and facial structures. Coverage is provided only when head and facial structures cannot be replaced with living tissue, and are defective because of disease, trauma, or birth and developmental deformities. To be covered, treatment must be necessary to control or eliminate pain or infection or to restore functions such as speech, swallowing, or chewing. Coverage is limited to the least costly clinically appropriate treatment, as determined by the physician. Cosmetic procedures and procedures to improve on the normal range of functions are not covered. Dentures, prosthetic devices for treatment of TMJ conditions, and artificial larynx are also not covered.

- For **pediatric dental care requiring general anesthesia**, this plan covers the facility charges of a hospital or ambulatory surgery center. Benefits are limited to one visit annually and are subject to preauthorization by PacificSource.

- **Post-mastectomy care** is covered for hospital inpatient care for a period of time as determined by the attending physician and, in consultation with the patient determined to be medically necessary following a mastectomy, a lumpectomy, or a lymph node dissection for the treatment of breast cancer.

- The **routine costs of care associated with approved clinical trials** are covered. Benefits are only provided for routine costs of care associated with approved clinical trials. Expenses for services or supplies that are not considered routine costs of care are not covered. For more information, see 'routine costs of care' in the Definitions section of this policy. A 'qualified individual' is someone who is eligible to participate in an approved clinical trial. If a participating provider is participating in an approved clinical trial, the qualified individual may be required to participate in the trial through that participating provider if the provider will accept the individual as a participant in the trial.

- **Sleep studies** are covered when ordered by a pulmonologist, neurologist, otolaryngologist, internist, family practitioner, or certified sleep medicine specialist, and when performed at a certified sleep laboratory.

- This plan covers medically necessary therapy and services for the treatment of **traumatic brain injury**.

- This plan covers **tubal ligation and vasectomy** procedures.

BENEFIT LIMITATIONS AND EXCLUSIONS

Least Costly Setting for Services

Covered services must be performed in the least costly setting where they can be provided safely. If a procedure can be done safely in an outpatient setting but is performed in a hospital inpatient setting, this plan will only pay what it would have paid for the procedure on an outpatient basis.

EXCLUDED SERVICES

Types of Treatment – This plan does not cover the following:

- Abdominoplasty for any indication.
- Academic skills training.
- Acupuncture.
- Any amounts in excess of the allowable fee for a given service or supply.
- Aversion therapy.
- Benefits not stated – Services and supplies not specifically described as benefits under the health policy and/or any endorsement attached hereto.
- Biofeedback (other than as specifically noted under the Covered Expenses – Other Covered Services, Supplies, and Treatment section).
- Charges for phone consultations, missed appointments, get acquainted visits, completion of claim forms, or reports PacificSource needs to process claims.
- Charges over the usual, customary, and reasonable fee (UCR) – Any amount in excess of the UCR for a given service or supply.
- Charges that are the responsibility of a third party who may have caused the illness, injury, or disease or other insurers covering the incident (such as workers' compensation insurers, automobile insurers, and general liability insurers).
- Chelation therapy including associated infusions of vitamins and/or minerals, except as medically necessary for the treatment of selected medical conditions and medically significant heavy metal toxicities.
- Chiropractic manipulations.
- Computer or electronic equipment for monitoring asthmatic, diabetic, or similar medical conditions or related data.
- Cosmetic/reconstructive services and supplies – Except as specified in the Covered Expenses – Other Covered Services, Supplies, and Treatments section of this policy. Services and supplies, including drugs, rendered primarily for cosmetic/reconstructive purposes and any complications as a result of non-covered cosmetic/reconstructive surgery. Cosmetic/reconstructive services and supplies are those performed primarily to improve the body's appearance and not primarily to restore impaired function of the body, unless the area needing treatment is a result of a congenital anomaly.
- Court-ordered sex offender treatment programs.
- Day care or custodial care – Care and related services designed essentially to assist a person in maintaining activities of daily living, e.g. services to assist with walking, getting in/out of bed, bathing, dressing, feeding, preparation of meals, homemaker services, special diets, rest crews, day care, and diapers. (This does not include rehabilitative or habilitative services that are covered under Professional Services section.) Custodial care is only covered in conjunction with respite care allowed under this plan's hospice benefit.

For related provisions, see ‘Hospital and Skilled Nursing Facility Services’ and ‘Home Health and Hospice Services’ in the Covered Expenses section of this policy.

- Dental examinations and treatment – For the purpose of this exclusion, the term ‘dental examinations and treatment’ means services or supplies provided to prevent, diagnose, or treat diseases of the teeth and supporting tissues or structures. This includes services, supplies, hospitalization, anesthesia, dental braces or appliances, or dental care rendered to repair defects that have developed because of tooth loss, or to restore the ability to chew, or dental treatment necessitated by disease. For related provisions, see ‘hospitalization for dental procedures’ under ‘Other Covered Services, Supplies, and Treatments’ in the Covered Expenses section of this policy.

- Drugs and biologicals that can be self-administered (including injectables) are excluded from the medical benefit, except those provided in a hospital emergency room, or other institutional setting, or as outpatient chemotherapy and dialysis, which are covered. Covered drugs and biologicals that can be self-administered are otherwise available under the pharmacy benefit, subject to plan requirements.

- Drugs or medications not prescribed for inborn errors of metabolism, diabetic insulin, or autism spectrum disorder that can be self-administered (including prescription drugs, injectable drugs, and biologicals), unless given during a visit for outpatient chemotherapy or dialysis or during a medically necessary hospital, emergency room or other institutional stay.

- Educational or correctional services or sheltered living provided by a school or halfway house, except outpatient services received while temporarily living in a shelter.

- Electronic Beam Tomography (EBT).

- Equine/animal therapy.

- Equipment commonly used for nonmedical purposes or marketed to the general public.

- Equipment used primarily in athletic or recreational activities. This includes exercise equipment for stretching, conditioning, strengthening, or relief of musculoskeletal problems.

- Experimental or investigational procedures – Your PacificSource plan does not cover experimental or investigational treatment. By that, we mean services, supplies, protocols, procedures, devices, chemotherapy, drugs or medicines or the use thereof that are experimental or investigational for the diagnosis and treatment of the patient. It includes treatment that, when and for the purpose rendered: has not yet received full U.S. government agency approval (e.g. FDA) for other than experimental, investigational, or clinical testing; is not of generally accepted medical practice in your policy’s state of issuance or as determined by medical advisors, medical associations, and/or technology resources; is not approved for reimbursement by the Centers for Medicare and Medicaid Services; is furnished in connection with medical or other research; or is considered by any governmental agency or subdivision to be experimental or investigational, not reasonable and necessary, or any similar finding.

An experimental or investigational service is not made eligible for benefits by the fact that other treatment is considered by your healthcare provider to be ineffective or not as effective as the service or that the service is prescribed as the most likely to prolong life.

When making benefit determinations about whether treatments are investigational or experimental, we rely on the above resources as well as: expert opinions of specialists and other medical authorities; published articles in peer-reviewed medical literature; external agencies whose role is the evaluation of new technologies and drugs; and external review by an independent review organization.

The following will be considered in making the determination whether the service is in an experimental and/or investigational status: whether there is sufficient evidence to permit conclusions concerning the effect of the services on health outcomes; whether the scientific evidence demonstrates that the services improve health outcomes as much or more than established alternatives; whether the scientific evidence demonstrates that the services' beneficial effects outweigh any harmful effects; and whether any improved health outcomes from the services are attainable outside an investigational setting.

If you or your provider has any concerns about whether a course of treatment will be covered, we encourage you to contact our Customer Service Department. We will arrange for medical review of your case against our criteria, and notify you of whether the proposed treatment will be covered.

- Eye examinations (routine) members age 19 and older.
- Eye exercises, therapy, and procedures – Orthoptics, vision therapy, and procedures intended to correct refractive errors.
- Eye glasses/Contact Lenses members age 19 and older – The fitting, provision, or replacement of eye glasses, lenses, frames, contact lenses, or subnormal vision aids intended to correct refractive error.
- Family planning – Services and supplies for artificial insemination, in vitro fertilization, treatment of infertility, or surgery to reverse voluntary sterilization, and treatment of erectile or sexual dysfunction unless medically necessary to treat a mental health diagnosis.
  - Infertility includes: Services and supplies, surgery, treatment, or prescriptions determined to be experimental or investigational in nature are not covered, except for medically necessary medication to preserve fertility during treatment with cytotoxic chemotherapy.

    For purposes of this plan, infertility is defined as:

    - Male: Low sperm counts or the inability to fertilize an egg; or
    - Female: The inability to conceive or carry a pregnancy to 12 weeks.
- Fitness or exercise programs and health or fitness club memberships.
- Food dependencies.

- Foot care (routine) – Services and supplies for corns and calluses of the feet, conditions of the toenails other than infection, hypertrophy or hyperplasia of the skin of the feet, and other routine foot care, except in the case of patients being treated for diabetes mellitus.
- Growth hormone injections or treatments, except to treat documented growth hormone deficiencies.
- Hearing Aids for individuals 19 and older including the fitting, provision or replacement of hearing aids. (Unless age 19 to 25 and enrolled in a secondary school or an accredited educational institution as noted in the 'Durable Medical Equipment' section of this policy.)
- Homeopathic medicines or homeopathic supplies.
- Hypnotherapy.
- Immunizations when recommended for or in anticipation of exposure through travel or work.
- Instructional or educational programs, except diabetes self-management programs unless medically necessary.
- Jaw – Services or supplies for developmental or degenerative abnormalities of the jaw, malocclusion, dental implants, or improving placement of dentures.
- Maintenance supplies and equipment not unique to medical care.
- Marital/partner counseling.
- Massage, massage therapy, or neuromuscular re-education, even as part of a physical therapy program.
- Mattresses and mattress pads are only covered when medically necessary to heal pressure sores.
- Mental health treatments for conditions as listed in the current Diagnostic and Statistical Manual (DSM) of the American Psychiatric Association which, according to the DSM, are not attributable to a mental health disorder or disease.

  Mental illness does not include – relationship problems (e.g. parent-child, partner, sibling, or other relationship issues), except the treatment of children five years of age or younger for parent-child relational problems, physical abuse of a child, sexual abuse, neglect of a child, or bereavement.

  The following are also excluded: court-mandated psychological evaluations for child custody determinations; voluntary mutual support groups such as Alcoholics Anonymous; adolescent wilderness treatment programs; mental examinations for the purpose of adjudication of legal rights; psychological testing and evaluations not provided as an adjunct to treatment or diagnosis of a stress management, parenting skills, or family education; assertiveness training; image therapy; sensory movement group therapy; marathon group therapy; and sensitivity training.

- Modifications to vehicles or structures to prevent, treat, or accommodate a medical condition.
- Motion analysis, including videotaping and 3-D kinematics, dynamic surface and fine wire electromyography, including physician review.
- Myeloablative high dose chemotherapy, except when the related transplant is specifically covered under the transplantation provisions of this plan. For related provisions, see 'Transplant Services' in the Covered Expenses section of this policy.
- Narcosynthesis.
- Naturopathic supplies.
- Nicotine related disorders.
- Obesity or weight reduction control – Surgery or other related services or supplies provided for weight control or obesity (including all categories of obesity), whether or not there are other medical conditions related to or caused by obesity. This also includes services or supplies used for weight loss, such as food supplementation programs and behavior modification programs, regardless of the medical conditions that may be caused or exacerbated by excess weight, and self-help or training programs for weight control. Obesity screening and counseling are covered for children and adults; see the 'dietary or nutritional counseling' section under 'Other Covered Services'.
- Oral/facial motor therapy for strengthening and coordination of speech-producing musculature and structures.
- Orthognathic surgery – Services and supplies to augment or reduce the upper or lower jaw, except as specified under 'Professional Services' in the Covered Expenses section of this policy. For related provisions, see the exclusions for 'jaw' and 'temporomandibular joint' in this section.
- Orthopedic shoes, diabetic shoes, and shoe modifications.
- Osteopathic manipulation, except for treatment of disorders of the musculoskeletal system.
- Over-the-counter medications or nonprescription drugs. See the Prescription Drug Benefit summary for additional detail about over-the-counter medications.
- Panniculectomy for any indication.
- Personal items such as telephones, televisions, and guest meals during a stay at a hospital or other inpatient facility.
- Physical or eye examinations required for administrative purposes such as participation in athletics, admission to school, or by an employer.
- Private nursing service.
- Programs that teach a person to use medical equipment, care for family members, or self-administer drugs or nutrition (except for diabetic education benefit).

- Psychoanalysis or psychotherapy received as part of an educational or training program, regardless of diagnosis or symptoms that may be present.
- Recreation therapy – Outpatient.
- Rehabilitation – Functional capacity evaluations, work hardening programs, vocational rehabilitation, community reintegration services, and driving evaluations and training programs.
- Replacement costs for worn or damaged durable medical equipment that would otherwise be replaceable without charges under warranty or other agreement.
- Scheduled and/or non-emergent medical care outside of the United States.
- Screening tests – Services and supplies, including imaging and screening exams performed for the sole purpose of screening and not associated with specific diagnoses and/or signs and symptoms of disease or of abnormalities on prior testing (including but not limited to total body CT imaging, CT colonography and bone density testing). This does not include preventive care screenings listed under 'Preventive Care Services' in the Covered Expenses section of this policy.
- Self-help or training programs.
- Sensory integration training.
- Services for individuals 18 years of age or older with intellectual disabilities which are generally provided by your State Dept. of Health and Welfare for those with Developmental Disabilities.
- Services of providers who are not eligible for reimbursement under this plan. An individual organization, facility, or program is not eligible for reimbursement for services or supplies, regardless of whether this plan includes benefits for such services or supplies, unless the individual, organization, facility, or program is licensed by the state in which services are provided as an independent practitioner, hospital, ambulatory surgical center, skilled nursing facility, durable medical equipment supplier, or mental and/or chemical healthcare facility. To the extent PacificSource maintains credentialing requirements, the practitioner or facility must satisfy those requirements in order to be considered an eligible provider.
- Services or supplies available to you from another source, including those available through a government agency.
- Services or supplies with no charge, or for which the member is not legally required to pay, or for which a provider or facility is not licensed to provide even though the service or supply may otherwise be eligible. This exclusion includes any service provided by the member, or any licensed medical professional that is directly related to the member by blood or marriage.
- Services or supplies for which you are not willing to release the medical or eligibility information PacificSource needs to determine the benefits paid under this plan.
- Services otherwise available – These include but are not limited to:

- Services or supplies for which payment could be obtained in whole or in part if the member applied for payment under any city, county, state (except Medicaid), or federal law; and

- Services or supplies the member could have received in a hospital or program operated by a federal government agency or authority, except otherwise covered expenses for services or supplies furnished to a member by the Veterans' Administration of the United States that are not military service-related.

This exclusion does not apply to covered services provided through Medicaid or by any hospital owned or operated by the policy's state of issuance or any state-approved community mental health and developmental disability program.

- Services required by state law as a condition of maintaining a valid driver license or commercial driver license.

- Services, supplies, and equipment not involved in diagnosis or treatment but provided primarily for the comfort, convenience, intended to alter the physical environment, or education of a patient. This includes appliances like adjustable power beds sold as furniture, air conditioners, air purifiers, room humidifiers, heating and cooling pads, home blood pressure monitoring equipment, light boxes, conveyances other than conventional wheelchairs, whirlpool baths, spas, saunas, heat lamps, tanning lights, and pillows.

- Sexual disorders – Services or supplies for the treatment of sexual dysfunction or inadequacy unless medically necessary to treat a mental health diagnosis. For related provisions, see the exclusions for 'family planning' and 'mental illness' in this section.

- Sex reassignment – Procedures, services or supplies related to a sex reassignment unless medically necessary.

- Snoring – Services or supplies for the diagnosis or treatment of snoring and/or upper airway resistance disorders, including somnoplasty.

- Social skill training.

- Speech therapy – Oral/facial motor therapy for strengthening and coordination of speech-producing muscles and structures, except as medically necessary in the restoration or improvement of speech following a traumatic brain injury or for individuals diagnosed with a pervasive developmental disorder.

- Support groups.

- Surgery to reverse voluntary sterilization.

- Temporomandibular joint – related services, or treatment for associated myofascial pain including physical or orofacial therapy. Advice or treatment, including physical therapy and/or orofacial therapy, either directly or indirectly for temporomandibular joint dysfunction, myofascial pain, or any related appliances. For related provisions, see the exclusions for 'jaw' and 'orthognathic surgery' in this section, and 'Professional Services' in the Covered Expenses section of this policy.

- Training or self-help health or instruction.
- Transplants – Any services, treatments, or supplies for the transplantation of bone marrow or peripheral blood stem cells or any human body organ or tissue, except as expressly provided under the provisions of this plan for covered transplantation expenses. For related provisions see 'Transplant Services' in the Covered Expenses section of this policy.
- Treatment after insurance ends – Services or supplies a member receives after the member's coverage under this plan ends.
- Treatment not medically necessary – Services or supplies that are not medically necessary for the diagnosis or treatment of an illness, injury, or disease. For related provisions, see 'medically necessary' in the Definitions section and 'Understanding Medical Necessity' in the Covered Expenses section of this policy.
- Treatment of any illness, injury, or disease resulting from an illegal occupation or attempted felony, or treatment received while in the custody of any law enforcement other than with local supervisory authority while pending disposition of charges.
- Treatment of any work-related illness, injury, or disease, except in the following circumstances:
  - You are the owner, partner, or principal; were injured in the course of self-employment; and are otherwise exempt from the applicable state or federal workers' compensation insurance program;
  - The appropriate state or federal workers' compensation insurance program has determined that coverage is not available for your injury. This exclusion includes any illness, injury, or disease that is caused by any for-profit activity, whether through employment or self-employment; or
  - You are employed by an Oregon based group and have timely filed an application for coverage with the State Accident Insurance Fund or other Workers' Compensation Carrier and are waiting for determination of coverage from that entity.
- Treatment prior to enrollment – Services or supplies a member received prior to enrolling in coverage provided by this plan, such as inpatient stays or admission to a hospital, skilled nursing facility, or specialized facility that began before the patient's coverage under this plan.
- Unwilling to release information – Charges for services or supplies for which a member is unwilling to release medical or eligibility information necessary to determine the benefits payable under this policy.
- Vocational rehabilitation, functional capacity evaluations, work hardening programs, community reintegration services, and driving evaluations and training programs, except as medically necessary in the restoration or improvement of speech following a traumatic brain injury or for individuals diagnosed with a pervasive development disorder.

- War-related conditions – The treatment of any condition caused by or arising out of an act of war, armed invasion, or aggression, or while in the service of the armed forces unless not covered by the member's military or veterans coverage.

PREAUTHORIZATION

Coverage of certain medical services and surgical procedures requires a benefit determination by PacificSource before the services are performed. This process is called 'preauthorization'.

Preauthorization is necessary to determine if certain services and supplies are covered under this plan, and if you meet the plan's eligibility requirements.

Your medical provider can request preauthorization from the PacificSource Health Services Department by phone, fax, mail, or email. If your provider will not request preauthorization for you, you may contact us yourself. In some cases, we may ask for more information or require a second opinion before authorizing coverage.

Because of the changing nature of medicine, PacificSource continually reviews new technologies and standards of medical practice. The list of procedures and services requiring preauthorization is therefore subject to revision and update. ***The list is not intended to suggest that all the items included are necessarily covered by the benefits of this policy.*** You'll find the most current preauthorization list on our website, PacificSource.com.

Services requiring preauthorization:

- All inpatient admissions to a hospital (not including emergency room care), skilled nursing facility or a rehabilitation facility, all emergency hospitalizations (PacificSource must be notified within two business days, or as soon as reasonably possible) and all hospital birthing center admissions for maternity/delivery services;
- All outpatient surgical procedures;
- All inpatient, residential and day or partial hospitalization treatment services for Mental Health and Chemical dependency conditions;
- All human organ/tissue transplant related services;
- All restoration of head/facial structures: Limited dental services;
- All PET, CT, CTA, MRI and MRA imaging and nuclear cardiac study services;
- All home healthcare services;
- All inpatient hospice services;
- All medical supplies, appliances, prosthetic and orthotic devices, and durable medical equipment in excess of $800; or
- All outpatient hospitalization and anesthesia for dental.

If your treatment is not preauthorized, you can still seek treatment, but you will be held responsible for the expense if it is not medically necessary or is not covered by this plan.

Remember, any time you are unsure if an expense will be covered, contact the PacificSource Customer Service Department.

Notification of PacificSource's benefit determination will be communicated by letter, fax, or electronic transmission to the hospital, the provider, and you. If time is a factor, notification will be made by telephone and followed up in writing.

PacificSource reserves the right to employ a third party to perform preauthorization procedures on its behalf.

In a medical emergency, services and supplies necessary to determine the nature and extent of the emergency condition and to stabilize the patient are covered without preauthorization requirements. PacificSource must be notified of an emergency admission to a hospital or specialized treatment center as an inpatient within two business days.

If your provider's preauthorization request is denied as not medically necessary or as experimental, your provider may appeal our benefit determination. You retain the right to appeal our benefit determination independent from your provider.

CASE MANAGEMENT

Case management is a service provided by Registered Nurses, who are Certified Case Managers with specialized skills to respond to the complexity of a member's healthcare needs. Case management services may be initiated by PacificSource when there is a high utilization of health services or multiple providers, or for health problems such as, but not limited to, transplantation, high risk obstetric or neonatal care, open heart surgery, neuromuscular disease, spinal cord injury, or any acute or chronic condition that may necessitate specialized treatment or care coordination. When case management services are implemented, the Nurse Case Manager will work in collaboration with the patient's provider and the PacificSource Medical Director to enhance the quality of care and maximize available health plan benefits. A case manager may authorize benefits for supplemental services not otherwise covered by this policy. (See Individual Benefits Management in this section.)

PacificSource reserves the right to employ a third party to assist with or perform the function of case management.

INDIVIDUAL BENEFITS MANAGEMENT

Individual benefits management addresses, as an alternative to providing covered services, PacificSource's consideration of economically justified alternative benefits. The decision to allow alternative benefits will be made by PacificSource on a case-by-case basis. PacificSource's determination to cover and pay for alternative benefits for a member shall not be deemed to waive, alter or affect PacificSource's right to reject any other or subsequent request or recommendation. PacificSource may elect to provide alternative benefits if PacificSource and the member's attending provider concur in the request for and in the advisability of alternative benefits in lieu of specified covered services, and, in addition, PacificSource concludes that substantial future expenditures for covered services for the member could be significantly diminished by providing such alternative benefits under the individual benefit management program. (See Case Management above.)

UTILIZATION REVIEW

PacificSource has a utilization review program to determine coverage of hospital admissions. This program is administered by our Health Services Department. All hospital admissions are reviewed by PacificSource Nurse Case Managers, who are all registered nurses and Certified Case Managers. Questions regarding medical necessity, possible experimental or investigational services, appropriate setting, and appropriate treatment are forwarded to the PacificSource Medical Director for review and benefit determination.

PacificSource reserves the right to delegate a third party to assist with or perform the function of utilization management.

Authorization of Hospital Admissions

When a PacificSource member is admitted to a hospital within the area covered by PacificSource's provider networks (see the Using the Provider Network – Coverage While Traveling section), the hospital calls PacificSource to verify the patient's eligibility and benefits. The hospital gives us information about the patient's diagnosis, procedure, and attending physician and we use this information to evaluate how long each patient is expected to remain hospitalized.

This is called the 'target length of stay.' We use the target length of stay to monitor the patient's progress and plan for any necessary follow-up care after the patient is discharged.

The PacificSource Health Services Department assigns the target length of stay based on the patient's diagnosis and/or procedure. For standard hospitalizations, we use written procedures that were developed based on the following guidelines:

- Milliman Care Guidelines (MCG™);
- MCG™ Goal Length of Stay (GLOS); and
- Standard of practice in your policy's state of issue.

If we are unable to assign a target length of stay based on those guidelines, our Nurse Case Manager contacts the hospital for more specific information about the case. We then use that information to assign a target length of stay for the patient.

Extension of Hospital Stays

If a patient's hospital stay extends beyond the targeted length of stay, a Nurse Case Manager contacts the hospital to obtain current information about the patient's medical progress and assign a new target length of stay or begin planning for the patient's discharge. The PacificSource Medical Director may review the case to determine if extended hospitalization meets coverage criteria.

Occasionally, patients choose to extend their hospital stay beyond the length the attending physician considers medically necessary. Charges for hospital days and services beyond those determined to be medically necessary are the member's responsibility.

Timeliness for Responding to Coverage Request

When PacificSource receives a request for coverage of an admission or extension of a hospital stay, we are generally able to provide an answer that same day. If we do not have enough information to make a benefit determination, we request further information and attempt to provide a determination on the day we receive that information. If a member is discharged before we receive the information we need, the case is reviewed retrospectively by the Nurse Case Manager and the Medical Director for a determination regarding coverage.

Questions About Specific Utilization Review Decisions

If you would like information on how we reached a particular utilization review benefit determination, please contact our Health Services Department by phone at (541) 684-5584 or (888) 691-8209, ext. 2584, or by email at healthservices@pacificsource.com.

CLAIMS PAYMENT

How to File a Claim

When a PacificSource participating provider treats you, your claims are automatically sent to PacificSource and processed. All you need to do is show your PacificSource ID card to the provider.

If you receive care from a non-participating provider, the provider may submit the claim to PacificSource for you. If not, you are responsible for sending the claim to us for processing. Your claim must include a copy of your provider's itemized bill. It must also include your name, PacificSource ID number or social security number, and the patient's name. If you were treated for an accidental injury, please include the date, time, place, and circumstances of the accident.

All claims for benefits should be turned in to PacificSource within 90 days of the date of service. If it is not possible to submit a claim within 90 days, turn in the claim with an explanation as soon as possible. In some cases PacificSource may accept the late claim. We will never pay a claim that was submitted more than a year after the date of service.

Proofs of Loss

PacificSource, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proof of loss. If such forms are not furnished by PacificSource within 15 days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss. Upon receipt of the forms for proof of loss, the claimant then must submit the proofs of loss within 90 days of the date of the loss or as soon as reasonably possible. 'Proofs of loss' include written proof covering the occurrence, the character and the extent of the loss for which claim is made.

All claims should be sent to:

PacificSource Health Plans
Attn: Claims
PO Box 7068
Springfield, OR 97475-0068

Claim Handling Procedures

A claim for benefits under this plan will be examined by PacificSource on a pre-service, concurrent, and/or a post-services basis. Each time your claim is examined, a new claims determination will be made regarding the category (pre-service, concurrent, or post-service) into which the claim falls at that particular time. In each case, PacificSource must render a claim determination within a prescribed period of time.

Pre-service claims – Your plan subjects the receipt of benefits for some services or supplies to a preauthorization review. Although a preauthorization review is generally done on a pre-service basis, it may in some case be conducted on a post-service basis. Unless a response is needed sooner due to the urgency of the situation, a pre-service preauthorization review will be completed and notification made to you and your medical provider as soon as possible, generally within two working days, but no later than 15 days within receipt of the request.

Urgent care claims – If the time period for making a non-urgent care determination could seriously jeopardize your life, health or ability to regain maximum function, or would subject you to severe pain that cannot be adequately managed without the care or treatment that is proposed, a preauthorization review will be completed as soon as possible, generally within 24 hours, but no later than 72 hours of receipt of the request.

Concurrent care review – Inpatient hospital or rehabilitation facilities, skilled nursing facilities, intensive outpatient, and residential behavioral healthcare require concurrent review for a benefit determination with regard to an appropriate length of stay or duration of service. Benefit determinations will be made as soon as possible but no later than one working day after receipt of all the information necessary to make such a determination.

Post-service claims – A claim determination that involves only the payment of reimbursement of the cost of medical care that has already been provided will be made as soon as reasonably possible but no later than 30 days from the day after receiving the claim.

Retrospective review – A claim for benefits for which the service or supply requires a preauthorization review but was not submitted for review on a pre-service basis will be reviewed on a retrospective basis within 30 working days after receipt of the information necessary to make a claim determination.

Extension of time – Despite the specified timeframes, nothing prevents the member from voluntarily agreeing to extend the above timeframes. Unless additional information is needed to process your claim, PacificSource will make every effort to meet the timeframes stated above. If a claim cannot be paid within the stated timeframes because additional information is needed, we will acknowledge receipt of the claim and explain why payment is delayed. If we do not receive the necessary information within 15 days of the delay notice, we will either deny the claim or notify you every 45 days while the claim remains under investigation. No extension is permitted for urgent care claims.

Payment of claims – PacificSource has the sole right to pay benefits to the member, the provider, or both jointly. Neither the benefits of this policy nor a claim for payment of benefits under the policy are assignable in whole or in part to any person or entity.

Adverse benefit determinations – A decision made to reduce or deny benefits applied on a pre-service, post-service, or concurrent care basis may be appealed in accordance with the plan's Appeals procedures. (See Complaints, Grievances, and Appeals section below.)

Questions About Claims

If you have questions about the status of a claim, you are welcome to contact the PacificSource Customer Service Department. You may also contact Customer Service if you believe a claim was denied in error. We will review your claim and your policy benefits to determine if the claim is eligible for payment. Then we will either reprocess the claim for payment, or contact you with an explanation.

Benefits Paid in Error

If PacificSource makes a payment to you that you are not entitled to, or pays a person who is not eligible for payment, we may recover the payment. We may also deduct the amount paid in error from your future benefits if we receive an agreement from you in writing.

In the same manner, if PacificSource applies medical expense to the plan deductible that would not otherwise be reimbursable under the terms of this policy; we may deduct a like amount from the accumulated deductible amount and/or recover payment of medical expense that would have otherwise been applied to the deductible. Examples of amounts recoverable under this provision include, but are not limited to benefits provided for incurred expense for the treatment of an excluded medical condition. The fact that a medical expense was applied to the plan's deductible or a drug was provided under the plan's prescription drug program does not in itself create an eligible expense or infer that benefits will continue to be provided for an otherwise excluded condition.

COORDINATION OF BENEFITS

This is a summary of only a few of the provisions of your health plan to help you understand coordination of benefits which can be very complicated. This is not a complete description of all of the coordination rules.

Double Coverage

It is common for family members to be covered by more than one healthcare plan. This happens, for example, when a husband and wife both work and choose to have family coverage through both employers.

When you are covered by more than one health plan, state law permits your insurers to follow a procedure called 'coordination of benefits' to determine how much each should pay when you have a claim. The goal is to make sure that the combined payments of all plans do not add up to more than your covered healthcare expenses.

Coordination of benefits (COB) is complicated, and covers a wide variety of circumstances. This is only an outline of some of the most common ones. If your situation is not described, contact our Customer Service Department or your state insurance department.

Primary or Secondary?

You will be asked to identify all the plans that cover members of your family. We need this information to determine whether we are the 'primary' or 'secondary' benefit payer. The primary plan always pays first when you have a claim.

Any plan that does not contain your state's COB rules will always be primary.

When This Plan is Primary

If you or a family member are covered under another plan in addition to this one, we will be primary when:

Your Own Expenses

- The claim is for your own healthcare expenses, unless you are covered by Medicare and both you and your spouse or qualified domestic partner are retired.

Your Spouse's Expenses

- The claim is for your spouse or your qualified domestic partner, who is covered by Medicare, and you are not both retired.

Your Child's Expenses

- The claim is for the healthcare expenses of your child who is covered by this plan; and
- You are married and your birthday is earlier in the year than your spouse's or qualified domestic partner's, or you are living with another individual, regardless of whether or not you have ever been married to that individual, and your birthday is earlier than that other individual's birthday. This is known as the 'birthday rule;' or
- You are separated or divorced and you have informed us of a court decree that makes you responsible for the child's healthcare expenses; or
- There is no court decree, but you have custody of the child.

Other Situations

We will be primary when any other provisions of state or federal law require us to be.

How We Pay Claims When We Are Primary

When we are the primary plan, we will pay the benefits in accordance with the terms of your contract, just as if you had no other healthcare coverage under any other plan.

How We Pay Claims When We Are Secondary

We will be secondary whenever the rules do not require us to be primary.

When we are the secondary plan, we do not pay until after the primary plan has paid its benefits. We will then pay part or all of the allowable expenses left unpaid, as explained below. An 'allowable expense' is a healthcare expense covered by one of the plans, including copayments, coinsurance and deductibles.

- If there is a difference between the amounts the plans allow, we will base our payment on the higher amount. However, if the primary plan has a contract with the provider, our combined payments will not be more than the amount called for in our contract or the amount called for in the contract of the primary plan, whichever is higher. Health maintenance organizations (HMOs) and preferred provider organizations (PPOs) usually have contracts with their providers.

- We will determine our payment by calculating the amount we would have paid if we had been primary, and apply that calculated amount to any allowable expense that is left unpaid by the primary plan. We may limit our payment by any amount so that, when combined with the amount paid by the primary plan, the total benefits paid do not exceed the total allowable expense for your claim. We will credit any amount we would have paid in the absence of your other healthcare coverage toward our own plan deductible.

- If the primary plan covers similar kinds of healthcare expenses, but allows expenses that we do not cover, we may pay for those expenses.

- We will not pay an amount the primary plan did not cover because you did not follow its rules and procedures. For example, if your plan has reduced its benefit because you did not obtain pre-certification, as required by that plan, we will not pay the amount of the reduction, because it is not an allowable expense.

Questions About Coordination of Benefits?
Contact Your State Insurance Department

THIRD PARTY LIABILITY

Third party liability means claims that are the responsibility of someone other than PacificSource. The liable party may be a person, firm, or corporation. Auto accidents and 'slip-and-fall' property accidents are examples of common third party liability cases. If you use this plan's benefits for an illness or injury you think may involve another party, contact PacificSource immediately.

A third party includes liability and casualty insurance, and any other form of insurance that may pay money to or on behalf of a member, including but not limited to uninsured motorist coverage, under-insured motorist coverage, premises med-pay coverage, Personal Injury Protection (PIP) coverage, homeowner's insurance, and workers' compensation insurance.

If you use this plan's benefit for an illness or injury you think may involve another party, contact PacificSource right away.

When we receive a claim that might involve a third party, we will send you a questionnaire to help us determine responsibility.

In all third party liability situations, this plan's coverage is secondary. By enrolling in this plan, you automatically agree to the following terms regarding third party liability situations:

- If PacificSource pays any claim determined to be the responsibility of another party, you will hold the right of recovery against the other party in trust for PacificSource.

- PacificSource is entitled to reimbursement for any paid claims if there is a settlement or judgment from the other party. This is so regardless of whether the other party or insurer admits liability or fault.
- PacificSource may subtract a proportionate share of the reasonable attorney's fees you incurred from the money you are to pay back to PacificSource.
- PacificSource may ask you to take action to recover medical expenses we have paid from the responsible party. PacificSource may also assign a representative to do so on your behalf. If there is a recovery, PacificSource will be reimbursed for any expenses or attorney's fees out of that recovery.
- If you receive a third party settlement, that money must be used to pay your related medical expenses incurred both before and after the settlement. If you have ongoing medical expenses after the settlement, PacificSource may deny your related claims until the full settlement (less reasonable attorney's fees) has been used to pay those expenses.

Motor Vehicle and Other Accidents

If you are involved in a motor vehicle accident or other accident, your related medical expenses are not covered by this plan if they are covered by any other type of insurance policy.

PacificSource may pay your medical claims from the accident if an insurance claim has been filed with the other insurance company and that insurance has not yet paid.

By enrolling in this plan, you agree to the terms in the previous section regarding third party liability.

On-the-Job Illness or Injury and Workers' Compensation

This plan does not cover any work-related illness, injury, or disease that is caused by any for-profit activity, whether through employment or self-employment. The only exceptions would be if:

- You are the owner, partner, or principal; are injured in the course of self-employment; and are otherwise exempt from the applicable state or federal workers' compensation insurance program;
- The appropriate state or federal workers' compensation insurance program has determined that coverage is not available for your injury; or
- You are employed with an Oregon based group, and have timely filed an application for coverage with the State Accident Insurance Fund or other Workers' Compensation Carrier and are waiting for determination of coverage from that entity.

The contractual rules for third party liability, motor vehicle and other accidents, and on-the-job illness or injury are complicated and specific. Please contact the PacificSource Third Party Claims Department for complete details.

COMPLAINTS, GRIEVANCES, AND APPEALS

Questions, Concerns, or Complaints

PacificSource understands that you may have questions or concerns about your benefits, eligibility, the quality of care you receive, or how we reached a claim determination or handled a claim. We try to answer your questions promptly and give you clear, accurate answers.

If you have a question, concern, or complaint about your PacificSource coverage, please contact our Customer Service Department. Many times our Customer Service staff can answer your question or resolve an issue to your satisfaction right away. If you feel your issues have not been addressed, you have the right to submit a grievance and/or appeal in accordance with this section.

GRIEVANCE PROCEDURES

If you are dissatisfied with the availability, delivery, or the quality of healthcare services; or claims payment, handling or reimbursement for healthcare services; or matters pertaining to the contractual relationship between you and PacificSource, you may file a grievance in writing. PacificSource will attempt to address your grievance, generally within 30 days of receipt. (See How to Submit Grievances or Appeals below.)

APPEAL PROCEDURES

If you believe PacificSource has improperly reduced or terminated a healthcare item or service, or failed or refused to provide or make a payment in whole or in part for a healthcare item or service, that is based on any of the reasons listed below, you or your authorized representative (see Definition section) may appeal (request a review) our decision. The request for appeal must be made in writing and within 180 days of the adverse benefit determination (see How to Submit Grievances or Appeals below). You may appeal if there is an adverse benefit determination based on a:

- Denial of eligibility for or termination of enrollment in a healthcare plan;
- Rescission or cancellation of your policy;
- Imposition of a source-of-injury exclusion*, network exclusion, annual benefit limit or other limitation on otherwise covered services or items;
- Determination that a healthcare item or service is experimental, investigational or not medically necessary, effective or appropriate; or
- Determination that a course or plan of treatment you are undergoing is an active course of treatment for the purpose of continuity of care.

* Source-of-injury exclusions cannot exclude injuries resulting from a medical condition or domestic violence.

PacificSource staff involved in the initial adverse benefit determination will not be involved in the internal appeal.

You or your authorized representative may submit additional comments, documents, records and other materials relating to the adverse benefit determination that is the subject of the appeal. If an authorized representative is filing on your behalf, PacificSource will not consider your appeal to be filed until such time as it has received the 'Authorization to Use or Disclose PHI' and the 'Designation of Authorized Representative' forms.

You may receive continued coverage under the health benefit plan for otherwise covered services pending the conclusion of the internal appeal process. If PacificSource makes payment for any service or item on your behalf that is later determined not to be a covered service or item, you will be expected to reimburse PacificSource for the non-covered service or item.

Request for Expedited Response: If there is a clinical urgency to do so, you or your authorized representative may request in writing or orally, an expedited response to an internal or external review of an adverse benefit determination. To qualify for an expedited response, your attending physician must attest to the fact that the time period for making a non-urgent benefit determination could seriously jeopardize your life or health or your ability to regain maximum function or would subject you to severe pain that cannot be adequately managed without the healthcare service or treatment that is the subject of the request. If your appeal qualifies for an expedited review and would also qualify for external review (see External Independent Review below) you may request that the internal and external reviews be performed at the same time.

External Independent Review: If your dispute with PacificSource relates to an adverse benefit determination that a course or plan of treatment is not medically necessary; is experimental or investigational; is not an active course of treatment for purposes of continuity of care; or is not delivered in an appropriate healthcare setting and with the appropriate level of care, you or your authorized representative may request an external review by an independent review organization (see How to Submit Grievances or Appeals below).

Your request for an independent review must be made within 180 days of the date of the internal appeal response. External independent review is available at no cost to you, but is generally only available when coverage has been denied for the reasons stated above and only after all internal grievance levels are exhausted.

PacificSource may, at its discretion and with your consent, waive the requirements of compliance with the internal appeal process and have a dispute referred directly to external review. You shall be deemed to have exhausted the internal appeal if PacificSource fails to strictly comply with its appeal process and with state and federal requirements for an internal appeal. *If PacificSource fails to comply with the decision of the independent review organization assigned under Oregon law, you have a private right of action (sue) against PacificSource for damages arising from an adverse benefit determination subject to the external review.*

If you have questions regarding Oregon's external review process, you may contact the Oregon Insurance Division. (See 'Information and Assistance from the Oregon Insurance Division' in the Resources for Information and Assistance section.)

Timelines for Responding to Appeals

You will be afforded one level of internal appeal and, if applicable to your case, an external review. PacificSource will acknowledge receipt of an appeal no later than seven days after receipt. A decision in response to the appeal will be made within 30 days after receiving your request to appeal.

The above time frames do not apply if the period is too long to accommodate the clinical urgency of a situation, or if you do not reasonably cooperate, or if circumstances beyond your or our control prevent either party from complying with the time frame. In the case of a delay, the party unable to comply must give notice of delay, including the specific circumstances, to the other party.

Information Available with Regard to an Adverse Benefit Determination

The final adverse benefit determination will include:

- A reference to the specific internal rule or guideline PacificSource used in the adverse benefit determination; and
- An explanation of the scientific or clinical judgment for the adverse benefit determination, if the adverse benefit determination is based on medical necessity, experimental treatment, or a similar exclusion.

Upon request, PacificSource will provide you with any additional documents, records or information that is relevant to the adverse benefit determination.

HOW TO SUBMIT GRIEVANCES OR APPEALS

Before submitting a grievance or appeal, we suggest you contact our Customer Service Department with your concerns. You can reach us by phone or email at the contact information found on the first page of this policy. Issues can often be resolved at this level. Otherwise, you may file a grievance or appeal by:

Writing to:

PacificSource Health Plans
Attn: Grievance Review
PO Box 7068
Springfield, OR 97475-0068

Emailing cs@pacificsource.com, with ‘Grievance’ as the subject

Faxing (541) 225-3628

If you are unsure of what to say or how to prepare a grievance, please call our Customer Service Department. We will help you through the grievance process and answer any questions you have.

Assistance Outside PacificSource

You have the right to file a complaint or seek other assistance from the Oregon Insurance Division. Assistance is available:

By calling (503) 947-7984 or the toll-free message line at (888) 877-4894

By writing to:

The Oregon Insurance Division
Consumer Advocacy Unit
PO Box 14480
Salem, OR 97309-0405

Through the Internet at
http://www.oregon.gov/DCBS/insurance/gethelp/Pages/fileacomplaint.aspx

Or by email at cp.ins@state.or.us

RESOURCES FOR INFORMATION AND ASSISTANCE

Assistance in Other Languages

PacificSource members who do not speak English may contact our Customer Service Department for assistance. We can usually arrange for a multilingual staff member or interpreter to speak with them in their native language.

Information Available from PacificSource

PacificSource makes the following written information available to you free of charge. You may contact our Customer Service Department by phone, mail, or email to request any of the following:

- A directory of participating healthcare providers under your plan;
- Information about our drug list (also known as a formulary);
- A copy of our annual report on complaints and appeals;
- A description (consistent with risk-sharing information required by the Centers for Medicare and Medicaid Services, formerly known as Health Care Financing Administration) of any risk-sharing arrangements we have with providers;
- A description of our efforts to monitor and improve the quality of health services;
- Information about how we check the credentials of our network providers and how you can obtain the names and qualifications of your healthcare providers;
- Information about our preauthorization and utilization review procedures; or
- Information about any healthcare plan offered by PacificSource.

Information Available from the Oregon Insurance Division

The following consumer information is available from the Oregon Insurance Division:

- The results of all publicly available accreditation surveys;
- A summary of our health promotion and disease prevention activities;
- Samples of the written summaries delivered to PacificSource policyholders;
- An annual summary of grievances and appeals against PacificSource;
- An annual summary of our utilization review policies;
- An annual summary of our quality assessment activities; and
- An annual summary of the scope of our provider network and accessibility of healthcare services.

You can request this information by contacting the Oregon Insurance Division by writing to the Oregon Insurance Division, Consumer Advocacy Unit, PO Box 14480, Salem, OR 97309-0405 or by phone at (503) 947-7984, or the toll-free message line at (888) 877-4894, on the Internet at http://www.oregon.gov/DCBS/insurance/gethelp/Pages/fileacomplaint.aspx, or by email at cp.ins@state.or.us.

FEEDBACK AND SUGGESTIONS

As a PacificSource member you are encouraged to help shape our corporate policies and practices. We welcome any suggestions you have for improving your plan or our services.

You may send comments or feedback using the 'Contact Us' form on our website, PacificSource.com. You may also write to us at:

PacificSource Health Plans
Attn: Customer Experience Strategist
PO Box 7068
Springfield, OR 97475-0068

RIGHTS AND RESPONSIBILITIES

PacificSource is committed to providing you with the highest level of service in the industry. By respecting your rights and clearly explaining your responsibilities under this plan, we will promote effective healthcare.

Your Rights as a Member:

- You have a right to receive information about PacificSource, our services, our providers, and your rights and responsibilities.
- You have a right to expect clear explanations of your plan benefits and exclusions.
- You have a right to be treated with respect and dignity.
- You have a right to impartial access to healthcare without regard to race, religion, gender, national origin, or disability.

- You have a right to honest discussion of appropriate or medically necessary treatment options. You are entitled to discuss those options regardless of how much the treatment costs or if it is covered by this plan.
- You have a right to the confidential protection of your medical records and personal information.
- You have a right to voice complaints about PacificSource or the care you receive, and to appeal decisions you believe are wrong.
- You have a right to participate with your healthcare provider in decision-making regarding your care.
- You have a right to know why any tests, procedures, or treatments are performed and any risks involved.
- You have a right to refuse treatment and be informed of any possible medical consequences.
- You have a right to refuse to sign any consent form you do not fully understand, or cross out any part you do not want applied to your care.
- You have a right to change your mind about treatment you previously agreed to.
- You have a right to make recommendations regarding PacificSource Health Plans' member rights and responsibilities policy.

Your Responsibilities as a Member:

- You are responsible for reading this benefit policy and all other communications from PacificSource, and for understanding your plan's benefits. You are responsible for contacting PacificSource Customer Service if anything is unclear to you.
- You are responsible for making sure your participating provider obtains preauthorization for any services that require it before you are treated.
- You are responsible for providing PacificSource with all the information required to provide benefits under your plan.
- You are responsible for giving your healthcare provider complete health information to help accurately diagnose and treat you.
- You are responsible for telling your providers you are covered by PacificSource and showing your ID card when you receive care.
- You are responsible for being on time for appointments, and calling your provider ahead of time if you need to cancel.
- You are responsible for any fees the provider charges for late cancellations or 'no shows.'
- You are responsible for contacting PacificSource if you believe you are not receiving adequate care.

- You are responsible for supplying information to the extent possible that PacificSource needs in order to administer your benefits or your medical providers need in order to provide care.
- You are responsible for following plans and instructions for care that you have agreed to with your doctors.
- You are responsible for understanding your health problems and participating in developing mutually agreed upon goals, to the degree possible.

PRIVACY AND CONFIDENTIALITY

PacificSource has strict policies in place to protect the confidentiality of your personal information, including your medical records. Your personal information is only available to the PacificSource staff members who need that information to do their jobs.

Disclosure outside PacificSource is allowed only when necessary to provide your coverage, or when otherwise allowed by law. Except when certain statutory exceptions apply, state law requires us to have written authorization from you (or your representative) before disclosing your personal information outside PacificSource. An example of one exception is that we do not need written authorization to disclose information to a designee performing utilization management, quality assurance, or peer review on our behalf.

PLAN ADMINISTRATION

Insurance Contract

Benefits are provided under a contract between the policyholder and PacificSource Health Plans. Under the individual insurance contract, PacificSource – not the policyholder – is responsible for paying claims.

Our address is:

PacificSource Health Plans
PO Box 7068
Springfield, OR 97475-0068

Legal Procedures

You may not take legal action against PacificSource to enforce any provision of the individual contract until 60 days after your claim is submitted to us. Also, you must exhaust this plan's claims procedures before filing benefits litigation. You may not take legal action against PacificSource more than three years after the deadline for claim submission has expired.

DEFINITIONS

Wherever used in this policy, the following definitions apply to the terms listed below, and the masculine includes the feminine and the singular includes the plural. Other terms are defined where they are first used in the text.

Accident means an unforeseen or unexpected event causing injury that requires medical attention.

Advanced diagnostic imaging means diagnostic examinations using CT scans, MRI's, PET scans, CATH labs, and nuclear cardiology studies.

Adverse benefit determination means PacificSource's denial, reduction, or termination of a healthcare item or service, or PacificSource's failure or refusal to provide or to make a payment in whole or in part for a healthcare item or service that is based on PacificSource's:

- Denial of eligibility for or termination of enrollment in a health benefit plan;
- Rescission or cancellation of a policy or coverage;
- Imposition of a source-of-injury exclusion*, network exclusion, annual benefit limit or other limitation on otherwise covered items or services;
- Determination that a healthcare item or service is experimental, investigational, or not medically necessary, effective, or appropriate; or
- Determination that a course or plan of treatment that a member is undergoing is an active course of treatment for purposes of continuity of care.

*Source-of-injury exclusions cannot exclude injuries resulting from a medical condition or domestic violence.

Allowable fee is the dollar amount established by PacificSource for reimbursement of charges for specific services or supplies provided by non-participating providers. PacificSource uses several sources to determine the allowable fee. Depending on the service or supply and the geographical area in which it is provided, the allowable fee may be based on data collected from the Centers for Medicare and Medicaid Services (CMS), contracted vendors, other nationally recognized databases, or PacificSource, as documented in PacificSource's payment policy.

Ambulatory surgical center means a facility licensed by the appropriate state or federal agency to perform surgical procedures on an outpatient basis.

Appeal means a written or verbal request from a member or, if authorized by the member, the member's representative, to change a previous decision made by PacificSource concerning:

- Access to healthcare benefits, including an adverse benefit determination made pursuant to utilization management;
- Claims payment, handling or reimbursement for healthcare services;
- Matters pertaining to the contractual relationship between a member and PacificSource;
- Rescissions of member's benefit coverage by PacificSource; and
- Other matters as specifically required by law.

Approved clinical trials are Phase I, II, III, or IV clinical trials for the prevention, detection, or treatment of cancer or another life-threatening condition or disease, or:

- Funded by the National Institutes of Health, the Centers for Disease Control and Prevention, the Agency for Healthcare Research and Quality, the Centers for Medicare and Medicaid Services, the United States Department of Defense or the United States Department of Veterans Affairs;

- Supported by a center or cooperative group that is funded by the National Institutes of Health, the Centers for Disease Control and Prevention, the Agency for Healthcare Research and Quality, the Centers for Medicare and Medicaid Services, the United States Department of Defense or the United States Department of Veterans Affairs;

- Conducted as an investigational new drug application, an investigational device exemption or a biologics license application subject to approval by the United States Food and Drug Administration; or

- Exempt by federal law from the requirement to submit an investigational new drug application to the United States Food and Drug Administration.

Authorized representative is an individual who by law or by the consent of a person may act on behalf of the person. An authorized representative *must* have the member complete and execute an 'Authorization to Use or Disclose PHI' form and a 'Designation of Authorized Representative' form, both of which are available at PacificSource.com, and which will be supplied to you upon request. These completed forms must be submitted to PacificSource before PacificSource can recognize the authorized representative as acting on behalf of the member.

Benefit determination means the activity taken to determine or fulfill PacificSource's responsibility for provisions under this health benefit policy and provide reimbursement for healthcare in accordance with those provisions. Such activity may include:

- Eligibility and coverage determinations (including coordination of benefits), and adjudication or subrogation of health benefit claims;

- Review of healthcare services with respect to medical necessity (including underlying criteria), coverage under the health plan, appropriateness of care, experimental/investigational treatment, justification of charges; and

- Utilization review activities, including precertification and preauthorization of services and concurrent and retrospective review of services.

Calendar year means the 12 month period beginning January 1 of any year through December 31 of the same year.

Cardiac rehabilitation refers to a comprehensive program that generally involves medical evaluation, prescribed exercise, and cardiac risk factor modification. Education, counseling, and behavioral interventions are sometimes used as well. Phase I refers to inpatient services that typically occur during hospitalization for heart attack or heart surgery. Phase II refers to a short-term outpatient program, usually involving ECG-monitored exercise. Phase III refers to a long-term program, usually at home or in a community-based facility, with little or no ECG monitoring.

Chemical dependency means the addictive relationship with any drug or alcohol characterized by either a physical or psychological relationship, or both, that interferes with the individual's social, psychological, or physical adjustment to common problems on a recurring basis. Chemical dependency does not include addiction to, or dependency on, tobacco products or foods.

Chemical dependency treatment facility means a treatment facility that provides a program for the treatment of alcoholism or drug addiction pursuant to a written treatment plan approved and monitored by a physician or addiction counselor licensed by the state; and is licensed or approved as a treatment center by the department of public health and human services, is licensed by the state where the facility is located.

Co-insurance means a defined percentage of the allowable fee for covered services and supplies the member receives. It is the percentage the member is responsible for, not including co-pays and deductible. The co-insurance the member is responsible for is listed in the Schedule of Benefits for participating and non-participating providers.

Complaint means an expression of dissatisfaction directly to PacificSource that is about a specific problem encountered by a member, or about a benefit determination by PacificSource or an agent acting on behalf of PacificSource, and that includes a request for action to resolve the problem or change the benefit determination. Complaint does not include an inquiry.

Congenital anomaly means a condition existing at or from birth that is a significant deviation from the common form or function of the body, whether caused by a hereditary or developmental defect or disease. 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.

Contracted allowable fee is an amount PacificSource agrees to pay a participating provider for a given service or supply through direct or indirect contract.

Co-payment (also referred to as 'co-pay') is a fixed up-front dollar amount the member is required to pay for certain covered services. The co-pay applicable to a specific covered service is listed under that specific benefit in the Schedule of Benefits.

Covered expense is an expense for which benefits are payable under this policy subject to applicable deductible, co-payment, co-insurance, out-of-pocket limit, or other specific limitations.

Deductible means the portion of the healthcare expense that must be paid by the member before the benefits of this plan are applied.

Dependent children means any natural, step, adopted or eligible child you, your spouse, or your qualified domestic partner are legally obligated to support or contribute support for. This may include eligible dependent children for which you are the court appointed legal custodian or guardian. Eligible dependent children may be covered under the policy only if they meet the eligibility requirements of the policy. (See Becoming Covered – Eligibility.)

Drug List (also known as a Formulary) is a list of covered medications used to treat various medical conditions. PacificSource offers a variety of drug lists. Please refer to

PacificSource.com/drug-list to determine which drug list applies to your coverage. The Drug Lists are developed and maintained by a committee of regional healthcare providers, including doctors, who are not employed by PacificSource. All PacificSource Drug Lists are available on our website, PacificSource.com/drug-list/.

Durable medical equipment means equipment that can withstand repeated use; is primarily and customarily used to serve a medical purpose rather than convenience or comfort; is generally not useful to a person in the absence of an illness or injury; is appropriate for use in the home; and is prescribed by a physician. Examples of durable medical equipment include but are not limited to hospital beds, wheelchairs, crutches, canes, walkers, nebulizers, commodes, suction machines, traction equipment, respirators, TENS units, and hearing aids.

Durable medical equipment supplier means a PacificSource contracted provider or a provider that satisfies the criteria in the Medicare Qualify Standards for Suppliers of Durable Medical Equipment, Prosthetics, Orthotics, Supplies (DMEPOS) and Other Items and Services section of this policy.

Elective surgery or procedure refers to a surgery or procedure for a condition that does not require immediate attention and for which a delay would not have a substantial likelihood of adversely affecting the health of the patient.

Emergency medical condition means a medical condition:

- That manifests itself by acute symptoms of sufficient severity, including severe pain that a prudent layperson possessing an average knowledge of health and medicine would reasonably expect that failure to receive immediate medical attention would:
  - Place the health of a person, or an unborn child in the case of a pregnant woman, in serious jeopardy;
  - Result in serious impairment to bodily functions; or
  - Result in serious dysfunction of any bodily organ or part.
- With respect to a pregnant woman who is having contractions, for which there is inadequate time to affect a safe transfer to another hospital before delivery or for which a transfer may pose a threat to the health or safety of the woman or the unborn child.

Emergency medical screening exam means the medical history, examination, ancillary tests, and medical determinations required to ascertain the nature and extent of an emergency medical condition.

Emergency services means, with respect to an emergency medical condition:

- An emergency medical screening exam that is within the capability of the emergency department of a hospital, including ancillary services routinely available to the emergency department to evaluate such emergency medical condition; and
- Such further medical examination and treatment as are required under 42 U.S.C. 1395dd to stabilize the patient to the extent the examination and treatment are within the capability of the staff and facilities available at a hospital.

Endorsement is a written attachment that alters and supersedes any of the terms or conditions set forth in this policy.

Enrollee means the policyholder, family member of the policyholder, or individual otherwise eligible and enrolled for coverage under this policy. In this policy, enrollee is referred to as 'subscriber', 'member', or 'you'.

Essential health benefits are services defined as such by the Secretary of the U.S. Department of Health and Human Services. Essential health benefits fall into the following categories:

- Ambulatory patient services;
- Emergency services;
- Hospitalization;
- Maternity and newborn care;
- Mental health and substance use disorder services, including behavioral health treatment;
- Prescription drugs;
- Rehabilitation and habilitation services and devices;
- Laboratory services;
- Preventive and wellness services and chronic disease management; and
- Pediatric services, including oral and vision care.

Experimental or investigational procedures means services, supplies, protocols, procedures, devices, chemotherapy, drugs or medicines, or the use thereof, that are experimental or investigational for the diagnosis and treatment of illness, injury, or disease.

- Experimental or investigational services and supplies include, but are not limited to, services, supplies, procedures, devices, chemotherapy, drugs or medicines, or the use thereof, which at the time they are rendered and for the purpose and in the manner they are being used:
  - Have not yet received full U.S. government agency required approval (e.g., FDA) for other than experimental, investigational, or clinical testing;
  - Are not of generally accepted medical practice in your policy's state of issue or as determined by medical advisors, medical associations, and/or technology resources;
  - Are not approved for reimbursement by the Centers for Medicare and Medicaid Services;
  - Are furnished in connection with medical or other research; or
  - Are considered by any governmental agency or subdivision to be experimental or investigational, not considered reasonable and necessary, or any similar finding.

- When making decisions about whether treatments are investigational or experimental, PacificSource relies on the above resources as well as:
  - Expert opinions of specialists and other medical authorities;
  - Published articles in peer-reviewed medical literature;
  - External agencies whose role is the evaluation of new technologies and drugs; and
  - External review by an independent review organization.
- The following will be considered in making the determination whether the service is in an experimental and/or investigational status:
  - Whether there is sufficient evidence to permit conclusions concerning the effect of the services on health outcomes;
  - Whether the scientific evidence demonstrates that the services improve health outcomes as much or more than established alternatives;
  - Whether the scientific evidence demonstrates that the services' beneficial effects outweigh any harmful effects; and
  - Whether any improved health outcomes from the services are attainable outside an investigational setting.

External appeal or review means the request by an appellant for an independent review organization to determine whether PacificSource's internal appeal decisions are correct.

Generic drugs are drugs that, under federal law, require a prescription by a licensed physician (M.D. or D.O.) or other licensed medical provider and are not a brand name medication. By law, generic drugs must have the same active ingredients as the brand name medication and are subject to the same standards of their brand name counterpart. Generic drugs must be approved by the FDA through an Abbreviated New Drug Application and generally cannot be limited to a single manufacturer.

Geographical area – PacificSource has direct and indirect provider contracts to offer services to members in Oregon, Idaho, Montana, and bordering communities in southwest Washington. PacificSource also has an agreement with a nationwide provider network to offer services to members while traveling throughout the United States.

Global charge means a lump sum charge for maternity care that includes prenatal care, labor and delivery and post-delivery care. Ante partum services such as amniocentesis, cordocentesis, chorionic villus sampling, fetal stress test, and fetal non-stress test are not considered part of global maternity services and are reimbursed separately.

Grievance means:

- A request submitted by a member or an authorized representative of a member:
  - In writing, for an internal appeal or an external review; or

- In writing or orally, for an expedited internal review or an expedited external review.

- A written complaint submitted by a member or an authorized representative of a member regarding:
  - The availability, delivery, or quality of a healthcare service;
  - Claims payment, handling, or reimbursement for healthcare services and, unless the member has not submitted a request for an internal appeal, the complaint is not disputing an adverse benefit determination; or
  - Matters pertaining to the contractual relationship between a member and PacificSource.

Habilitation services are healthcare services that help a person keep, learn or improve skills and functioning for daily living. Examples include therapy for a child who isn't walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology and other services for people with disabilities in a variety of inpatient and/or outpatient settings.

Hearing aids mean any non-disposable, wearable instrument or device designed to aid or compensate for impaired human hearing and any necessary ear mold, part, attachments or accessory for the instrument or device, except batteries and cords. Hearing aids include any amplifying device that does not produce as its output an electrical signal that directly stimulates the auditory nerve. For the purpose of this definition, such amplifying devices include air conduction and bone conduction devices, as well as those that provide vibratory input to the middle ear.

Home healthcare means services provided by a licensed home health agency in the member's place of residence that is prescribed by the member's attending physician as part of a written plan of care. Services provided by home healthcare include:

- Nursing;
- Home health aide services;
- Physical therapy;
- Occupational therapy;
- Speech therapy;
- Hospice therapy;
- Medical supplies and equipment suitable for use in the home; and
- Medically necessary personal hygiene, grooming and dietary assistance.

Homebound means the ability to leave home only with great difficulty with absences infrequently and of short duration. Infants and toddlers will not be considered homebound without medical documentation that clearly establishes the need for home skilled care. Lack of transportation is not considered sufficient medical criterion for establishing that a person is homebound.

Hospital means an institution licensed as a 'general hospital' or 'intermediate general hospital' by the appropriate state agency in the state in which it is located.

Illness includes a physical or mental condition that results in a covered expense. Physical illness is a disease or bodily disorder. Mental illness is a psychological disorder that results in pain or distress and substantial impairment of basic or normal functioning.

Incurred expense means charges of a healthcare provider for services or supplies for which the member becomes obligated to pay. The expense of a service is incurred on the day the service is rendered, and the expense of a supply is incurred on the day the supply is delivered.

Injury means bodily trauma or damage that is independent of disease or infirmity. The damage must be caused solely through external and accidental means and does not include muscular strain sustained while performing a physical activity. (For muscular strain, see definition of 'illness'.)

Inquiry means a written request for information or clarification about any subject matter related to the member's health benefit plan.

Internal appeal means a review by PacificSource of an adverse benefit determination made by PacificSource.

Lifetime maximum or lifetime benefit means the maximum benefit that will be provided toward the expenses incurred by any one person while the person is covered by a PacificSource insurance policy issued to you. If any covered expense that includes a lifetime maximum benefit amount is deemed to be an 'essential health benefit' as determined by the Secretary of the U.S. Department of Health and Human Services, the lifetime maximum amount will not apply to that covered expense in accordance with the standards established by the Secretary.

Mastectomy is the surgical removal of all or part of a breast or a breast tumor suspected to be malignant.

Medical supplies means items of a disposable nature that may be essential to effectively carry out the care a physician has ordered for the treatment or diagnosis of an illness, injury, or disease. Examples of medical supplies include but are not limited to syringes and needles, splints and slings, ostomy supplies, sterile dressings, elastic stockings, enteral foods, drugs or biologicals that must be put directly into the equipment in order to achieve the therapeutic benefit of the durable medical equipment or to assure the proper functioning of this equipment (e.g. Albuterol for use in a nebulizer).

Medically necessary means those services and supplies that are required for diagnosis or treatment of illness, injury, or disease and that are:

- Consistent with the symptoms or diagnosis and treatment of the condition;
- Consistent with generally accepted standards of good medical practice in your policy's state of issue, or expert consensus physician opinion published in peer-reviewed medical literature, or the results of clinical outcome trials published in peer-reviewed medical literature;

- As likely to produce a significant positive outcome as, and no more likely to produce a negative outcome than, any other service or supply, both as to the illness, injury, or disease involved and the patient's overall health condition;
- Not for the convenience of the member or a provider of services or supplies; and
- The least costly of the alternative services or supplies that can be safely provided. When specifically applied to a hospital inpatient, it further means that the services or supplies cannot be safely provided in other than a hospital inpatient setting without adversely affecting the patient's condition or the quality of medical care rendered.

Services and supplies intended to diagnose or screen for a medical condition in the absence of signs or symptoms, or of abnormalities on prior testing, including exposure to infectious or toxic materials or family history of genetic disease, are not considered medically necessary under this definition. (See General Exclusions – Screening tests.)

Member means an individual insured under a PacificSource health policy.

Mental and/or chemical healthcare facility means a corporate or governmental entity or other provider of services for the care and treatment of chemical dependency and/or mental or nervous conditions which is licensed or accredited by the Joint Commission on Accreditation of Hospitals or the Commission on Accreditation of Rehabilitation Facilities for the level of care which the facility provides.

Mental and/or chemical healthcare program means a particular type or level of service that is organizationally distinct within a mental and/or chemical healthcare facility.

Mental and/or chemical healthcare provider means a person that has met the applicable credentialing requirements, is otherwise eligible to receive reimbursement under the policy and is:

- A healthcare facility;
- A residential program or facility where appropriately licensed or accredited by the Joint Commission on Accreditation of Hospitals or the Commission on Accreditation of Rehabilitation Facilities;
- A day or partial hospitalization program;
- An outpatient service; or
- An individual behavioral health or medical professional authorized for reimbursement under state law.

Mental or nervous conditions means any mental disorder covered by diagnostic categories listed in the 'Diagnostic and Statistical Manual of Mental Disorders, DSM 5, Fifth Edition'.

Non-participating provider is a provider of covered medical services or supplies that does not directly or indirectly hold a provider contract or agreement with PacificSource.

Orthotic devices means rigid or semirigid devices supporting a weak or deformed leg, foot, arm, hand, back or neck or restricting or eliminating motion in a diseased or injured leg, foot,

arm, hand, back or neck. Benefits for orthotic devices include orthopedic appliances or apparatus used to support, align, prevent, or correct deformities or to improve the function of movable parts of the body. An orthotic device differs from a prosthetic in that, rather than replacing a body part, it supports and/or rehabilitates existing body parts. Orthotic devices are usually customized for an individual's use and are not appropriate for anyone else. Examples of orthotic devices include but are not limited to Ankle Foot Orthosis (AFO), Knee Ankle Foot Orthosis (KAFO), Lumbosacral Orthosis (LSO), and foot orthotics.

Participating provider means a physician, healthcare professional, hospital, medical facility, or supplier of medical supplies that directly or indirectly holds a provider contract or agreement with PacificSource.

Physical/occupational therapy is comprised of the services provided by (or under the direction and supervision of) a licensed physical or occupational therapist. Physical/occupational therapy includes emphasis on examination, evaluation, and intervention to alleviate impairment and functional limitation and to prevent further impairment or disability.

Physician means a state-licensed Doctor of Medicine (M.D.) or a Doctor of Osteopathy (D.O.).

Physician assistant is a person who is licensed by an appropriate state agency as a physician assistant.

Practitioner means Doctor or Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of Dental Surgery (D.D.S.), Doctor of Dental Medicine (D.M.D.), Doctor of Podiatry Medicine (D.P.M.), Doctor of Chiropractic (D.C.), Doctor of Optometry (O.D.), Licensed Nurse Practitioner (including Certified Nurse Midwife (C.N.M.) and Certified Registered Nurse Anesthetist (C.R.N.A.)), Registered Physical Therapist (R.P.T.), Speech Therapist, Occupational Therapist, Psychologist (Ph.D.), Licensed Clinical Social Worker (L.C.S.W.), Licensed Professional Counselor (L.P.C.), Licensed Marriage and Family Therapist (LMFT), Licensed Psychologist Associate (LPA), Physician Assistant (PA), Audiologist, Acupuncturist, Naturopathic Physician, and Licensed Massage Therapist.

Prescription drugs are drugs that, under federal law, require a prescription by a licensed physician (M.D. or D.O.) or other licensed medical provider.

Prosthetic devices (excluding dental) means artificial limb devices or appliances designed to replace in whole or in part an arm or a leg. Benefits for prosthetic devices include coverage of devices that replace all or part of an internal or external body organ, or replace all or part of the function of a permanently inoperative or malfunctioning internal or external organ, and are furnished on a physician's order. Examples of prosthetic devices include but are not limited to artificial limbs, cardiac pacemakers, prosthetic lenses, breast prosthesis (including mastectomy bras), and maxillofacial devices.

Qualified domestic partner means:

- **Registered domestic partner** means an individual of same gender, age 18 or older, who is joined in a domestic partnership, and whose domestic partnership is legally registered in any state.
- **Unregistered domestic partner** means an individual of same or opposite gender who is joined in a domestic partnership with the subscriber and meets the following criteria:

- Is age 18 or older;
- Not related to the policyholder by blood closer than would bar marriage in the state where they have permanent residence and are domiciled;
- Shares jointly the same permanent residence with the policyholder for at least six months immediately preceding the date of application to enroll and intent to continue to do so indefinitely;
- Has an exclusive domestic partnership with the policyholder and has no other domestic partner;
- Does not have a legally binding marriage nor has had another domestic partner within the previous six months; and
- Was mentally competent to consent to contract when the domestic partnership began and remains mentally competent.

Rehabilitation services and devices are those medically necessary to aid in re-learning skills or functions necessary to overcome or recover from an illness or diagnosis that is covered by this health plan.

Rescind or rescission means to retroactively cancel or discontinue coverage under a health benefit plan or individual health insurance policy for reasons other than failure to timely pay required premiums or required contributions toward the cost of coverage.

Routine costs of care mean medically necessary services or supplies covered by the health benefit policy in the absence of a clinical trial. Routine costs of care do not include:

- The drug, device, or service being tested in the clinical trial unless the drug, device, or service would be covered for that indication by the policy if provided outside of a clinical trial;
- Items or services required solely for the provisions of the drug, device, or service being tested in the clinical trial;
- Items or services required solely for the clinically appropriate monitoring of the drug, device, or service being tested in the clinical trial;
- Items of services required solely for the prevention, diagnosis, or treatment of complications arising from the provision of the drug, device, or service being tested in the clinical trial;
- Items or services that are provided solely to satisfy data collection and analysis needs and that are not used in the direct clinical management of the patient;
- Items or services customarily provided by a clinical trial sponsor free of charge to any participant in the clinical trial; or
- Items or services that are not covered by the policy if provided outside of the clinical trial.

Schedule of Benefits is a summary of the policy issued or applied for, not a contract of insurance that includes a list of principle benefits and coverages, and a statement of the limitations and exclusions contained in the policy.

Skilled nursing facility or convalescent home means an institution that provides skilled nursing care under the supervision of a physician, provides 24 hour nursing service by or under the supervision of a registered nurse (R.N.), and maintains a daily record of each patient. Skilled nursing facilities must be licensed by an appropriate state agency and approved for payment of Medicare benefits to be eligible for reimbursement.

Specialized treatment facility means a facility that provides specialized short-term or long-term care. The term specialized treatment facility includes ambulatory surgical centers, birthing centers, chemical dependency/substance abuse day treatment facilities, hospice facilities, inpatient rehabilitation facilities, mental and/or chemical healthcare facilities, organ transplant facilities, psychiatric day treatment facilities, residential treatment facilities, skilled nursing facilities, substance abuse treatment facilities, and urgent care treatment facilities.

Specialty drugs are high dollar oral, injectable, infused or inhaled biotech medications prescribed for the treatment of chronic and/or genetic disorders with complex care issues that have to be managed. The major conditions these drugs treat include but are not limited to: cancer, HIV/AIDS, hemophilia, hepatitis C, multiple sclerosis, Crohn's disease, rheumatoid arthritis, and growth hormone deficiency.

Specialty pharmacies specialize in the distribution of specialty drugs and providing pharmacy care management services designed to assist patients in effectively managing their condition.

Spouse means any individuals who are lawfully married under any state law, including individuals married to a person of the same sex who were legally married in a state that recognizes such marriages, but who are domiciled in your policy's state of issuance. Similarly, the term 'marriage' will be read to include a same-sex marriage that is legally recognized as a marriage under any state law. The terms 'spouse' and 'marriage,' however, do not include individuals in a qualified domestic partnership. (See 'Qualified domestic partner' in this definitions section.)

Stabilize means to provide medical treatment as necessary to ensure that, within reasonable medical probability, no material deterioration of an emergency medical condition is likely to occur during or to result from the transfer of the patient from a facility; and with respect to a pregnant woman who is in active labor, to perform the delivery, including the delivery of the placenta.

Step therapy means a program that requires the member to try lower-cost alternative medications (Step 1 drugs) before using more expensive medications (Step 2 drugs). The program will not cover a brand name, or second-line medication, until less expensive, first-line/generic medications have been tried first.

Surgical procedure means any of the following listed operative procedures:

- Procedures accomplished by cutting or incision;
- Suturing of wounds;

- Treatment of fractures, dislocations, and burns;
- Manipulations under general anesthesia;
- Visual examination of the hollow organs of the body including biopsy, or removal of tumors or foreign body;
- Procedures accomplished by the use of cannulas, needling, or endoscopic instruments; or
- Destruction of tissue by thermal, chemical, electrical, laser, or ultrasound means.

Telemedical is the use of synchronous interactive two-way video conferencing. Telemedical does not include the use of audio-only telephone, email, or facsimile transmissions.

Tobacco cessation program means a program recommended by a physician that follows the United States Public Health Services guidelines for tobacco cessation. Tobacco cessation program includes education and medical treatment components designed to assist a person in ceasing the use of tobacco products. Note: only PacificSource approved tobacco cessation programs are covered under this plan when benefits are provided for tobacco cessation.

Tobacco use means use of tobacco on average four or more times per week within no longer than the past six months. This includes all tobacco products, except that tobacco use does not include religious or ceremonial use of tobacco by American Indians and Alaska Natives.

Urgent care treatment facility means a healthcare facility whose primary purpose is the provision of immediate, short-term medical care for minor, but urgent, medical conditions.

Usual, customary, and reasonable fee (UCR) is the dollar amount established by PacificSource for reimbursement of eligible charges for specific services or supplies provided by non-participating providers. PacificSource uses several sources to determine UCR. Depending on the service or supply and the geographical area in which it is provided, UCR may be based on data collected from the Centers for Medicare and Medicaid Services (CMS), contracted vendors, other nationally recognized databases, or PacificSource, as documented in PacificSource's payment policy.

A non-participating provider may charge more than the limits established by the definition of UCR. Charges that are eligible for reimbursement but exceed the UCR are the member's responsibility. (See Non-participating Providers in the Using the Provider Network section.)

Women's healthcare provider means an obstetrician, gynecologist, physician assistant or nurse practitioner specializing in women's health, or certified nurse midwife practicing within the applicable scope of practice.