

**LOS ANGELES POLICE  
RELIEF ASSOCIATION, INC.**

**LAPRA/RETIRED MEMBERS  
WITH MEDICARE PART D  
FOR NON-CALIFORNIA  
RESIDENTS**

*July 1, 2007*

***Fee-for-Service  
Medical***



## **COMPLAINT NOTICE**

Should you have any complaints or questions regarding your coverage, and this certificate was delivered by a broker, you should first contact the broker. You may also contact us at:

**BC Life & Health Insurance Company  
Customer Service  
21555 Oxnard Street  
Woodland Hills, CA 91367  
818-234-2700**

If the problem is not resolved, you may also contact the California Department of Insurance at:

**California Department of Insurance  
Claims Service Bureau, 11th Floor  
300 South Spring Street  
Los Angeles, California 90013**

**1-800-927-HELP (4357) – In California**

**1-213-897-8921 – Out of California**

**1-800-482-4833 – Telecommunication Device for the Deaf**

**E-mail Inquiry: “Consumer Services” link at  
[www.insurance.ca.gov](http://www.insurance.ca.gov)**



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## SUMMARY OF BENEFITS

**THE BENEFITS OF THIS CERTIFICATE ARE PROVIDED ONLY FOR THOSE SERVICES WHICH ARE CONSIDERED TO BE MEDICALLY NECESSARY. THE FACT THAT A PHYSICIAN PRESCRIBES OR ORDERS THE SERVICE DOES NOT, IN ITSELF, MAKE IT MEDICALLY NECESSARY OR A COVERED EXPENSE.**

This summary provides a brief outline of your benefits. You need to refer to the entire certificate for complete information about the benefits, conditions, limitations and exclusions of your *plan*.

**Second Opinions.** If you have a question about your condition or about a plan of treatment which your *physician* has recommended, you may receive a second medical opinion from another *physician*. This second opinion visit will be provided according to the benefits, limitations, and exclusions of this *plan*.

**Reproductive Health Care Services.** Some *hospitals* and other providers do not provide one or more of the following services that may be covered under your *plan* contract and that you or your family member might need: family planning; contraceptive services, including emergency contraception; sterilization, including tubal ligation at the time of labor and delivery; infertility treatments; or abortion. You should obtain more information before you enroll. Call your prospective *physician* or clinic, or call us at the customer service telephone number listed on your ID card to ensure that you can obtain the health care services that you need.

**All benefits are subject to coordination with benefits under certain other plans.**

The benefits of this <i>plan</i> may be subject to the REIMBURSEMENT FOR ACTS OF THIRD PARTIES section.
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## MEDICAL BENEFITS

### DEDUCTIBLES

#### Calendar Year Deductibles

- *Insured Person* Deductible ..... **\$400**
- Family Deductible ..... **\$800**

#### Additional Penalty and Deductible

- Emergency Room Deductible..... **\$75**
- Non-Certification Penalty.....**20%**  
(Applicable to Inpatient Admissions only)

**Exceptions:** In certain circumstances, one or more of these deductibles may not apply, as described below:

- The Calendar Year Deductible will not apply to services for Routine Physical Exams (For Retired Employees and Dependents Age 19 or over).
- The Calendar Year Deductible will not apply to *covered expense* incurred for hearing aids.
- The Calendar Year Deductible will not apply to *members* who are enrolled under Medicare Parts A and B.
- The Emergency Room Deductible will not apply if you are admitted as a *hospital* inpatient immediately following emergency room treatment.
- The Non-Certification Penalty will not apply to inpatient admission for treatment of *mental or nervous disorders* or substance abuse. See UTILIZATION REVIEW PROGRAM for information on how to obtain certification.
- The Non-Certification Penalty will not apply to *emergency* admissions or services. See UTILIZATION REVIEW PROGRAM.

### PAYMENT RATES

**First Level of Payment.** After your *Calendar Year* Deductible and any other applicable deductible or penalty has been satisfied, we will pay (other than for the treatment of *mental or nervous disorders* or substance abuse and *infertility*), at **80%** of *covered expense*.

**Exceptions:**

- Your Co-Payment will be **50%** of *covered expense* incurred, when those services are provided for the treatment of *infertility*.
- Your Co-Payment for outpatient psychotherapy and psychological testing for treatment of *mental or nervous disorders* and substance abuse will be **50%** of *covered expense* incurred.
- No Co-Payment will be required for Routine Physical Exams for Retired Employees and Dependents Age 19 and Over.

**Second Level of Payment.** After each *insured person* has made **\$1,500** in total out-of-pocket payments for *covered expense* incurred during a *calendar year* (other than for the treatment of *mental or nervous disorders* or substance abuse, *infertility* treatment, deductibles or penalties), the *insured person's* percentage Co-Payment for the remainder of the *year* will be:

- For all *covered expense* except as indicated below ..... **100%**
- For *covered expense* incurred for the treatment of *mental or nervous disorders* or substance abuse or *infertility* treatment ..... **the First Level of Payment as shown above**

## MEDICAL BENEFIT MAXIMUMS

We will pay, for the following services and supplies per *insured person* at the percentages stated in the PAYMENT RATES section, up to the maximum amounts, or for the maximum number of days or visits shown below:

### Hearing Aids

- For all covered services.....**\$1,500**  
for both ears during  
a three year period

### Home Health Care

- For covered home health services .....**365 visits**  
per *calendar year*

### Infertility Treatment

- For all covered services.....**\$4,000**  
per *calendar year*

### Lifetime Maximum\*

- For all medical benefits .....**\$5,000,000**  
during your lifetime

\*Exception to the Lifetime Maximum: A maximum of up to **\$1,000** in paid benefits will be automatically added to your lifetime maximum each January 1st.

### Mental or Nervous Disorders

- For covered *physician's* services .....**\$75**  
per visit

### Physical Therapy, Physical Medicine, Occupational Therapy and Chiropractic Care

- For covered outpatient services .....**24**  
visits per *calendar year*,  
additional visits as authorized  
by us if *medically necessary*

**Routine Physical Exam (Retired Members and Dependents Age 19 and over)**

- For all covered services.....**\$250**  
per calendar year

**Substance Abuse**

- For covered *physician's* services .....**\$75**  
per visit, for up to 50  
visits per calendar year
- For inpatient *hospital* services .....**30**  
days per calendar year\*

\* The 30 day limit will not apply to inpatient *hospital* services for detoxification during the acute phase of alcoholism or drug dependence.

## YOUR MEDICAL BENEFITS

### HOW COVERED EXPENSE IS DETERMINED

We will pay for *covered expense* you incur under this *plan*. A charge is incurred when the service or supply giving rise to the charge is rendered or received. *Covered expense* for medical benefits is based on a maximum charge for each covered service or supply that will be accepted by us for each different type of provider. It is not necessarily the amount a provider bills for the service.

**Type of Provider.** The maximum *covered expense* for services provided by a *physician* will be the lesser of the billed charge or the *customary and reasonable charge*. The maximum *covered expense* for services provided by a *hospital* or *other health care provider* will be the lesser of the billed charge or the *reasonable charge*.

**Exception:** If Medicare is the primary payor, *covered expense* does not include any charge:

1. By a *hospital*, in excess of the approved amount as determined by Medicare; or
2. By a *physician* or *other health care provider*, in excess of the lesser of the maximum *covered expense* stated above;
  - a. For *providers* who accept Medicare assignment, the approved amount as determined by Medicare; or
  - b. For *providers* who do not accept Medicare assignment, the limiting charge as determined by Medicare.

**You will always be responsible for expense incurred which is not covered under this *plan*.**

## **DEDUCTIBLES-PENALTY AND MEDICAL BENEFIT MAXIMUMS**

After we subtract any applicable deductible from the total amount of *covered expense*, we will pay benefits at the Payment Rate which applies to such expense, up to the applicable Medical Benefit Maximums. The Deductible amounts, Payment Rates and Medical Benefit Maximums are set forth in the SUMMARY OF BENEFITS.

### **DEDUCTIBLES**

Each deductible under this *plan* is separate and distinct from the other. Only charges that are considered *covered expense* will apply toward satisfaction of any deductible.

**Calendar Year Deductible.** Each *year*, you will be responsible for satisfying the *member's* Calendar Year Deductible before we begin to pay benefits. If *members* of an enrolled family pay deductible expense in a year equal to the Family Deductible, the *Calendar Year* Deductible for all *family members* will be considered to have been met.

Any *covered expense* applied to your Calendar Year Deductible during October through December will also be applied toward your Calendar Year Deductible for the next *year*.

**Prior Plan Calendar Year Deductibles.** If you were covered under the *prior plan* (LAPRA's Blue Cross HMO PLUS Plan) any amount paid during the same *calendar year* toward your calendar year deductible under the *prior plan*, will be applied toward your Calendar Year Deductible under this *plan*; provided that, such payments were for charges that would be *covered expense* under this *plan*.

### **Additional Penalty and Deductible**

#### **Emergency Room Deductible**

Each time you visit an emergency room for treatment you will be responsible for paying the Emergency Room Deductible. But this deductible will not apply if you are admitted as a *hospital* inpatient from the emergency room immediately following emergency room treatment.

#### **Non-Certification Penalty**

Each time you are admitted to a *hospital* without properly obtaining certification, you are responsible for paying the Non-Certification Penalty. This penalty will not apply to inpatient admission for treatment of *mental or nervous disorder* or substance abuse, an *emergency* admission or procedure, nor to services provided at a *participating provider*. Certification is explained in UTILIZATION REVIEW PROGRAM.

## **MEDICAL BENEFIT MAXIMUMS**

We do not make benefit payments for any *insured person* in excess of any of the Medical Benefit Maximums. Your Lifetime Maximum under this *plan* will be reduced by any benefits to you or on your behalf under any other health plan provided by BC Life, or any of its affiliates, which is sponsored by the *group*.

**Restoration of the Lifetime Maximum.** If we have made any benefit payments for you prior to any January 1, and you are not subject to the EXTENSION OF BENEFITS provision, the amount of benefits remaining for additional expenses you incur will be increased on that January 1 by the lesser of **\$1,000**, or the amount of such prior benefits not previously restored.

## CONDITIONS OF COVERAGE

The following conditions of coverage must be met for expense incurred for services or supplies to be considered as *covered expense*.

1. You must incur this expense while you are covered under this *plan*. Expense is incurred on the date you receive the service or supply for which the charge is made.
2. The expense must be for a medical service or supply furnished to you as a result of illness or injury or pregnancy, unless a specific exception is made.
3. The expense must be for a medical service or supply included under MEDICAL CARE THAT IS COVERED. Additional limits on *covered expense* are included under specific benefits and in the SUMMARY OF BENEFITS.
4. The expense must not be for a medical service or supply listed under MEDICAL CARE THAT IS NOT COVERED. If the service or supply is partially excluded, then only that portion which is not excluded will be considered *covered expense*.
5. The expense must not exceed any of the maximum benefits or limitations of this *plan*.
6. Any services received must be those which are regularly provided and billed by the provider. In addition, those services must be consistent with the illness, injury, degree of disability and your medical needs. Benefits are provided only for the number of days required to treat your illness or injury.
7. All services and supplies must be ordered by a *physician*.

## MEDICAL CARE THAT IS COVERED

Subject to the Medical Benefit Maximums in the SUMMARY OF BENEFITS, the requirements set forth under CONDITIONS OF COVERAGE and the exclusions or limitations listed under MEDICAL CARE THAT IS NOT COVERED, we will provide benefits for the following services and supplies:

**Acupuncture.** The services of a *physician* for acupuncture treatment to treat a disease, illness or injury, including a patient history visit, physical examination, treatment planning and treatment evaluation, electro-acupuncture, cupping and moxibustion.

**Ambulance.** We will pay for the following ambulance services:

1. Base charge, mileage and non-reusable supplies of a licensed ambulance company for ground service to transport you to and from a *hospital*.
2. Emergency services or transportation services that are provided to you by a licensed ambulance company as a result of a "911" emergency response system\* request for assistance if you believe you have an *emergency* medical condition requiring such assistance.
3. Base charge, mileage and non-reusable supplies of a licensed air ambulance company to transport you from the area where you are first disabled to the nearest *hospital* where appropriate treatment is provided if, and only if, such services are *medically necessary* and ground ambulance service is inadequate.
4. Monitoring, electrocardiograms (EKGs; ECGs), cardiac defibrillation, cardiopulmonary resuscitation (CPR) and administration of oxygen and intravenous (IV) solutions in connection with ambulance service. An appropriately licensed person must render the services.

\* If you have an *emergency* medical condition that requires an emergency response, please call the "911" emergency response system if you are in an area where the system is established and operating.

**Ambulatory Surgical Center.** Services and supplies provided by an *ambulatory surgical center* in connection with outpatient surgery.

**Blood.** Blood transfusions, including blood processing and the cost of unreplaced blood and blood products.

Charges for the collection, processing and storage of self-donated blood are covered, but only when specifically collected for a planned and covered procedure. We will pay a maximum of **\$100** for each such surgical procedure.

**Breast Cancer.** Services and supplies provided in connection with the screening for, diagnosis of, and treatment for breast cancer, including:

1. Routine and diagnostic mammogram examinations.
2. Mastectomy and lymph node dissection; complications from a mastectomy including lymphedema.
3. Reconstructive surgery performed to restore and achieve symmetry following a *medically necessary* mastectomy.
4. Breast prostheses following a mastectomy (see "Prosthetic Devices.")

**Cancer Clinical Trials.** Coverage is provided for services and supplies for routine patient care costs, as defined below, in connection with phase I, phase II, phase III and phase IV cancer clinical trials if all of the following conditions are met:

1. The treatment provided in a clinical trial must either:
  - a. Involve a *drug* that is exempt under federal regulations from a new drug application; or
  - b. Be approved by: (i) one of the National Institutes of Health; (ii) the federal Food and Drug Administration in the form of an investigational new drug application; (iii) the United States Department of Defense; or (iv) the United States Veteran's Administration;
2. You must be diagnosed with cancer to be eligible for participation in these clinical trials.
3. Participation in such clinical trials must be recommended by your *physician* after determining participation has a meaningful potential to benefit the *insured person*.
4. For the purpose of this provision, a clinical trial must have a therapeutic intent. Clinical trials to just test toxicity are not included in this coverage.

Routine patient care costs means the costs associated with the provision of services, including drugs, items, devices and services which would otherwise be covered under the *plan*, including health care services which are:

1. Typically provided absent a clinical trial.
2. Required solely for the provision of the investigational drug, item, device or service.
3. Clinically appropriate monitoring of the investigational item or service.
4. Prevention of complications arising from the provision of the investigational drug, item, device, or service.
5. Reasonable and necessary care arising from the provision of the investigational drug, item, device, or service, including the diagnosis or treatment of the complications.

Routine patient care costs does not include the costs associated with any of the following:

1. *Drugs* or devices not approved by the federal Food and Drug Administration that are associated with the clinical trial.
2. Services other than health care services, such as travel, housing, companion expenses and other nonclinical expenses that you may require as a result of the treatment provided for the purposes of the clinical trial.
3. Any item or service provided solely to satisfy data collection and analysis needs not used in the clinical management of the patient.
4. Health care services that, except for the fact they are provided in a clinical trial, are otherwise specifically excluded from the *plan*.
5. Health care services customarily provided by the research sponsors free of charge to *insured persons* enrolled in the trial.

**Cervical Cancer Screening.** Services and supplies provided in connection with a routine test to detect cervical cancer, including pap smears, human papillomavirus (HPV) screening, and any cervical cancer screening test approved by the federal Food and Drug Administration upon referral by your *physician*.

**Chemotherapy.**

**Christian Science.** The following provisions relate only to charges for Christian Science treatment:

1. A *Christian Science Sanatorium* will be considered a *hospital* for purposes of this booklet. The sanatorium must be accredited by the Department of Care of the First Church of Christ, Scientist; Boston, Massachusetts.
2. The term *physician* includes a *Christian Science Practitioner* approved and accredited by the Mother Church, The First Church of Christ, Scientist.
3. The term registered nurse includes a *Christian Science Nurse* approved and accredited by the Mother Church, The First Church of Christ, Scientist.

Benefits for the following services will be provided when a *member* manifests symptoms of a covered illness or injury and receives Christian Science treatment for such symptoms.

1. **Christian Science Sanatorium.** Services provided by a *Christian Science sanatorium* if the *member* is admitted for active care of an illness or injury.
2. **Christian Science Practitioner.** Office visits for services of a *Christian Science practitioner* providing treatment for a diagnosed illness or injury according to the healing practices of Christian Science.
3. **Christian Science Nurse.** Services of a *Christian Science Nurse* providing treatment for a diagnosed illness or injury according to the healing practices of Christian Science.

**NO BENEFITS ARE AVAILABLE FOR SPIRITUAL REFRESHMENT.**

All other provisions of the **EXCLUSIONS AND LIMITATIONS** in this booklet apply equally to Christian Science benefits as to all other benefits and providers of care.

**Injectable Drugs and Implants for Birth Control.** Injectable drugs and implants for birth control administered in a *physician's* office if *medically necessary*.

## Dental Care

1. **Admissions for Dental Care.** Listed inpatient *hospital* services for up to three days during a *hospital stay*, when such *stay* is required for dental treatment and has been ordered by a *physician* (M.D.) and a dentist (D.D.S. or D.M.D.). We will make the final determination as to whether the dental treatment could have been safely rendered in another setting due to the nature of the procedure or your medical condition. *Hospital stays* for the purpose of administering general anesthesia are not considered necessary and are not covered except as specified in #2, below.
2. **General Anesthesia.** General anesthesia and associated facility charges when your clinical status or underlying medical condition requires that dental procedures be rendered in a *hospital* or *ambulatory surgical center*. This applies only if (a) the *insured person* is less than seven years old, (b) the *insured person* is developmentally disabled, or (c) the *insured person's* health is compromised and general anesthesia is *medically necessary*. Charges for the dental procedure itself, including professional fees of a dentist, are not covered.
3. **Dental Injury.** Services of a *physician* (M.D.) or dentist (D.D.S. or D.M.D.) solely to treat an *accidental injury* to natural teeth. Coverage shall be limited to only such services that are *medically necessary* to repair the damage done by the *accidental injury* and/or restore function lost as a direct result of the *accidental injury*. Damage to natural teeth due to chewing or biting is not *accidental injury*.

**Diabetes.** Services and supplies provided for the treatment of diabetes, including:

1. The following equipment and supplies:
  - a. Blood glucose monitors, including monitors designed to assist the visually impaired, and blood glucose testing strips.
  - b. Insulin pumps.
  - c. Pen delivery systems for insulin administration (non-disposable).
  - d. Visual aids (but not eyeglasses) to help the visually impaired to properly dose insulin.
  - e. Podiatric devices, such as therapeutic shoes and shoe inserts, to treat diabetes-related complications.

Items a through d above are covered under your *plan's* benefits for durable medical equipment (see "Durable Medical Equipment"). Item e above is covered under your *plan's* benefits for prosthetic devices (see "Prosthetic Devices").

2. Diabetes education program which:
  - a. Is designed to teach an *insured person* who is a patient and covered members of the patient's family about the disease process and the daily management of diabetic therapy;
  - b. Includes self-management training, education, and medical nutrition therapy to enable the *insured person* to properly use the equipment, supplies, and medications necessary to manage the disease; and
  - c. Is supervised by a *physician*.

Diabetes education services are covered under *plan* benefits for office visits to *physicians*.

**Diagnostic Services.** Outpatient diagnostic radiology and laboratory services. Certain imaging procedures, including, but not limited to, Magnetic Resonance Imaging (MRI), Computerized Axial Tomography (CAT scans), Positron Emission Tomography (PET scan), Magnetic Resonance Spectroscopy (MRS scan), Magnetic Resonance Angiogram (MRA scan) and nuclear cardiac imaging are subject to pre-service review to determine medical necessity. You may call the toll-free customer service telephone number on your identification card to find out if an imaging procedure requires pre-service review. See UTILIZATION REVIEW PROGRAM for details.

**Durable Medical Equipment.** Rental or purchase of dialysis equipment; dialysis supplies. Rental or purchase of other medical equipment and supplies which are:

1. Of no further use when medical needs end;
2. For the exclusive use of the patient;
3. Not primarily for comfort or hygiene;
4. Not for environmental control or for exercise; and
5. Manufactured specifically for medical use.

Rental charges that exceed the reasonable purchase price of equipment are not covered. We will determine whether the item satisfies the conditions above.

**Hearing Aids.** Hearing aids or services related to the fitting or making of a hearing aid, up to **\$1,500** for both ears in a three year period.

**Hemodialysis Treatment.**

**Home Health Care.** The following services provided by a *home health agency*:

1. Services of a registered nurse or licensed vocational nurse under the supervision of a registered nurse or a *physician*.
2. Services of a licensed therapist for physical therapy, occupational therapy, speech therapy, or respiratory therapy.
3. Services of a medical social service worker.
4. Services of a health aide who is employed by (or who contracts with) a *home health agency*. Services must be ordered and supervised by a registered nurse employed by the *home health agency* as professional coordinator. These services are covered only if you are also receiving the services listed in 1 or 2 above.
5. *Medically necessary* supplies provided by the *home health agency*.

In no event will benefits exceed 365 visits during a *calendar year*. A visit of four hours or less by a home health aide shall be considered as one home health visit.

Home health care services are subject to pre-service review to determine medical necessity. Please refer to UTILIZATION REVIEW PROGRAM for information on how to obtain the proper reviews.

Home health care services are not covered if received while you are receiving benefits under the "Hospice Care" provision of this section.

**Hospice Care.** The services and supplies listed below are covered when provided by a *hospice* for the palliative treatment of pain and other symptoms associated with a terminal disease. You must be suffering from a terminal illness for which the prognosis of life expectancy is one year or less, as certified by your *physician* and submitted to us. Covered services are available on a 24-hour basis for the management of your condition.

1. Interdisciplinary team care with the development and maintenance of an appropriate plan of care.
2. Short-term inpatient *hospital* care when required in periods of crisis or as respite care. Coverage of inpatient respite care is provided on an occasional basis and is limited to a maximum of five consecutive days per admission.

3. Skilled nursing services provided by or under the supervision of a registered nurse. Certified home health aide services and homemaker services provided under the supervision of a registered nurse.
4. Social services and counseling services provided by a qualified social worker.
5. Dietary and nutritional guidance. Nutritional support such as intravenous feeding or hyperalimentation.
6. Physical therapy, occupational therapy, speech therapy, and respiratory therapy provided by a licensed therapist.
7. Volunteer services provided by trained *hospice* volunteers under the direction of a *hospice* staff member.
8. Pharmaceuticals, medical equipment, and supplies necessary for the management of your condition. Oxygen and related respiratory therapy supplies.
9. Bereavement services, including assessment of the needs of the bereaved family and development of a care plan to meet those needs, both prior to and following the *subscriber's* or the *family member's* death. Bereavement services are available to surviving members of the immediate family for a period of one year after the death. Your immediate family means your spouse, children, step-children, parents, and siblings.
10. Palliative care (care which controls pain and relieves symptoms, but does not cure) which is appropriate for the illness.

Your *physician* must consent to your care by the *hospice* and must be consulted in the development of your treatment plan. The *hospice* must submit a written treatment plan to us every 30 days.

### **Hospital**

1. Inpatient services and supplies, provided by a *hospital*. *Covered expense* will not include charges in excess of the *hospital's* prevailing two-bed room rate unless there is a negotiated per diem rate between us and the *hospital*.
2. Services in *special care units*.
3. Outpatient services and supplies provided by a *hospital*, including outpatient surgery.

**Infertility Treatment.** Diagnosis and treatment of *infertility*, as *medically necessary*, provided you are under the direct care and treatment of a *physician*. Artificial insemination and in vitro fertilization are also covered.

Our payment will not exceed **\$4,000** for any *member* during a *calendar year*, and any laboratory procedures related to in vitro fertilization are not covered.

**Jaw Joint Disorders.** We will pay for splint therapy or surgical treatment for disorders or conditions of the joints linking the jawbones and the skull (the temporomandibular joints), including the complex of muscles, nerves and other tissues related to those joints.

**Mental or Nervous Disorders.** Covered services shown below for the treatment of *mental or nervous disorders*, provided such services offer a reasonable expectation of improvement, and are the lowest level of care consistent with safe medical practice.

1. Inpatient *hospital* services as stated in the "Hospital" provision of this section and services from a *residential treatment center*.
2. Visits to a *day treatment center*.
3. *Physician* visits during a covered inpatient *stay* or for outpatient psychotherapy or psychological testing for the treatment of *mental or nervous disorders*. *Physician* visits for rehabilitative care (such as physical therapy, occupational therapy, or speech therapy) for the treatment of *mental or nervous disorders*. All *physician* visits are limited to our maximum payment of **\$75** for each visit.

Covered services for the treatment of *severe mental disorders* will not be subject to any limitations applicable to *mental or nervous disorders* shown in the SUMMARY OF BENEFITS or under these "Mental or Nervous Disorders" provision. Such services will be subject to all other terms, conditions, limitations and exclusions, including applicable Medical Benefit Maximums. Please refer to the DEFINITIONS section for a description of "severe mental disorders."

**Organ and Tissue Transplants.** Services provided in connection with a non-investigative organ or tissue transplant, if you are:

1. The organ or tissue recipient; or
2. The organ or tissue donor.

If you are the recipient, an organ or tissue donor who is not an *insured person* is also eligible for services as described. Benefits are reduced by any amounts paid or payable by that donor's own coverage.

*Covered expense* does not include charges for services received without first obtaining prior authorization from us, or which are provided at a facility other than a transplant center approved by us. See UTILIZATION REVIEW PROGRAM.

**Other Cancer Screening Tests.** Services and supplies provided in connection with all generally medically accepted cancer screening tests. This coverage is provided according to the terms and conditions of this *plan* that apply to all other medical conditions.

**Outpatient Speech Therapy.** Outpatient speech therapy following injury or organic disease.

**Pediatric Asthma Equipment and Supplies.** The following items and services when required for the *medically necessary* treatment of asthma in a dependent child:

1. Nebulizers, including face masks and tubing, inhaler spacers, and peak flow meters. These items are covered under the *plan's* medical benefits and are not subject to any limitations or maximums that apply to coverage for durable medical equipment (see "Durable Medical Equipment").
2. Education for pediatric asthma, including education to enable the child to properly use the items listed above. This education will be covered under the *plan's* benefits for office visits to a *physician*.

**Physical Therapy, Physical Medicine, Occupational Therapy and Chiropractic Care.** The following services provided by a *physician* under a treatment plan which offers a reasonable expectation of significant improvement:

1. Physical therapy and physical medicine or chiropractic care provided on an outpatient basis for the treatment of illness or injury include the therapeutic use of heat, cold, exercise, electricity, ultra violet radiation, manipulation of the spine, or massage for the purpose of improving circulation, strengthening muscles, or encouraging the return of motion. (This includes many types of care which are customarily provided by chiropractors, physical therapists and osteopaths.)
2. Occupational therapy provided on an outpatient basis when the ability to perform daily life tasks has been lost or reduced by illness or injury including programs which are designed to rehabilitate mentally, physically or emotionally handicapped persons. Occupational therapy programs are designed to maximize or improve a patient's upper extremity function, perceptual motor skills and ability to function in daily living activities.

Benefits are not payable for care provided to relieve general soreness or for conditions that may be expected to improve without treatment.

We will provide up to a combined maximum of 24 visits in a *year* for all covered services. For the purposes of this benefit, the term "visit" shall include any visit by a *physician* in that *physician's* office, or in any other outpatient setting, during which one or more of the services covered under this limited benefit are rendered, even if other services are provided during the same visit.

Subject to our prior approval, benefits for up to 12 additional visits in a *year* are provided when treatment follows post-neurological surgery, orthopedic surgery, cerebral vascular accident, third degree burns, head trauma or spinal cord injury. Such additional benefits are not payable if pre-service review is not obtained. (See UTILIZATION REVIEW PROGRAM)

**Pregnancy and Maternity Care (*Insured Employee, Spouse and Domestic Partner*)**

1. All medical benefits when provided for the *insured employee's* or *spouse's* pregnancy or maternity care, including diagnosis of genetic disorders in cases of high-risk pregnancy. Inpatient *hospital* benefits in connection with childbirth will be provided for at least 48 hours following a normal delivery or 96 hours following a cesarean section, unless the mother and her *physician* decide on an earlier discharge.
2. Medical *hospital* benefits for routine nursery care of a newborn child, if the child's natural mother is an *insured employee*, enrolled *spouse* or *domestic partner*.

**Prescription Drug for Abortion.** Mifepristone is covered when provided under the Food and Drug Administration (FDA) approved treatment regimen.

**Preventive Care (Dependent Children Only).** The following services for a dependent child under 19 years of age:

1. A *physician's* services for routine physical examinations
2. Immunizations given as standard medical practice for children.
3. Radiology and laboratory services in connection with routine physical examinations.
4. Screening for blood lead levels as prescribed by a *physician*.

### **Professional Services**

1. Services of a *physician*.
2. Services of an anesthetist (M.D. or C.R.N.A.).

**Prostate Cancer Screening.** Services and supplies provided in connection with routine tests to detect prostate cancer.

### **Prosthetic Devices**

1. Breast prostheses following a mastectomy.
2. *Prosthetic devices* to restore a method of speaking when required as a result of a covered *medically necessary* laryngectomy.
3. We will pay for other *medically necessary prosthetic devices*, including:
  - a. Surgical implants;
  - b. Artificial limbs or eyes;
  - c. The first pair of contact lenses or eye glasses when required as a result of a covered *medically necessary* eye surgery;
  - d. Therapeutic shoes and inserts for the prevention and treatment of diabetes-related foot complications; and
  - e. Orthopedic footwear used as an integral part of a brace; shoe inserts that are custom molded to the patient.

### **Radiation Therapy.**

**Reconstructive Surgery.** Reconstructive surgery performed to correct deformities caused by congenital or developmental abnormalities, illness, or injury for the purpose of improving bodily function or symptomatology or creating a normal appearance.

**Routine Physical Exam (Retired Members and Dependents Age 19 and over).** In addition to any services specified elsewhere in the certificate-booklet, we will pay up to **\$250** during a *calendar year* for the following services:

1. A *physician's* services for routine physical examinations.
2. Radiology and laboratory services and tests ordered by the examining *physician* in connection with a routine physical examination.

**Note:** We will pay for BodyScan services in lieu of the Routine Physical Exam up to the **\$250** maximum for *participating* and *non-participating providers*.

**Skilled Nursing Facility.** Inpatient services and supplies provided by a *skilled nursing facility*. The amount by which your room charge exceeds the prevailing two-bed room rate of the *skilled nursing facility* is not considered *covered expense*. For the purpose of care provided for the treatment of *severe mental disorders* or substance abuse, the term "skilled nursing facility" includes *residential treatment center*.

*Skilled nursing facility* services and supplies are subject to pre-service review to determine medical necessity. Please refer to UTILIZATION REVIEW PROGRAM for information on how to obtain the proper reviews.

**Special Food Products.** Special food products and formulas that are part of a diet prescribed by a *physician* for the treatment of phenylketonuria (PKU). These items will be covered as medical supplies.

**Substance Abuse.** Covered services shown below for the treatment of substance abuse, provided such services offer a reasonable expectation of improvement, and are the lowest level of care consistent with safe medical practice.

1. Inpatient *hospital* services as stated in the "Hospital" provision of this section and services from a *residential treatment center*.
2. Visits to a *day treatment center*.
3. *Physician* visits during a covered inpatient *stay* or for outpatient treatment of substance abuse. *Physician* visits for rehabilitative care (such as physical therapy, occupational therapy, or speech therapy). All *physician* visits are limited to our maximum payment of **\$75** for each visit, and a combined total of 50 visits per *calendar year*.

If we apply *covered expense* toward the *Calendar Year* Deductible, and do not provide payment, that visit is not included in the visit maximum (50 visits) for that *year*. However, if we pay any portion of your *covered expense* for a visit, we do include the visit in the visit maximum.

Treatment for substance abuse does not include smoking cessation programs, nor treatment for nicotine dependency or tobacco use.

**Well Woman Care.** Benefits are provided for one visit per *calendar year* for a routine gynecological examination. Benefits for routine gynecological exams include patient history, physical exam, breast exams, breast exam instructions, pelvic exam, annual pap smear, and mammograms if appropriate.

## MEDICAL CARE THAT IS NOT COVERED

No payment will be made under this *plan* for expenses incurred for or in connection with any of the items below. (The titles given to these exclusions and limitations are for ease of reference only; they are not meant to be an integral part of the exclusions and limitations and do not modify their meaning.)

**Acupuncture.** Acupuncture treatment except as specifically stated in the "Acupuncture" provision of MEDICAL CARE THAT IS COVERED. Acupressure, or massage to control pain, treat illness or promote health by applying pressure to one or more specific areas of the body based on dermatoses or acupuncture points.

**Air Conditioners.** Air purifiers, air conditioners, or humidifiers.

**Bulimia.** Inpatient services for bulimia and/or bulimia nervosa (binge-purge syndrome).

**Chronic Pain.** Treatment of chronic pain, except as specifically provided under the "Hospice Care" provision of MEDICAL CARE THAT IS COVERED.

**Contraceptive Devices.** Contraceptive devices prescribed for birth control except as specifically stated in "Injectable Drugs and Implants for Birth Control" provision in MEDICAL CARE THAT IS COVERED.

**Cosmetic Surgery.** Cosmetic surgery or other services performed solely for beautification or to alter or reshape normal (including aged) structures or tissues of the body to improve appearance. This exclusion does not apply to reconstructive surgery (that is, surgery performed to correct deformities caused by congenital or developmental abnormalities, illness, or injury for the purpose of improving bodily function or symptomatology or to create a normal appearance), including surgery performed to restore symmetry following mastectomy. Cosmetic surgery does not become reconstructive surgery because of psychological or psychiatric reasons.

**Crime or Nuclear Energy.** Conditions that result from: (1) your commission of or attempt to commit a felony, as long as any injuries are not a result of a medical condition or an act of domestic violence; or (2) any release of nuclear energy, whether or not the result of war, when government funds are available for treatment of illness or injury arising from such release of nuclear energy.

**Custodial Care or Rest Cures.** Inpatient room and board charges in connection with a *hospital stay* primarily for environmental change or physical therapy. *Custodial care* or rest cures, except as specifically provided under the "Hospice Care" provision of MEDICAL CARE THAT IS COVERED. Services provided by a rest home, a home for the aged, a nursing home or any similar facility. Services provided by a *skilled nursing facility*, except as specifically stated in the "Skilled Nursing Facility" provision of MEDICAL CARE THAT IS COVERED.

**Dental Services or Supplies.** Dental plates, bridges, crowns, caps or other dental prostheses, dental services, extraction of teeth, or treatment to the teeth or gums, or treatment to or for any disorders for the jaw joint, except as specifically stated in the "Dental Care" or "Jaw Joint Disorders" provisions of MEDICAL CARE THAT IS COVERED. Cosmetic dental surgery or other dental services for beautification.

**Education or Counseling.** Educational services or nutritional counseling, except as specifically stated under the "Pediatric Asthma Equipment and Supplies" or "Diabetes" provisions of MEDICAL CARE THAT IS COVERED. Food or dietary supplements, except as specifically stated under the "Special Food Products" provision of MEDICAL CARE THAT IS COVERED.

**Excess Amounts.** Any amounts in excess of *covered expense* or the Lifetime Maximum.

**Exercise Equipment.** Exercise equipment, or any charges for activities, instrumentalities, or facilities normally intended or used for developing or maintaining physical fitness, including, but not limited to, charges from a physical fitness instructor, health club or gym, even if ordered by a *physician*.

**Experimental or Investigative.** Any *experimental* or *investigative* procedure or medication. But, if you are denied benefits because it is determined that the requested treatment is *experimental* or *investigative*, you may request an independent medical review as described in REVIEW OF DENIALS OF EXPERIMENTAL OR INVESTIGATIVE TREATMENT.

**Eye Surgery for Refractive Defects.** Any eye surgery solely or primarily for the purpose of correcting refractive defects of the eye such as nearsightedness (myopia) and/or astigmatism. Contact lenses and eyeglasses required as a result of this surgery.

**Gambling.** Services for pathological gambling or codependency.

**Government Treatment.** Any services actually given to you by a local, state, or federal government agency, except when payment under this *plan* is expressly required by federal law. We will not cover payment for these services if you are not required to pay for them or they are given to you for free.

**Hearing Aids or Tests.** Routine hearing tests. Hearing aids, except as specifically provided under "Hearings Aids" benefit of MEDICAL CARE THAT IS COVERED.

**Infertility Treatment.** Services or supplies furnished in connection with the diagnosis and treatment of infertility, except as specifically stated in the "Infertility Treatment" provision of MEDICAL CARE THAT IS COVERED.

**Inpatient Diagnostic Tests.** Inpatient room and board charges in connection with a *hospital stay* primarily for diagnostic tests which could have been performed safely on an outpatient basis.

**Lifestyle Programs.** Programs to alter one's lifestyle which may include but are not limited to diet, exercise, imagery or nutrition. This exclusion will not apply to cardiac rehabilitation programs approved by us.

**Mental or Nervous Disorders.** Academic or educational testing, counseling, and remediation. *Mental or nervous disorders* or substance abuse, including rehabilitative care in relation to these conditions, except as specifically stated in the "Mental or Nervous Disorders" or "Substance Abuse" provisions of MEDICAL CARE THAT IS COVERED.

**Nicotine Use.** Smoking cessation programs or treatment of nicotine or tobacco use. Smoking cessation *drugs*.

**Not Medically Necessary.** Services or supplies that are not *medically necessary*, as defined.

**Not Specifically Listed.** Services not specifically listed in this *plan* as covered services.

**Optometric Services or Supplies.** Optometric services, eye exercises including orthoptics, routine eye exams and routine eye refractions. Eyeglasses or contact lenses, except as specifically stated in the "Prosthetic Devices" provision of MEDICAL CARE THAT IS COVERED.

**Orthodontia.** Braces and other orthodontic appliances or services.

**Orthopedic Supplies.** Orthopedic shoes (other than shoes joined to braces) or non-custom molded and cast shoe inserts, except for therapeutic shoes and inserts for the prevention and treatment of diabetes-related foot complications as specifically stated in the "Prosthetic Devices" provision of MEDICAL CARE THAT IS COVERED.

**Outpatient Prescription Drugs and Medications.** Outpatient prescription drugs or medications and insulin, except as specifically stated in the "Home Infusion Therapy" and "Prescription Drug for Abortion" provisions of MEDICAL CARE THAT IS COVERED. Non-prescription, over-the-counter patent or proprietary drugs or medicines. Cosmetics, health or beauty aids.

**Outpatient Occupational Therapy.** Outpatient occupational therapy, except by a *home health agency* or *hospice* as specifically stated in the "Home Health Care," "Hospice Care," or "Physical Therapy, Physical Medicine, Occupational Therapy and Chiropractic Care" provisions of MEDICAL CARE THAT IS COVERED.

**Outpatient Speech Therapy.** Outpatient speech therapy except as stated in the "Outpatient Speech Therapy" provision of MEDICAL CARE THAT IS COVERED.

**Personal Items.** Any supplies for comfort, hygiene or beautification.

**Physical Therapy or Physical Medicine.** Services of a *physician* for physical therapy or physical medicine, except when provided during a covered inpatient confinement, or as specifically stated in the "Home Health Care," "Hospice Care," or "Physical Therapy, Physical Medicine, Occupational Therapy and Chiropractic Care" provision of MEDICAL CARE THAT IS COVERED.

**Pregnancy and Maternity Care.** A dependent daughter's pregnancy and maternity care.

**Private Contracts.** Services or supplies provided pursuant to a private contract between the *insured person* and a provider, for which reimbursement under the Medicare program is prohibited, as specified in Section 1802 (42 U.S.C. 1395a) of Title XVIII of the Social Security Act.

**Private Duty Nursing.** Inpatient or outpatient services of a private duty nurse.

**Routine Exams or Tests.** Routine physical exams or tests which do not directly treat an actual illness, injury or condition, including those required by employment or government authority, except as specifically stated in the "Preventive Care," "Routine Physical Exam," "Cervical Cancer Screening," "Breast Cancer," or "Prostate Cancer Screening" provision of MEDICAL CARE THAT IS COVERED.

**Services of Relatives.** Professional services received from a person who lives in your home or who is related to you by blood or marriage.

**Sex Transformation.** Any procedures or treatments to change characteristics of the body to those of the opposite sex.

**Spiritual Refreshment.**

**Sterilization Reversal.** Reversal of sterilization.

**Telephone and Facsimile Machine Consultations.** Consultations provided by telephone or facsimile machine.

**Uninsured.** Services received before your *effective date* or after your coverage ends, except as specifically stated under EXTENSION OF BENEFITS.

**Voluntary Payment.** Services for which you are not legally obligated to pay. Services for which you are not charged. Services for which no charge is made in the absence of insurance coverage, except services received at a non-governmental charitable research *hospital*. Such a *hospital* must meet the following guidelines:

1. It must be internationally known as being devoted mainly to medical research;
2. At least **10%** of its yearly budget must be spent on research not directly related to patient care;
3. At least one-third of its gross income must come from donations or grants other than gifts or payments for patient care;
4. It must accept patients who are unable to pay; and
5. Two-thirds of its patients must have conditions directly related to the *hospital's* research.

**Weight Alteration Programs (Inpatient and Outpatient).** Weight loss or weight gain programs including, but not limited to, dietary evaluations and counseling, exercise programs, behavioral modification programs, surgery, laboratory tests, food and food supplements, vitamins and other nutritional supplements associated with weight loss or weight gain, unless it is for the treatment of anorexia nervosa or bulimia nervosa. Surgical treatment for morbid obesity will be covered only when criteria are met as recommended by our Medical Policy.

**Work-Related.** Work-related conditions if benefits are recovered or can be recovered, either by adjudication, settlement or otherwise, under any workers' compensation, employer's liability law or occupational disease law, even if you do not claim those benefits.

## PRE-EXISTING CONDITION EXCLUSION

No payment will be made for services or supplies for the treatment of a *pre-existing condition*. This exclusion applies only to conditions for which medical advice, diagnosis, care, or treatment was recommended or received within a six-month period prior to your coverage under this *plan*. Generally, this six-month period ends the day before your coverage becomes effective. However if you were subject to a waiting period for coverage, the six-month period ends on the day before the waiting period begins. The *pre-existing condition* exclusion does not apply to pregnancy.

This exclusion may last up to six months from your first day of coverage or, if you were in a waiting period, from the first day of your waiting period (see "Eligibility Date" under the section HOW COVERAGE BEGINS AND ENDS). However, you can reduce the length of this exclusion period by the number of days of your prior *creditable coverage*. Most prior health coverage is *creditable coverage* and can be used to reduce the *pre-existing condition* exclusion if you have not experienced a significant break in coverage. The maximum allowable break in coverage is 180 days if your prior coverage was provided through an employer and ended because your employment (or the person's employment through whom you had this coverage) ended, the availability of coverage through employment or sponsored by an employer has terminated, or an employer's contribution toward health coverage has terminated. For prior coverage that was not provided through an employer, such as individual coverage or coverage through a government program such as Medicaid, the maximum allowable break in coverage is 63 days. Please see "Creditable Coverage" in the DEFINITIONS section for a complete list of the types of coverage for which credit is given.

To reduce the six-month exclusion period by your *creditable coverage*, you should give us a copy of any certificates of creditable coverage you have. There is no time limit within which you must provide a certificate in order to receive credit for your prior coverage. If you do not have a certificate, but you do have prior health coverage, we will help you obtain one from your prior plan or carrier. There are also other ways that you can show you have *creditable coverage*. Please contact us if you need help demonstrating *creditable coverage*. All questions about the *pre-existing condition* exclusion and *creditable coverage* should be directed to the customer service telephone number listed on your identification card.

## REIMBURSEMENT FOR ACTS OF THIRD PARTIES

Under some circumstances, an *insured person* may need services under this *plan* for which a third party may be liable or legally responsible by reason of negligence, an intentional act or breach of any legal obligation. In that event, we will provide the benefits of this *plan* subject to the following:

1. We will automatically have a lien, to the extent of benefits provided, upon any recovery, whether by settlement, judgment or otherwise, that you receive from the third party, the third party's insurer, or the third party's guarantor. The lien will be in the amount of benefits we paid under this *plan* for the treatment of the illness, disease, injury or condition for which the third party is liable.
  - If we paid the provider other than on a capitated basis, our lien will not be more than amount we paid for those services.
  - If we paid the provider on a capitated basis, our lien will not be more than 80% of the usual and customary charges for those services in the geographic area in which they were given.
  - If you hired an attorney to gain your recovery from the third party, our lien will not be for more than one-third of the money due you under any final judgment, compromise, or settlement agreement.
  - If you did not hire an attorney, our lien will not be for more than one-half of the money due you under any final judgment, compromise or settlement agreement.
  - If a final judgment includes a special finding by a judge, jury, or arbitrator that you were partially at fault, our lien will be reduced by the same comparative fault percentage by which your recovery was reduced.
  - Our lien is subject to a pro rata reduction equal to your reasonable attorney's fees and costs in line with the common fund doctrine.
2. You must advise us in writing, within 60 days of filing a claim against the third party and take necessary action, furnish such information and assistance, and execute such papers as we may require to facilitate enforcement of our rights. You must not take action which may prejudice our rights or interests under your *plan*. Failure to give us such notice or to cooperate with us, or actions that prejudice our rights or interests will be a material breach of this *plan* and will result in your being personally responsible for reimbursing us.

3. We will be entitled to collect on our lien even if the amount you or anyone recovered for you (or your estate, parent or legal guardian) from or for the account of such third party as compensation for the injury, illness or condition is less than the actual loss you suffered.

### **COORDINATION OF BENEFITS**

If you are covered by more than one group medical plan, your benefits under This Plan will be coordinated with the benefits of those Other Plans, as shown below. These coordination provisions apply separately to each *insured person, per calendar year*, and are largely determined by California law. Any coverage you have for medical or dental benefits will be coordinated as shown below.

### **DEFINITIONS**

The meanings of key terms used in this section are shown below. Whenever any of the key terms shown below appear in these provisions, the first letter of each word will be capitalized. When you see these capitalized words, you should refer to this "Definitions" provision.

**Allowable Expense** is any necessary, reasonable and customary item of expense which is at least partially covered by at least one Other Plan. For the purposes of determining our payment, the total value of Allowable Expense as provided under This Plan and all Other Plans will not exceed the greater of: (1) the amount which we would determine to be eligible expense, if you were covered under This Plan only; or (2) the amount any Other Plan would determine to be eligible expenses in the absence of other coverage.

**Other Plan** is any of the following:

1. Group, blanket or franchise insurance coverage;
2. Group service plan contract, group practice, group individual practice and other group prepayment coverages;
3. Group coverage under labor-management trustee plans, union benefit organization plans, employer organization plans, employee benefit organization plans or self-insured employee benefit plans.
4. Medicare. This does not include Medicare when, by law, its benefits are secondary to those of any private insurance program or other non-governmental program.

The term "Other Plan" refers separately to each agreement, policy, contract, or other arrangement for services and benefits, and only to that portion of such agreement, policy, contract, or arrangement which reserves the right to take the services or benefits of other plans into consideration in determining benefits.

**Principal Plan** is the plan which will have its benefits determined first.

**This Plan** is that portion of this *plan* which provides benefits subject to this provision.

#### **EFFECT ON BENEFITS**

1. If This Plan is the Principal Plan, then its benefits will be determined first without taking into account the benefits or services of any Other Plan.
2. If This Plan is not the Principal Plan, then its benefits may be reduced so that the benefits and services of all the plans do not exceed Allowable Expense.
3. The benefits of This Plan will never be greater than the sum of the benefits that would have been paid if you were covered under This Plan only.

#### **ORDER OF BENEFITS DETERMINATION**

The following rules determine the order in which benefits are payable: Please note that the first of the following rules that applies to your situation will determine the order in which benefits are payable. If the first rule does not determine primary payor, proceed to the next rule, etc.

1. A plan which has no Coordination of Benefits provision pays before a plan which has a Coordination of Benefits provision. This would include Medicare in all cases, except when the law requires that This Plan pays before Medicare.
2. A plan which covers you as an *insured employee* pays before a plan which covers you as a dependent. But, if you are retired and eligible for Medicare, Medicare pays (a) after the plan which covers you as a dependent of an active employee, but (b) before the plan which covers you as a retired *employee*.

**For example:** You are covered as a retired employee under this plan and eligible for Medicare (Medicare would normally pay first). You are also covered as a dependent of an active employee under another plan (in which case Medicare would pay second). In this situation, the plan which covers you as a dependent will pay first and the plan which covers you as a retired employee would pay last.

3. For a dependent child covered under plans of two parents, the plan of the parent whose birthday falls earlier in the *calendar year* pays before the plan of the parent whose birthday falls later in the *calendar year*. But if one plan does not have a birthday rule provision, the provisions of that plan determine the order of benefits.

**Exception to rule 3:** For a dependent child of parents who are divorced or separated, the following rules will be used in place of Rule 3:

- a. If the parent with custody of that child for whom a claim has been made has not remarried, then the plan of the parent with custody that covers that child as a dependent pays first.
  - b. If the parent with custody of that child for whom a claim has been made has remarried, then the order in which benefits are paid will be as follows:
    - i. The plan which covers that child as a dependent of the parent with custody.
    - ii. The plan which covers that child as a dependent of the stepparent (married to the parent with custody).
    - iii. The plan which covers that child as a dependent of the parent without custody.
    - iv. The plan which covers that child as a dependent of the stepparent (married to the parent without custody).
  - c. Regardless of a and b above, if there is a court decree which establishes a parent's financial responsibility for that child's health care coverage, a plan which covers that child as a dependent of that parent pays first.
4. The plan covering you as a laid-off or retired employee or as a dependent of a laid-off or retired employee pays after a plan covering you as other than a laid-off or retired employee or the dependent of such a person. But if either plan does not have a provision regarding laid-off or retired employees, provision 6 applies.
  5. The plan covering you under a continuation of coverage provision in accordance with state or federal law pays after a plan covering you as an employee, a dependent or otherwise, but not under a continuation of coverage provision in accordance with state or federal law. If the order of benefit determination provisions of the Other Plan do not agree under these circumstances with the Order of Benefit Determination provisions of This Plan, this rule will not apply.

6. When the above rules do not establish the order of payment, the plan on which you have been enrolled the longest pays first unless two of the plans have the same effective date. In this case, Allowable Expense is split equally between the two plans.

#### **OUR RIGHTS UNDER THIS PROVISION**

**Responsibility For Timely Notice.** We are not responsible for coordination of benefits unless timely information has been provided by the requesting party regarding the application of this provision.

**Reasonable Cash Value.** If any Other Plan provides benefits in the form of services rather than cash payment, the reasonable cash value of services provided will be considered Allowable Expense. The reasonable cash value of such service will be considered a benefit paid, and our liability reduced accordingly.

**Facility of Payment.** If payments which should have been made under This Plan have been made under any Other Plan, we have the right to pay that Other Plan any amount we determine to be warranted to satisfy the intent of this provision. Any such amount will be considered a benefit paid under This Plan, and such payment will fully satisfy our liability under this provision.

**Right of Recovery.** If payments made under This Plan exceed the maximum payment necessary to satisfy the intent of this provision, we have the right to recover that excess amount from any persons or organizations to or for whom those payments were made, or from any insurance company or service plan.

## BENEFITS FOR MEDICARE ELIGIBLE INSURED PERSONS

**For Retired Employees and Their Spouses and Disabled Retirees or a Disabled Dependent of a Retiree under age 65.** If an *insured person* is a *retired employee* or the *spouse* of a *retired employee* and eligible for Medicare Part A, having made the required number of quarterly contributions to the Social Security System, or if you are a disabled retiree or a disabled dependent of a retiree under age 65, the *insured person's* benefits under this *plan* will be paid up to either Medicare's allowable charge, the *negotiated rate*, or the *customary and reasonable charge*, depending on what kind of provider is used and whether or not that provider accepts assignment from Medicare.

1. When any *participating* or *non-participating provider* accepts assignment from Medicare, BC Life will pay the difference between Medicare's payment and Medicare's approved amount. The *insured person* is not responsible for the difference between Medicare's approved amount and the total charge when the provider accepts assignment of benefits.
2. When a *participating provider* does not accept assignment from Medicare, BC Life will pay the difference between Medicare's payment and the *negotiated rate*. The *insured person* is not responsible for the difference between the *negotiated rate* and the total charge when a *participating provider* does not accept assignment of benefits.
3. When a *non-participating provider* does not accept assignment from Medicare, BC Life will pay the difference between Medicare's payment and the lesser of the *customary and reasonable charge* and the Medicare limiting charge for that service. The *member* will be responsible for any difference between the *customary and reasonable charge* for that service and the Medicare limiting charge.
4. For Medicare Part B, the plan deductible will not apply.
5. For inpatient *hospital* claims, BC Life will pay the Medicare Part A deductible and coinsurance.

If no payment is made by Medicare because the charge has been applied toward the deductible or because Medicare does not cover that service, full benefits of this *plan* will be paid by BC Life for covered services.

BC Life will apply this method of payment when a *member* is retired and eligible to enroll in Medicare Part A, whether or not a *member* is actually enrolled in Medicare Parts A or B, and whether or not benefits to which a *member* is entitled are actually paid by Medicare.

**Note:** You must notify the Los Angeles Police Relief Association, Inc. if you are a retiree or *family member* under age 65 and have elected Medicare due to disability.

**Coordinating Benefits With Medicare.** We will not provide benefits under this *plan* that duplicate any benefits to which you would be entitled under Medicare. This exclusion applies to all parts of Medicare in which you can enroll without paying additional premium. If you are required to pay additional premium for any part of Medicare, this exclusion will apply to that part of Medicare only if you are enrolled in that part.

If you are entitled to Medicare, your Medicare coverage will not affect the services covered under this *plan* except as follows:

1. Medicare must provide benefits first to any services covered both by Medicare and under this *plan*.
2. For services you receive that are covered both by Medicare and under this *plan*, coverage under this *plan* will apply only to Medicare deductibles, coinsurance, and other charges for covered services over and above what Medicare pays.
3. For any given claim, the combination of benefits provided by Medicare and the benefits provided under this *plan* will not exceed *covered expense* for the covered services.

## UTILIZATION REVIEW PROGRAM

Benefits are provided only for *medically necessary* and appropriate services. Utilization Review is designed to work together with you and your provider to ensure you receive appropriate medical care and avoid unexpected out of pocket expense.

**No benefits are payable unless your coverage is in force at the time services are rendered, and the payment of benefits is subject to all the terms and requirements of this *plan*.**

**Important:** The Utilization Review Program requirements described in this section do not apply when coverage under this *plan* is secondary to another plan providing benefits for you or your *insured family members*.

The utilization review program evaluates the medical necessity and appropriateness of care and the setting in which care is provided. You and your *physician* are advised if we have determined that services can be safely provided in an outpatient setting, or if an inpatient *stay* is recommended. Services that are *medically necessary* and appropriate are certified by us and monitored so that you know when it is no longer *medically necessary* and appropriate to continue those services.

It is your responsibility to see that your *physician* starts the utilization review process before scheduling you for any service subject to the utilization review program. If you receive any such service, and do not follow the procedures set forth in this section, your benefits will be reduced as shown in the "Effect on Benefits".

#### UTILIZATION REVIEW REQUIREMENTS

Utilization reviews are conducted for the following services:

- All inpatient *hospital stays* and *residential treatment center* admissions;
- *Facility-based care* for the treatment of *mental or nervous disorders, severe mental disorders,* and substance abuse.
- Organ and tissue transplants.
- Visits for physical therapy, physical medicine, occupational therapy and chiropractic care beyond those described under the "Physical Therapy, Physical Medicine, Occupational Therapy and Chiropractic Care" provision of YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS COVERED.
- Home health care.
- Admissions to a *skilled nursing facility*.
- Select imaging procedures, including but not limited to: Magnetic Resonance Imaging (MRI), Computerized Axial Tomography (CAT scan), Positron Emission Tomography (PET scan), Magnetic Resonance Spectroscopy (MRS scan), Magnetic Resonance Angiogram (MRA scan) and Nuclear Cardiac Imaging. You may call the toll-free customer service telephone number on your identification card to find out if an imaging procedure requires pre-service review.

**Exceptions:** Utilization review is not required for inpatient *hospital stays* for the following services:

- Maternity care of 48 hours or less following a normal delivery or 96 hours or less following a cesarean section; and
- Mastectomy and lymph node dissection.

There are three stages of utilization review:

1. **Pre-service review** determines in advance the medical necessity and appropriateness of certain procedures or admissions and the appropriate length of stay, if applicable. Pre-service review is required for the following services:
  - Scheduled, non-emergency inpatient *hospital stays* and *residential treatment center* admissions (except inpatient *stays* for maternity care or mastectomy and lymph node dissection).
  - *Facility-based care* for the treatment of *mental or nervous disorders, severe mental disorders*, and substance abuse.
  - Organ and tissue transplants.
  - Visits for physical therapy, physical medicine, occupational therapy and chiropractic care beyond those described under the "Physical Therapy, Physical Medicine, Occupational Therapy and Chiropractic Care" provision of YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS COVERED.
  - Home health care.
  - Admissions to a *skilled nursing facility*.
  - Select imaging procedures, including but not limited to: Magnetic Resonance Imaging (MRI), Computerized Axial Tomography (CAT scan), Positron Emission Tomography (PET scan), Magnetic Resonance Spectroscopy (MRS scan), Magnetic Resonance Angiogram (MRA scan) and Nuclear Cardiac Imaging.

2. **Concurrent review** determines whether services are *medically necessary* and appropriate when we are notified while service is ongoing, for example, an emergency admission to the hospital.
3. **Retrospective review** is performed to review services that have already been provided. This applies in cases when pre-service or concurrent review was not completed, or in order to evaluate and audit medical documentation subsequent to services being provided. Retrospective review may also be performed for services that continued longer than originally certified.

## EFFECT ON BENEFITS

In order for the full benefits of this *plan* to be payable, the following criteria must be met:

1. The appropriate utilization reviews must be performed in accordance with this *plan*. When pre-service review is not performed as required for an inpatient *hospital* or *residential treatment center* admission, or for *facility-based care* for the treatment of *mental or nervous disorders, severe mental disorders*, and substance abuse, the benefits to which you would have been otherwise entitled will be subject to the Non-Certification Deductible shown in the SUMMARY OF BENEFITS.
2. When pre-service review is performed and the admission, procedure or service is determined to be *medically necessary* and appropriate, benefits will be provided for the following:
  - Scheduled, non-emergency inpatient *hospital stays* and *residential treatment center* admissions (except inpatient *stays* for maternity care or mastectomy and lymph node dissection).
  - *Facility-based care* for the treatment of *mental or nervous disorders, severe mental disorders*, and substance abuse.
  - Authorizations for organ and tissue transplants will be provided only if the *physicians* on the surgical team and the facility in which the transplant is to take place are approved for the transplant requested.
  - An additional 12 visits for physical therapy, physical medicine, occupational therapy and chiropractic care if you need more visits than is provided under the “Physical Therapy, Physical Medicine, Occupational Therapy and Chiropractic Care” provision of YOUR MEDICAL BENEFITS: MEDICAL CARE THAT IS COVERED, if the treatment is due to post-neurological surgery, orthopedic surgery, cerebral vascular accident, third degree burns, head trauma or spinal cord injury.

- Home health care services if:
  - a. The services can be safely provided in your home, as certified by your attending physician;
  - b. Your attending physician manages and directs your medical care at home; and
  - c. Your attending physician has established a definitive treatment plan which must be consistent with your medical needs and lists the services to be provided by the *home health agency*.
- Services provided in a *skilled nursing facility* if you require daily skilled nursing or rehabilitation, as certified by your attending physician.
- Select imaging procedures, including, but not limited to: Magnetic Resonance Imaging (MRI), Computerized Axial Tomography (CAT scans), Positron Emission Tomography (PET scan), Magnetic Resonance Spectroscopy (MRS scan), Magnetic Resonance Angiogram (MRA scan) and nuclear cardiac imaging.

If you proceed with any services that have been determined to be not *medically necessary* and appropriate at any stage of the utilization review process, benefits will not be prov

3. Services that are not reviewed prior to or during service delivery will be reviewed retrospectively when the bill is submitted for benefit payment. If that review results in the determination that part or all of the services were not *medically necessary* and appropriate, benefits will not be paid for those services. Remaining benefits will be subject to previously noted reductions that apply when the required reviews are not obtained.

## HOW TO OBTAIN UTILIZATION REVIEWS

**Remember, it is always your responsibility to confirm that the review has been performed. If the review is not performed your benefits will be reduced as shown in the “Effect on Benefits”.**

### Pre-service Reviews

1. For all scheduled services that are subject to utilization review, you or your *physician* must initiate the pre-service review at least three working days prior to when you are scheduled to receive services.

2. You must tell your *physician* that this *plan* requires pre-service review. *Physicians* who are *participating providers* will initiate the review on your behalf. A *non-participating provider* may initiate the review for you, or you may call us directly. The toll-free number for pre-service review is printed on your identification card.
3. If you do not receive the reviewed service within 60 days of the certification, or if the nature of the service changes, a new pre-service review must be obtained.
4. We will determine if services are *medically necessary* and appropriate. For inpatient *hospital* and *residential treatment center* stays, we will, if appropriate, specify a specific length of *stay* for services. For *facility-based care* for the treatment of *mental or nervous disorders, severe mental disorders, and substance abuse* we will, if appropriate, specify the type and level of services, as well as their duration. You, your *physician* and the provider of the service will receive a written confirmation showing this information.

### **Concurrent Reviews**

1. If pre-service review was not performed, you or the provider of the service must contact us for concurrent review. For an *emergency* admission or procedure, we must be notified within one working day of the admission or procedure. The toll-free number is printed on your identification card.
2. When we determine that the service is *medically necessary* and appropriate, we will, depending upon the type of treatment or procedure, certify the service for a period of time that is medically appropriate. We will also determine the medically appropriate setting.
3. If we determine that the service is not *medically necessary* and appropriate, your *physician* will be notified by telephone no later than 24 hours following our decision. We will send written notice to you and your *physician* within two business days following our decision. However, care will not be discontinued until your *physician* has been notified and a plan of care that is appropriate for your needs has been agreed upon.

### **Retrospective Reviews**

1. Retrospective review is performed when we are not notified of the service you received, and are therefore unable to perform the appropriate review prior to your discharge from the *hospital* or completion of outpatient treatment. It is also performed when pre-service or concurrent review has been done, but services continue longer than originally certified.

It may also be performed for the evaluation and audit of medical documentation after services have been provided, whether or not pre-service or concurrent review was performed.

2. Such services which have been retroactively determined to not be *medically necessary* and appropriate will be retrospectively denied certification.

### **THE MEDICAL NECESSITY REVIEW PROCESS**

We work with you and your health care providers to cover *medically necessary* and appropriate care and services. While the types of services requiring review and the timing of the reviews may vary, we are committed to ensuring that reviews are performed in a timely and professional manner. The following information explains our review process.

1. A decision on the medical necessity of a pre-service request will be made no later than 5 business days from receipt of the information reasonably necessary to make the decision, and based on the nature of your medical condition.
2. A decision on the medical necessity of a concurrent request will be made no later than one business day from receipt of the information reasonably necessary to make the decision, and based on the nature of your medical condition. However, care will not be discontinued until your *physician* has been notified and a plan of care that is appropriate for your needs has been agreed upon.
3. A decision on the medical necessity of a retrospective review will be made and communicated in writing no later than 30 days from receipt of the information necessary to make the decision to you and your *physician*.
4. If we do not have the information we need, we will make every attempt to obtain that information from you or your *physician*. If we are unsuccessful, and a delay is anticipated, we will notify you and your *physician* of the delay and what we need to make a decision. We will also inform you of when a decision can be expected following receipt of the needed information.

5. All pre-service, concurrent and retrospective reviews for medical necessity are screened by clinically experienced, licensed personnel (called "Review Coordinators") using pre-established criteria and our medical policy. These criteria and policies are developed and approved by practicing providers not employed by us, and are evaluated at least annually and updated as standards of practice or technology change. Requests satisfying these criteria are certified as *medically necessary*. Review Coordinators are able to approve most requests.
6. A written confirmation including the specific service determined to be *medically necessary* will be sent to you and your provider no later than 2 business days after the decision, and your provider will be initially notified by telephone within 24 hours of the decision for pre-service and concurrent reviews.
7. If the request fails to satisfy these criteria or medical policy, the request is referred to a Peer Clinical Reviewer. Peer Clinical Reviewers are health professionals clinically competent to evaluate the specific clinical aspects of the request and render an opinion specific to the medical condition, procedure and/or treatment under review. Peer Clinical Reviewers are licensed in California with the same license category as the requesting provider. When the Peer Clinical Reviewer is unable to certify the service, the requesting *physician* is contacted by telephone for a discussion of the case. In many cases, services can be certified after this discussion. If the Peer Clinical Reviewer is still unable to certify the service, your provider will be given the option of having the request reviewed by a different Peer Clinical Reviewer.
8. Only the Peer Clinical Reviewer may determine that the proposed services are not *medically necessary* and appropriate. Your *physician* will be notified by telephone within 24 hours of a decision not to certify and will be informed at that time of how to request reconsideration. Written notice will be sent to you and the requesting provider within two business days of the decision. This written notice will include:
  - an explanation of the reason for the decision,
  - reference of the criteria used in the decision to modify or not certify the request,
  - the name and phone number of the Peer Clinical Reviewer making the decision to modify or not certify the request,
  - how to request reconsideration if you or your provider disagree with the decision.

9. Reviewers may be plan employees or an independent third party we choose at our sole and absolute discretion.
10. You or your *physician* may request copies of specific criteria and/or medical policy by writing to the address shown on your plan identification card. We disclose our medical necessity review procedures to health care providers through provider manuals and newsletters.

**A determination of medical necessity does not guarantee payment or coverage.** The determination that services are *medically necessary* is based on the clinical information provided. Payment is based on the terms of your coverage at the time of service. These terms include certain exclusions, limitations, and other conditions. Payment of benefits could be limited for a number of reasons, including:

- The information submitted with the claim differs from that given by phone;
- The service is excluded from coverage; or
- You are not eligible for coverage when the service is actually provided.

### **PERSONAL CASE MANAGEMENT**

The personal case management program enables us to authorize you to obtain medically appropriate care in a more economical, cost-effective and coordinated manner during prolonged periods of intensive medical care. Through a case manager, we have the right to recommend an alternative plan of treatment which may include services not covered under this *plan*. It is not your right to receive personal case management, nor do we have an obligation to provide it; we provide these services at our sole and absolute discretion.

### **HOW PERSONAL CASE MANAGEMENT WORKS**

Benefits for personal case management will be considered only when all of the following criteria are met:

1. You require extensive long-term treatment;
2. We anticipate that such treatment utilizing services or supplies covered under this *plan* will result in considerable cost;
3. Our cost-benefit analysis determines that the benefits payable under this *plan* for the alternative plan of treatment can be provided at a lower overall cost than the benefits you would otherwise receive under this *plan* while maintaining the same standards of care; and

4. You (or your legal guardian) and your *physician* agree, in a letter of agreement, with our recommended substitution of benefits and with the specific terms and conditions under which alternative benefits are to be provided.

**Alternative Treatment Plan.** If we determine that your needs could be met more efficiently, an alternative treatment plan may be recommended. This may include providing benefits not otherwise covered under this *plan*. A case manager will review the medical records and discuss your treatment with the attending *physician*, you, and your family.

**We make treatment recommendations only; any decision regarding treatment belongs to you and your *physician*. The *group* will, in no way, compromise your freedom to make such decisions.**

#### **EFFECT ON BENEFITS**

1. Any alternative benefits are accumulated toward the Lifetime Maximum.
2. Benefits are provided for an alternative treatment plan on a case-by-case basis only. We have absolute discretion in deciding whether or not to authorize services in lieu of benefits for any *insured person*, which alternatives may be offered and the terms of the offer.
3. Any authorization of services in lieu of benefits in a particular case in no way commits us to do so in another case or for another *insured person*.
4. The personal case management program does not prevent us from strictly applying the expressed benefits, exclusions and limitations of this *plan* at any other time or for any other *insured person*.

**Note:** We reserve the right to use the services of one or more third parties in the performance of the services outlined in the letter of agreement. No other assignment of any rights or delegation of any duties by either party is valid without the prior written consent of the other party.

#### **DISAGREEMENTS WITH MEDICAL MANAGEMENT DECISIONS**

1. If you or your *physician* disagree with a decision, or question how it was reached, you or your *physician* may request reconsideration. Requests for reconsideration (either by telephone or in writing) must be directed to the reviewer making the determination. Written requests must include medical information that supports the medical necessity of the services.

2. If you, your representative, or your *physician* acting on your behalf, find the reconsidered decision still unsatisfactory, a request for an appeal of a reconsidered decision may be submitted in writing to us.
3. If the appeal decision is still unsatisfactory, your remedy may be binding arbitration. (See BINDING ARBITRATION.)

### **QUALITY ASSURANCE**

Utilization review programs are monitored, evaluated, and improved on an ongoing basis to ensure consistency of application of screening criteria and medical policy, consistency and reliability of decisions by reviewers, and compliance with policy and procedure including but not limited to timeframes for decision making, notification and written confirmation. Our Board of Directors is responsible for medical necessity review processes through its oversight committees including the Strategic Planning Committee, Quality Management Committee, and Physician Relations Committee. Oversight includes approval of policies and procedures, review and approval of self-audit tools, procedures, and results. Monthly process audits measure the performance of reviewers and Peer Clinical Reviewers against approved written policies, procedures, and time frames. Quarterly reports of audit results and, when needed, corrective action plans are reviewed and approved through the committee structure.

## HOW COVERAGE BEGINS AND ENDS

### HOW COVERAGE BEGINS

#### ELIGIBLE STATUS

1. **Insured Members.** You are in an eligible status if you are a *retired employee*, and your primary residence is outside the State of California. You also must be entitled to Medicare Part A or enrolled in Medicare Part B.

You are in an eligible status if you are a member of the following class:

**Class 3:** All sworn *retired employees* of the Los Angeles Police Department who are receiving a pension from the City of Los Angeles Department of Fire & Police Pensions and all *retired employees* of the Los Angeles Police Relief Association, Inc., the Los Angeles Police Protective League and the Los Angeles Retired Fire and Police Association who are eligible to participate as an employee in a LAPRA medical plan at the time of retirement and who are eligible to receive an employer pension as of the date of retirement.

Individuals who are not eligible for a subsidy with the Department of Fire and Police Pensions at the time they retire are eligible for coverage under the *policy* provided they pay full monthly subscription charges. If the retiree subsequently becomes eligible for a subsidy, the retiree will then be responsible for the difference between the full monthly subscription charges and the subsidy amount paid on his or her behalf.

2. **Family Members.** The following persons are eligible to enroll as *family members*: (a) The *subscriber's spouse* or (b) *domestic partner*. The *subscriber's spouse* or *domestic partner* is eligible to be enrolled as a *family member*, provided that the *spouse* or *domestic partner* is entitled to Part A or actively enrolled in Part B of *Medicare*.

#### Definition of Family Members

1. **Spouse** is the *insured member's spouse* under a legally valid marriage between persons of the opposite sex who are entitled to Medicare Part A or enrolled in Medicare Part B. Spouse does not include any person who is: (a) covered as an *insured member*, or (b) in active service in the armed forces.

2. **Domestic partner** is the *insured member's* domestic partner under (1) a legally registered and valid domestic partnership, or (2) an application for domestic partnership that has been approved by the Department of Fire and Police Pensions, and has been submitted by the *insured member* to the LAPRA office.

- **Note:** If both the *insured member* and his or her *spouse* or *domestic partner* are eligible employees of the *group*, they are eligible to enroll for coverage as either an *insured member* or as a dependent, but not as both.

3. **Surviving Family Members.** Surviving family members as described under the **Definition of Family Members:**

1. If the *insured member* dies while covered under this *plan*, coverage continues for enrolled *family members*.
2. If a former *insured member* dies while he or she or their *family members* are not covered under a *plan* offered by the Los Angeles Police Relief Association, Inc., surviving *family members* may become eligible to enroll in this *plan*:
  - a. on the date of death of the former *insured member*,
  - b. during the open enrollment period;
  - c. on the date the surviving *family member* becomes eligible for a subsidy with the Department of Fire and Police Pensions; or
  - d. on either (1) the surviving *family member's* pension approval date or (2) the date notification is received by the Los Angeles Police Relief Association, Inc. from the Department of Fire and Police Pensions of the surviving *family member's* Pension approval.

Coverage will continue for enrolled surviving *family members* until one of the following occurs:

1. Premiums are not paid to BC Life on the *insured member's* behalf;
2. The *group* cancels coverage for the class of *insured members* to which the *insured member* belongs; or
3. The *policy* between BC Life and the *group* terminates.

**Note:**

- A surviving *spouse's* coverage may continue if he or she remarries or enters into a domestic partnership, but the new spouse or domestic partner, may not be added to this *plan* as *family members*.
- A surviving *domestic partner's* coverage may continue if he or she enters into a new domestic partner relationship or marriage, but the new domestic partner or spouse, may not be added to this plan as *family members*.

**ELIGIBILITY DATE**

1. **For Employees:** You become eligible for coverage as follows:

**Class 3:** For Class 3 eligible *retired employees*, coverage begins as follows:

- a. For retirees who at the time of retirement were enrolled as an active employee in a plan sponsored by the Los Angeles Police Relief Association, Inc. or for retirees who were not enrolled at the time of retirement: on the first day of the month following the retiree's pension effective date.
- b. For retirees who (i) go off payroll while an active employee and do not lose coverage under the active plan, (ii) subsequently retire and (iii) become eligible for a pension from the Department of Fire and Police Pensions with a pension effective date that is retroactive to either before or after the off payroll date: on the first day of the month following either (1) the retiree's pension effective date or (2) the date the Los Angeles Police Relief Association, Inc. receives notification from the Department of Fire and Police Pensions of the retiree's pension effective date. Coverage will be retroactive only to the extent permitted by BC Life.
- c. For retirees who retire prior to becoming eligible for a subsidy from the Department of Fire and Police Pensions and who are not enrolled at the time they become eligible for a subsidy: on the first day of the month in which the retiree become eligible for a subsidy.

2. **For Family Members:** You become eligible for coverage on the later of: (a) the date the *insured member* becomes eligible for coverage; or (b) the date you meet the *family member* definition.

## ENROLLMENT

To enroll as an *insured member*, or to enroll *family members*, the *insured member* must properly file an application. An application is considered properly filed, only if it is personally signed, dated, and given to the *group* within 31 days from your eligibility date.

If you enroll an eligible *family member*, you must submit proof of dependent status, such as a copy of a certified marriage certificate. If you do not have the required certificate or Court approval documents at the time of enrollment, you must submit temporary proof of dependent status and you have 60 days from your *family member's* effective date of coverage to submit the required documents. If you fail to submit required proof within the 60-day period, your *family member's* coverage will automatically be cancelled on the first day of the month following the end of the 60-day period. You must then wait until the next Open Enrollment Period to re-enroll your family member and submit proof of dependent status.

## EFFECTIVE DATE

Your effective date of coverage is subject to the timely payment of premium on your behalf. The date you become covered is determined as follows:

1. **Timely Enrollment:** If you enroll for coverage before, on, or within 31 days after your eligibility date, then your coverage will begin as follows: (a) for *insured members*, on your eligibility date; and (b) for *family members*, on the later of: (i) the date the *insured member's* coverage begins, or (ii) the first day of the month after the *family member* becomes eligible. If you become eligible before the *policy* takes effect, coverage begins on the effective date of the *policy*, provided the enrollment application is on time and in order.
2. **Late Enrollment:** If you fail to enroll within 31 days after your eligibility date, you must wait until the *group's* next Open Enrollment Period to enroll unless you experience a Qualified Family Status Change as described below. Qualified Family Status Changes include:
  - Marriage or legal and valid registration of a domestic partnership, or approval of a domestic partnership application by the Department of Fire and Police Pensions, whichever is applicable.

- Divorce, legal separation, or annulment of a marriage, or the termination, legal separation or annulment of a domestic partnership, which results in your losing coverage under another plan.
- Death of a family member which results in losing coverage under another plan.

Certain other event permitted by your *group* in accordance with law.

3. **Disenrollment:** If you voluntarily choose to disenroll from coverage under this *plan*, you will be eligible to reapply for coverage as set forth in the “Enrollment” provision above, during the *group’s* next Open Enrollment period (see OPEN ENROLLMENT PERIOD).

For late enrollees and disenrollees: You may enroll earlier than the *group’s* next Open Enrollment Period if you meet any of the conditions listed under SPECIAL ENROLLMENT PERIODS.

### Special Enrollment Periods

You (and your *family members* in certain instances) may enroll without waiting for the *group’s* next open enrollment period if you are otherwise eligible under any one of the circumstances set forth below:

1. You have met all of the following requirements:
  - a. You were covered under another health plan as an individual or dependent, including coverage under a COBRA continuation, the Healthy Families Program, or no share-of-cost Medi-Cal coverage.
  - b. You certified in writing at the time you became eligible for coverage under this *plan* that you were declining coverage under this *plan* or disenrolling because you were covered under another health plan and you were given written notice that if you choose to enroll later, you may be required to wait until the *group’s* next open enrollment period to do so.
  - c. Your coverage under the other health plan wherein you were covered as an individual or dependent ended because:
    - you lost eligibility under the other plan or employer contributions toward coverage under the other plan terminated,
    - your coverage under a COBRA continuation was exhausted,

- you lost coverage under the Healthy Families Program as a result of exceeding the program's income or age limits, or you lost no share-of-cost Medi-Cal coverage.
- d. You properly file an application with the *group* within 31 days from the date on which you lose coverage.

If you meet the requirements above, coverage will become effective on the first day of the month following the month in which your other coverage was lost.

2. A court has ordered coverage be provided for a *spouse* or *domestic partner* under your retiree health plan, and such individual is otherwise eligible for coverage under the plan. Coverage will become effective on the first day of the month following the date we receive a copy of the order and a completed enrollment form.
3. We do not have a written statement from the *group* stating that prior to declining coverage or disenrolling, you received and signed acknowledgment of a written notice specifying that if you do not enroll for coverage within 31 days after your eligibility date, or if you disenroll, and later file an enrollment application, your coverage may not begin until the designated date following the open enrollment period.
4. You have a change in family status through either marriage or domestic partnership.
  - a. If you get married, you may enroll your new *spouse* (you must also enroll yourself if you are not enrolled at that time). You must enroll your new *spouse* (and yourself, if applicable) within 31 days of the date of marriage. Coverage will be effective on the first day of the month following the date of marriage.
  - b. If you are enrolling a new *domestic partner*, your enrollment application must be received within 31 days of the legal and valid registration of a domestic partnership, or approval of a domestic partnership application by the Department of Fire and Police Pensions, whichever is applicable. Coverage will be effective on the first day of the month following the date of the legal and valid registration of a domestic partnership, or approval of a domestic partnership application by the Department of Fire and Police Pensions.

5. You meet or exceed a lifetime limit on all benefits under another health plan. Application must be made within 31 days of the date a claim or a portion of a claim is denied due to your meeting or exceeding the lifetime limit on all benefits under the other plan. Coverage will be effective on the first day of the month following the date a claim or a portion of a claim is denied due to your meeting or exceeding the lifetime limit on all benefits under the plan.

#### **OPEN ENROLLMENT PERIOD**

The *group* has a reenrollment period once each *year*. This period is determined between BC Life and the *group*. During that time, an individual who meets the eligibility requirements as a *member* under this *plan* may enroll. A *member* may also enroll any eligible *family members* at that time. Persons eligible to enroll as *family members* may enroll only under the *member's plan*.

For anyone so enrolling, coverage under this *plan* will begin on the designated date following the Open Enrollment Period.

#### **HOW COVERAGE ENDS**

Your coverage ends, without notice from BC Life, as provided below:

1. If the *policy* between the *group* and BC Life terminates, your coverage ends at the same time. This *policy* may be cancelled or changed without notice to you.
2. If the *group* no longer provides coverage for the class of *insured members* to which you belong, your coverage ends on the effective date of that change. If this *policy* is amended to delete coverage for *family members*, a *family member's* coverage ends on the effective date of that change.
3. Coverage for *family members* ends when the *insured member's* coverage ends.
4. Coverage ends at the end of the period for which premium has been paid to BC Life on your behalf when the required premium for the next period is not paid.
5. If you voluntarily cancel coverage at any time, as permitted by the plan, coverage ends on the last day of the month following the date you file a coverage cancellation form.
6. If you no longer meet the requirements set forth in the "Eligible Status" provision of HOW COVERAGE BEGINS AND ENDS: HOW COVERAGE BEGINS, your coverage ends on the premium due date coinciding with or following the date you cease to meet such requirements.

7. If the *insured member's* domestic partnership was established through the approval of a domestic partnership application by the Department of Fire and Police Pensions and the *insured member's* domestic partnership terminates, the *insured member* must give or send to the Department of Fire and Police Pensions written notice of the termination by providing a signed copy of the Affidavit of Termination of Domestic Partnership, and the *insured member* must contact the Los Angeles Police Relief Association, Inc. to complete the necessary forms to terminate the domestic partner's coverage. If an *insured member's* marriage or legally registered domestic partnership\_terminates, the *insured member* must contact the Los Angeles Police Relief Association, Inc., provide a copy of the signed divorce or domestic partner termination decree, and complete the necessary forms to remove the *spouse* or *domestic partner* from coverage. Coverage for a former *spouse* or *domestic partner*, if any, ends according to the "Eligible Status" provisions. If BC Life suffers a loss because the *insured member* fails to notify the *group* of the termination of the *insured member's* marriage or domestic partnership, BC Life may seek recovery from the *insured member* for any actual loss resulting thereby. Failure to provide written notice to the *group* will not delay or prevent loss of eligibility for coverage or termination of the marriage or domestic partnership. If the *insured member* notifies the *group* in writing to cancel coverage for a former *spouse* or *domestic partner*, if any, immediately upon termination of the *insured member's* marriage or domestic partnership, such notice will be considered compliance with the requirements of this provision.

You may be entitled to continued benefits under terms which are specified elsewhere under CONTINUATION OF COVERAGE, COVERAGE FOR SURVIVING FAMILY MEMBERS AND EXTENSION OF BENEFITS.

## CONTINUATION OF COVERAGE

Most employers who employ 20 or more people on a typical business day are subject to The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). If the employer who provides coverage under the *policy* is subject to the federal law which governs this provision (Title X of P. L. 99-272), you may be entitled to continuation of coverage. Check with your employer for details.

### DEFINITIONS

The meanings of key terms used in this section are shown below. Whenever any of the key terms shown below appear in these provisions, the first letter of each word will appear in capital letters. When you see these capitalized words, you should refer to this "Definitions" provision.

**Initial Enrollment Period** is the period of time following the original Qualifying Event, as indicated in the "Terms of COBRA Continuation" provisions below.

**Qualified Beneficiary** means a person enrolled for this COBRA continuation coverage who, on the day before the Qualifying Event, was covered under this *policy* as either an *employee* or enrolled *spouse*. Qualified Beneficiary does not include any person who was not enrolled during the Initial Enrollment Period, including a *spouse* acquired during the COBRA continuation period. It does not include *domestic partners*.

**Qualifying Event** means any one of the following circumstances which would otherwise result in the termination of your coverage under the *policy*. The events will be referred to throughout this section by number.

1. **For Retired Employees and the Spouse.** Cancellation or a substantial reduction of retiree benefits under the *plan* due to the *group's* filing for Chapter 11 bankruptcy, provided that:
  - a. The *policy* expressly includes coverage for retirees; and
  - b. Such cancellation or reduction of benefits occurs within one year before or after the *group's* filing for bankruptcy.
2. **For the Spouse:**
  - a. The death of the *employee*; or
  - b. The *spouse's* divorce or legal separation from the *employee*.

## ELIGIBILITY FOR COBRA CONTINUATION

An *employee* or enrolled *spouse* may choose to continue coverage under the *policy* if coverage would otherwise end due to a Qualifying Event.

## TERMS OF COBRA CONTINUATION

**Notice.** The *group* or its administrator (we are not the administrator) will notify either the *employee* or *spouse* of the right to continue coverage under COBRA, as provided below:

1. For Qualifying Event 1, the *group* or its administrator will notify the *employee* of the right to continue coverage.
2. For Qualifying Event 2(a), the *spouse* will be notified of the COBRA continuation right.
3. You must inform the *group* within 60 days of Qualifying Event 2(b) if you wish to continue coverage. The *group* in turn will promptly give you official notice of the COBRA continuation right.

If you choose to continue coverage you must notify the *group* within 60 days of the date you receive notice of your COBRA continuation right. The COBRA continuation coverage may be chosen for both *family members*, or for the *employee* only, or for the *spouse* only.

If you fail to elect the COBRA continuation during the Initial Enrollment Period, you may not elect the COBRA continuation at a later date.

Notice of continued coverage, along with the initial subscription charge, must be delivered to us by the *group* within 45 days after you elect COBRA continuation coverage.

**Additional Family Members.** A *spouse* acquired during the COBRA continuation period is eligible to be enrolled, provided that the *spouse* meets the eligibility requirements as specified under HOW COVERAGE BEGINS section. The standard enrollment provisions of the *policy* apply to enrollees during the COBRA continuation period.

**Cost of Coverage.** The *group* may require that you pay the entire cost of your COBRA continuation coverage. This cost, called the "subscription charge", must be remitted to the *group* each month during the COBRA continuation period. We must receive payment of the subscription charge each month from the *group* in order to maintain the coverage in force.

Besides applying to the *employee*, the *employee's* rate also applies to a *spouse* whose COBRA continuation began due to divorce, separation or death of the *employee*.

**When COBRA Continuation Coverage Begins.** When COBRA continuation coverage is elected during the Initial Enrollment Period and the subscription charge is paid, coverage is reinstated back to the date of the original Qualifying Event, so that no break in coverage occurs.

For a *spouse* properly enrolled during the COBRA continuation, coverage begins according to the enrollment provisions of the *policy*.

**When the COBRA Continuation Ends.** This COBRA continuation will end on the earliest of:

1. The end of 36 months from the Qualifying Event, if the Qualifying Event was the death of the *employee*, divorce or legal separation;\*
2. The date the *policy* terminates;
3. The end of the period for which subscription charges are last paid;
4. The date, following the election of COBRA, the *insured person* first becomes covered under any other group health plan, unless the other group health plan contains an exclusion or limitation relating to a pre-existing condition of the *insured person*, in which case this COBRA continuation will end at the end of the period for which the pre-existing condition exclusion or limitation applied.

\*For an *insured person* whose COBRA continuation coverage began under a *prior plan*, this term will be dated from the time of the Qualifying Event under that *prior plan*.

Subject to the *policy* remaining in effect, a retired *employee* whose COBRA continuation coverage began due to Qualifying Event 1 may be covered for the remainder of his or her life; that person's enrolled *spouse* may continue coverage for 36 months after the *employee's* death. But coverage could terminate prior to such time for either the *employee* or *spouse* in accordance with any of the items above.

## EXTENSION OF BENEFITS

If you are a *totally disabled member* or a *totally disabled family member* and under the treatment of a *physician* on the date of discontinuance of the *policy*, your benefits may be continued for treatment of the totally disabling condition. This extension of benefits is not available if you become covered under another group health plan that provides coverage without limitation for your disabling condition. Extension of benefits is subject to the following conditions:

1. If you are confined as an inpatient in a *hospital* or *skilled nursing facility*, you are considered totally disabled as long as the inpatient *stay* is *medically necessary*, and no written certification of the total disability is required. If you are discharged from the *hospital* or *skilled nursing facility*, you may continue your total disability benefits by submitting written certification by your *physician* of the total disability within 90 days of the date of your discharge. Thereafter, we must receive proof of your continuing total disability at least once every 90 days while benefits are extended.
2. If you are not confined as an inpatient but wish to apply for total disability benefits, you must do so by submitting written certification by your *physician* of the total disability. We must receive this certification within 90 days of the date coverage ends under this *plan*. At least once every 90 days while benefits are extended, we must receive proof that your total disability is continuing.
3. Your extension of benefits will end when any one of the following circumstances occurs:
  - a. You are no longer totally disabled.
  - b. The maximum benefits available to you under this *plan* are paid.
  - c. You become covered under another group health plan that provides benefits without limitation for your disabling condition.
  - d. A period of up to 12 months has passed since your extension began.

## GENERAL PROVISIONS

**Area of Service.** The benefits of this Evidence of Coverage are provided for covered services anywhere in the world, including but not limited to emergency services or accidental injuries.

**Benefits Not Transferable.** Only *insured persons* are entitled to receive benefits under this *plan*. The right to benefits cannot be transferred.

**Certificate of Creditable Coverage.** Certificates of creditable coverage are issued automatically when your coverage under this *plan* ends. We will also provide a certificate of creditable coverage in response to your request, or to a request made on your behalf, at any time while you are covered under this *plan* and up to 24 months after your coverage under this *plan* ends. The certificate of creditable coverage documents your coverage under this *plan*. To request a certificate of creditable coverage, please call the customer service telephone number listed on your ID card.

**Claim Forms.** After we receive a written notice of claim, we will give you any forms you need to file proof of loss. If we do not give you these forms within 15 days after you have filed your notice of claim, you will not have to use these forms, and you may file proof of loss by sending us written proof of the occurrence giving rise to the claim. Such written proof must include the extent and character of the loss.

**Entire Contract.** This certificate, including any amendments and endorsements to it, is a summary of your benefits. It replaces any older certificates issued to you for the coverages described in the Summary of Benefits. All benefits are subject in every way to the entire *policy* which includes this certificate. The terms of the *policy* may be changed only by a written endorsement signed by one of our authorized officers. No agent or employee has any authority to change any of the terms, or waive the provisions of, the *policy*.

**Expense in Excess of Benefits.** We are not liable for any expense you incur in excess of the benefits of this *plan*.

**Financial Arrangements with Providers.** Under arrangements with some health care providers and suppliers (hereafter referred to together as "Providers") certain discounts, payments, rebates, settlements, incentives, adjustments and/or allowances, may be based on aggregate payments made by BC Life or an affiliate in respect to all health care services rendered to all persons who have coverage through a program provided or administered by BC Life or an affiliate. They are not attributed to specific claims or plans and do not inure to the benefit of any covered individual or group, but may be considered by BC Life or an affiliate in determining its fees or subscription charges or premiums.

**Independent Contractors.** Our relationship with providers is that of an independent contractor. *Physicians*, and other health care professionals, *hospitals*, *skilled nursing facilities* and other community agencies are not our agents nor are we, or any of our employees, an employee or agent of any *hospital*, medical group or medical care provider of any type.

**Legal Actions.** No attempt to recover on the plan through legal or equity action may be made until at least 60 days after the written proof of loss has been furnished as required by this plan. No such action may be started later than three years from the time written proof of loss is required to be furnished.

**Liability For Statements.** No statements made by you, unless they appear on a written form signed by you or are fraudulent, will be used to deny a claim under the *policy*. Statements made by you will not be deemed warranties. With regard to each statement, no statement will be used by us in defense to a claim unless it appears in a written form signed by you and then only if a copy has been furnished to you. After two years following the filing of such claim, if the coverage under which such claim is filed has been in force during that time, no such statement will be used to deny such a claim, unless the statement is fraudulent.

No claim for *covered expense* you incur in connection with a *pre-existing condition* will be reduced or denied after you have been covered for six consecutive months under the *policy*, unless the disease, illness, injury or physical condition was specifically excluded from coverage by name or description. Also, if you were covered under *creditable coverage*, the time spent under the *creditable coverage* will be used to satisfy, or reduce, the six consecutive month period.

**Medical Necessity.** The benefits of this *plan* are provided only for services which we determine to be *medically necessary*. The services must be ordered by the attending *physician* for the direct care and treatment of a covered condition. They must be standard medical practice where received for the condition being treated and must be legal in the United States.

**Non-Regulation of Providers.** The benefits provided under this *plan* do not regulate the amounts charged by providers of medical care.

**Notice of Claim.** You, or someone on your behalf, must give us written notice of a claim within 20 days after you incur *covered expense* under this plan, or as soon as reasonably possible thereafter.

**Payment to Providers.** We will pay the benefits of this *plan* directly to medical transportation providers. Also, we will pay other providers of service directly when you assign benefits in writing. If another party pays for your medical care and you assign benefits in writing, we will pay the benefits of this *plan* to that party. These payments will fulfill our obligation to you for those covered services.

**Exception:** Under certain circumstances we will pay the benefits of this *plan* directly to a provider or third party even without your assignment of benefits in writing. To receive direct payment, the provider or third party must provide us the following:

1. Proof of payment of medical services and the provider's itemized bill for such services;
2. If the *insured employee* does not reside with the patient, either a copy of the judicial order requiring the *member* to provide coverage for the patient or a state approved form verifying the existence of such judicial order which would be filed with us on an annual basis;
3. If the *member* does not reside with the patient, and if the provider is seeking direct reimbursement, an itemized bill with the signature of the custodian or guardian certifying that the services have been provided and supplying on an annual basis, either a copy of the judicial order requiring the *member* to provide coverage for the patient or a state approved form verifying the existence of such judicial order;
4. The name and address of the person to be reimbursed, the name and policy number of the *member*, the name of the patient, and other necessary information related to the coverage.

**Physical Examination.** At our expense, we have the right and opportunity to examine any *insured person* claiming benefits when and as often as reasonably necessary while a claim is pending.

**Plan Administrator - COBRA.** In no event will we be plan administrator for the purposes of compliance with the Consolidated Omnibus Budget Reconciliation Act (COBRA). The term "plan administrator" refers either to the *group* or to a person or entity, other than us, engaged by the *group* to perform or assist in performing administrative tasks in connection with the *group's* health plan. In providing notices and otherwise performing under the CONTINUATION OF COVERAGE section of this booklet, the *group* is fulfilling statutory obligations imposed on it by federal law and, where applicable, acting as your agent.

**Proof of Loss.** You or the provider of service must send us properly and fully completed claim forms within 90 days of the date you receive the service or supply for which a claim is made. If it is not reasonably possible to submit the claim within that time frame, an extension of up to 12 months will be allowed. Except in the absence of legal capacity, we are not liable for the benefits of the *plan* if you do not file claims within the required time period. We will not be liable for benefits if we do not receive written proof of loss on time.

Services received and charges for the services must be itemized, and clearly and accurately described. Claim forms must be used; canceled checks or receipts are not acceptable.

**Protection of Coverage.** We do not have the right to cancel your coverage under this *plan* while: (1) this *plan* is in effect; (2) you are eligible; and (3) your premiums are paid according to the terms of the *policy*.

**Providing of Care.** We are not responsible for providing any type of *hospital*, medical or similar care, nor are we responsible for the quality of any such care received.

**Right of Recovery.** When the amount we paid exceeds our liability under this *plan*, we have the right to recover the excess amount. This amount may be recovered from you, the person to whom payment was made or any other plan.

### **Terms of Coverage**

1. In order for you to be entitled to benefits under the *policy*, both the *policy* and your coverage under the *policy* must be in effect on the date the expense giving rise to a claim for benefits is incurred.
2. The benefits to which you may be entitled will depend on the terms of coverage in effect on the date the expense giving rise to a claim for benefits is incurred. An expense is incurred on the date you receive the service or supply for which the charge is made.
3. The *policy* is subject to amendment, modification or termination according to the provisions of the *policy* without your consent or concurrence.

**Timely Payment of Claims.** Any benefits due under this *plan* shall be due once we have received proper, written proof of loss, together with such reasonably necessary additional information we may require to determine our obligation.

**Workers' Compensation Insurance.** The *policy* does not affect any requirement for coverage by workers' compensation insurance. It also does not replace that insurance.

## INDEPENDENT MEDICAL REVIEW OF DENIALS OF EXPERIMENTAL OR INVESTIGATIVE TREATMENT

If coverage for a proposed treatment is denied because we determine that the treatment is *experimental* or *investigative*, you may ask that the denial be reviewed by an external independent medical review organization contracting with the California Department of Insurance ("CDI"). Your request for this review may be submitted to the CDI. You pay no application or processing fees of any kind for this review. You have the right to provide information in support of your request for review. A decision not to participate in this review process may cause you to forfeit any statutory right to pursue legal action against us regarding the disputed health care service. We will send you an application form and an addressed envelope for you to use to request this review with any grievance disposition letter denying coverage for this reason. You may also request an application form by calling us at the telephone number listed on your identification card or write to us at BC Life & Health Insurance Company, 21555 Oxnard Street, Woodland Hills, CA 91367. To qualify for this review, all of the following conditions must be met:

- You have a life-threatening or seriously debilitating condition, described as follows:
  - ◆ A life-threatening condition is a condition or disease where the likelihood of death is high unless the course of the disease is interrupted or a condition or disease with a potentially fatal outcome where the end point of clinical intervention is the patient's survival.
  - ◆ A seriously debilitating condition is a disease or condition that causes major, irreversible morbidity.
- Your *physician* must certify that either (a) standard treatment has not been effective in improving your condition, (b) standard treatment is not medically appropriate, or (c) there is no more beneficial standard treatment covered by this *plan* than the proposed treatment.
  - The proposed treatment must be requested by you or by a licensed board certified or board eligible *physician* qualified to treat your condition. The treatment requested must be likely to be more beneficial for you than standard treatments based on two documents of scientific and medical evidence from the following sources:
    - a) Peer-reviewed scientific studies published in medical journals with nationally recognized standards;

- b) Medical literature meeting the criteria of the National Institute of Health's National Library of Medicine for indexing in Index Medicus, Excerpta Medicus, Medline, and MEDLARS database Health Services Technology Assessment Research;
- c) Medical journals recognized by the Secretary of Health and Human Services, under Section 1861(t)(2) of the Social Security Act;
- d) The American Hospital Formulary Service-Drug Information, the American Medical Association Drug Evaluation, the American Dental Association Accepted Dental Therapeutics, and the United States Pharmacopoeia-Drug Information;
- e) Findings, studies or research conducted by or under the auspices of federal governmental agencies and nationally recognized federal research institutes; and
- f) Peer reviewed abstracts accepted for presentation at major medical association meetings.

In all cases, the certification must include a statement of the evidence relied upon.

You are not required to go through our grievance process for more than 30 days. If your grievance needs expedited review, you are not required to go through our grievance process for more than three days.

You must request this review within six months of the date you receive a denial notice from us in response to your grievance, or from the end of the 30 day or three day grievance period, whichever applies. This application deadline may be extended by the CDI for good cause.

Within three business days of receiving notice from the CDI of your request for review we will send the reviewing panel all relevant medical records and documents in our possession, as well as any additional information submitted by you or your *physician*. Any newly developed or discovered relevant medical records identified by us or by a qualified *physician* after the initial documents are sent will be immediately forwarded to the reviewing panel. The external independent review organization will complete its review and render its opinion within 30 days of its receipt of request for review (or within seven days if your *physician* determines that the proposed treatment would be significantly less effective if not provided promptly). This timeframe may be extended by up to three days for any delay in receiving necessary records.

## **INDEPENDENT MEDICAL REVIEW OF GRIEVANCES INVOLVING A DISPUTED HEALTH CARE SERVICE**

You may request an independent medical review (“IMR”) of disputed health care services from the California Department of Insurance (“CDI”) if you believe that we have improperly denied, modified, or delayed health care services. A “disputed health care service” is any health care service eligible for coverage and payment under your *plan* that has been denied, modified, or delayed by us, in whole or in part because the service is not *medically necessary*.

The IMR process is in addition to any other procedures or remedies that may be available to you. You pay no application or processing fees of any kind for IMR. You have the right to provide information in support of the request for IMR. We must provide you with an IMR application form and an addressed envelope for you to use to request IMR with any grievance disposition letter that denies, modifies, or delays health care services. A decision not to participate in the IMR process may cause you to forfeit any statutory right to pursue legal action against us regarding the disputed health care service.

Eligibility: The CDI will review your application for IMR to confirm that:

1. (a) Your provider has recommended a health care service as *medically necessary*, or  
(b) You have received *urgent care* or *emergency services* that a provider determined was *medically necessary*, or  
(c) You have been seen by a provider for the diagnosis or treatment of the medical condition for which you seek independent review;
2. The disputed health care service has been denied, modified, or delayed by us, based in whole or in part on a decision that the health care service is not *medically necessary*; and
3. You have filed a grievance with us and the disputed decision is upheld or the grievance remains unresolved after 30 days. If your grievance requires expedited review you need not participate in our grievance process for more than three days. The CDI may waive the requirement that you follow our grievance process in extraordinary and compelling cases.

You must apply for IMR within six months of the date you receive a denial notice from us in response to your grievance or from the end of the 30 day or three day grievance period, whichever applies. This application deadline may be extended by the CDI for good cause.

If your case is eligible for IMR, the dispute will be submitted to a medical specialist or specialists who will make an independent determination of whether or not the care is *medically necessary*. You will receive a copy of the assessment made in your case. If the IMR determines the service is *medically necessary*, we will provide benefits for the health care service.

For non-urgent cases, the IMR organization designated by the CDI must provide its determination within 30 days of receipt of your application and supporting documents. For urgent cases involving an imminent and serious threat to your health, including, but not limited to, serious pain, the potential loss of life, limb, or major bodily function, or the immediate and serious deterioration of your health, the IMR organization must provide its determination within 3 days.

For more information regarding the IMR process, or to request an application form, please call us at the customer service telephone number listed on your ID card.

## BINDING ARBITRATION

Any dispute or claim, of whatever nature, arising out of, in connection with, or in relation to this *plan* or the *policy*, or breach or rescission thereof, or in relation to care or delivery of care, including any claim based on contract, tort or statute, must be resolved by arbitration if the amount sought exceeds the jurisdictional limit of the small claims court. Any dispute regarding a claim for damages within the jurisdictional limits of the small claims court will be resolved in such court.

The Federal Arbitration Act shall govern the interpretation and enforcement of all proceedings under this BINDING ARBITRATION provision. To the extent that the Federal Arbitration Act is inapplicable, or is held not to require arbitration of a particular claim, state law governing agreements to arbitrate shall apply.

The *insured person* and BC Life agree to be bound by these arbitration provisions and acknowledge that they are giving up their right to trial by jury for both medical malpractice claims and any other disputes.

The *insured person* and BC Life agree to give up the right to participate in class arbitrations against each other. Even if applicable law permits class actions or class arbitrations, the *insured person* waives any right to pursue, on a class basis, any such controversy or claim against BC Life and BC Life waives any right to pursue on a class basis any such controversy or claim against the *insured person*.

The arbitration findings will be final and binding except to the extent that state or federal law provides for the judicial review of arbitration proceedings.

The arbitration is initiated by the *insured person* making written demand on BC Life. The arbitration will be conducted by Judicial Arbitration and Mediation Services (“JAMS”), according to its applicable Rules and Procedures. If for any reason JAMS is unavailable to conduct the arbitration, the arbitration will be conducted by another neutral arbitration entity, by agreement of the *insured person* and BC Life, or by order of the court, if the *insured person* and BC Life cannot agree.

The costs of the arbitration will be allocated per the JAMS Policy on Consumer Arbitrations. If the arbitration is not conducted by JAMS, the costs will be shared equally by the parties, except in cases of extreme financial hardship, upon application to the neutral arbitration entity to which the parties have agreed, in which cases, BC Life will assume all or a portion of the costs of the arbitration.

Please send all Binding Arbitration demands in writing to BC Life & Health Insurance Company, 21555 Oxnard Street, Woodland Hills, CA 91367 marked to the attention of the Customer Service Department listed on your identification card.

## DEFINITIONS

The meanings of key terms used in this certificate are shown below. Whenever any of the key terms shown below appear, it will appear in italicized letters. When any of the terms below are italicized in your certificate, you should refer to this section.

**Accidental injury** is physical harm or disability which is the result of a specific unexpected incident caused by an outside force. The physical harm or disability must have occurred at an identifiable time and place. Accidental injury does not include illness or infection, except infection of a cut or wound.

**Ambulatory surgical center** is a freestanding outpatient surgical facility. It must be licensed as an outpatient clinic according to state and local laws and must meet all requirements of an outpatient clinic providing surgical services. It must also meet accreditation standards of the Joint Commission on Accreditation of Health Care Organizations or the Accreditation Association of Ambulatory Health Care.

**BC Life & Health Insurance Company (BC Life)** is the company which insures the benefits of the *plan*.

**Covered expense** is the expense you incur for a covered service or supply, but not more than the maximum amounts described in YOUR MEDICAL BENEFITS: HOW COVERED EXPENSE IS DETERMINED. Expense is incurred on the date you receive the service or supply.

**Creditable coverage** is any individual or group plan that provides medical, hospital and surgical coverage, including continuation or conversion coverage, coverage under Medicare or Medicaid, TRICARE, the Federal Employees Health Benefits Program, programs of the Indian Health Service or of a tribal organization, a state health benefits risk pool, coverage through the Peace Corps, the State Children's Health Insurance Program, or a public health plan established or maintained by a state, the United States government, or a foreign country. Creditable coverage does not include accident only, credit, coverage for on-site medical clinics, disability income, coverage only for a specified disease or condition, hospital indemnity or other fixed indemnity insurance, Medicare supplement, long-term care insurance, dental, vision, workers' compensation insurance, automobile insurance, no-fault insurance, or any medical coverage designed to supplement other private or governmental plans. Creditable coverage is used to reduce the length of the *pre-existing condition* exclusion period under this *plan*.

If your prior coverage was through an employer, you will receive credit for that coverage if it ended because your employment ended, the availability of medical coverage offered through employment or sponsored by the employer terminated, or the employer's contribution toward medical coverage terminated, and any lapse between the date that coverage ended and the date you become eligible under this *plan* is no more than 180 days (not including any waiting period imposed under this *plan*).

If your prior coverage was not through an employer, you will receive credit for that coverage if any lapse between the date that coverage ended and the date you become eligible under this *plan* is no more than 63 days (not including any waiting period imposed under this *plan*).

**Custodial care** is care provided primarily to meet your personal needs. This includes help in walking, bathing or dressing. It also includes preparing food or special diets, feeding, administration of medicine which is usually self-administered or any other care which does not require continuing services of medical personnel.

**Customary and reasonable charge**, as determined annually by us, is a charge which falls within the common range of fees billed by a majority of *physicians* for a procedure in a given geographic region. If it exceeds that range, the expense must be justified based on the complexity or severity of treatment for a specific case.

**Day treatment center** is an outpatient psychiatric facility which is licensed according to state and local laws to provide outpatient programs and treatment of *mental or nervous disorders, severe mental disorders,* or substance abuse under the supervision of *physicians*.

**Domestic partner** meets the *plan's* eligibility requirements for domestic partners as outlined under HOW COVERAGE BEGINS AND ENDS: HOW COVERAGE BEGINS.

**Effective date** is the date your coverage begins under this *plan*.

**Emergency** is a sudden, serious, and unexpected acute illness, injury, or condition which could permanently endanger health if medical treatment is not received immediately. We will have sole and final determination as to whether services were rendered in connection with an emergency.

**Emergency services** are services provided in connection with the initial treatment of a medical or psychiatric *emergency*.

**Experimental** procedures are those that are mainly limited to laboratory and/or animal research.

**Facility-based care** is care provided in a *hospital, psychiatric health facility, residential treatment center or day treatment center* for the treatment of *mental or nervous disorders, severe mental disorders, or substance abuse*.

**Group** refers to the business entity to which we have issued this *policy*. The name of the group is LOS ANGELES POLICE RELIEF ASSOCIATION, INC.

**Home health agencies** are home health care providers which are licensed according to state and local laws to provide skilled nursing and other services on a visiting basis in your home, and recognized as home health providers under Medicare and/or accredited by a recognized accrediting agency such as the Joint Commission on the Accreditation of Healthcare Organizations.

**Hospice** is an agency or organization providing a specialized form of interdisciplinary health care that provides palliative care (pain control and symptom relief) and alleviates the physical, emotional, social, and spiritual discomforts of a terminally ill person, as well as providing supportive care to the primary caregiver and the patient's family. A hospice must be: (1) certified by Medicare as a hospice; (2) recognized by Medicare as a hospice demonstration site; or (3) accredited as a hospice by the Joint Commission on Accreditation of Hospitals. A list of hospices meeting these criteria is available upon request.

**Hospital** is a facility which provides diagnosis, treatment and care of persons who need acute inpatient hospital care under the supervision of *physicians*. It must be licensed as a general acute care hospital according to state and local laws. It must also be registered as a general hospital by the American Hospital Association and meet accreditation standards of the Joint Commission on Accreditation of Health Care Organizations.

For the limited purpose of inpatient care for the acute phase of a *mental or nervous disorder, severe mental disorder, or substance abuse*, "Hospital" also includes *psychiatric health facilities*.

**Infertility** is: (1) the presence of a condition recognized by a *physician* as a cause of infertility; or (2) the inability to conceive a pregnancy or to carry a pregnancy to a live birth after a year or more of regular sexual relations without contraception.

**Insured employee (employee)** is the primary insured; that is, the person who is allowed to enroll under this *plan* for himself or herself and his or her eligible *family members*.

**Insured family member (family member)** meets the *plan's* eligibility requirements for family members as outlined under HOW COVERAGE BEGINS AND ENDS.

**Insured person** is the *insured employee* or *insured family member*.

**Investigative** procedures or medications are those that have progressed to limited use on humans, but which are not widely accepted as proven and effective within the organized medical community.

**Medically necessary** procedures, supplies equipment or services are those considered to be:

1. Appropriate and necessary for the diagnosis or treatment of the medical condition;
2. Provided for the diagnosis or direct care and treatment of the medical condition;
3. Within standards of good medical practice within the organized medical community;
4. Not primarily for your convenience, or for the convenience of your *physician* or another provider; and
5. The most appropriate procedure, supply, equipment or service which can safely be provided. The most appropriate procedure, supply, equipment or service must satisfy the following requirements:
  - a. There must be valid scientific evidence demonstrating that the expected health benefits from the procedure, supply, equipment or service are clinically significant and produce a greater likelihood of benefit, without a disproportionately greater risk of harm or complications, for you with the particular medical condition being treated than other possible alternatives;
  - b. Generally accepted forms of treatment that are less invasive have been tried and found to be ineffective or are otherwise unsuitable; and
  - c. For *hospital stays*, acute care as an inpatient is necessary due to the kind of services you are receiving or the severity of your condition, and safe and adequate care cannot be received by you as an outpatient or in a less intensified medical setting.

**Mental or nervous disorders**, for the purposes of this *plan*, are conditions that affect thinking and the ability to figure things out, perception, mood and behavior. A mental or nervous disorder is recognized primarily by symptoms or signs that appear as distortions of normal thinking, distortions of the way things are perceived (for example, seeing or hearing things that are not there), moodiness, sudden and/or extreme changes in mood, depression, and/or unusual behavior such as depressed behavior or highly agitated or manic behavior.

Any condition meeting this definition is a mental or nervous disorder no matter what the cause of the condition may be.

**Other health care provider** is one of the following providers:

1. A certified registered nurse anesthetist;
2. A facility which provides diagnostic radiology services;
3. A blood bank;
4. A durable medical equipment outlet;
5. A clinical laboratory;
6. A *skilled nursing facility*;
7. A *home health agency*;
8. A licensed ambulance company;
9. A *hospice*; or
10. An *ambulatory surgical center*.

The provider must be licensed according to state and local laws to provide covered medical services.

**Physician** means:

1. A doctor of medicine (M.D.) or doctor of osteopathy (D.O.) who is licensed to practice medicine or osteopathy where the care is provided; or
2. One of the following providers, but only when the provider is licensed to practice where the care is provided, is rendering a service within the scope of that license, is providing a service for which benefits are specified in this booklet, and when benefits would be payable if the services were provided by a physician as defined above:
  - a. A dentist (D.D.S. or D.M.D.)
  - b. An optometrist (O.D.)
  - c. A dispensing optician
  - d. A podiatrist or chiropodist (D.P.M., D.S.P. or D.S.C.)
  - e. A licensed clinical psychologist

- f. A chiropractor (D.C.)
- g. An acupuncturist (A.C.)
- h. A licensed midwife
- i. A clinical social worker (L.C.S.W.)
- j. A marriage and family therapist (M.F.T.)
- k. A physical therapist (P.T. or R.P.T.)\*
- l. A speech pathologist\*
- m. An audiologist\*
- n. An occupational therapist (O.T.R.)\*
- o. A respiratory care practitioner (R.C.P.)\*
- p. A *psychiatric mental health nurse* (R.N.)\*
- q. A registered dietitian (R.D.)\* for the provision of diabetic medical nutrition therapy only

**\*Note:** The providers indicated by asterisks (\*) are covered only by referral of a physician as defined in 1 above.

**Plan** is the set of benefits described in this booklet and in the amendments to this booklet (if any). This plan is subject to the terms and conditions of the *policy* we have issued to the *group*. If changes are made to the plan, an amendment or revised booklet will be issued to the *group* for distribution to each *member* affected by the change. (The word "plan" here does not mean the same as "plan" as used in ERISA.)

**Policy** is the Group Policy we have issued to the *group*.

**Pre-existing condition** means an illness, injury or condition which existed during the six-month period immediately prior to either: (a) your *effective date*; or (b) the first day of any waiting period required by the *group*, whichever is earlier. A condition is considered to have existed when you: (1) sought or received medical advice for that condition; (2) received medical care or treatment for that condition; or (3) received medical supplies, drugs or medicines for that condition.

**Prior plan** is a plan sponsored by the *group* which was replaced by this *plan* within 60 days. You are considered covered under the prior plan if you: (1) were covered under the prior plan on the date that plan terminated; (2) properly enrolled for coverage within 31 days of this *plan's* effective date; and (3) had coverage terminate solely due to the prior plan's termination.

**Prosthetic devices** are appliances which replace all or part of a function of a permanently inoperative, absent or malfunctioning body part. The term "prosthetic devices" includes orthotic devices, rigid or semi-supportive devices which restrict or eliminate motion of a weak or diseased part of the body.

**Psychiatric health facility** is an acute 24-hour facility as defined in California Health and Safety Code 1250.2. It must be:

1. Licensed by the California Department of Health Services;
2. Qualified to provide short-term inpatient treatment according to the California Insurance Code;
3. Accredited by the Joint Commission on Accreditation of Health Care Organizations; and
4. Staffed by an organized medical or professional staff which includes a *physician* as medical director.

**Psychiatric mental health nurse** is a registered nurse (R.N.) who has a master's degree in psychiatric mental health nursing, and is registered as a psychiatric mental health nurse with the state board of registered nurses.

**Reasonable charge** is a charge we consider not to be excessive based on the circumstances of the care provided, including: (1) level of skill; experience involved; (2) the prevailing or common cost of similar services or supplies; and (3) any other factors which determine value.

**Residential treatment center** is an inpatient treatment facility where the *insured person* resides in a modified community environment and follows a comprehensive medical treatment regimen for treatment and rehabilitation as the result of a *mental or nervous disorder, severe mental disorder, or substance abuse*. The facility must be licensed to provide psychiatric treatment of *mental or nervous disorders, severe mental disorder, or rehabilitative treatment of substance abuse* according to state and local laws.

**Retired employee** is a former full-time employee who meets the eligibility requirements described in the "Eligible Status" provision in HOW COVERAGE BEGINS AND ENDS.

**Severe mental disorders** include the following psychiatric diagnoses specified in California Insurance Code section 10144.5: schizophrenia, schizoaffective disorder, bipolar disorder, major depression, panic disorder, obsessive-compulsive disorder, pervasive developmental disorder or autism, anorexia, and bulimia.

“Severe mental disorders” also includes serious emotional disturbances of a child as indicated by the presence of one or more mental disorders as identified in the Diagnostic and Statistical Manual (DSM) of Mental Disorders, other than primary substance abuse or developmental disorder, resulting in behavior inappropriate to the child’s age according to expected developmental norms. The child must also meet one or more of the following criteria:

1. As a result of the mental disorder, the child has substantial impairment in at least two of the following areas: self-care, school functioning, family relationships, or ability to function in the community and is at risk of being removed from the home or has already been removed from the home or the mental disorder has been present for more than six months or is likely to continue for more than one year without treatment.
2. The child is psychotic, suicidal, or potentially violent.
3. The child meets special education eligibility requirements under California law (Government Code Section 7570).

Benefits for severe mental disorders will be provided according to the *plan’s* benefits for medical conditions, and will not be subject to *plan* provisions for *mental or nervous disorders*.

**Skilled nursing facility** is an institution that provides continuous skilled nursing services. It must be licensed according to state and local laws and be recognized as a skilled nursing facility under Medicare. For the purpose of care provided for the treatment of *mental or nervous disorders, severe mental disorders*, or substance abuse, the term “skilled nursing facility” includes *residential treatment center*.

**Special care units** are special areas of a *hospital* which have highly skilled personnel and special equipment for acute conditions that require constant treatment and observation.

**Spouse** meets the *plan’s* eligibility requirements for spouses as outlined under HOW COVERAGE BEGINS AND ENDS.

**Stay** is an inpatient confinement which begins when you are admitted to a facility and ends when you are discharged from that facility.

**Totally disabled member** is an *member* who, because of illness or injury, is unable to work for income in any job for which he/she is qualified or for which he/she becomes qualified by training or experience, and who is in fact unemployed.

**Totally disabled family member** is a *family member* who is unable to perform all activities usual for persons of that age.

**Totally disabled retired member** is a *retired member* who is unable to perform all activities usual for persons of that age.

**We (us, our)** refers to BC Life & Health Insurance Company.

**Year** or **calendar year** is a 12 month period starting January 1 at 12:01 a.m. Pacific Standard Time.

**You (your)** refers to the *insured employee* and *insured family members* who are enrolled for benefits under this *plan*.

## FOR YOUR INFORMATION

### WEB SITE

Information specific to your benefits and claims history are available by calling the 800 number on your identification card. You may use Blue Cross of California's web site to access benefit information, claims payment status, benefit maximum status, participating providers or to order an ID card. Simply log on to **www.bluecrossca.com**, select "Member", and click the "Register" button on your first visit to establish a User ID and Password to access the personalized and secure MemberAccess Web site. Once registered, simply click the "Login" button and enter your User ID and Password to access the MemberAccess Web site. Our privacy statement can also be viewed on our website.

BC Life is an affiliate of Blue Cross of California.