

**Physicians Health Services
of New York, Inc.**

1997

**This plan has full accreditation
from the NCQA. See the FEHB Guide
for more information on NCQA.**

A Health Maintenance Organization

**Serving: Dutchess, Orange, Putnam, Rockland and Westchester Counties, the five boroughs of
New York City, Nassau and Suffolk Counties, New York.**

Enrollment code:

PD1 Self Only

PD2 Self and Family

Service area: Services from Plan providers are available only in the following area: Dutchess, Orange, Putnam, Rockland and Westchester Counties, the five boroughs of New York City, Nassau and Suffolk Counties, New York

Enrollment area: You must live or work in the Service area to enroll in this Plan.

RI 73-531

Physicians Health Services of New York, Inc.

Physicians Health Services of New York, Inc., Crosswest Office Center, 399 Knollwood Road, White Plains, NY 10603 has entered into a contract (CS 2527) with the Office of Personnel Management (OPM) as authorized by the Federal Employees Health Benefits (FEHB) law, to provide a comprehensive medical plan herein called Physicians Health Services of New York, Inc., or PHS, or the Plan.

This brochure is based on text included in the contract between OPM and this Plan and is intended to be a complete statement of benefits available to FEHB members. A person enrolled in the Plan is entitled to the benefits stated in this brochure. However if conflicts are discovered between the language of this brochure and the contract, the contract will control. If enrolled for Self and Family, each eligible family member is also entitled to these benefits.

Premiums are negotiated with each plan annually. Benefit changes are effective January 1, 1997, and are shown on the inside back cover of this brochure.

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Inspector General Advisory: Stop Health Care Fraud!

Fraud increases the cost of health care for everyone. Anyone who intentionally makes a false statement or a false claim in order to obtain FEHB benefits or increase the amount of FEHB benefits is subject to prosecution for FRAUD. This could result in CRIMINAL PENALTIES. Please review all medical bills, medical records and claims statements carefully. If you find that a provider, such as a doctor, hospital or pharmacy, charged your plan for services you did not receive, billed for the same service twice, or misrepresented any other information, take the following actions:

. Call the provider and ask for an explanation - sometimes the problem is a simple error.

. If the provider does not resolve the matter, or if you remain concerned, call your Plan toll free at 1-800/441-5741 or 203/381-6868 from within the greater Bridgeport area and explain the situation.

. If the matter is not resolved after speaking to your plan (and you still suspect fraud has been committed), call or write:

THE HEALTH CARE FRAUD HOTLINE
202/418-3300

The Office of Personnel Management
Office of the Inspector General Fraud Hotline
1900 E Street N.W., Room 6400
Washington, D.C. 20415

The inappropriate use of membership identification cards, e.g., to obtain services for a person who is not an eligible family member or after you are no longer enrolled in the Plan, is also subject to review by the Inspector General and may result in an adverse administrative action by your agency.

General Information

Confidentiality

Medical and other information provided to the Plan, including claim files, is kept confidential and will be used only: 1) by the Plan and its subcontractors for internal administration of the Plan, coordination of benefit provisions with other plans, and subrogation of claims; 2) by law enforcement officials with authority to investigate and prosecute alleged civil or criminal actions; 3) by OPM to review a disputed claim or perform its contract administration functions; 4) by OPM and the General Accounting Office when conducting audits as required by the FEHB law; or 5) for bona fide medical research or education. Medical data that does not identify individual members may be disclosed as a result of the bona fide medical research or education.

If you are a new member

Use this brochure as a guide to coverage and obtaining benefits. There may be a delay before you receive your identification card and member information from the Plan. Until you receive your ID card, you may show your copy of the SF 2809 enrollment form or your annuitant confirmation letter from OPM to a provider or Plan facility as proof of enrollment in this Plan. If you do not receive your ID card within 60 days after the effective date of your enrollment, you should contact the Plan.

If you made your open season change by using Employee Express and have not received your new ID card by the effective date of your enrollment, call the Employee Express HELP number to request a confirmation letter. Use that letter to confirm your new coverage with Plan providers.

If you are a new member of this Plan, benefits and rates begin on the effective date of your enrollment, as set by your employing office or retirement system. As a member of this Plan, once your enrollment is effective, you will be covered only for services provided or arranged by a Plan doctor except in the case of emergency as described on page 15, or when you self-refer for point of service, or POS, benefits as described on pages 18 & 19. If you are confined in a hospital on the effective date, you must notify the Plan so that it may arrange for the transfer of your care to Plan providers. See "If you are hospitalized" on page 4.

FEHB plans may not refuse to provide benefits for any condition you or a

covered family member may have solely on the basis that it was a condition that existed before you enrolled in a plan under the FEHB Program except as stated in any cosmetic surgery or dental benefits description in this brochure.

General Information continued

If you are hospitalized

If you change plans or options, benefits under your prior plan or option cease on the effective date of your enrollment in your new plan or option, unless you or a covered family member are confined in a hospital or other covered facility or are receiving medical care in an alternative care setting on the last day of your enrollment under the prior plan or option. In that case, the confined person will continue to receive benefits under the former plan or option until the earliest of (1) the day the person is discharged from the hospital or other covered facility (a move to an alternative care setting does not constitute a discharge under this provision), or (2) the day after the day all inpatient benefits have been exhausted under the prior plan or option, or (3) the 92nd day after the last day of coverage under the prior plan or option. However, benefits for other family members under the new plan will begin on the effective date. If your plan terminates participation in the FEHB Program in whole or in part, or if the Associate Director for Retirement and Insurance orders an enrollment change, this continuation of coverage provision does not apply; in such case, the hospitalized family member's benefits under the new plan begin on the effective date of enrollment.

Your responsibility

It is your responsibility to be informed about your health benefits. Your employing office or retirement system can provide information about: when you may change your enrollment; who "family members" are; what happens when you transfer, go on leave without pay, enter military service, or retire; when your enrollment terminates; and the next open season for enrollment. Your employing office or retirement system will also make available to you an FEHB Guide, brochures and other materials you need to make an informed decision.

Things to keep in mind

- The benefits in this brochure are effective on January 1 for those already enrolled in this Plan; if you changed plans or plan options, see "If you are a new member" above. In both cases, however, the Plan's new rates are effective the first day of the enrollee's first full pay period that begins on or after January 1 (January 1 for all annuitants).

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- Generally, you must be continuously enrolled in the FEHB Program for the last five years before you retire to continue your enrollment for you and any eligible family members after you retire.
 - The FEHB Program provides Self Only coverage for the enrollee alone or Self and Family coverage for the enrollee, his or her spouse, and unmarried dependent children under age 22. Under certain circumstances, coverage will also be provided under a family enrollment for a disabled child 22 years of age or older who is incapable of self-support.
 - An enrollee with Self Only coverage who is expecting a baby or the addition of a child may change to a Self and Family enrollment up to 60 days after the birth or addition. The effective date of the enrollment change is the first day of the pay period in which the child was born or became an eligible family member. The enrollee is responsible for his or her share of the Self and Family premium for that time period; both parent and child are covered only for care received from Plan providers, except for emergency or POS benefits.
 - You will not be informed by your employing office (or your retirement system) or your Plan when a family member loses eligibility.
 - You must direct questions about enrollment and eligibility, including whether a dependent age 22 or older is eligible for coverage, to your employing office or retirement system. The Plan does not determine eligibility and cannot change an enrollment status without the necessary information from the employing agency or retirement system.
 - An employee, annuitant, or family member enrolled in one FEHB plan is not entitled to receive benefits under any other FEHB plan.
 - Report additions and deletions (including divorces) of covered family members to the Plan promptly.
 - If you are an annuitant or former spouse with FEHB coverage and you are also covered by Medicare Part B, you may drop your FEHB coverage and enroll in a Medicare prepaid plan when one is available in your area. If you later change your mind and want to reenroll in FEHB, you may do so at the next open season, or whenever you involuntarily lose coverage in the Medicare prepaid plan or move out of the area it serves.
 - Most Federal annuitants have Medicare Part A. If you do not have Medicare Part A, you may enroll in a Medicare prepaid plan, but you will probably have to pay for hospital coverage in addition to the Part B premium. Before you join the plan, ask whether they will provide hospital benefits and, if so, what you will have to pay.
 - You may also remain enrolled in this Plan when you join a Medicare prepaid plan.
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- Contact your local Social Security Administration (SSA) office for information on local Medicare prepaid plans (also known as Coordinated Care Plans or Medicare HMOs) or request it from SSA at 1-800/638-6833. Contact your retirement system for information on dropping your FEHB enrollment and changing to a Medicare prepaid plan.
- Federal annuitants are not required to enroll in Medicare Part B (or Part A) in order to be covered under the FEHB Program nor are their FEHB benefits reduced if they do not have Medicare Part B.

Coverage after enrollment ends

When an employee's enrollment terminates because of separation from Federal service or when a family member is no longer eligible for coverage under an employee or annuitant enrollment, and the person is not otherwise eligible for FEHB coverage, he or she generally will be eligible for a free 31-day extension of coverage. The employee or family member may also be eligible for one of the following:

Former spouse coverage

When a Federal employee or annuitant divorces, the former spouse may be eligible to elect coverage under the spouse equity law. If you are recently divorced or anticipate divorcing, contact the employee's employing office (personnel office) or retiree's retirement system to get more facts about electing coverage.

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 General Information continued

Temporary continuation of coverage (TCC)

If you are an employee whose enrollment is terminated because you separate from service, you may be eligible to temporarily continue your health benefits coverage under the FEHB Program in any plan for which you are eligible. Ask your employing office for RI 79-27, which describes TCC, and for RI 70-5, the FEHB Guide for individuals eligible for TCC. Unless you are separated for gross misconduct, TCC is available to you if you are not otherwise eligible for continued coverage under the Program. For example, you are eligible for TCC when you retire if you are unable to meet the five-year enrollment requirement for continuation of enrollment after retirement.

Your TCC begins after the initial free 31-day extension of coverage ends and continues for up to 18 months after your separation from service (that is, if you use TCC until it expires 18 months following separation, you will only pay for 17 months of coverage). Generally, you must pay the total

premium (both the Government and employee shares) plus a 2 percent administrative charge. If you use your TCC until it expires, you are entitled to another free 31-day extension of coverage when you may convert to nongroup coverage. If you cancel your TCC or stop paying premiums, the free 31-day extension of coverage and conversion option are not available.

Children or former spouses who lose eligibility for coverage because they no longer qualify as family members (and who are not eligible for benefits under the FEHB Program as employees or under the spouse equity law) also may qualify for TCC. They also must pay the total premium plus the 2 percent administrative charge. TCC for former family members continues for up to 36 months after the qualifying event occurs, for example, the child reaches age 22 or the date of the divorce. This includes the free 31-day extension of coverage. When their TCC ends (except by cancellation or nonpayment of premium), they are entitled to another free 31-day extension of coverage when they may convert to nongroup coverage.

NOTE: If there is a delay in processing the TCC enrollment, the effective date of the enrollment is still the 32nd day after regular coverage ends. The TCC enrollee is responsible for premium payments retroactive to the effective date and coverage may not exceed the 18 or 36 month period noted above.

Notification and election requirements

Separating employees – Within 61 days after an employee's enrollment terminates because of separation from service, his or her employing office must notify the employee of the opportunity to elect TCC. The employee has 60 days after separation (or after receiving the notice from the employing office, if later) to elect TCC.

Children – You must notify your employing office or retirement system when a child becomes eligible for TCC within 60 days after the qualifying event occurs, for example, the child reaches age 22 or marries.

Former spouses – You or your former spouse must notify the employing office or retirement system of the former spouse's eligibility for TCC within 60 days after the termination of the marriage. A former spouse may also qualify for TCC if, during the 36-month period of TCC eligibility, he or she loses spouse equity eligibility because of remarriage before age 55 or loss of the qualifying court order. This applies even if he or she did not elect TCC while waiting for spouse equity coverage to begin. The former spouse must contact the employing office within 60 days of losing spouse equity eligibility to apply for the remaining months of TCC to which he or she is entitled.

The employing office or retirement system has 14 days after receiving notice from you or the former spouse to notify the child or the former spouse of his or her rights under TCC. If a child wants TCC, he or she must elect it within 60 days after the date of the qualifying event (or after receiving the notice, if later). If a former spouse wants TCC, he or

she must elect it within 60 days after any of the following events: the date of the qualifying event or the date he or she receives the notice, whichever is later; or the date he or she loses coverage under the spouse equity law because of remarriage before age 55 or loss of the qualifying court order.

Important: The employing office or retirement system must be notified of a child's or former spouse's eligibility for TCC within the 60-day time limit. If the employing office or retirement system is not notified, the opportunity to elect TCC ends 60 days after the qualifying event in the case of a child and 60 days after the change in status in the case of a former spouse.

Conversion to individual coverage

When none of the above choices are available – or chosen – when coverage as an employee or family member ends, or when TCC coverage ends (except by cancellation or nonpayment of premium), you may be eligible to convert to an individual, nongroup contract. You will not be required to provide evidence of good health and the plan is not permitted to impose a waiting period or limit coverage for preexisting conditions. If you wish to convert to an individual contract, you must apply in writing to the carrier of the plan in which you are enrolled within 31 days after receiving notice of the conversion right from your employing agency. A family member must apply to convert within the 31-day free extension of coverage that follows the event that terminates coverage, e.g., divorce or reaching age 22. Benefits and rates under the individual contract may differ from those under the FEHB Program.

Facts about this Plan

This Plan is a health maintenance organization (HMO) that offers a point of service, or POS, product. Whenever you need services, you may choose to obtain them from your personal doctor within the Plan's provider network or go outside the network for treatment. Within the Plan's network you are required to select a personal doctor who will provide or arrange for your care and you will pay minimal amounts for comprehensive benefits. When you choose a non-Plan doctor or other non-Plan provider, you will pay a substantial portion of the charges and the benefits available may be less comprehensive. See pages 18 & 19 for more information.

Who provides care to Plan members?

PHS is an HMO which allows you to choose your own participating doctor and hospital. When you join, you can choose your personal doctor from among internists, pediatricians, general practitioners and family practitioners. There are over 7,000 doctors available to members throughout the service

area. Members are requested to contact their primary care doctor at the first sign of illness. If specialty services are necessary, you may see a plan specialist without a referral from your primary care doctor. The Plan provides emergency care 24 hours a day, seven days a week. This Plan also provides benefits for certain services under the POS product even when these services are provided by non-Plan doctors. Please review this brochure carefully so that you understand which benefits will be covered and what the level of coverage will be.

Role of a primary care doctor

The first and most important decision each member must make is the selection of a primary care doctor. It is the responsibility of your primary care doctor to obtain any necessary authorizations from the Plan before referring you for certain procedures or making arrangements for hospitalization when using the standard HMO network. Obstetrician/gynecologists may not be primary care physicians.

Choosing your doctor

The Plan's provider directory lists primary care doctors (generally family practitioners, pediatricians, and internists), with their locations and phone numbers, and notes whether or not the doctor is accepting new patients. Directories are updated on a regular basis and are available at the time of enrollment or upon request by calling the Customer Relations Department at 1-800/441-5741; you can also find out if your doctor participates with this Plan by calling this number. If you are interested in receiving care from a specific provider who is listed in the directory, call the provider to verify that he or she still participates with the Plan and is accepting new patients. Important note: When you enroll in this plan, services (except for emergency or POS benefits) are provided through the Plan's delivery system; the continued availability and/or participation of any one doctor, hospital, or other provider, cannot be guaranteed.

If you enroll, you will be asked to let the Plan know which primary care doctor(s) you've selected for you and each member of your family by sending a selection form to the Plan. If you need help choosing a doctor, call the Plan. Members may change their doctor selection by notifying the Plan 30 days in advance.

If you are receiving services from a Plan doctor who leaves the Plan, the Plan will pay for covered services until the Plan can arrange with you for you to be seen by another participating doctor.

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Facts about this Plan continued

Authorizations

For In-Network services your primary care doctor must obtain authorization from the Medical Director before you may be hospitalized or for certain procedures that require authorization. For Out-of-Network services, **you** must receive authorization or precertification (see page 18).

For new members

If you are already under the care of a primary care doctor or a specialist who is a Plan participant when this plan takes effect, your care will be covered by the Plan under standard in-network HMO benefits.

Hospital care

If you require hospitalization, for in-network care your primary care doctor or specialist will make the necessary arrangements and continue to supervise your care. If you are admitted to a non-Plan hospital or are admitted to a Plan hospital by a non-Plan doctor, **you** must obtain the necessary authorization and precertification (see page 18).

Out-of-pocket maximum

Copayments are required for a few benefits. However, copayments will not be required for the remainder of the calendar year after your out-of-pocket expenses for in-network services provided or arranged by the Plan reach \$1,200 per Self Only enrollment or \$3,000 per Self and Family enrollment for standard in-network HMO benefits. This copayment maximum does not include costs of prescription drugs or the cost of self-referral (out-of-network) deductibles and coinsurance. See pages 17 and 18 for out-of-pocket maximums for self-referral (out-of-network) services.

You should maintain accurate records of the copayments made, as it is your responsibility to determine when the copayment maximum is reached. You are assured a predictable maximum in out-of-pocket costs for covered health and medical needs. Copayments are due when service is rendered, except for emergency care.

Deductible carryover

If you changed to this Plan during open season from a plan with a deductible and the effective date of the change was after January 1, any expenses that would have applied to that plan's deductible will be covered by your old plan if they are for care you got in January before the effective date of your coverage in this Plan. If you have already met the deductible in full, your old plan will reimburse these covered expenses. If you have not met it in full, your old plan will first apply your covered expenses to satisfy the rest of the deductible and then reimburse you for any additional covered expenses. The old plan will pay these covered expenses according to this year's benefits; benefit changes are effective January 1.

Submit claims promptly

When you are required to submit a claim to this Plan for covered expenses, submit your claim promptly. The Plan will not pay benefits for non-Plan emergency care claims, prescription drug claims, or self-referral/out-of-network claims (see pages 17 and 18) submitted 6 months after care was rendered, unless timely filing was prevented by administrative operations of Government or legal incapacity, provided the claim was submitted as soon as reasonably possible.

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Facts about this Plan continued

Other considerations

Plan providers will follow generally accepted medical practice in prescribing any course of treatment. Before you enroll in this Plan, you should determine whether you will be able to accept treatment or procedures that may be recommended by Plan providers.

The Plan's service and enrollment areas

The service area for this Plan, where Plan providers and facilities are located, is the same as the enrollment area listed on the front cover of this brochure (the area in which you must live or work to enroll in the Plan). Benefits for care outside the service area are limited to emergency services, as described on page 15, and to services covered under Point of Service Benefits, as described on page 18.

If you or a covered family member move outside the Enrollment Area or you no longer work there, you may enroll in another approved plan. It is not necessary to wait until you move or for the open season to make such a change; contact your employing office or retirement system for information if you are anticipating a move.

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General Limitations

Important notice

Although a specific service may be listed as a benefit, it will be covered for you only if, in the judgment of your Plan doctor, it is medically necessary for the prevention, diagnosis, or treatment of your illness or

condition. No oral statement of any person shall modify or otherwise affect the benefits, limitations and exclusions of this brochure, convey or void any coverage, increase or reduce any benefits under this Plan or be used in the prosecution or defense of a claim under this Plan. This brochure is based on text included in the contract between OPM and this Plan and is intended to be a complete statement of benefits available to FEHB members. You should use this brochure to determine your entitlement to benefits. However, if conflicts are discovered between the language of this brochure and the contract, the contract will control.

Circumstances beyond Plan control

In the event of major disaster, epidemic, war, riot, civil insurrection, disability of a significant number of Plan providers, complete or partial destruction of facilities, or other circumstances beyond the Plan's control, the Plan will make a good faith effort to provide or arrange for covered services. However, the Plan will not be responsible for any delay or failure in providing service due to lack of available facilities or personnel.

Other sources of benefits

This section applies when you or your family members are entitled to benefits from a source other than this Plan. You must disclose information about other sources of benefits to the Plan and complete all necessary documents and authorizations requested by the Plan.

Medicare

If you or a covered family member is enrolled in this Plan and Part A, Part B, or Parts A and B of Medicare, benefits will be coordinated with Medicare according to Medicare's determination of which coverage is primary. Generally, you do not need to take any action after informing the Plan of your or your family member's eligibility for Medicare. Your Plan will provide you with further instructions if a Medicare claim needs to be filed.

Group health insurance and automobile insurance

This coordination of benefits (double coverage) provision applies when a person covered by this Plan also has, or is entitled to benefits for medical and hospital costs from, any other group health coverage, including no-fault or other automobile insurance that pays benefits without regard to fault. Information about the other coverage must be disclosed to this Plan.

When there is double coverage for covered benefits, other than emergency services from non-Plan providers, this Plan will continue to provide its benefits in full, but is entitled to receive payment for the services and supplies provided, to the extent that they are covered by the other

coverage, no-fault or other automobile insurance or any other primary plan.

One plan normally pays its benefits in full as the primary payer, and the other plan pays a reduced benefit as the secondary payer. When this Plan is the secondary payer, it will pay the lesser of (1) its benefits in full, or is entitled to (2) a reduced amount which, when added to the benefits payable by the other coverage, will not exceed reasonable charges. The determination of which health coverage is primary (pays its benefits first) is made according to guidelines provided by the National Association of Insurance Commissioners. When benefits are payable under automobile insurance, including no-fault, the automobile insurer is primary (pays its benefits first) if it is legally obligated to provide benefits for health care expenses without regard to other health benefits coverage the enrollee may have. This provision applies whether or not a claim is filed under the other coverage. When applicable, authorization must be given this Plan to obtain information about benefits or services available from the other coverage, or to recover overpayments from other coverages.

CHAMPUS

If you are covered by both this Plan and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), this Plan will pay benefits first. As a member of a prepaid plan, special limitations on your CHAMPUS coverage apply; your primary provider must authorize all care. See your CHAMPUS Health Benefits Advisor if you have questions about CHAMPUS coverage.

Medicaid

If you are covered by both this Plan and Medicaid, this Plan will pay benefits first.

General Limitations Continued

Workers' compensation

The Plan will not pay for services required as the result of occupational disease or injury for which any medical benefits are determined by the Office of Workers Compensation Programs (OWCP) to be payable under workers' compensation (under section 8103 of title 5, U.S.C.) or by a similar agency under another Federal or State law. This provision also applies when a third party injury settlement or other similar proceeding provides medical benefits in regard to a claim under workers' compensation or similar laws. If medical benefits provided under such laws are exhausted, this Plan will

be financially responsible for services or supplies that are otherwise covered by this Plan. The Plan is entitled to be reimbursed by OWCP (or the similar agency) for services it provided that were later found to be payable by OWCP (or the agency).

DVA facilities, DoD facilities, and Indian Health Service

Facilities of the Department of Veterans Affairs, the Department of Defense, and the Indian Health Service are entitled to seek reimbursement from the Plan for certain services and supplies provided to you or a family member to the extent that reimbursement is required under the Federal statutes governing such facilities.

Other Government agencies

The Plan will not provide benefits for services and supplies paid for directly or indirectly by any other local, State, or Federal Government agency.

Liability insurance and third party actions

If a covered person is sick or injured as a result of the act or omission of another person or party, the Plan requires that it be reimbursed for the benefits provided in an amount not to exceed the amount of the recovery, or that it be subrogated to the person's rights to the extent of the benefits received under this Plan, including the right to bring suit in the person's name. If you need more information about subrogation, the plan will provide you with its subrogation procedures.

General Exclusions

All benefits are subject to the limitations and exclusions in this brochure. Although a specific service may be listed as a benefit, it will not be covered for you unless your Plan doctor determines it is medically necessary to prevent, diagnose or treat your illness or condition. The following are excluded:

- . Care by non-Plan doctors or hospitals except for authorized referrals or emergencies (see Emergency Benefits) or for eligible self-referred services obtained under Point of Service Benefits (see pages 17 and 18);
 - Expenses incurred while not covered by this Plan
 - Services furnished or billed by a provider or facility barred from the FEHB Program
 - Services not required according to accepted standards of medical, dental, or psychiatric practice
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- . Procedures, treatments, drugs or devices that are experimental or investigational
 - . Procedures, services, drugs and supplies related to sex transformations; and
 - . Procedures, services, drugs and supplies related to abortions except when the life of the mother would be endangered if the fetus were carried to term.
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Medical and Surgical Benefits (In-Network)

What is covered

A comprehensive range of preventive, diagnostic and treatment services is provided by Plan doctors and other Plan providers. This includes all necessary office visits. (You pay a \$10 office visit copay, except for well-baby visits and periodic check-ups through the age of 19, in addition you do not pay any additional copay for laboratory tests, x-rays, maternity care, immunizations and non-allergy injections.) Within the Service Area, house calls will be provided if, in the judgment of the Plan doctor such care is necessary and appropriate. (You pay nothing for a doctor's visit, nothing for home visits by nurses and health aides.)

The following services are included and are subject to the office visit copay unless stated otherwise:

- . Preventive care, including well-baby care and periodic check-ups
 - . Routine immunizations and boosters
 - . Consultations by specialists
 - . Diagnostic procedures, such as laboratory tests and X-rays
 - . Complete obstetrical (maternity) care for all covered females, including prenatal, delivery and postnatal care by a Plan doctor. If enrollment in the Plan is terminated during pregnancy, benefits will not be provided after coverage under the Plan has ended. Ordinary nursery care of the newborn child during the covered portion of the mother's hospital confinement for maternity will be covered under either a Self Only or Self and Family enrollment; other care of an infant who requires definitive treatment will be covered only if the infant is covered under a Self and Family enrollment.
 - . Voluntary sterilization; abortions and family planning services
 - . Diagnosis and treatment of diseases of the eye
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- . Allergy testing and treatment, including test and treatment materials such as bee venom extract and allergy serum.
 - . The insertion of internal prosthetic devices, such as pacemakers and artificial joints.
 - . Non-experimental transplants, including cornea, kidney, liver, heart, heart/lung, (single and double) kidney, lung and pancreas transplants; allogeneic (donor) bone marrow transplants; autologous bone marrow transplants (autologous stem cell and peripheral stem cell support) for the following conditions: acute lymphocytic or non-lymphocytic leukemia, advanced Hodgkin's lymphoma, advanced non-Hodgkin's lymphoma, testicular, mediastinal, retroperitoneal, and ovarian germ cell tumors, and advanced neuroblastoma. Additionally, autologous bone marrow transplants (autologous stem cell and peripheral stem cell support) and high-dose chemotherapy for the following conditions: breast cancer, multiple myeloma and epithelial ovarian cancer. Related medical and hospital expenses of the donor are covered when the recipient is covered by this Plan.
 - . Dialysis
 - . Chemotherapy, radiation therapy, and inhalation therapy
 - . Surgical treatment of morbid obesity
 - . Internal prosthetic devices.
 - . Home health services of nurses and health aides, including intravenous fluids and medications, when prescribed by your Plan doctor, who will periodically review the program for continuing appropriateness and need
 - . All necessary medical or surgical care in a hospital or extended care facility from Plan doctors and other Plan providers, at no additional cost to you.
 - . Diabetic supplies including glucose test tablets and test tape, Benedict's solution or equivalent and acetone test tablets.

CARE MUST BE RECEIVED FROM OR ARRANGED BY PLAN DOCTORS TO RECEIVE
STANDARD HMO BENEFITS

Limited benefits

Oral and maxillofacial surgery is provided for nondental surgical and hospitalization procedures for congenital defects, such as cleft lip and cleft palate, and for medical or surgical procedures occurring within or adjacent to the oral cavity or sinuses including, but not limited to, treatment of fractures and excision of tumors and cysts. All other procedures involving the teeth or intra-oral areas surrounding the teeth are not covered, including shortening of the mandible or maxillae for cosmetic purposes, correction of malocclusion, and any dental care involved in treatment of temporomandibular joint (TMJ) pain dysfunction syndrome.

Reconstructive surgery will be provided to correct a condition resulting from a functional defect or from an injury or surgery that has produced a major effect on the member's appearance and if the condition can reasonably be expected to be corrected by such surgery.

Physical, speech and occupational therapy on an inpatient basis will be provided for up to two months per condition if significant improvement can be expected within two months. You pay nothing per session.

Physical therapy and occupational therapy, on an outpatient basis will be provided for up to two months per condition if significant improvement can be expected within two months. You pay a \$10 copayment per visit. If during the two month period, the member has not incurred 30 visits, the member will be entitled to the additional number of visits needed to reach the 30 visit limit, if significant improvement can be expected within these additional visits. Occupational therapy, provided on an inpatient or outpatient basis, is limited to services which assist the member in achieving and maintaining self-care and improved functioning in other activities of daily living.

Cardiac rehabilitation on an outpatient basis, when approved in advance by a Plan doctor, will be covered for up to two months per condition if significant improvement can be expected within two months. You pay a \$10 copayment per visit. If during the two month period, the member has not incurred 30 visits, the member will be entitled to the additional number of visits needed to reach the 30 visit limit, if significant improvement can be expected within these additional visits.

Speech therapy on an outpatient basis will be provided for up to two months per condition if significant improvement can be expected within two months. You pay \$10 copayment per session. Speech therapy, provided on an inpatient or outpatient basis, is limited to treatment of certain speech impairments of organic origin.

Diagnosis and treatment of infertility is covered; you pay a \$10 copay per visit. Artificial insemination is covered; you pay a \$10 copay per visit; cost of donor sperm is not covered. Fertility drugs are covered under the Prescription Drug Benefit. Other assisted reproductive technology (ART) procedures that enable a woman with otherwise untreatable infertility to

become pregnant through other artificial conception procedures such as in vitro fertilization and embryo transfer are not covered.

- . Foot orthotics, the Plan pays 50% of the doctor's charge up to a maximum payment by the Plan of \$125 per member per calendar year.
- . External prosthetic devices, such as artificial limbs, limited to a maximum payment by the Plan of \$5,000 for the initial appliance and \$500 per necessary replacement prosthetic.
- . Durable Medical Equipment, such as wheelchairs and hospital beds, and orthopedic devices, such as braces, are limited to the initial appliance or piece of equipment. The Plan will pay 50% of the cost up to a maximum of \$500 per member per calendar year for the initial appliance or piece of equipment.
- . Outpatient oxygen - The Plan will pay up to a maximum of \$300 per member per calendar year.

What is not covered

- Physical examinations that are not necessary for medical reasons, such as those required for obtaining or continuing employment or insurance, attending school or camp, or travel
 - . Reversal of voluntary, surgically-induced sterility
 - . Plastic surgery primarily for cosmetic purposes
 - . Hearing aids
 - . Homemaker services
 - . Long-term rehabilitative therapy
 - . Chiropractic services
 - . Refractions, including lens prescription
 - . Corrective eyeglasses and frames or contact lenses (including the fitting of the lenses)
 - . Transplants not listed as covered
-

. Lenses following cataract removal

CARE MUST BE RECEIVED FROM OR ARRANGED BY PLAN DOCTORS TO RECEIVE
STANDARD HMO BENEFITS

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Hospital/Extended Care Benefits (In-Network)

What is covered

Hospital care

The Plan provides a comprehensive range of benefits with no dollar or day limit with no dollar or day limit when you are hospitalized under the care of a Plan doctor. You pay nothing. All necessary services are covered, including:

- . Semiprivate room accommodations; when a Plan doctor determines it is medically necessary, the doctor may prescribe private accommodations or private duty nursing care
- . Specialized care units, such as intensive care or cardiac care units

Extended care

The Plan provides a comprehensive range of benefits up to 60 days each calendar year when full-time skilled nursing care is necessary and confinement in a skilled nursing facility is medically appropriate as determined by a Plan doctor and approved by the Plan. You pay nothing. All necessary services are covered, including:

- . Bed, board and general nursing care
- . Drugs, biologicals, supplies, and equipment ordinarily provided or arranged by the skilled nursing facility when prescribed by a Plan doctor.

Hospice Care

Supportive and palliative care for a terminally ill member is covered in the home or hospice facility. Services include inpatient and outpatient care, and family counseling; these services are provided under the direction of a Plan doctor who certifies that the patient is in the

terminal stages of illness, with a life expectancy of approximately six months or less.

Ambulance service

Benefits are provided for ambulance transportation ordered or authorized by a Plan doctor.

Limited benefits

Inpatient dental procedures

Hospitalization for certain dental procedures is covered when a Plan doctor determines there is a need for hospitalization for reasons totally unrelated to the dental procedure; the Plan will cover the hospitalization, but not the cost of the professional dental services. Conditions for which hospitalization would be covered include hemophilia and heart disease; the need for anesthesia, by itself, is not such a condition.

Acute inpatient detoxification

Hospitalization for medical treatment of substance abuse is limited to emergency care, diagnosis, treatment of medical conditions, and medical management of withdrawal symptoms (acute detoxification) if the Plan doctor determines that outpatient management is not medically appropriate. See page 15 for nonmedical substance abuse benefits.

What is not covered

- . Personal comfort items, such as telephone and television
- . Custodial care, rest cures, domiciliary or convalescent care

CARE MUST BE RECEIVED FROM OR ARRANGED BY PLAN DOCTORS TO RECEIVE
STANDARD HMO BENEFITS

Emergency Benefits

What is a medical emergency?

A medical emergency is the sudden and unexpected onset of a condition or an

injury that requires immediate medical or surgical care. Some problems are emergencies because, if not treated promptly, they might become more serious; examples include deep cuts and broken bones. Others are emergencies because they are potentially life-threatening, such as heart attacks, strokes, poisonings, gunshot wounds, or sudden inability to breathe. There are many other acute conditions that the Plan may determine are medical emergencies - what they all have in common is the need for quick action.

Emergencies within the service area

If you are in an emergency situation, please call your primary care doctor. In extreme emergencies, if you are unable to contact your doctor, contact the local emergency system (e.g., the 911 telephone system) or go to the nearest hospital emergency room. Be sure to tell the emergency room personnel that you are a Plan member so they can notify the Plan. You or a family member should notify the Plan within 48 hours. It is your responsibility to ensure that the Plan has been timely notified.

If you need to be hospitalized, the Plan must be notified within 48 hours or on the first working day following your admission, unless it was not reasonably possible to notify the Plan within that time. If you are hospitalized in non-Plan facilities and Plan doctors believe care can be better provided in a Plan hospital, you will be transferred when medically feasible with any ambulance charges covered in full.

In-network benefits are available for care from non-Plan providers in a medical emergency only if delay in reaching a Plan provider would result in death, disability or significant jeopardy to your condition.

Plan pays...

Reasonable charges for emergency services to the extent the services would have been covered if received from Plan providers.

You pay...

\$50 per hospital emergency room visit or a \$10 copay per doctor's office or urgent care center visit for emergency services that are covered benefits of this Plan. If the emergency results in admission to a hospital, the emergency care copay is waived.

Emergencies outside the service area

Benefits are available for any medically necessary health service that is immediately required because of injury or unforeseen illness

If you need to be hospitalized, the Plan must be notified within 48 hours

or on the first working day following your admission, unless it was not reasonably possible to notify the Plan within that time. If a Plan doctor believes care can be better provided in a Plan hospital, you will be transferred when medically feasible with any ambulance charges covered in full.

Plan pays...

Reasonable charges for emergency care services to the extent the services would have been covered if received from Plan providers.

You pay...

\$50 copay per hospital emergency room visit or a \$10 copay per doctor's office or urgent care center visit for emergency services which are covered benefits of this Plan. If the emergency results in admission to a hospital, the emergency care copay is waived.

What is covered

- . Emergency care at a doctor's office or an urgent care center
- . Emergency care as an outpatient or inpatient at a hospital, including doctors' services
- . Ambulance service approved by the Plan

What is not covered

- . Elective care or nonemergency care
- . Emergency care provided outside the service area if the need for care could have been foreseen before leaving the service area
- . Medical and hospital costs resulting from a normal full-term delivery of a baby outside the service area

Filing claims for non-Plan providers

With your authorization, the Plan will pay benefits directly to the providers of your emergency care upon receipt of their claims. Physician claims should be submitted on the HCFA 1500 claim form. If you are required to pay for the services, submit itemized bills and your receipts to the Plan along with an explanation of the services and a PHS out-of-network

claim questionnaire. Claims must be submitted within six months of the date services were rendered. In the Plan's judgment, if there are extenuating circumstances, the Plan will pay claims beyond the six-month deadline.

Payment will be sent to you (or the provider if you did not pay the bill), unless the claim is denied. If it is denied, you will receive notice of the decision, including the reasons for the denial and the provisions of the contract on which denial was based. If you disagree with the Plan's decision, you may request reconsideration in accordance with the disputed claims procedure described on page 20.

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Mental Conditions/Substance Abuse Benefits (In-Network)

Mental conditions

What is covered

To the extent shown below, the Plan provides the following services necessary for the diagnosis and treatment of acute psychiatric conditions, including the treatment of mental illness or disorders:

- . Diagnostic evaluation
- . Psychological testing
- . Psychiatric treatment (including individual and group therapy)
- . Hospitalization (including inpatient professional services)

Outpatient care

Up to 20 outpatient visits to Plan doctors, consultants or other psychiatric personnel each calendar year; you pay a \$20 copay per visit for each covered visit.

Inpatient care

Up to 30 days of hospitalization each calendar year; you pay nothing for first 30 days.

What is not covered

-
- . Care for psychiatric conditions which in the professional judgment of Plan doctors are not subject to significant improvement through relatively short-term treatment
 - . Psychiatric evaluation or therapy on court order or as a condition of parole or probation, unless determined by a Plan doctor to be necessary and appropriate
 - . Psychological testing when not medically necessary to determine the appropriate treatment of a short-term psychiatric condition

Substance abuse

What is covered

This Plan provides medical and hospital services such as acute detoxification services for the medical, non-psychiatric aspects of substance abuse, including alcoholism and drug addiction, the same as for any other illness or condition, and, to the extent shown below, the services necessary for diagnosis and treatment.

Outpatient care

Up to 60 outpatient visits to Plan providers for treatment each calendar year; you pay nothing for each covered visit.

Inpatient care

Services for psychiatric aspects are provided in conjunction with the inpatient Mental Conditions Benefit shown above.

What is not covered

- . Treatment that is not authorized by a Plan doctor.

CARE MUST BE RECEIVED FROM OR ARRANGED BY PLAN DOCTORS TO RECEIVE
STANDARD HMO BENEFITS

Prescription Drug Benefits

What is covered

Prescription drugs prescribed by a Plan or referral doctor and obtained at a Plan pharmacy will be dispensed for up to a 34-day or 100 dose supply whichever is greater. Drugs are prescribed by Plan doctors and dispensed in accordance with the Plan's drug formulary. You pay a \$10 copayment per prescription unit or refill.

Covered medications and accessories include:

- . Drugs for which a prescription is required by law
- . Insulin with a copay charge applied to each vial
- . Disposable needles and syringes needed for injecting covered prescribed medication
- . Intravenous fluids and medication for home use, implantable drugs, and some injectable drugs are covered under Medical and Surgical Benefits. (covered under Medical and Surgical Benefits as a home health service, see page 11).
- . Nutritional supplements for the treatment of phenylketonuria, branch-chained ketonuria, galactosemia and homocystinuria
- . Oral and injectable contraceptives and contraceptive devices including implanted contraceptive devices, such as Norplant
- . Fertility Drugs

What is not covered

- . Drugs available without a prescription or for which there is a nonprescription equivalent available
 - . Drugs obtained at a non-Plan pharmacy except for out-of-area emergencies
 - . Vitamins and nutritional substances that can be purchased without a prescription
-

-
- . Medical supplies such as dressings and antiseptics
 - . Prescription drugs obtained for use in connection with drug addiction
 - . Drugs for cosmetic purposes
 - . Drugs to enhance athletic performance
 - . Smoking cessation drugs and medication, including nicotine patches

**CARE MUST BE RECEIVED FROM OR ARRANGED BY PLAN DOCTORS TO RECEIVE
STANDARD HMO BENEFITS**

Other Benefits (In-Network)

Dental Care

Accidental injury benefit

Restorative services and supplies necessary to promptly repair (but not replace) sound natural teeth are covered within twelve months of the accident. The need for these services must result from an accidental injury occurring while the member is covered under the FEHB Program; you pay a \$10 copay per office visit, nothing if services are provided as inpatient services.

What is not covered

- Other dental services not shown as covered

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Point of Service Benefits

Members may use non-participating doctors and hospitals for most services covered under the Plan. For eligible POS services, the Plan pays 80% of

usual, customary and reasonable (UCR) charges after you pay a \$300 deductible per Self Only enrollment or \$750 per Self and Family enrollment. You pay the deductible once per calendar year and 20% of UCR thereafter. If the charge is more than the UCR, you must also pay the difference (out-of-network). There is an out-of-pocket maximum of \$1,200 per Self Only enrollment and \$3,000 per Self and Family enrollment for self-referral services.

There is a \$1,000,000 lifetime maximum per person for POS services.

POS benefits are available for certain services. However, you should remember that the highest benefit available is provided through the standard in-network HMO benefit.

Precertification of Hospital Inpatient Admissions

You must complete the precertification process before an elective admission to a nonparticipating hospital or when you are admitted to a Plan hospital by a nonparticipating doctor. If you do not complete the precertification process, an additional 50% up to \$500 per each non-certified occurrence will be deducted from the Plan's payment. You must complete the precertification process at least seven (7) business days in advance of an elective admission or two (2) business days in advance for diagnostic/urgent procedures.

Precertification of Elective Ambulatory Procedures or Diagnostic Procedures

You must complete the precertification process seven (7) business days in advance of an elective ambulatory surgical procedure or an additional 50% up to \$500 per each non-certified occurrence will be deducted from the Plan's payment for the services rendered. You must complete the precertification process two (2) business days in advance of elective diagnostic procedures, or an additional 50% up to \$500 per each non-certified occurrence will be deducted from the Plan's payment for the services rendered.

A list of services requiring precertification is available to you from the Plan and is updated from time to time by the Plan.

Benefits under the POS option are also subject to the definitions, limitations, and exclusions shown elsewhere in this brochure. The Plan determines the medical necessity of services and supplies provided to prevent, diagnose or treat an illness or condition. For any services that have a maximum benefit payment or visit limit, the services you receive out-of-network and the services you receive in-network count cumulatively towards the limit.

What is covered

At your option, you may choose to obtain benefits covered by this Plan from non-Plan doctors and hospitals whenever you need care, except for the benefits listed below under "What is not covered." You pay 20% of UCR after the deductible is met. Benefits not covered under Point of Service Benefits must either be received from or arranged by Plan doctors to be covered. When you obtain covered non-emergency medical treatment from a non-Plan doctor without a referral from a Plan doctor, you are subject to the deductibles, coinsurance and maximum benefit as stated.

- . Physician office, home or hospital visits
 - . Specialist care and consultation
 - . Allergy testing and treatment
 - . Maternity care
 - . Diagnostic procedures, including laboratory and X-ray tests (precertification required if services are performed in a nonparticipating hospital or facility or by a non-Plan doctor)
 - Surgical procedures (precertification required if services are performed in a nonparticipating hospital or facility or by a non-Plan doctor)
 - . Voluntary sterilization, and family planning services
 - . Diagnosis and treatment of diseases of the eye
 - . Allergy testing and treatment, including test and treatment materials such as bee venom extract and allergy serum
 - . Non experimental implants (covered in full)
 - . Organ transplants (precertification required)
 - . Dialysis
 - . Chemotherapy, radiation therapy, and inhalation therapy
 - . Surgical treatment of morbid obesity (precertification required)

 - . Foot orthotics, must be individually fabricated (Plan pays 50% of charges or of UCR, whichever is less, up to a maximum of \$125 per member per calendar year)
 - . Internal prosthetic devices (covered in full)
 - . External prosthetic devices, such as artificial limbs, limited to a maximum benefit payment by the Plan of \$5,000 for the initial appliance and \$500 per necessary replacement prosthetic after you meet the deductible
 - . Home health services
 - . Durable medical equipment, such as wheelchairs and hospital beds, and orthopedic devices, such as braces, are limited to the initial appliance or piece of equipment. The Plan will pay 50% of the cost up to a maximum of \$500 per member per calendar year for the initial appliance or piece of equipment after you meet the deductible.
 - . Outpatient oxygen - The Plan will pay up to a maximum of \$300 per member per calendar year
-

Facts about POS continued

What is not eligible for POS

The following services are available in-network only and must be provided by Plan doctors. You cannot self-refer to non-Plan doctors for these services.

- . Preventive care, including well baby care and periodic checkups
- . Routine immunizations and boosters
- . Routine gynecological services

Hospital/extended care benefits

What is covered

At your option, you can choose to be admitted as an inpatient in a non-Plan hospital, hospice, or extended care facility through self-referral. You may also choose to be admitted by a non-Plan doctor to a non-hospital in either event. YOU MUST notify the Plan in accordance with the precertification requirement on page xxx. You pay 20% of UCR and any charges above the allowable amount after the deductible is satisfied. Ambulance charges are covered in full.

Emergency Care

What is covered

Any eligible services obtained from non-Plan providers and that are not emergency care will be treated as a self-referral/POS service and subject to deductible and 20% coinsurance for covered charges.

Mental conditions

What is covered

You can choose to receive the following services from non-plan physicians or providers or at non-plan facilities:

. Outpatient care. You pay 50% of UCR after enrollee meets deductible (subject to the limitations shown on page 15)

. Inpatient care. You pay 20% of UCR after enrollee meets deductible

(subject to the limitations shown on page 15)

Each visit or day used under the POS benefit reduces the coverage available under the in-network benefit and vice versa.

Substance abuse

What is covered

You can choose to receive the following services from non-plan physicians or providers or at non-plan facilities.

. Outpatient care. You pay 20% of UCR after enrollee meets deductible (subject to the limitations shown on page 15)

. Inpatient care. Provided in conjunction with the mental conditions benefit shown above (and subject to the limitations shown on page 15)

Each visit or day used under the POS benefit reduces the coverage available under the in-network benefit and vice versa.

Other Benefits

What is covered

Prescriptions written as a result of a self referral to a doctor are eligible for coverage as long as they meet all other requirements for drugs to be covered. The prescription must be filled at a participating pharmacy. You pay a \$10 copay per prescription unit or refill.

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 Non-FEHB Benefits Available to Plan Members

The benefits described on this page are neither offered nor guaranteed under the contract with the FEHB Program, but are made available to all enrollees and family members who are members of this Plan. The cost of the benefits described on this page is not included in the FEHB premium; any charges for these services do not count toward any FEHB deductibles, POS maximum benefits, or out-of-pocket maximums. These benefits are not subject to the FEHB disputed claims procedures.

[Survival School Logo]

Survival School isn't really a school at all. It's simply a way to help you figure out how to live healthier. Without creating a lot of guilt. Without hardship. Without doing without. All with the understanding that being healthy means more than just staying alive.

We're all drowning in information about diets and the like. But the most important information about what's good for your body comes from your body. When your stomach is full. When your knees ache. When you feel great in the morning. Your body talks to you all the time. Survival School simply helps you learn how to listen.

- . Special discounts and pricing at fitness and weight management organizations...This way, working out your arms and legs doesn't cost you an arm and a leg.
- . Free and Clear...A smoking cessation program that is available at a discount to all PHS members. With help of your PHS doctor, you set up your own date to stop smoking.
- . First Stepssm ...is about helping newborns and their parents get off on the right foot. You can choose gift options that provide advice on infant care for first-time parents and information about raising a baby, or that help you keep track of important events such as immunizations and doctor visits. It's a special program for a special time.
- . LegWork...is a walking program that is more than just a way to exercise your heart, lungs and legs. It's a way to slow down and take in the interesting things we miss everyday. Walking puts your nose at flower-smelling level. LegWork is a go-at-your-own pace exercise program that you control.

For more information about any of our Survival School programs, simply give us a call at 1-800/848-4747. Or, write us at Physicians Health Services of New York, Crosswest Office Center, 399 Knollwood Road, Suite 212, White Plains, NY 10603.

Benefits on this page are not part of the FEHB contract

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How to Obtain Benefits

Questions

If you have a question concerning Plan benefits or how to arrange for care, contact the Plan's Customer Relations Department toll free at 1-800/441-

5741 or 203/381-6868, or you may write to the Plan at Crosswest Office Center, 399 Knollwood Road, White Plains, NY 10603.

Disputed claims review

Plan reconsideration

If a claim for payment or services is denied by the Plan, you must ask the Plan, in writing and within six months of the date of the denial, to reconsider its denial before you request a review by OPM. (This time limit may be extended if you show you were prevented by circumstances beyond your control from making your request within the time limit.) OPM will not review your request unless you demonstrate that you gave the Plan an opportunity to reconsider your claim. Your written request to the Plan must state why, based on specific benefit provisions in this brochure, you believe the denied claim for payment or service should have been paid or provided.

Within 30 days after receipt of your request for reconsideration, the Plan must affirm the denial in writing to you, pay the claim, provide the service, or request additional information reasonably necessary to make a determination. If the Plan asks a provider for information it will send you a copy of this request at the same time. The Plan has 30 days after receiving the information to give its decision. If this information is not supplied within 60 days, the Plan will base its decision on the information it has on hand.

OPM review

If the Plan affirms its denial, you have the right to request a review by OPM to determine whether the Plan's actions are in accordance with the terms of its contract. You must request the review within 90 days after the date of the Plan's letter affirming its initial denial.

You may also ask OPM for a review if the Plan fails to respond within 30 days of your written request for reconsideration or 30 days after you have supplied additional information to the Plan. In this case, OPM must receive a request for review within 120 days of your request to the Plan for reconsideration or of the date you were notified that the Plan needed additional information, either from you or from your doctor or hospital.

This right is available only to you or the executor of a deceased claimant's estate. Providers, legal counsel, and other interested parties may act as your representative only with your specific written consent to pursue payment of the disputed claim. OPM must receive a copy of your written consent with their request for review.

Your written request for an OPM review must state why, based on specific benefit provisions in this brochure, you believe the denied claim for payment or service should have been paid or provided. If the Plan has reconsidered and denied more than one unrelated claim, clearly identify the documents for each claim.

Your request must include the following information or it will be returned by OPM:

- . A copy of your letter to the Plan requesting reconsideration;
- . A copy of the Plan's reconsideration decision (if the Plan failed to respond, provide instead (a) the date of your request to the Plan or (b) the dates the Plan requested and you provided additional information to the Plan);
- . Copies of documents that support your claim, such as doctors' letters, operative reports, bills, medical records, and explanation of benefit (EOB) forms; and
- . Your daytime phone number.

Medical documentation received from you or the Plan during the review process becomes a permanent part of the disputed claim file, subject to the provisions of the Freedom of Information Act and the Privacy Act.

Send your request for review to: Office of Personnel Management, Office of Insurance Programs, Contracts Division IV, P.O. Box 436, Washington, DC 20044.

You (or a person acting on your behalf) may not bring a lawsuit to recover benefits on a claim for treatment, services, supplies or drugs covered by this Plan until you have exhausted the OPM review procedure, established at section 890.105, title 5, Code of Federal Regulations (CFR). If OPM upholds the Plan's decision on your claim, and you decide to bring a lawsuit based on the denial, the lawsuit must be brought no later than December 31 of the third year after the year in which the services or supplies upon which the claim is predicated were provided. Pursuant to section 890.107, title 5, CFR, such a lawsuit must be brought against the Office of Personnel Management in Federal court.

Federal law exclusively governs all claims for relief in a lawsuit that relates to this Plan's benefits or coverage or payments with respect to those benefits. Judicial action on such claims is limited to the record that was before OPM when it rendered its decision affirming the Plan's denial of the benefit. The recovery in such a suit is limited to the amount of benefits in dispute.

Privacy Act statement — If you ask OPM to review a denial of a claim for

payment or service, OPM is authorized by chapter 89 of title 5, U.S.C., to use the information collected from you and the Plan to determine if the Plan has acted properly in denying you the payment or service, and the information so collected may be disclosed to you and/or the Plan in support of OPM's decision on the disputed claim.

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How Physicians Health Services of New York, Inc. Changes January 1997

Do not rely on this page; it is not an official statement of benefits.

Benefit changes

- . The copay for allergy service visit has reduced from \$15 per visit to \$10 per visit.

Clarifications

- . Procedures, services, drugs and supplies related to abortions are excluded except when the life of the mother would be endangered if the fetus were carried to term.
 - . Single and double lung transplants, and kidney-pancreas transplants have been added to the list of transplants. Previously, these transplants were not shown as covered.
 - . The Plan is now called a "Point of Service" Plan.
 - . The language in the brochure has been changed to reflect the fact that this is an open access plan and that members are not required to obtain a referral from the primary care doctor before receiving services from specialty doctors.
 - . Obstetrician/gynecologists may not be primary care doctors.
 - . Under "Mental Conditions/Substance Abuse" the language is clarified to show that benefits are limited to a certain number of days and/or visits.
 - . The use of a Plan identification card to obtain benefits after you are no longer enrolled in the Plan is a fraudulent action subject to
-

review by the Inspector General.

- Medical data that does not identify individual members may be disclosed as a result of bona fide medical research or education.

- General Information When a family member is hospitalized on the effective date of an enrollment change and continues to receive benefits under the old plan, benefits under the new plan will begin for other family members on the effective date of the new enrollment.

- An enrollee with Self Only coverage who is expecting a baby or the addition of a child may change to a Self and Family enrollment up to 60 days after the birth or addition.

- Annuitants and former spouses with FEHB coverage, and who are covered by Medicare Part B, may join a Medicare prepaid plan if they do not have Medicare Part A, but they will probably have to pay for hospital coverage. They may also remain enrolled under an FEHB plan when they enroll in a Medicare prepaid plan.

- Federal annuitants are not required to enroll in Medicare Part B in order to be covered under the FEHB Program nor are their FEHB benefits reduced if they do not have Medicare Part B.

- Temporary continuation of coverage (TCC) for employees or family member who lose eligibility for FEHB coverage includes one free 31-day extension of coverage and may include a second. How these are coordinated has been clarified; notification and election requirements have also been clarified.

- "Conversion to individual coverage" does not require evidence of good health and the plan is not permitted to impose a waiting period or limit coverage for preexisting conditions; benefits and rates under the individual contract may differ from those under the FEHB Program.

- "Nonexperimental implants" is now termed "The insertion of internal prosthetic devices".

Other changes

- This Plan has been redesignated a Point of Service, or POS, Plan in accordance with the option it offers its members of using either Plan or non-Plan providers each time they require medical care. See "Point of Service Benefits" on page *** for additional charges that apply to services from non-Plan providers and limitations on covered benefits when they are received from non-Plan providers. This section was formerly titled "Self-Referral/Out-of-Network Benefits."
-

- Enrollees who change their FEHB enrollments using Employee Express may call the Employee Express HELP number to obtain a letter confirming that change if their ID cards do not arrive by the effective date of the enrollment change.
- The Plan will not pay for services required as the result of occupational disease or injury for which any medical benefits are determined by the Office of Workers Compensation Programs (OWCP) to be payable under workers' compensation. The Plan is entitled to be reimbursed by OWCP for services it provided that were later found to be payable by OWCP.
- Disputed claims If your claim for payment or services is denied by the Plan, and you decide to ask OPM to review that denial, you must first ask the Plan to reconsider their decision. You must now request their reconsideration within six months of the denial (previously, you had one year to do this). This time limit may be extended if you show you were prevented by circumstances beyond your control from making your request within the time limit.
- Providers, legal counsel, and other interested parties may act as your representative in pursuing payment of a disputed claim only with your written consent. Any lawsuit to recover benefits on a claim for treatment, services, supplies or drugs covered by this Plan must be brought against the Office of Personnel Management in Federal court and only after you have exhausted the OPM review procedure.

 Summary of Benefits for Physicians Health Services of New York, Inc. - 1997

Do not rely on this chart alone. All benefits are provided in full unless otherwise indicated subject to the limitations and exclusions set forth in the brochure. This chart merely summarizes certain important expenses covered by the Plan. If you wish to enroll or change your enrollment in this Plan, be sure to indicate the correct enrollment code on your enrollment form (codes appear on the cover of this brochure). ALL SERVICES COVERED UNDER THIS PLAN, WITH THE EXCEPTION OF EMERGENCY CARE, ARE COVERED ONLY WHEN PROVIDED OR ARRANGED BY PLAN DOCTORS.

| Benefits | Plan pays/provides | Page |
|----------|--------------------|------|
|----------|--------------------|------|

| | | |
|----------------|--|--|
| Inpatient care | | |
|----------------|--|--|

| | | |
|----------|--|--|
| Hospital | | |
|----------|--|--|

Comprehensive range of medical and surgical services with no dollar or day limit. Includes in-hospital doctor care, room and board, general nursing care, private room and private nursing care if medically necessary, diagnostic tests, drugs and medical supplies, use of operating room, intensive care and complete maternity care.....14

In-Network Benefit: You pay nothing

Out-of-Network Benefit: You pay 20% of UCR after deductible

Extended care

All necessary services, up to 60 days per calendar year when in lieu of hospital care.....13

In-Network Benefit: You pay nothing

Out-of-Network Benefit: You pay 20% of UCR after deductible

Mental conditions

Diagnosis and treatment of acute psychiatric conditions for up to 30 days of inpatient care per year.....15

In-Network Benefit: You pay nothing

Out-of-Network Benefit: You pay 20% of UCR after deductible

Substance abuse

Covered under mental conditions

Outpatient care

Comprehensive range of services such as diagnosis and treatment of illness or injury, including specialist's care; preventive care, including well-baby care, periodic check-ups and routine immunizations; laboratory tests and X-rays; complete maternity care. You pay a \$10 copay per office visit; nothing for house calls by a doctor.....11

Home health care

All necessary visits by nurses and health aides. You pay nothing.....11

Mental conditions

Up to 20 outpatient visits per year. You pay a \$20 copay per outpatient visit.....15

Substance abuse

Up to 60 outpatient visits per year. You pay nothing per visit.....15

Emergency care

Reasonable charges for services and supplies required because of a medical emergency. You pay a \$50 copay to the hospital for each emergency room visit; a \$10 copay per doctor's office or urgent care center visit; and any charges for services that are not covered by this Plan.....14

Prescription drugs

Drugs prescribed by a Plan doctor and obtained at a participating pharmacy. You pay a \$10 copay per prescription unit or refill.....16

Dental care

Accidental injury benefit. You pay a \$10 copay per office visit, nothing for inpatient hospital services.....16

Vision care

No current benefit

Point of Service Benefits

Services of non-Plan doctors and hospitals. Not all benefits are covered. You pay deductibles and coinsurance and a maximum benefit applies..... 17

Out-of-pocket maximum

Copayments are required for a few benefits; however, after your out-of-pocket expenses reach a maximum of \$1,200 per Self Only or \$3,000 per Self and Family enrollment per calendar year, covered benefits will be provided at 100%. This copay maximum does not include charges for prescription drugs or the cost of self-referral deductibles and coinsurance. There is no out-of-pocket maximum for the charges you pay when you use POS benefits7

