

U.S. Healthcare of Pennsylvania

1997

A Health Maintenance Organization with a Point of Service product

Serving: Southeastern, Southwestern, and Central Pennsylvania and portions of New Jersey.

Enrollment area: You must live in one of the following service areas to enroll in this Plan and must enroll in the area where you live.

Southeastern Pennsylvania and portions of New Jersey

Enrollment code:

SU1 Self Only (High Option)

SU2 Self and Family (High Option)

SU4 Self Only (Standard Option)

SU5 Self and Family (Standard Option)

This service area (Enrollment Code SU) has full accreditation from the NCQA. See the FEHB Guide for more information on NCQA.

Service area: Services from Plan providers are available only in the following areas:

The **Pennsylvania** counties of Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton and Philadelphia.

Enrollment area: You must live either in the service area shown above or in one of the following localities to enroll in the SU Enrollment Code of this Plan: The **New Jersey** counties of Camden, Gloucester and Burlington except the following zip codes: 08224, 08019, 08640, 08562, 08087, 08037, 08641, 08501, 08088, 08015, 08511, and 08064.

Southwestern and Central Pennsylvania

Enrollment code:

KL1 Self Only (High Option)

KL2 Self and Family (High Option)

KL4 Self Only (Standard Option)

KL5 Self and Family (Standard Option)

Service area: Services from Plan providers are available only in the following areas:

The **Southwestern Pennsylvania** counties of Allegheny, Armstrong, Beaver, Butler, Fayette, Lawrence, Washington and Westmoreland. The **Central Pennsylvania** counties of Cumberland, Dauphin, Lackawanna, Lancaster, Lebanon, Luzerne, Northumberland, Perry, Pike, Schuylkill, Snyder, Susquehanna and York. The **Northwestern Pennsylvania** county of Erie.

Enrollment area: The enrollment area is the same as the service are for the KL Enrollment Code of this Plan.

RI 73-52

U.S. Healthcare of Pennsylvania

United States Health Care Systems of Pennsylvania, Inc., d.b.a. HMO/PA/U.S. Healthcare, 1425 Union Meeting Road, P.O. Box 3013, Blue Bell, PA 19422, has entered into a contract (CS 1766) 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 U.S. Healthcare, Inc., U.S. Healthcare 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.

Table of Contents

	Page
Inspector General Advisory on Fraud.....	3
General Information.....	35
Confidentiality; If you are a new member; If you are hospitalized (when you change plans); Your responsibility; Things to keep in mind; Coverage after enrollment ends (Former spouse coverage;	

Temporary continuation of coverage; and Conversion to individual coverage)

Facts about this Plan.....6-8

Who provides care to Plan members? Role of a primary care doctor; Choosing your doctor; Referrals for specialty care; For new members; Hospital care; Out-of-pocket maximum; Deductible carryover; Submit claims promptly; Other considerations; The Plan's service and enrollment areas

General Limitations.....89

Important notice; Circumstances beyond Plan control; Arbitration of claims; Other sources of benefits

General Exclusions.....9

Benefits.....1015

Medical and Surgical benefits; Hospital/Extended Care Benefits; Emergency Benefits, Mental Conditions/Substance Abuse Benefits; Prescription Drug Benefits

Other Benefits.....16

Dental care; Vision care

Point of Service Benefits.....19-20

Non-FEHB Benefits.....18

How to Obtain Benefits.....21-22

How U.S. Healthcare Changes January 1997.....22-23

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 at 1-800/537-9384 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 14, or when you self-refer for point of service, or POS, benefits as described on page 19-20. 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.

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).
- 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.

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. See page 18 for information on the Medicare prepaid plan offered by this 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 (or Part A).

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.

4

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.

5

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 page 19-20 for more information.

Who provides care to Plan members?

This Plan is an individual-practice prepayment Plan. All participating doctors practice in their own offices in the community. Covered benefits are available only from those doctors and from participating hospitals and participating pharmacies. The Plan arranges with doctors and hospitals to provide medical care for both the prevention of disease and the treatment of serious illness. For the treatment of rare or unusual medical cases, the Plan may provide services without geographic limitation.

You must select a primary care doctor for each covered family member from over 1700 participating doctors in the Plan's service area. Your primary care doctor must be a family or general practitioner, pediatrician or medical internist. You must contact your primary care doctor for a referral before seeing any other doctor or obtaining specialty services. A wide variety of Board eligible and Board certified specialists are participating Plan doctors. Your Plan primary care doctor admits you to his/her hospital for elective procedures.

The Plan also features a Point of Service benefit which allows a member to receive nonemergency benefits outside of the standard Prepaid Plan network on a fee-for-service basis. For more information regarding this benefit, see pages 19-20.

Role of a primary care doctor

The first and most important decision each member must make is the selection of a primary care doctor. The decision is important since it is through this doctor that all other health services, particularly those of specialists, are obtained. It is the responsibility of your primary care doctor to obtain any necessary authorizations from the Plan before referring you to a specialist or making arrangements for hospitalization. Services of other providers are covered only when you have been referred by your primary care doctor or when you use POS benefits, with the following exception: a woman may see her personal participating gynecologist for a routine annual exam only; all other gynecological care requires a written referral from the member's primary care doctor. In cases of self-referral, the Plan recommends that you check in advance with it or your primary care doctor to confirm that the services are covered and are medically necessary.

Choosing your doctor

If you want to enroll in the Plan's Southeastern Pennsylvania and portions of New Jersey enrollment area, you must live in the enrollment area shown under enrollment code SU on the front cover of this brochure, and you must select a primary care physician from the Southeastern Pennsylvania listing. If you want to enroll in the Plan's Southwestern and Central Pennsylvania enrollment area, you must live in the enrollment area shown under enrollment code KL on the front cover of this brochure, and you must select a primary care physician from the Southwestern or Central Pennsylvania listing.

The Plan's provider directory lists participating primary care doctors (general or family practitioners, pediatricians, and internists), with their

locations and phone numbers. Directories are updated on a regular basis and are available at the time of enrollment or upon request by calling or writing the Member Relations Department, U.S. Healthcare/Health Maintenance Organization of Pennsylvania, 1425 Union Meeting Road, P.O. Box 3013, Blue Bell, PA 19422 - Telephone: Pennsylvania 800/537-9384; 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.

Should you decide to enroll, you will be asked to complete a primary care doctor selection form and send it directly to the Plan, indicating the name of the primary care doctor(s) selected for you and each member of your family. Members may change their doctor selection by notifying the Plan 30 days in advance.

In the event a member is receiving services from a doctor who terminates a participation agreement, the Plan will provide payment for covered services until the Plan can make reasonable and medically appropriate provisions for the assumption of such services by a participating doctor.

Referrals for specialty care

Except in a medical emergency, or when a primary care doctor has designated another doctor to see patients when he or she is unavailable, or when you choose to use the Plan's POS benefits, you must contact

your primary care doctor for a referral before seeing any other doctor or obtaining special services. Referral to a participating specialist is given at the primary care doctor's discretion; if specialist or consultants are required beyond those participating in the Plan, the primary care doctor will make arrangements for appropriate referrals. Members who wish to self-refer to a doctor of their choice can use the POS benefits (see pages 19-20).

When you receive a referral from your primary care doctor, you must return to the primary care doctor after the consultation. All follow-up care must be provided or authorized by the primary care doctor. On referrals, the primary care doctor will give specific instructions to the consultant as to what services are authorized. If additional services or visits are suggested by the consultant, you must first check with your primary care doctor. Do not go to the specialist unless your primary care doctor has arranged for it and the Plan has issued an authorization for the referral in advance.

6

Facts about this Plan continued

For new members

If you are already under the care of a specialist who is a Plan participant, you must still obtain a referral from a Plan primary care doctor for the care to be covered by the Plan. If the doctor who originally referred you prior to joining this Plan is now your primary care doctor, you need only

call to explain that you now belong to this Plan and ask that a "referral form" be sent to the specialist for your next appointment.

If you are selecting a new primary care doctor, you must schedule an appointment so the primary care doctor can decide whether to treat the condition directly or refer you back to the specialist.

Hospital care

If you require hospitalization, your primary care doctor or authorized specialist will make the necessary arrangements and continue to supervise your care.

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 services provided or arranged by the Plan reach 100% of annual premium per Self Only enrollment or 100% of annual premium per Self and Family enrollment under the High option and \$1,500 per Self Only and \$3,000 per Self and Family enrollment under the Standard option. This copayment maximum does not include costs of prescription drugs. If you choose to occasionally use the Plan's POS benefit, the out-of-pocket expenses include a calendar year deductible of \$300 for Self Only and \$900 for Self and Family. Once the deductible is met the Plan pays 70% of usual, customary and reasonable charges (UCR) until you have reached the out-of-pocket maximum of \$5,000 (Self Only) and \$15,000 for Self and Family up to the Plan's \$1,000,000 maximum payment for POS benefits.

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.

Facts about the Plan continued

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 claims submitted later than December 31 of the calendar year following the year in which the expense was incurred unless timely filing was prevented by administrative operations of Government or legal incapacity, provided the claim was submitted as soon as reasonably possible. Submit POS claims to U.S. Healthcare, 1425 Union Meeting Road, P.O. Box 3013, Blue Bell, PA 19422.

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 different from the enrollment area listed on the front cover of this brochure (the area in which you must live to enroll in the Plan). Benefits for care outside the service area are limited to emergency services, as described on page 14, and to services covered under Point of Service Benefits, as described on page 19-20.

If you or a covered family member move outside the enrollment area, 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.

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.

Arbitration of claims

Any claim for damages for personal injury, mental disturbance or wrongful death arising out of the rendition or failure to render services under this contract must be submitted to binding arbitration.

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.

General Limitations continued

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 from, any other group health coverage, or is entitled to the payment of medical and hospital costs under 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 (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 care 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.

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-referral services obtained under Point of Service Benefits (see pages 19-20);
- 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;
- 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 or when the pregnancy is the result of an act of rape or incest.

Medical and Surgical Benefits

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 and, within the service area, house calls will be provided if in the judgment of the Plan doctor such care is necessary and appropriate.

High Option - You pay a \$5 copay per visit at your primary doctor office, specialist office visits or for laboratory tests and X-rays; \$10 house call copay for doctor's visit; no copay for visits by nurses and health aides.

Standard Option - You pay a \$10 copay per visit at your primary doctor office; \$15 copay per visit for specialist office visit or for laboratory tests, X-rays and any other services rendered at any outpatient facility; \$15 house call copay for doctor's visit; no copay for visits by nurses and health aides.

The following services are included:

- 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 and family planning services
- Diagnosis and treatment of diseases of the eye
- Allergy testing and treatment, including testing and treatment materials (such as allergy serum)
- The insertion of internal prosthetic devices, such as pacemakers and artificial joints.
- Cornea, heart, heart-lung, lung (single and double), skin, tissue, kidney, liver and pancreas transplants; allogeneic (donor) bone marrow transplants; autologous bone marrow transplants (autologous stem cell and peripheral stem cell support) for acute lymphocytic or non-lymphocytic leukemia; advanced Hodgkin's lymphoma; advanced non-Hodgkin's lymphoma; advanced neuroblastoma; and testicular, mediastinal, retroperitoneal, ovarian germ cell tumors and 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
- Home health services of nurses and health aides, when prescribed by your Plan doctor, who will periodically review the program for continuing appropriateness and need
- Lenses following cataract removal
- 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

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

10

Medical and Surgical Benefits continued

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 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 if such accident or surgery occurred on or after the effective date of the member's coverage in any Plan under the FEHB Program.

Short-term rehabilitative therapy (physical, speech and occupational) is provided on an inpatient or outpatient basis for up to two months per condition if significant improvement can be expected within two months; you pay a \$5 copay under High option and a \$15 copay under Standard option per session. Speech therapy is limited to treatment of certain speech impairments of organic origin. Occupational therapy is limited to services that assist the member to achieve and maintain selfcare and improved functioning in other activities of daily living.

Short-term pulmonary rehabilitation is provided on an outpatient basis within a sixty (60) day period per incident of illness if significant improvement can be expected within this time period; you pay a \$5 copay under High option and a \$15 copay under the Standard option per visit.

Diagnosis and treatment of infertility is covered; you pay a \$5 copay under the High option, and a \$15 copay under the Standard option per specialist visit. Artificial insemination is covered, subject to an office visit copay; cost of donor sperm is not covered. Clomiphene Citrate is covered. Injectable fertility drugs are not covered. All Infertility

Benefits must be preauthorized. Members must contact the Infertility Program Case Manager at 1-800-575-5999 before treatment is rendered. When the authorized Plan provider determines that other covered treatment methods are not effective, the Plan will provide coverage for one cycle of assisted reproductive technology. This covers one (1) egg harvesting and up to two (2) transfers through Invitro Fertilization (IVF), Zygote Intra-Fallopian Transfer (ZIFT), or Gamete Intra-Fallopian Transfer (GIFT) only, during each twenty-four (24) month period from the date of the first visit for actual treatment from the authorized Plan provider.

Chiropractic services are provided up to 20 visits per calendar year; you pay a \$5 copay per visit up to 20 visits under the High option and \$15 under the Standard option.

Orthopedic devices, such as braces are covered only for the treatment of a congenital defect. The coverage is also limited to the initial provision of the device.

Prosthetic devices, such as artificial limbs are only covered for the treatment of a congenital defect. The coverage is also limited to the initial provision of the device.

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
- Blood and blood derivatives; including blood storage

- Reversal of voluntary, surgically-induced sterility
- Plastic surgery primarily for cosmetic purposes
- Transplants not listed as covered
- Hearing aids
- Long-term rehabilitative therapy
- Homemaker services
- Durable medical equipment, such as wheelchairs, canes, walkers and hospital beds
- Foot orthotics
- Outpatient cardiac rehabilitation
- Dental implants

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

11

Hospital/Extended Care Benefits

What is covered

Hospital care

The Plan provides a comprehensive range of benefits with no dollar or day limit when you are hospitalized under the care of a Plan doctor.

High option — You pay nothing

Standard option — 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 with no dollar or day limit 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 14 for nonmedical substance abuse benefits.

What is not covered

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

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

12

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 lifethreatening,

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 your primary care physician. You or a family member should notify your primary care physician as soon as possible after receiving treatment. It is your responsibility to ensure that your primary care physician 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.

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, except as shown on pages 19-20.

Plan pays...

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

You pay...

Under the High option, \$10 per after hours doctor's office visit; \$35 per hospital emergency room or outpatient department visit, or per urgent care center visit for emergency services that are covered benefits of this Plan. Under the Standard option, \$15 at primary doctor's office after hours; \$15 after hours to specialists and \$35 at hospital emergency room, outpatient department or urgent care center. 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 services to the extent the services would have been covered if received from Plan providers.

You pay...

Under the High option, \$10 per doctor's office visit; \$35 per hospital emergency room or outpatient department visit, or per urgent care center visit for emergency services which are covered benefits of this Plan.

Under the Standard option, \$15 at primary doctor's office after hours; \$15 to specialists and \$35 at hospital emergency room, outpatient department or urgent care center. 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 the identification information from your ID card.

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 21.

13

Mental Conditions/Substance Abuse Benefits

Mental conditions

What is covered

To the extent shown below, this 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 per calendar year, you pay the following copays for up to 20 visits — all charges thereafter:

High option

Visits 1 and 2 — No copay

Visits 3–10 — a \$10 copay/visit*

Visits 11–20 — a \$25 copay/visit*

*Or 50% of the cost of the visit, whichever is less.

Standard option

Visits 1–20 — a \$25 copay/visit

Inpatient care

Up to 35 days of hospitalization per calendar year; you pay nothing for the first 35 days — all charges thereafter. Inpatient days may be exchanged for outpatient treatment at a rate of four outpatient visits or two partial treatment days for each inpatient day when approved by the Plan.

What is not covered

- Care for psychiatric conditions that 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

30 outpatient visits and an additional 30 outpatient visits which can be exchanged for up to 15 inpatient days to Plan doctors, participating consultants or other substance abuse providers per calendar year; you pay the following copays for up to 60 visits-all charges thereafter:

High option

Visits 1-60 — No copay

Standard option

Visits 1–60 — a \$15 copay/visit
up to a maximum of \$240

Inpatient care

Up to 35 days of inpatient care at a substance abuse facility or hospital per calendar year; you pay nothing for first 35 days — all charges thereafter. Inpatient days may be exchanged for outpatient treatment at a rate of two day treatments for each inpatient day.

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

14

----- Prescription

Drug Benefits

What is covered

Prescription drugs prescribed by a Plan or referral doctor and obtained at your chosen Plan pharmacy will be dispensed for up to a 34day supply or one commercially prepared unit with up to five (5) refills when authorized. You pay a \$5 copay for generic drugs and a \$10 copay for

brand name drugs per prescription unit or refill (High Option). You pay a \$10 copay for generic drugs and a \$15 copay for brand name drugs per prescription unit or refill for Standard Option. Maintenance drugs can be filled for up to a 90-day supply for only one copay per prescription.

The benefit is accessed in the following manner:

You present your prescription to the participating pharmacy selected on the application. You must first receive a 34-day supply of your maintenance medication. Upon the next filling of your prescription, if your primary care physician has authorized the dispensing of a 90-day prescription, either via writing or telephone, you are eligible to receive dispensing of up to a 90-day supply of the medication. In order to continue to be eligible for up to a 90-day supply on subsequent fillings, there can be no change in either the prescribed strength or dosage form.

Note: maintenance drugs are medications that are taken by the general population for extended periods of time such as high blood pressure medication, and they do not vary frequently in terms of dosage.

Covered medications and accessories of the pharmacy benefit include:

- Drugs for which a prescription is required by law
- Disposable needles and syringes needed to inject covered prescribed medication including insulin
- Drugs obtained at a nonparticipating pharmacy on an out-of-area emergency basis (must be beyond a 50-mile radius of member's

participating pharmacy) are reimbursed at 75% of the cost of the prescription, less the applicable copay. Reimbursements are subject to professional review.

- Intravenous fluids and medications for home use
- Oral contraceptive drugs (after initial prescription, you may receive up to a 90-day supply for a single copay, when authorized by a Plan or referral physician)
- Diaphragms (limited to one diaphragm per year; applicable copay)
- Depoprovera (one vial per copay, maximum five vials per calendar year)
- Implanted time-release medications, such as Norplant (applicable copay)
- IUDs (available only through your primary care physician or participating gynecologist. Office visit copay applies.)

What is not covered

- Drugs available without a prescription or for which there is a nonprescription equivalent available
- Drugs obtained at a pharmacy other than your Plan pharmacy
- Medical equipment, devices, and supplies such as dressings and antiseptics

- Test agents and devices
- Drugs for cosmetic purposes
- Drugs to enhance athletic performance
- Smoking cessation drugs and medication, including nicotine patches
- Injectable fertility drugs

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

15

Other Benefits

Dental care

What is covered

High option only

The following dental services are covered when provided by participating Plan dentists; you pay a \$2 copay per office visit.

- Preventive care
Prophylaxis, treatment to include cleaning and polishing (limited to two treatments every year); topical application of fluoride (limited to one course of treatment per year and to children under age 18);

oral hygiene instruction; minor occlusal (bite) adjustments; dietary advice and counseling.

- **Diagnostic care**
Office visit for oral examination (limited to two visits every year); emergency examination; diagnostic casts; bitewing X-rays (not more than twice every year); complete X-ray series (limited to once every three years); periapical (individual tooth) X-rays (as necessary); other dental X-rays (as necessary); pulp vitality test; consultations with primary dentist.
- **Basic restorative care**
Amalgam restorations (fillings) and related medication; sedative fillings; retention pins (as necessary); minor denture adjustment or repair.
- **Out-of-area emergency dental care**
Should you require emergency palliative treatment to relieve severe pain beyond a 50-mile radius of your participating primary dentist, U.S. Healthcare will reimburse the reasonable cost of the treatment less the \$2 copayment. Reimbursements are subject to professional review.

What is not covered

- Other dental services not shown as covered

Vision care

What is covered

High option and Standard option

In addition to the medical and surgical benefits provided for diagnosis and treatment of diseases of the eye, the Plan provides the following vision care benefits from Plan providers.

- Routine eye refraction, including lens prescription for eyeglasses. You pay a \$5 copay for the High option and a \$15 copay for the Standard option.
- If member wears eyeglasses or contact lenses, the benefit schedule is as follows:
 - Member age 1 through 18—once every 12-month period.
 - Member age 19 and over—once every 24-month period.
- If member does not wear eyeglasses or contact lenses, the benefit schedule is as follows:
 - Member to age 45—once every 36-month period.
 - Member age 45 and over—once every 24-month period.

High option only

- Up to \$70 reimbursement per 24-month period for corrective eyeglasses and frames or contact lenses (hard or soft lenses).

What is not covered

- Eye exercises
- Fitting of contact lenses

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

16

U.S. Healthcare's Point of Service Benefits (Quality Point of Service Plan)

Facts about U.S. Healthcare's Quality Point of Service Program (POS)

This option is only available to members who select the Standard Option.

As a U.S. Healthcare Quality Point of Service member, you select a participating primary care physician to coordinate your care through the extensive U.S. Healthcare network of providers. If, however, you want to go directly to a doctor or hospital without a referral, you will be covered subject to deductibles and coinsurance.

The prepaid benefits listed in this brochure are available under the POS benefit with the exception of those benefits listed on pages 19-20 as exclusions. Quality Point of Service coverage is subject to the coinsurance, deductibles, limitations and maximums shown in the brochure.

What is covered

Primary care physician visits, specialty care,* outpatient surgery,* hospitalization,* skilled nursing facility,* home care,* maternity, and durable medical equipment* are covered at 70% of the usual, customary and reasonable (UCR) charges after the deductible.

Limited benefits

Mental health*

Inpatient

70% (usual, customary and reasonable charges) after calendar year deductible, 30 days per calendar year* (90-day lifetime)

Outpatient

50% (usual, customary and reasonable charges) after calendar year deductible, 60 visits per calendar year.* Up to \$30 per visit with a maximum calendar year payment of \$1,500.

Substance abuse*

Maximum lifetime inpatient and outpatient benefit is \$50,000

Detoxification

70% (usual, customary and reasonable charges) after calendar year deductible, 7 days per calendar year.* (4 admissions per lifetime).

Inpatient rehabilitation

70% (usual, customary and reasonable charges) after calendar year deductible, 30 days per calendar year* (90-day lifetime).

Outpatient rehabilitation

70% (usual, customary and reasonable charges) after calendar year deductible, 30 visits per calendar year* (120-day lifetime).

Emergency room

\$35 copay

Chiropractic care*

70% (usual, customary and reasonable charges) after calendar year deductible with \$1,000 annual max.

Routine and preventive care

You can visit a nonparticipating primary care physician for routine and preventive care. Certain preventive care, such as childhood immunizations and mammography (age 50 and over) are fully covered out-of-network. Routine checkups for adults and children, including routine GYN exams, are covered up to a maximum of \$150 a person per year.

Specialty/hospital care

You can go directly to a specialist or hospital without a written referral from a participating primary care physician. You will be subject to deductibles, coinsurance and a lifetime maximum. You may also need to file a claim form. Precertification may be required for some specialty visits. Call the number listed below to find out if your specialty care visit requires precertification. All nonreferred, nonemergency inpatient care requires precertification.

Precertification requirements

Nonreferred inpatient care and certain other medical services require member precertification. Call the following number to find out which

benefits require precertification: 1-800-541-3149. Failure to precertify will lead to a 20% reduction in benefits. This means that in addition to the member's 30% coinsurance the member will be responsible for an additional 20% of the unpaid balances of the benefit.

*Member precertification required or benefit paid will be reduced by 20%

19

Facts About U.S. Healthcare's POS Benefit continued

Prescription coverage

You cannot use POS for prescription coverage. Prescriptions are covered with a copay only at the participating pharmacy you select.

Summary of coverage

If you use specialists or hospitals without obtaining referrals, you are subject to an annual deductible, coinsurance, lifetime maximum and any precertification requirement. The provider may request that you pay for the services in advance. You would then need to file for reimbursement. Claims should be sent to the following address: U.S. Healthcare, 1425 Union Meeting Road, P.O. Box 3013, Blue Bell, PA 19422.

Calendar year deductible

The following provisions apply only to care obtained directly from providers without a referral (POS):

- There is a \$300 (Self Only) or \$900 (Self and Family) annual calendar year deductible that must be satisfied.
- Once the applicable deductible is paid, the Plan will pay 70% of usual, customary and reasonable rates until you have paid coinsurance up to the out-of-pocket maximum of \$5,000 (Self Only) and \$15,000 (Self and Family).

Out-of-pocket maximum

- When the accumulated coinsurance paid reaches the annual out-of-pocket maximum, the Plan will pay 100% of all further covered usual, customary and reasonable expenses for the remainder of the year. The member may be billed by the provider for the difference between the actual charges and usual, customary and reasonable rates. The deductible paid is not included in the out-of-pocket maximum.

Lifetime maximum

- There is a lifetime maximum of \$1,000,000 on all POS benefits.
- Balance bills are not considered a covered expense.

Benefits and program exclusions for POS benefits

- Prescription drugs
- Dental care
- Routine eye examination
- Prescription lens reimbursement

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 of this Plan. The cost of the benefits described on this page is not included in the FEHB premium and 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 procedure.

Healthy Outlook Program®

Our Healthy Outlook Program helps you stay healthy. Our members have access to many wellness programs and self-help materials which have been designed to help protect your good health.

With the Healthy Eating Program, you will learn to eat more nutritious foods and to control your weight. As you reach your goals of weight loss and/or maintenance, U.S. Healthcare will reward your progress with bonuses from our incentive program.

The Healthy Breathing® Program, which has the support of the American Lung Association and the National Cancer Institute, will help you to safely and effectively quit smoking. Your primary care physician will work with you, and we will provide additional support with prizes and bonuses, a telephone "Hot Line," and educational materials on the latest in smoking cessation.

The L'il Appleseed® Program provides full maternity coverage, including all prenatal visits. U.S. Healthcare members enrolled in this program are also entitled to special benefits, such as free literature related to pregnancy and childbirth, a partial reimbursement for attending a prenatal class, a free nurse visit after Mom and Baby arrive home, and discounts on baby care essentials.

Fitness Reimbursement Program

Regular exercise can significantly reduce the risk of heart disease and other major illnesses. Whether your goal is weight loss or just staying fit, U.S. Healthcare will reimburse you 25% of your membership fee up to \$150.00 every six months when you participate in a supervised, structured, cardiovascular fitness program. Maximum reimbursement is \$300 each year. Members 18 years of age and older are eligible and registration, including written approval from your primary physician, is required prior to participation in the program.

National Medical Excellence Program

Our National Medical Excellence Program provides treatment for complicated or rare illnesses. The National Medical Excellence Program is unique to U.S. Healthcare and has been created for members with particularly difficult conditions such as rare cancers and other complicated diseases and disorders.

Usually, the recommended treatment can be found in your area. But if your needs extend beyond your region, the National Medical Excellence Program may be available to send you to out-of-area experts.

The first priority is to determine an appropriate treatment program. If your treatment program cannot be provided in the local area, U.S. Healthcare will arrange and pay for your care as well as related travel expenses to wherever the necessary care is available.

Dental services

Dental services are available at reduced fees. If you should require additional dental services, your primary dentist or participating dental specialist will provide these services at reduced fees. Please consult your dentist for a complete schedule of current reduced patient fees. All reduced fees for dental services must be paid directly to the participating dentist.

Dental services available in the reduced fee program include:

- Restorations and repairs (except those listed under basic restorative)
- Crowns, bridges, and dentures
- Endodontics (root canal and pulp treatment)
- Periodontics (gum treatment)
- Oral surgery (excluding oral surgery covered under the U.S. Healthcare medical plan)
- Orthodontics (braces)
- Cosmetic acid-etch bonding

Medicare prepaid plan enrollment

This Plan offers Medicare recipients the opportunity to enroll in the Plan through Medicare. As indicated on page 4, annuitants and former spouses with FEHB coverage and Medicare Part B may elect to drop their FEHB coverage and enroll in a Medicare prepaid plan when one is available in their area. They may then later reenroll in the FEHB Program. Most Federal annuitants have Medicare Part A. Those without Medicare Part A may join this Medicare prepaid plan but will probably have to pay for hospital coverage in addition to the Part B premium. Before you join the plan, ask whether the plan covers hospital benefits and, if so, what you will have to pay. Contact your retirement system for information on dropping your FEHB enrollment and changing to a Medicare prepaid plan. Contact us at 800/537-9384 for information on the Medicare prepaid plan and the cost of that enrollment.

Benefits on this page are not part of FEHB contract

How to Obtain Benefits

Questions

If you have a question concerning Plan benefits or how to arrange for care, contact the Plan's Membership Services Office at 800/537-9384 or 800/628-3323 (Hearing Impaired-TDD) or you may write to the Plan at 1425 Union Meeting Road, P.O. Box 3013, Blue Bell, PA 19422.

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 III, 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.

How U.S. Healthcare of Pennsylvania Changes January 1997

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

Benefit changes

- Under the Prescription Drug Benefit, there is a \$5 copay for generic drugs and a \$10 copay for brand name drugs per prescription unit or refill for High Option. There is a \$10 copay for generic drugs and a \$15 copay for brand name drugs per prescription unit or refill for Standard Option. Previously, the copays were \$5 per prescription for both generic and brand name drugs for High Option and \$10 per prescription for both generic and brand name drugs for Standard Option.
- Under the Prescription Drug Benefit, maintenance drugs can be filled with up to a 90-day supply for only one copay per prescription

after initial prescription. Previously, a 90-day supply of maintenance drugs with a single copay was not provided.

- IUDs and Diaphragms are now available under the Prescription Drug Benefit.
- Under transplant benefits in the Medical and Surgical Benefits provision, pancreas is added to the list of other transplants covered.
- Under Mental Conditions Benefits, inpatient days may be exchanged for outpatient treatment as a rate of four outpatient visits or two partial treatment days for each inpatient day when approved by the Plan. Previously, inpatient days could be exchanged for outpatient treatment at a rate of two day treatments for each inpatient day.
- Short-term pulmonary rehabilitation is provided on an outpatient basis within a sixty (60) day period per incident of illness if significant improvement can be expected within this time period.
- Artificial insemination is now subject to an office visit copay.

Clarifications

- 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 (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 (or Part A).

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.

- 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 or when the pregnancy is the result of an act of rape or incest.
- The benefit "Nonexperimental implants" is now termed "The insertion of internal prosthetic devices".
- Under transplant benefits in the Medical and Surgical Benefits provision, single and double lung and heart-lung are added to the list of other transplants covered.
- The Procedure to follow under Emergency Benefits stipulates that the primary care physician is to be the first point of contact in an emergency situation.
- Medical and Surgical Benefits have been clarified to show that dental implants are not a covered benefit.
- Limited Benefits in the Medical and Surgical Benefits provision have been clarified to show that Clomiphene Citrate is covered for infertility, but is not an injectable drug.
- Under POS Benefits, routine and preventive care and routine GYN exams are included in the \$150 aggregate allowed for preventive care.

- Medical and Surgical Benefits have been clarified to show that outpatient cardiac rehabilitation is not covered.

Other changes

- This Plan has been redesignated a "Health Maintenance Organization with a Point of Service (or POS) Product." It offers its members the option of using either Plan or non-Plan providers each time they require medical care. See "Point of Service Benefits" on page 19-20 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 "Opt-out 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) or an equivalent agency to be payable under workers' compensation or similar Federal or State laws. The Plan is entitled to be reimbursed by OWCP or the equivalent agency for services it provided that were later found to be payable by OWCP or the agency.
- The paragraph on "liability insurance and third party actions" under "General Limitations", has been revised to explain this Plan's procedures and policies for obtaining reimbursement from a

member who has recovered benefits from a third party (also known as subrogation of benefits).

- **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.

- The Plan expanded its service and enrollment areas under Enrollment Code KL to include the Pennsylvania counties of Erie, Lebanon, Northumberland, Pike, Snyder, and Susquehanna.

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, AND SERVICES AVAILABLE AS POS BENEFITS FOR STANDARD OPTION ONLY, ARE COVERED ONLY WHEN PROVIDED OR ARRANGED BY PLAN DOCTORS.

Benefits High option pays/provide Page

Inpatient care

Hospital

Comprehensive range of medical and surgical services without 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. You pay nothing.....12

Extended care

All necessary services, no dollar limit. You pay nothing.....12

Mental conditions

Diagnosis and treatment of acute psychiatric conditions for up to 35 days of inpatient care per year. You pay nothing for up to 35 days – all charges thereafter.....14

Substance abuse

Up to 35 days at a substance abuse facility per calendar year. You pay nothing for up to 35 days - all charges thereafter..... 14

Outpatient care

Comprehensive range of services such as diagnosis and treatment of illness or injury, including well-baby care, periodic check-ups and routine immunizations; laboratory tests and Xrays; complete maternity care. You pay a \$5 copay per primary doctor office visit; \$10 copay per home visit.....10

Home health care

All necessary visits by nurses and health aides. You pay nothing per visit.....10

Mental conditions

Up to 20 outpatient visits per calendar year. You pay the following copay per outpatient visit.....14

Visits 1 and 2 — covered in full

Visits 3 — 10 — a \$10 copay/visit*

Visits 11 — 20 — a \$25 copay/visit*

*or 50% of cost of visit, whichever is less.

Substance abuse

Up to 60 outpatient visits per calendar year. You pay nothing for visits 1-60-all charges thereafter.....14

Emergency care

Reasonable charges for services required because of medical emergency. You pay a \$10 copay after hours at primary doctor's office, a \$35 copay to the hospital for each emergency room visit and any charges for services that are not covered benefits of this Plan.....13

Prescription drugs

Drugs prescribed by a Plan doctor and obtained at your chosen participating pharmacy. You pay a \$5 copay for generic and a \$10 copay for brand name drugs per prescription unit or refill, up to a 90 day supply for maintenance drugs15

Dental care

Dental care. You pay a \$2 copay per office visit.....16

Vision care

Routine refraction and up to \$70 for eyeglasses or contact lenses per 24-month period. You pay a \$5 copay.....16

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 services provided or arranged by the Plan reach a maximum of 100% of annual premium per Self Only or 100% of annual premium per Self and Family enrollment per calendar year. This copay maximum does not include prescription drugs.....7

Benefits Standard option pays/provides Page

Inpatient care

Hospital

Comprehensive range of medical and surgical services without 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. You pay nothing.....12

Extended care

All necessary services, no dollar or day limit. You pay nothing.....12

Mental conditions

Diagnosis and treatment of acute psychiatric conditions for up to 35 days of inpatient care per calendar year. You pay nothing..14

Substance abuse

Up to 35 days at a substance abuse facility per calendar year. You pay nothing for up to 35 days - all charges thereafter..... 14

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 checkups and routine immunizations; laboratory tests and X-rays; complete maternity care. You pay a \$10 copay per primary doctor visit; a \$15 copay per home visit; a \$15 copay per specialist's office visit; and \$15 copay for laboratory tests, X-rays or any other service rendered at an outpatient facility.....10

Home health care

All necessary visits by nurses and health aides. You pay nothing per visit.....10

Mental conditions

Up to 20 outpatient visits per calendar year. You pay a \$25 copay per outpatient visit.....14

Substance abuse

Up to 60 outpatient visits per calendar year. You pay a \$15 copay per visit up to a maximum \$240 for 60 visits-all charges thereafter.....14

Emergency care

Reasonable charges for services required because of medical emergency. You pay a \$15 copay after hours at primary doctor's office; a \$15 copay after hours at specialist's office and a \$35 copay to the hospital for each emergency room visit and any charges for services that are not covered benefits of this Plan.....13

Prescription drugs

Drugs prescribed by a Plan doctor and obtained at your chosen participating pharmacy. You pay a \$10 copay for generic and a \$15 copay for brand name drugs per prescription unit or refill, up to a 90 day supply for maintenance drugs.....15

Dental care

No current benefit

Vision care

Routine refraction; You pay a \$15 copay.....16

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.....19-20

Out-of-pocket limit

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 services provided or arranged by the Plan reach a maximum of \$1,500 per Self Only enrollment and \$3,000 per Self and Family enrollment per calendar year. This copay maximum does not include prescription drugs. POS deductibles are \$300 for Self Only and \$900 for Self and family.....7