PacifiCare of Nevada

PacifiCare®

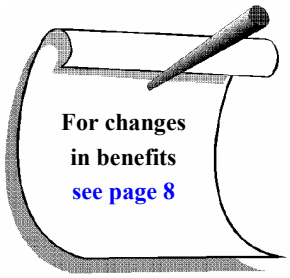
http://www.pacificare.com

2005

A Health Maintenance Organization

Serving: Clark County

Enrollment in this Plan is limited. You must live or work in our geographic service area to enroll. See page 7 for requirements.



Enrollment codes for this Plan:
Nevada
K91 Self only
K92 Self and Family

This plan has Excellent Accreditation from the NCQA. See the 2005 Guide for more information on NCQA.

Authorized for distribution by the:

United States
Office of Personnel Management

Center for
Retirement and Insurance Services
http://www.opm.gov/insure

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-0001

OFFICE OF THE DIRECTOR

Dear Federal Employees Health Benefits Program Participant:

Welcome to the 2005 Open Season! By continuing to introduce pro-consumer health care ideas, the Office of Personnel Management (OPM) team has given you greater, cost effective choices. This year several national and local health plans are offering new options, strengthening the Federal Employees Health Benefits (FEHB) Program and highlighting once again its unique and distinctive market-oriented features. I remain firm in my belief that you, when fully informed as a Federal subscriber, are in the best position to make the decisions that meet your needs and those of your family. Plan brochures provide information to help subscribers make these fully informed decisions. Please take the time to review the plan's benefits, particularly Section 2, which explains plan changes.

Exciting new features this year give you additional opportunities to save and better manage your hard-earned dollars. For 2005, I am very pleased and enthusiastic about the new High Deductible Health Plans (HDHP) with a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA) component. This combination of health plan and savings vehicle provides a new opportunity to save and better manage your money. If an HDHP/HSA is not for you and you are not retired, I encourage you to consider a Flexible Spending Account (FSA) for health care. FSAs allow you to reduce your out-of-pocket health care costs by 20 to more than 40 percent by paying for certain health care expenses with tax-free dollars, instead of after-tax dollars.

Since prevention remains a major factor in the cost of health care, last year OPM launched the *HealthierFeds* campaign. Through this effort we are encouraging Federal team members to take greater responsibility for living a healthier lifestyle. The positive effect of a healthier lifestyle brings dividends for you and reduces the demands and costs within the health care system. This campaign embraces four key "actions" that can lead to a healthy America: be physically active every day, eat a nutritious diet, seek out preventative screenings, and make healthy lifestyle choices. Be sure to visit *HealthierFeds* at www.healthierfeds.opm.gov for more details on this important initiative. I also encourage you to visit the Department of Health and Human Services Web site on Wellness and Safety, www.hhs.gov/safety/index.shtml, which complements and broadens healthier lifestyle resources. The site provides extensive information from health care experts and organizations to support your personal interest in staying healthy.

The FEHB Program offers the Federal team the widest array of cost-effective health care options and the information needed to make the best choice for you and your family. You will find comprehensive health plan information in this brochure, in the 2005 Guide to FEHB Plans, and on the OPM Web site at www.opm.gov/insure. I hope you find these resources useful, and thank you once again for your service to the nation.

Sincerely,

Kay Coles James
Director

Notice of the Office of Personnel Management's Privacy Practices

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

By law, the United States Office of Personnel Management (OPM), which administers the Federal Employees Health Benefits (FEHB) Program, is required to protect the privacy of your personal medical information. OPM is also required to give you this notice to tell you how OPM may use and give out ("disclose") your personal medical information held by OPM.

OPM **will** use and give out your personal medical information:

- To you or someone who has the legal right to act for you (your personal representative),
- To the Secretary of the Department of Health and Human Services, if necessary, to make sure your privacy is protected,
- To law enforcement officials when investigating and/or prosecuting alleged or civil or criminal actions, and
- Where required by law.

OPM **has the right to** use and give out your personal medical information to administer the FEHB Program. For example:

- To communicate with your FEHB health plan when you or someone you have authorized to act on your behalf asks for our assistance regarding a benefit or customer service issue.
- To review, make a decision, or litigate your disputed claim.
- For OPM and the General Accounting Office when conducting audits.

OPM **may** use or give out your personal medical information for the following purposes under limited circumstances:

- For Government healthcare oversight activities (such as fraud and abuse investigations),
- For research studies that meet all privacy law requirements (such as for medical research or education), and
- To avoid a serious and imminent threat to health or safety.

By law, OPM must have your written permission (an "authorization") to use or give out your personal medical information for any purpose that is not set out in this notice. You may take back ("revoke") your written permission at any time, except if OPM has already acted based on your permission.

By law, you **have the right to**:

- See and get a copy of your personal medical information held by OPM.
- Amend any of your personal medical information created by OPM if you believe that it is wrong or if information is missing, and OPM agrees. If OPM disagrees, you may have a statement of your disagreement added to your personal medical information.
- Get a listing of those getting your personal medical information from OPM in the past 6 years. The listing will not cover your personal medical information that was given to you or your personal representative, any information that you authorized OPM to release, or that was given out for law enforcement purposes or to pay for your health care or a disputed claim.
- Ask OPM to communicate with you in a different manner or at a different place (for example, by sending materials to a P.O. Box instead of your home address).
- Ask OPM to limit how your personal medical information is used or given out. However, OPM may not be able to agree to your request if the information is used to conduct operations in the manner described above.
- Get a separate paper copy of this notice.

For more information on exercising your rights set out in this notice, look at www.opm.gov/insure on the web. You may also call 202-606-0745 and ask for OPM's FEHB Program privacy official for this purpose.

If you believe OPM has violated your privacy rights set out in this notice, you may file a complaint with OPM at the following address:

Privacy Complaints
United States Office of Personnel Management
P.O. Box 707
Washington, DC 20004-0707

Filing a complaint will not affect your benefits under the FEHB Program. You also may file a complaint with the Secretary of the Department of Health and Human Services.

By law, OPM is required to follow the terms in this privacy notice. OPM has the right to change the way your personal medical information is used and given out. If OPM makes any changes, you will get a new notice by mail within 60 days of the change. The privacy practices listed in this notice are effective April 14, 2003.

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Introduction

This brochure describes the benefits of PacifiCare of Nevada, Inc. under our contract (CS 2899) with the United States Office of Personnel Management (OPM), as authorized by the Federal Employees Health Benefits law. The address for PacifiCare administrative offices is:

PacifiCare of Nevada
4601 E. Hilton Avenue
AZ74-107
Phoenix, AZ 81054

This brochure is the official statement of benefits. No oral statement can modify or otherwise affect the benefits, limitations, and exclusions of this brochure. It is your responsibility to be informed about your health benefits.

If you are enrolled in this Plan you are entitled to the benefits described in this brochure. If you are enrolled in Self and Family coverage, each eligible family member is also entitled to these benefits. You do not have a right to benefits that were available before January 1, 2005, unless those benefits are also shown in this brochure.

OPM negotiates benefits and rates with each plan annually. Benefit changes are effective January 1, 2005, and are summarized on page 8. Rates are shown at the end of this brochure.

Plain Language

All FEHB brochures are written in plain language to make them responsive, accessible, and understandable to the public. For instance,

- Except for necessary technical terms, we use common words. For instance, "you" means the enrollee or family member; "we" means PacifiCare.
- We limit acronyms to ones you know. FEHB is the Federal Employees Health Benefits Program. OPM is the United States Office of Personnel Management. If we use others, we tell you what they mean first.
- Our brochure and other FEHB plans' brochures have the same format and similar descriptions to help you compare plans.

If you have comments or suggestions about how to improve the structure of this brochure, let OPM know. Visit OPM's "Rate Us" feedback area at www.opm.gov/insure or e-mail OPM at fehbwebcomments@opm.gov. You may also write to OPM at the U.S. Office of Personnel Management, Insurance Services Programs, Program Planning and Evaluation Group, 1900 E Street, NW, Washington, DC 20415-3650.

Stop Health Care Fraud!

Fraud increases the cost of health care for everyone and increases your Federal Employees Health Benefits (FEHB) Program premium.

OPM's Office of the Inspector General investigates all allegations of fraud, waste, and abuse in the FEHB Program regardless of the agency that employs you or from which you retired.

Protect Yourself From Fraud – Here are some things you can do to prevent fraud:

- Be wary of giving your plan identification (ID) number over the telephone or to people you do not know, except to your doctor, other provider, authorized plan or OPM representative.
- Let only the appropriate medical professionals review your medical record or recommend services.

- Avoid using health care providers who say that an item or service is not usually covered, but they know how to bill us to get it paid.
- Carefully review explanations of benefits (EOBs) that you receive from us.
- Do not ask your doctor to make false entries on certificates, bills or records in order to get us to pay for an item or service.
- If you suspect that a provider has charged you for services you did not receive, billed you twice for the same service, or misrepresented any information, do the following:

  Call the provider and ask for an explanation. There may be an error.

  If the provider does not resolve the matter, call us at 1 (800) 531-3341 and explain the situation.

  If we do not resolve the issue:

CALL – THE HEALTH CARE FRAUD HOTLINE
202-418-3300

OR WRITE TO:
United States Office of Personnel Management
Office of the Inspector General Fraud Hotline
1900 E Street, NW, Room 6400
Washington, DC 20415-110

- Do not maintain as a family member on your policy:

  Your former spouse after a divorce decree or annulment is final (even if a court order stipulates otherwise); or

  Your child over age 22 (unless he/she is disabled and incapable of self support).
- If you have any questions about the eligibility of a dependent, check with your personnel office if you are employed, with your retirement office (such as OPM) if you are retired, or with the National Finance Center if you are enrolled under Temporary Continuation of Coverage.
- You can be prosecuted for fraud and your agency may take action against you if you falsify a claim to obtain FEHB benefits or try to obtain services for someone who is not an eligible family member or who is no longer enrolled in the Plan.

Preventing Medical Mistakes

An influential report from the Institute of Medicine estimates that up to 98,000 Americans die every year from medical mistakes in hospitals alone. That's about 3,230 preventable deaths in the FEHB Program a year. While death is the most tragic outcome, medical mistakes cause other problems such as permanent disabilities, extended hospital stays, longer recoveries, and even additional treatments. By asking questions, learning more and understanding your risks, you can improve the safety of your own health care, and that of your family members. Take these simple steps:

1. Ask questions if you have doubts or concerns.

- Ask questions and make sure you understand the answers.
- Choose a doctor with whom you feel comfortable talking.
- Take a relative or friend with you to help you ask questions and understand answers.

2. Keep and bring a list of all the medicines you take.

- Give your doctor and pharmacist a list of all the medicines that you take, including non-prescription medicines.
- Tell them about any drug allergies you have.
- Ask about side effects and what to avoid while taking the medicine.
- Read the label when you get your medicine, including all warnings.
- Make sure your medicine is what the doctor ordered and know how to use it.
- Ask the pharmacist about your medicine if it looks different than you expected.

3. Get the results of any test or procedure.

- Ask when and how you will get the results of test or procedures.
- Don't assume the results are fine if you do not get them when expected, be it in person, by phone, or by mail.
- Call your doctor and ask for your results.
- Ask what the results mean for your care.

4. Talk to your doctor about which hospital is best for your health needs.

- Ask your doctor about which hospital has the best care and results for your condition if you have more than one hospital to choose from to get the health care you need.
- Be sure you understand the instructions you get about follow-up care when you leave the hospital.

5. Make sure you understand what will happen if you need surgery.

- Make sure you, your doctor, and your surgeon all agree on exactly what will be done during the operation.
- Ask your doctor, "Who will manage my care when I am in the hospital?"
- Ask your surgeon:
  Exactly what will you be doing?
  About how long will it take?
  What will happen after surgery?
  How can I expect to feel during recovery?
- Tell the surgeon, anesthesiologist, and nurses about any allergies, bad reaction to anesthesia, and any medications you are taking.

Want more information on patient safety?

- www.ahrq.gov/consumer/pathqpack.html. The Agency for Healthcare Research and Quality makes available a wide-ranging list of topics not only to inform consumers about patient safety but to help choose quality health care providers and improve the quality of care you receive.
- www.npsf.org. The National Patient Safety Foundation has information on how to ensure safer healthcare for you and your family.
- www.talkaboutrx.org/consumer.html. The National Council on Patient Information and Education is dedicated to improving communication about the safe, appropriate use of medicines.
- www.leapfroggroup.org. The Leapfrog Group is active in promoting safe practices in hospital care.
- www.ahqa.org. The American Health Quality Association represents organizations and healthcare professionals working to improve patient safety.
- www.quic.gov/report. Find out what federal agencies are doing to identify threats to patient safety and help prevent mistakes in the nation's healthcare delivery system.

Section 1. Facts about this HMO plan

This Plan is a health maintenance organization (HMO). We require you to see specific physicians, hospitals, and other providers that contract with us. These Plan providers coordinate your health care services. The Plan is solely responsible for the selection of these providers in your area. Contact the Plan for a copy of their most recent provider directory.

HMO's emphasize preventive care such as routine office visits, physical exams, well-baby care, and immunizations, in addition to treatment for illness and injury. Our providers follow generally accepted medical practice when prescribing any course of treatment.

When you receive services from Plan providers, you will not have to submit claim forms or pay bills. You only pay the copayments, coinsurance, and deductibles described in this brochure. When you receive emergency services from non-Plan providers, you may have to submit claim forms.

You should join an HMO because you prefer the plan's benefits, not because a particular provider is available. You cannot change plans because a provider leaves our Plan. We cannot guarantee that any one physician, hospital, or other provider will be available and/or remain under contract with us.

How we pay providers

We contract with individual physicians, medical groups, and hospitals to provide the benefits in this brochure. These Plan providers accept a negotiated payment from us, and you will only be responsible for your copayments or coinsurance.

Your Rights

OPM requires that all FEHB Plans provide certain information to their FEHB members. You may get information about us, our networks, providers, and facilities. OPM's FEHB Web site (www.opm.gov/insure) lists the specific types of information that we must make available to you. Some of the required information is listed below.

- PacifiCare Health Systems has been in existence since 1975. We were founded by the Lutheran Hospital Society now called UniHealth America. We began operating as a Federally qualified Health Maintenance Organization (HMO) in 1978.

- PacifiCare is a for profit organization.

If you want more information about us, call 1 (800) 531-3341, or write to 410 N. 44th Street, MS AZ 70-956, Phoenix, AZ 85008. You may also contact us by fax at (480) 303-7678 or visit our Web site at www.pacificare.com.

Service Area

To enroll in this Plan, you must live or work in our service area. This is where our providers practice.

Our service areas are:

NEVADA
Serving: Clark county Nevada identified by the following cities:
Blue Diamond, Boulder City, Bunkerville, Cal/Nev/Ari, Henderson, Jean, Indian Springs, Las Vegas, Logandale, Mesquite, Moapa, Mt. Charleston, North Las Vegas, Nellis AFB, Overton and Searchlight

Ordinarily, you must get your care from providers who contract with us. If you receive care outside our service area, we will pay only for emergency care benefits. We will not pay for any other health care services out of our service area unless the services have prior plan approval.

If you or a covered family member move outside of our service area, you can enroll in another plan. If your dependents live out of the area (for example, if your child goes to college in another state), you should consider enrolling in a fee-for-service plan or an HMO that has agreements with affiliates in other areas. If you or a family member move, you do not have to wait until Open Season to change plans. Contact your employing or retirement office.

Section 2. How we change for 2005

Do not rely on these change descriptions; this page is not an official statement of benefits. For that, go to Section 5 Benefits. Also, we edited and clarified language throughout the brochure; any language change not shown here is a clarification that does not change benefits.

Program-wide changes

- In Section 9, we revised the **Medicare Primary Payer Chart** and updated the language regarding Medicare Advantage plans (formerly called Medicare + Choice plans).
- In Section 12, we revised the language regarding the Flexible Spending Account Program - *FSAFEDS* and the Federal Long Term Care Insurance Program.

Changes to this Plan

- Your share of the non-Postal premium will increase by 11.2% for Self Only coverage and increase by 11.2% for Self and Family coverage.
- **Infertility services -** The Plan will no longer cover fertility drugs.
- **Infertility services -** Artificial insemination is now limited to three cycles per pregnancy.
- **Self-injectable medications** - You now pay a $50 copayment per self-injectable prescription unit.
- **Specialized scanning** - You now pay a $200 copayment for all specialized scanning exams, such as MRIs, CT, PET and SPECT Scans.
- **Outpatient hospital or ambulatory surgical center**– You now pay a $100 copayment per outpatient surgery or procedure.
- **Durable medical equipment (DME) -** You pay 20% of the cost for covered DME up to $1,500 per calendar year and all charges above $1,500.
- **Out-of-pocket maximum** – Your catastrophic protection out of pocket maximum has decreased to $3,000 per person or $9,000 per self and family enrollment.

Section 3. How you get care

Identification cards

We will send you an identification (ID) card. You should carry your ID card with you at all times. You must show it whenever you receive services from a Plan provider, or fill a prescription at a Plan pharmacy. Until you receive your ID card, use your copy of the Health Benefits Election Form, SF-2809, your health benefits enrollment confirmation (for annuitants), or your Employee Express confirmation letter.

If you do not receive your ID card within 30 days after the effective date of your enrollment, or if you need replacement cards, call us at 1 (800) 531-3341 or write to us at PacifiCare of Nevada, 4601 E. Hilton Avenue, MS AZ74-107, Phoenix, AZ 81054. You may also request replacement cards through our Web site at www.pacificare.com.

Where you get covered care

You get care from "Plan providers" and "Plan facilities." You will only pay copayments and/or coinsurance, and you will not have to file claims unless you receive out of area emergency services.

• Plan providers

Plan providers are physicians and other health care professionals in our service area that we contract with to provide covered services to our members. We credential Plan providers according to national standards.

We list Plan providers in the provider directory, which we update periodically. The list is also on our Web site, which you can also access at www.pacificare.com.

• Plan facilities

Plan facilities are hospitals and other facilities in our service area that we contract with to provide covered services to our members. We list these in the provider directory, which we update periodically. The list is also on our Web site.

What you must do to get covered care

It depends on the type of care you need. First, you and each family member must choose a primary care physician. This decision is important since your primary care physician provides or arranges for most of your health care. You may select a primary care doctor by completing the Primary Care Doctor Selection form inside your enrollment packet.

• Primary care

Your primary care physician can be a family practitioner, internist, general practitioner or pediatrician for children under 18 years of age. Your primary care physician will provide most of your health care, or give you a referral to see a specialist.

If you want to change primary care physicians or if your primary care physician leaves the Plan, call us. We will help you select a new one.

• Specialty care

Your primary care physician will refer you to a specialist for needed care. When you receive a referral from your primary care physician, you must return to the primary care physician after the consultation, unless your primary care physician authorized a certain number of visits without additional referrals. The primary care physician must provide or authorize all follow-up care. Do not go to the specialist for return visits unless your primary care physician gives you a referral.

However, women may see an OB/Gyn within their primary medical group once every twelve months for the well-woman exam, without a referral.

Here are other things you should know about specialty care:

- If you need to see a specialist frequently because of a chronic, complex, or serious medical condition, your primary care physician will coordinate with your specialist and PacifiCare to develop a treatment plan that allows you to see your specialist for a certain number of visits without additional referrals. Your primary care physician will use our criteria when creating your treatment plan (the physician may have to get an authorization or approval beforehand).

- If you are seeing a specialist when you enroll in our Plan, talk to your primary care physician. Your primary care physician will decide what treatment you need. If he or she decides to refer you to a specialist, ask if you can see your current specialist. If your current specialist does not participate with us, you must receive treatment from a specialist who does. Generally, we will not pay for you to see a specialist who does not participate with our Plan.

- If you are seeing a specialist and your specialist leaves the Plan, call your primary care physician, who will arrange for you to see another specialist. You may receive services from your current specialist until we can make arrangements for you to see someone else.

- If you have a chronic or disabling condition and lose access to your specialist because we:

  – Terminate our contract with your specialist for other than cause; or

  – Drop out of the Federal Employees Health Benefits (FEHB) Program and you enroll in another FEHB Plan; or

  – Reduce our service area and you enroll in another FEHB Plan,

you may be able to continue seeing your specialist for up to 90 days after you receive notice of the change. Contact us, or if we drop out of the Program, contact your new plan.

If you are in the second or third trimester of pregnancy and you lose access to your specialist based on the above circumstances, you can continue to see your specialist until the end of your postpartum care, even if it is beyond the 90 days.

- **Hospital care**

Your Plan primary care physician or specialist will make necessary hospital arrangements and supervise your care. This includes admission to a skilled nursing or other type of facility.

If you are in the hospital when your enrollment in our Plan begins, call our customer service department immediately at 1 (800) 531-3341. If you are new to the FEHB Program, we will arrange for you to receive care.

If you changed from another FEHB plan to us, your former plan will pay for the hospital stay until:

- You are discharged, not merely moved to an alternative care center; or

- The day your benefits from your former plan run out; or

- The 92nd day after you become a member of this Plan, whichever happens first.

These provisions apply only to the benefits of the hospitalized person. If your plan terminates participation in the FEHB Program in whole or in part, or if OPM 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.

Circumstances beyond our control

Under certain extraordinary circumstances, such as natural disasters, we may have to delay your services or we may be unable to provide them. In that case, we will make all reasonable efforts to provide you with the necessary care.

Services requiring our prior approval

Your primary care physician has authority to refer you for most services. For certain services, however, your physician must obtain approval from us. Before giving approval, we consider if the service is covered, medically necessary, and follows generally accepted medical practice.

We call this the approval process precertification. Your physician must obtain approval for some services such as but not limited to:

- Cardiovascular bypass surgery
- Septoplasty
- Cholecystectomy
- Hysterectomy
- Arthroplasty
- MRIs, CT, PET & SPECT scans
- Growth Hormone Treatment (GHT)

PacifiCare of Nevada Inc. may determine medical necessity by using preauthorization programs and criteria. Our criteria are written guidelines established by us to determine medical necessity and/or coverage for certain procedure and treatments. Our criteria are based on research of scientific literature, collaboration with physician specialists and compliance with federal and national regulatory agency guidelines. Criteria are approved by the PacifiCare Interpretation Committee and Technology Assessment and Guideline and are reviewed and revised on a regular basis. Criteria are available for review by the member's participating physician, the member or the member's representative. If you do not receive prior approval you may be responsible for charges. Always return to your primary care physician for prior approval.

Section 4. Your costs for covered services

You must share the cost of some services. You are responsible for:

Copayments

A copayment is a fixed amount of money you pay to the provider, facility or pharmacy when you receive services.

Example: When you see your primary care physician you pay a copayment of $15 per office visit and when you go in the hospital, you pay $200 per day up to 5 days per inpatient admission.

Deductible

A deductible is a fixed expense you must incur for certain covered services and supplies before we start paying benefits for them. We do not have a deductible.

Coinsurance

Coinsurance is the percentage that you must pay for your care.
Example: You pay 50% for covered infertility services.

Your catastrophic protection out-of-pocket maximum

After your copayments total $3,000 per person or $9,000 per self and family enrollment in any calendar year, you do not have to pay any more for covered services. However, copayments for the following services do not count toward your catastrophic protection out-of-pocket maximum , and you must continue to pay copayments for these services:

- Prescription Drugs
- Dental Services
- Vision services
- Chiropractic services

Be sure to keep accurate records of your copayments since you are responsible for informing us when you reach the maximum.

Section 5. Benefits – OVERVIEW

(See page 8 for how our benefits changed this year and page 56 for a benefits summary.)

Note: This benefits section is divided into subsections. Please read the important things you should keep in mind at the beginning of each subsection. Also read the General Exclusions in Section 6; they apply to the benefits in the following subsections. To obtain claim forms, claims filing advice, or more information about our benefits, contact us at *(800) 531-3341* or at our Web site at www.pacificare.com

Section 5(a) Medical services and supplies provided by physicians and other health care professionals 15
- Diagnostic and treatment services 15
- Lab, X-ray and other diagnostic tests 15
- Preventive care, adult 16
- Preventive care, children 16
- Maternity care 17
- Family planning 17
- Infertility services 17
- Allergy care 18
- Treatment therapies 18
- Physical and occupational therapies 18
- Speech therapy 19
- Hearing services (testing, treatment, and supplies) 19
- Vision services (testing, treatment, and supplies) 19
- Foot care 19
- Orthopedic and prosthetic devices 20
- Durable medical equipment (DME) 20
- Home health services 21
- Chiropractic 21
- Alternative treatments 21
- Educational classes and programs 21

Section 5(b) Surgical and anesthesia services provided by physicians and other health care professionals 22
- Surgical procedures 22
- Reconstructive surgery 23
- Oral and maxillofacial surgery 23
- Organ/tissue transplants 24
- Anesthesia 25

Section 5(c) Services provided by a hospital or other facility, and ambulance services 26
- Inpatient hospital 26
- Outpatient hospital or ambulatory surgical center 27
- Extended care benefits/Skilled nursing care facility benefits 27
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Section 5(a) Medical services and supplies provided by physicians and other health care professionals

IMPORTANT

Here are some important things to keep in mind about these benefits:

- Please remember all benefits are subject to the definitions, limitations, and exclusions in this brochure and are payable only when we determine they are medically necessary.
- Plan physicians must provide or arrange your care.
- We do not have a deductible.
- Be sure to read Section 4, *Your costs for covered services*, for valuable information about how cost sharing works. Also read Section 9 about coordinating benefits with other coverage, including with Medicare.

IMPORTANT

Benefit Description	You pay
Diagnostic and treatment services	
Professional services of physicians ▪ In a physician's office ▪ In an urgent care center ▪ During a hospital stay ▪ In a skilled nursing facility ▪ Office medical consultations ▪ Second surgical opinion ▪ Electrocardiogram ▪ EEG	$15 per primary care physician (PCP) office visit. $30 per specialist office visit $45 copayment per urgent care center. Nothing for inpatient services.
At home doctors house calls or visits by nurses and health aides	$15 per visit
Lab, X-ray and other diagnostic tests	
Tests, such as: ▪ Blood tests ▪ Urinalysis ▪ Non-routine pap tests ▪ Pathology ▪ X-rays ▪ Non-routine Mammograms ▪ Ultrasound ▪ Electrocardiogram	Nothing if you receive the referral for these services during your office visit.
Specialized scanning diagnostic exams	
▪ CT Scans ▪ PET Scans ▪ SPECT Scans ▪ MRI **Note**: Preauthorization required for specialized scanning diagnostic exams.	$200 copayment per exam.

Preventive care, adult	You pay
Routine screenings, such as: ▪ Total Blood Cholesterol ▪ Colorectal Cancer Screening, including – Fecal occult blood test – Sigmoidoscopy, screening – every five years starting at age 50. – Double contrast barium enema - every five years starting at age 50. – Colonoscopy screening - every ten years starting at age 50.	Nothing if you receive these services during your office visit; otherwise, $15 per PCP office visit, $30 per specialist office visit
Prostate Specific Antigen (PSA test) – one annually for men age 40 and older	$15 per PCP office visit, $30 per specialist office visit
Routine pap test Note: The office visit is covered if pap test is received on the same day; see Diagnosis and Treatment, above.	$15 per PCP office visit, $30 per specialist office visit
Routine mammogram – covered for women age 35 and older, as follows: ▪ From age 35 through 39, one during this five year period ▪ From age 40 through 64, one every calendar year ▪ At age 65 and older, one every two consecutive calendar years	Nothing if you receive the referral for these services during your office visit; otherwise, $15 per PCP office visit, $30 per specialist office visit
Not covered: ▪ *Physical exams required for obtaining or continuing employment or insurance, attending schools or camp, or travel.* ▪ *Immunizations for travel*	*All charges.*
Routine immunizations limited to: ▪ Tetanus-diphtheria (Td) booster – once every 10 years, ages 19 and over (except as provided for under Childhood immunizations). ▪ Influenza vaccines, annually ▪ Pneumococcal vaccine, age 65 and over visit	Nothing if you receive these services during your office visit; otherwise $15 per PCP office visit, $30 per specialist office visit
Preventive care, children	
▪ Childhood immunizations recommended by the American Academy of Pediatrics and the ACIP	Nothing if you receive these services during your office visit; otherwise $15 per PCP office visit, $30 per specialist office visit
▪ Well-child care charges for routine examinations, immunizations and care (up to age 22 years). ▪ Examinations, such as: – Eye exams to determine the need for vision correction. – Ear exams to determine the need for hearing correction. – Examinations done on the day of immunizations (up to age 22 years).	$15 per PCP office visit, $30 per specialist office visit

Maternity care	You pay
Complete maternity (obstetrical) care, such as: ▪ Prenatal care ▪ Delivery ▪ Postnatal care Note: Here are some things to keep in mind: ▪ You do not need to precertify your normal delivery; see page 27 for other circumstances, such as extended stays for you or your baby. ▪ You may remain in the hospital up to 48 hours after a regular delivery and 96 hours after a cesarean delivery. We will extend your inpatient stay if medically necessary. ▪ We cover routine nursery care of the newborn child during the covered portion of the mother's maternity stay. We will cover other care of an infant who requires non-routine treatment only if we cover the infant under a Self and Family enrollment. Note: Circumcisions for newborns are covered under surgical benefit not maternity benefits. See section 5 (b). We pay hospitalization and surgeon services (delivery) the same as for illness and injury. See Hospital benefits (Section 5c) and Surgery benefits (Section 5b).	A single $30 copayment for the entire pregnancy.
Not covered: Routine sonograms and genetic testing to determine fetal sex.	*All charges.*
Family planning	
A broad range of family services such as: ▪ Voluntary sterilization (See Surgical procedures Section 5(b)) ▪ Surgically implanted contraceptives ▪ Injectable contraceptive drugs (such as Depo-Provera) ▪ Intrauterine devices (IUDs) Note: We cover oral contraceptives and diaphragms under the prescription drug benefit.	$15 per PCP office visit, $30 per specialist office visit.
Not covered: Reversal of voluntary surgical sterilization *Genetic counseling, unless part of authorized genetic testing.*	*All charges.*
Infertility services	
Diagnosis and treatment of infertility, such as: ▪ Artificial insemination: (Up to **three** cycles per pregnancy) – intravaginal insemination (IVI) – intracervical insemination (ICI) – intrauterine insemination (IUI)	50% of all covered charges

Infertility Services continued on next page.

Infertility services *(continued)*	**You pay**
Not covered: ▪ *Fertility drugs* ▪ *Advanced reproductive technology (ART) procedures, such as:* – *in vitro fertilization* – *embryo transfer, gamete intra-fallopian transfer (GIFT) and zygote intra-fallopian transfer (ZIFT)* ▪ *Services and supplies related to excluded ART procedures* ▪ *Cost of donor sperm* ▪ *Cost of donor egg*	*All charges.*
Allergy care	
Testing and treatment Allergy injection	$15 per PCP office visit, $30 per specialist office visit
Allergy serum	Nothing
Not covered: provocative food testing and sublingual allergy desensitization.	*All charges.*
Treatment therapies	
▪ Chemotherapy and radiation therapy Note: High dose chemotherapy in association with autologous bone marrow transplants is limited to those transplants listed under Organ/Tissue Transplants on page 24. ▪ Respiratory and inhalation therapy ▪ Dialysis – hemodialysis and peritoneal dialysis ▪ Intravenous (IV)/Infusion Therapy – Home IV and antibiotic therapy ▪ Growth hormone therapy (GHT) Note: We will only cover GHT when we preauthorize the treatment. We will ask you to submit information that establishes that the GHT is medically necessary. Ask us to authorize GHT before you begin treatment; otherwise, we will only cover GHT services from the date you submit the information. If you do not ask or if we determine GHT is not medically necessary, we will not cover the GHT or related services and supplies. See *Services requiring our prior approval in Section 3.*	$30 per treatment.
Not covered: *Other treatment services not listed as covered.*	*All charges.*
Physical and Occupational Therapies	
Physical therapy, occupational therapy ▪ Unlimited visits for the services of each of the following: – qualified physical therapists; – occupational therapists **Note**: We only cover therapy to restore bodily function when there has been a total or partial loss of bodily function due to illness or injury. ▪ Cardiac rehabilitation following a heart transplant, bypass surgery or a myocardial infarction is provided with no day limit. ▪ Pulmonary Rehabilitation	$30 copayment per treatment or therapy visit.
Not covered: ▪ *long-term rehabilitative therapy* ▪ *exercise programs*	*All charges.*

Speech Therapy	You pay
Unlimited visits for the services of: ▪ Qualified speech therapists Note: All therapies are subject to medical necessity	$30 copayment per treatment or therapy visit.
Hearing services (testing, treatment, and supplies)	
▪ First hearing aid and testing only when necessitated by accidental injury ▪ Hearing testing (see Preventive care)	$15 per PCP office visit, $30 per specialist visit
Not covered: ▪ *all other hearing testing* ▪ *all other hearing aids*	*All charges.*
Vision services (testing, treatment, and supplies)	
▪ One pair of eyeglasses or contact lenses to correct an impairment directly caused by accidental ocular injury or intraocular surgery (such as for cataracts)	$15 per PCP office visit, $30 per specialist visit
▪ You may receive one annual eye refraction in a twelve month period. Your annual eye refraction must be performed by an Optometrist or Opthamologist contracted with your medical group or IPA. **Note**: See preventive care children for eye exams for children	$15 per PCP office visit, $30 per specialist visit
▪ You may receive a $100 allowance towards eyeglass frames at a participating Cole vision provider in a 24 consecutive month period. ▪ Eyeglass lenses are at no charge after your copayment at a participating Cole vision provider. ▪ You may receive an $85 allowance towards contacts in lieu of eyeglasses at a participating Cole vision provider. ▪ Medically necessary contact lenses are covered at no charge after your copayment when required for Anisometropia or Keratoconus, or following cataract surgery, or when visibly acuity can not be corrected to 20/70 in the better eye, and conventional type lenses will not improve visual acuity to 20/70 or better. ▪ The eye examination is not covered under this plan but is a benefit of your medical plan. A referral may be required. Please contact your primary care physician for details on your exam benefit.	$25 copayment
Not covered: ▪ *Eye exercises and orthoptics* ▪ *Radial keratotomy and other refractive surgery*	*All charges.*
Foot care	
Routine foot care when you are under active treatment for a metabolic or peripheral vascular disease, such as diabetes. **Note**: See orthopedic and prosthetic devices for information on podiatric shoe inserts.	$15 per PCP office visit, $30 per specialist visit
Not covered: ▪ *Cutting, trimming or removal of corns, calluses, or the free edge of toenails, and similar routine treatment of conditions of the foot, except as stated above.* ▪ *Treatment of weak, strained or flat feet or bunions or spurs; and of any instability, imbalance or subluxation of the foot (unless the treatment is by open cutting surgery).*	*All charges.*

Orthopedic and prosthetic devices	You pay
▪ Artificial limbs and eyes; stump hose. ▪ Foot orthotics when medical criteria is met. ▪ Externally worn breast prostheses and surgical bras, including necessary replacements, following a mastectomy. ▪ Internal prosthetic devices, such as artificial joints, pacemakers, cochlear implants, and surgically implanted breast implant following mastectomy. **Note**: See 5(b) for coverage of the surgery to insert the device. ▪ Corrective orthopedic appliances for non-dental treatment of temporomandibular joint (TMJ) pain dysfunction syndrome. ▪ Prosthetic replacements when the device is beyond repair or the patient requires a new device because of a physical change.	Nothing
Not covered: ▪ *Orthopedic and corrective shoes* ▪ *Arch supports* ▪ *Heel pads and heel cups* ▪ *Lumbosacral supports* ▪ *Corsets, trusses, elastic stockings, support hose, and other supportive devices* ▪ *Prosthetic replacements provided less than three years after the last one we covered*	*All charges.*
Durable medical equipment (DME)	
Rental or purchase, at our option, including repair and adjustment of durable medical equipment, such as oxygen and dialysis equipment. Under this benefit, we also cover durable medical equipment prescribed by your Plan physician such as, but not limited to: ▪ orthopedic brace; ▪ hospital beds; ▪ wheelchairs; ▪ crutches; ▪ walkers; ▪ insulin pumps. **Note**: Call us at 1 (800) 531-3341 as soon as your Plan physician prescribes this equipment. We will advise you of the appropriate provider to contact to arrange rental or purchase of this equipment.	20% of charges up to $1,500 per calendar year and all charges thereafter
Not covered: • *Specialized wheelchairs for comfort and convenience.* • *Any item not medically necessary*	*All charges.*

Home health services	You pay
▪ Home health care ordered by a Plan physician and provided by a registered nurse (R.N.), licensed practical nurse (L.P.N.), licensed vocational nurse (L.V.N.), or home health aide for members who are homebound or confined to an institution that is not a hospital. Homebound members are those who have a physical condition such that there is a normal inability to leave the home. ▪ Services include oxygen therapy, intravenous therapy and medications.	Nothing.
▪ Injectable medications for home use and self-administration by patient when approved by the Plan or your Medical Group. **Note:** Self injectable drugs are covered under the prescription drug benefit. Please see Section 5(f).	A $50 copay per prescription unit
Not covered: ▪ *Nursing care requested by, or for the convenience of, the patient or the patient's family;* ▪ *Services primarily for hygiene, feeding, exercising, moving the patient,homemaking, companionship or giving oral medication.* ▪ *Home care primarily for personal assistance that does not include a medical component and is not diagnostic, therapeutic or rehabilitative.*	*All charges.*
Chiropractic care	
You may self refer to a participating chiropractor for your first visit. A treatment plan must be approved for all follow-up visits. You will get up to 20 visits each calendar year when authorized by American Specialty Health Network. ▪ Manipulation of the spine and extremities ▪ Adjunctive procedures such as ultrasound, electrical muscle, stimulation, vibratory therapy, and cold pack application.	$15 per visit
Alternative treatments	
No benefit	*All charges.*
Not covered: ▪ *Acupuncture* ▪ *Naturopathic services* ▪ *Hypnotherapy* ▪ *Biofeedback* ▪ *Massage therapy*	*All charges.*
Educational classes and programs	
Coverage is limited to: ▪ Smoking cessation – including all related expenses such as Nicotine Replacement* ▪ Taking Charge of Your Heart Health ▪ Diabetes self-management (Taking Charge of Diabetes®) ▪ Pregnancy to Pre-School ▪ Managing Depression For Health Improvement programs offered in your area and for costs associated with those programs, call 1 (800) 531-3341.	*Note: There is a $20 prescription drug copayment for smoking cessation products.

Section 5(b) Surgical and anesthesia services provided by physicians and other health care professionals

IMPORTANT

Here are some important things to keep in mind about these benefits:

- Please remember that all benefits are subject to the definitions, limitations, and exclusions in this brochure and are payable only when we determine they are medically necessary.
- Plan physicians must provide or arrange your care.
- We have no calendar year deductible.
- Be sure to read Section 4, *Your costs for covered services*, for valuable information about how cost sharing works. Also read Section 9 about coordinating benefits with other coverage, including with Medicare.
- The amounts listed below are for the charges billed by a physician or other health care professional for your surgical care. Look in section 5(c) for charges associated with the facility (i.e. hospital, surgical center, etc.)
- YOUR PHYSICIAN MUST GET PRECERTIFICATION FOR SOME SURGICAL PROCEDURES. Please refer to the precertification information shown in Section 3 to be sure which services require precertification and identify which surgeries require precertification.

IMPORTANT

Benefit Description	You pay
Surgical procedures	
A comprehensive range of services, such as: ▪ Operative procedures ▪ Treatment of fractures, including casting ▪ Normal pre- and post-operative care by the surgeon ▪ Correction of amblyopia and strabismus ▪ Endoscopy procedures ▪ Biopsy procedures ▪ Circumcision ▪ Removal of tumors and cysts ▪ Correction of congenital anomalies (see reconstructive surgery) ▪ Surgical treatment of morbid obesity – limited to Roux-en-Y bypass and Vertical banded gastroplasty Morbid obesity is a condition in which an individual weighs 100 pounds or 100% over his or her normal weight according to current underwriting standards; eligible members must be age 18 or over. You must meet the National Institute of Health guidelines. • Insertion of internal prosthetic devices. See 5(a) – Orthopedic and prosthetic devices for device coverage information. ▪ Voluntary sterilization(e.g., Tubal ligation, Vasectomy) ▪ Treatment of burns Note: Generally, we pay for internal prostheses (devices) according to where the procedure is done. For example, we pay Hospital benefits for a pacemaker and Surgery benefits for insertion of the pacemaker.	$15 per PCP office visit, $30 per specialist office Nothing for surgery - $200 copayment per day up to 5 days per inpatient admission or $100 copayment for outpatient surgery
Not covered: ▪ *Reversal of voluntary sterilization* ▪ *Routine treatment of conditions of the foot; see Foot care.*	*All charges.*

Reconstructive surgery	You pay
▪ Surgery to correct a functional defect ▪ Surgery to correct a condition caused by injury or illness if: – the condition produced a major effect on the member's appearance and – the condition can reasonably be expected to be corrected by such surgery ▪ Surgery to correct a condition that existed at or from birth and is a significant deviation from the common form or norm. Examples of congenital anomalies are: protruding ear deformities; cleft lip; cleft palate; birth marks; webbed fingers; and webbed toes.	Nothing for surgery - $200 copayment per day up to 5 days per inpatient admission or $100 copayment for outpatient surgery
▪ All stages of breast reconstruction surgery following a mastectomy, such as: – surgery to produce a symmetrical appearance on the other breast; – treatment of any physical complications, such as lymphedemas; – breast prostheses and surgical bras and replacements (see Prosthetic devices) **Note**: If you need a mastectomy, you may choose to have the procedure performed on an inpatient basis and remain in the hospital up to 48 hours after the procedure.	See above.
Not covered: ▪ *Cosmetic surgery – any surgical procedure (or any portion of a procedure) performed primarily to improve physical appearance of a normal body part through change in bodily form, except repair of accidental injury* ▪ *Surgeries related to sex transformation*	*All charges.*
Oral and maxillofacial surgery	
Oral surgical procedures, limited to: ▪ Reduction of fractures of the jaws or facial bones; ▪ Surgical correction of cleft lip, cleft palate or severe functional malocclusion; ▪ Removal of stones from salivary ducts; ▪ Excision of leukoplakia or malignancies; ▪ Excision of cysts and incision of abscesses when done as independent procedures; and ▪ Other surgical procedures that do not involve the teeth or their supporting structures. ▪ TMJ surgery and related non-dental treatment.	Nothing for surgery - $200 copayment per day up to 5 days per inpatient admission or $100 copayment for outpatient surgery
Not covered: ▪ *Oral implants and transplants* ▪ *Procedures associated with oral and dental implants, such as skin or bone grafting.* ▪ *Procedures that involve the teeth or their supporting structures (such as the periodontal membrane, gingiva, and alveolar bone)*	*All charges.*

Organ/tissue transplants	You pay
Limited to: ▪ Cornea ▪ Heart ▪ Heart/lung ▪ Kidney ▪ Kidney/Pancreas ▪ Liver ▪ Lung: Single – Double ▪ Pancreas ▪ Allogeneic (donor) bone marrow transplant ▪ 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; advanced neuroblastoma; breast cancer; multiple myeloma; epithelial ovarian cancer; and testicular, mediastinal, retroperitoneal and ovarian germ cell tumors ▪ Intestinal Transplants (small intestine) and the small intestine with the liver or small intestine with multiple organs such as liver, stomach and pancreas ▪ PacifiCare preferred transplant network facility **Limited Benefits** ▪ Treatment for breast cancer, multiple myeloma, and epithelial ovarian cancer may be provided in an NCI- or NIH-approved clinical trial at a Plan-designated center of excellence and if approved by the Plan's medical director in accordance with the Plan's protocols. ▪ Bone marrow stem cells donor search and testing for compatible unrelated donors up to $15,000 per procedure at a National Preferred Transplant Facility when you are the intended recipient **Transportation food and lodging -** If you live over 60 miles from the transplant center and the services are pre-authorized by us: ▪ Transportation limited to you and one escort to a National Preferred Transplant Network or other Company Approved Transplant Facility. ▪ Lodging and food; you receive a $125 allowance per day for housing and food. This allowance excludes liquor and tobacco. **Note**: We cover related medical and hospital expenses of the donor when we cover the recipient. We also cover donor screening charges for immediate family members to include spouses, parents, children, siblings, and, if appropriate, grandparents.	Nothing for surgery - $200 copayment per day up to 5 days per inpatient admission.
Not covered: ▪ *Donor screening tests and donor search expenses, except those performed for the actual donor* ▪ *Implants of artificial organs* ▪ *Transplants not listed as covered*	*All charges.*

Anesthesia	
Professional services provided in: ▪ Hospital (inpatient)	Nothing - $200 copayment per day up to 5 days per inpatient admission.
Professional services provided in: ▪ Hospital outpatient department ▪ Skilled nursing facility ▪ Ambulatory surgical center ▪ Office	Nothing - $100 copayment per outpatient surgery or $100 copayment per day up to 5 days per skilled nursing care admission.

Section 5(c) Services provided by a hospital or other facility, and Ambulance services

IMPORTANT

Here are some important things to remember about these benefits:

- Please remember that all benefits are subject to the definitions, limitations, and exclusions in this brochure and are payable only when we determine they are medically necessary.
- Plan physicians must provide or arrange your care and you must be hospitalized in a Plan facility.
- We do not have a deductible.
- Be sure to read Section 4, *Your costs for covered services*, for valuable information about how cost sharing works. Also read Section 9 about coordinating benefits with other coverage, including with Medicare.
- The amounts listed below are for the charges billed by the facility (i.e., hospital or surgical center) or ambulance service for your surgery or care. Any costs associated with the professional charge (i.e., physicians, etc.) are covered in Section 5(a) or (b).

IMPORTANT

Benefit Description	You pay
Inpatient hospital	
Room and board, such as ▪ ward, semiprivate, or intensive care accommodations; ▪ general nursing care; and ▪ meals and special diets. **Note**: If you want a private room when it is not medically necessary, you pay the additional charge above the semiprivate room rate.	$200 copayment per day up to 5 days per inpatient admission.
Other hospital services and supplies, such as: ▪ Operating, recovery, maternity, and other treatment rooms ▪ Diagnostic laboratory tests and X-rays ▪ Administration of blood and blood products ▪ Blood or blood plasma ▪ Dressings, splints, casts, and sterile tray services ▪ Medical supplies and equipment, including oxygen ▪ Anesthetics, including nurse anesthetist services ▪ Take-home items ▪ Medical supplies, appliances, medical equipment, and any covered items billed by a hospital for use at home.	Nothing
Not covered: ▪ *Custodial care* ▪ *Non-covered facilities, such as nursing homes and schools* ▪ *Personal comfort items, such as telephone, television, barber services, guest meals and beds* ▪ *Private nursing care*	*All charges.*

Outpatient hospital or ambulatory surgical center	You pay
• Operating, recovery, and other treatment rooms • Diagnostic laboratory tests, X-rays, and pathology services • Administration of blood, blood plasma, and other biologicals • Blood and blood plasma, if not donated or replaced • Pre-surgical testing • Dressings, casts, and sterile tray services • Medical supplies, including oxygen • Anesthetics and anesthesia service NOTE: We cover hospital services and supplies related to dental procedures when necessitated by a non-dental physical impairment. We do not cover the dental procedures.	$100 copayment per outpatient surgery or procedure.
Not covered: ▪ *Special blood handling fees, wound healing products and storage of cord blood* ▪ *Hospitalization for any dental procedures , except for children under certain circumstances Special blood handling fees, wound healing products and storage of cord blood*	
Extended care benefits/skilled nursing care facility benefits	
Extended care benefit: We provide a wide range of benefits for full-time nursing care and confinement in a skilled nursing facility when your doctor determines it to be medically necessary. The Plan must also approve this service. All necessary services are covered up to 100 days per calendar year, 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.	$100 copayment up to 5 days per admission.
Not covered: ▪ *Custodial care* ▪ *Homemaker Services*	*All charges.*
Hospice care	
Supportive and palliative care for a terminally ill member is covered in the home or hospice facility when approved by our Medical Director. Services include: ▪ Inpatient and outpatient care ▪ 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 twelve months or less.	Nothing
Not covered: Independent nursing, homemaker services	*All charges.*
Ambulance	
▪ Local professional ambulance service when medically appropriate.	Nothing

Section 5(d) Emergency services/accidents

IMPORTANT	**Here are some important things to keep in mind about these benefits:** • Please remember that all benefits are subject to the definitions, limitations, and exclusions in this brochure and are payable only when we determine they are medically necessary. • We have no deductible. • Be sure to read Section 4, *Your costs for covered services*, for valuable information about how cost sharing works. Also read Section 9 about coordinating benefits with other coverage, including with Medicare.	IMPORTANT

What is a medical emergency?

A medical emergency is the sudden and unexpected onset of a condition or an injury that you believe endangers your life or could result in serious injury or disability, and 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 we may determine are medical emergencies – what they all have in common is the need for quick action.

What to do in case of emergency:

Emergencies within our service area:
If you have an emergency situation, please call your primary care physician. 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 (unless it is not reasonably possible to do so). It is your responsibility to notify us in a timely manner. 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 a non-Plan facility 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. To be covered by us you must get all follow up care from plan providers or follow up care must be approved by us.

Emergencies outside our 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. To be covered by this Plan, you must get all follow up care from plan providers or your follow up care must be approved by the Plan.

Benefit Description	You pay
Emergency within our service area	
▪ Emergency care at a doctor's office	$15 per PCP office visit, $30 per specialist visit
▪ After hours care in your doctor's office	$15 per PCP office visit, $30 per specialist visit
▪ Emergency care at an urgent care center	$45 per visit
▪ Emergency care at a hospital, including doctors' services	$100 copayment per emergency room visit. Note: We do not waive the $100 copayment if you are admitted to the hospital.
Not covered: Elective care or non-emergency care	*All charges.*
Emergency outside our service area	
▪ Emergency care at a doctor's office	$15 per PCP office visit, $30 per specialist visit
▪ Emergency care at an urgent care center	$45 per urgent care center visit
▪ Emergency care at a hospital, including doctors' services	$100 copayment per emergency room visit. Note: We do not waive the $100 copayment if you are admitted to the hospital.
Not covered: ▪ *Elective care or non-emergency 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 full-term delivery of a baby outside the service area.*	*All charges.*
Ambulance	
Professional ambulance service, including air ambulance services when medically appropriate. See 5(c) for non-emergency services.	Nothing

Section 5(e) Mental health and substance abuse benefits

IMPORTANT

When you get our approval for services and follow a treatment plan we approve, cost-sharing and limitations for Plan mental health and substance abuse benefits will be no greater than for similar benefits for other illnesses and conditions.

Here are some things to keep in mind about these benefits:

- Please remember that all benefits are subject to the definitions, limitations, and exclusions in this brochure and are payable only when we determine they are medically necessary.
- We do not have a calendar year deductible.

Be sure to read Section 4, *Your costs for covered services*, for valuable information about how cost sharing works. Also read Section 9 about coordinating benefits with other coverage, including with Medicare.

- **YOU MUST GET PREAUTHORIZATION FOR THESE SERVICES** (See the instructions after the benefits description below).

IMPORTANT

Benefit Description	You pay
Mental health and substance abuse benefits	
Diagnostic and treatment services recommended by a Plan provider and contained in a treatment plan that we approve. The treatment plan may include services, drugs and supplies. Note: Plan benefits are payable only when we determine the care is clinically appropriate to treat your condition and only when you receive the care as part of a treatment plan that we approve.	Your cost sharing responsibilities are no greater than for other illness or conditions.
Professional services, including individual or group therapy by Behavioral Health providers such as psychiatrists, psychologists, or clinical social workers ▪ Medication management	$30 per visit
▪ Diagnostic tests such as routine lab work and X-rays	Nothing
Specialized scanning ▪ CT Scans ▪ PET Scans ▪ MRIs ▪ SPECT Scans	$200 copayment per diagnostic test.
▪ Services provided by a hospital or other facility ▪ Services in approved alternative care settings such as partial hospitalization, half-way house, residential treatment, full-day hospitalization, facility based intensive outpatient treatment	$200 per day up to 5 days per admission.

Mental health and substance abuse benefits continued on next page.

Mental health and substance abuse benefits *(continued)*	You pay
Not covered: Services we have not approved. *Note: OPM will base its review of disputes about treatment plans on the treatment plan's clinical appropriateness. OPM will generally not order us to pay or provide one clinically appropriate treatment plan in favor of another.*	*All charges.*

Preauthorization	To receive these benefits you must obtain a treatment plan and follow the authorization processes. Please call the following customer service department in your area to access benefits or to obtain a list of providers: PacifiCare Behavioral Health at 1 (800) 999-9585 (Web site www.pbhi.com)
Limitation	We may limit your benefits if you do not obtain a treatment plan.

Section 5(f) Prescription drug benefits

IMPORTANT	**Here are some important things to keep in mind about these benefits:** • We cover prescribed drugs and medications, as described in the chart beginning on the next page. • All benefits are subject to the definitions, limitations and exclusions in this brochure and are payable only when we determine they are medically necessary. • We do not have a deductible. • Be sure to read Section 4, *Your costs for covered services*, for valuable information about how cost sharing works. Also read Section 9 about coordinating benefits with other coverage, including with Medicare.	IMPORTANT

There are important features you should be aware of. These include:

- **Who can write your prescription.** A plan physician must write the prescription including medically necessary prescriptions authorized for dental treatment.
- **Where you can obtain them.** You must fill the prescription at a plan pharmacy, or by mail for a maintenance medication.
- **We use a formulary.** The PacifiCare Formulary is a list of over 1,600 prescription drugs that physicians use as a guide when prescribing medications for patients. The formulary plays an important role in providing safe, effective and affordable prescription drugs to PacifiCare members. It also allows us to work together with physicians and pharmacists to ensure that our members are getting the drug therapy they need. A Pharmacy and Therapeutics Committee evaluates prescription drugs for safety, effectiveness, quality treatment and overall value. The committee considers first and foremost the safety and effectiveness of a medication before they review the cost. The formulary is updated on a regular basis. You may obtain a copy of the formulary by calling Customer Service at 1 (800) 624-8822 or by logging on to the PacifiCare Web site at www.pacificare.com. PacifiCare uses a generic based formulary. Prescriptions will be filled with generics whenever possible. If you or your physician prefer a brand name product when a formulary generic equivalent is available, you will pay the applicable copayment.
- **These are the dispensing limitations.** Prescription drugs prescribed by a Plan or referral doctor and obtained at a Plan pharmacy will be dispensed for up to a 30-day supply. For medications that come in trade size packages, you will be responsible for one applicable copayment per prepackaged unit. Nonformulary drugs will be covered when prescribed by a Plan doctor. Clinical edits (limitations) can be used for safety reasons, quantity limitations, age limitations and benefit plan exclusions and may require prior authorization. You can get your prescription drugs at a participating pharmacy as long as it is written by your primary care doctor or a Plan specialist. You will get up to a 30-day supply, 2 vials of the same kind of insulin or one commercially prepared unit (i.e., one inhaler, one vial of ophthalmic medication, topical ointment or cream) for a $15 copayment per prescription unit or refill for generic formulary drugs or a $35 copayment for name brand formulary drugs or a $50 copayment for generic or brand name non-formulary drugs.
- Some drugs may be dispensed in quantities other than a 30-day supply. They are:
- Medications with quantity limits that may be set at a smaller amount to promote appropriate medication and patient safety.
- Pre-packaged medications such as inhalers, eye drops, creams or other types of medications that are normally dispensed in pre-packaged units of 30 days or less will be considered one prescription unit.
- Medications that are manufactured in prescription units to exceed a 30-day supply may be subject to more than one copayment.
- If you are called to active military duty or in the event of a National emergency and you are in need of prescription medications call 1 (800) 562-6223.

Prescription drug benefits continued on next page

- The most convenient and affordable way to obtain your prescriptions is to take advantage of our mail service program. It takes approximately seven days to receive your 90-day supply from the mail service program. In the event of a national emergency, please contact your pharmacist about obtaining an override. Our Customer Service Associates can also help you with your medication needs call 1 (800) 624-8822 or TDHI 1 (800) 442-8833. Prescription drugs can also be obtained through the mail order program for up to a 90-day supply of oral medication; 6 vials of insulin; or 3 commercially prepared units (i.e., inhaler, vials ophthalmic medication or topical ointments or creams). Call 1(800) 531-3341 for mail order customer service.You pay a $30 copayment per prescription unit or refill for generic formulary drugs, a $70 copayment for name brand formulary maintenance medications or a $100 copayment for generic or brand non-formulary medications. Call 1 (800) 562-6223 (TDHI 1 (800) 498-5428) for mail order customer service.
- When you have to file a claim. Please refer to Section 7 for information on how to file a pharmacy claim, or contact our Customer Service Department at 1 (800) 531-3341.
- Why use generic drugs? To reduce your out-of-pocket expenses! A generic drug is the chemical equivalent of a corresponding brand name drug. Generic drugs are less expensive than brand name drugs; therefore, you may reduce your out-of-pocket costs by choosing to use a generic drug.

Benefit Description	You pay
Covered medications and supplies	
We cover the following medications and supplies prescribed by a Plan physician and obtained from a Plan pharmacy or through our mail order program: ▪ Drugs and medicines that by Federal law of the United States require unit or refill. ▪ A physician's prescription for their purchase, except those listed as not covered ▪ Insulin ▪ Diabetic supplies such as lancets and blood glucose test strips ▪ Disposable needles and syringes for the administration of covered medications ▪ Contraceptive drugs and devices ▪ Intravenous fluids and medications for home use (covered under Section 5(a) Home Health Services – see page 21) ▪ Prenatal vitamins ▪ Diaphragms **Limited benefits** ▪ Drugs to treat sexual dysfunction are covered when Plan's medical criteria is met. Contact the plan for dose limits.	$15 per generic formulary prescription unit or refill. $35 per brand formulary prescription unit or refill. $50 per non-formulary brand or generic medication. Note: If there is no generic equivalent available, you will still have to pay the brand-name copayment.
▪ Self injectable drugs (except insulin) when preauthorized	$50 copayment per prescription unit or refill
Not covered: ▪ *Non-prescription medicines* ▪ *Drugs obtained at a non-Plan pharmacy except for out of area emergencies.* ▪ *Vitamins, nutrients and food supplements even if a physician prescribes or administers them (except prenatal Vitamins)* ▪ *Medical supplies such as dressings and antiseptics* ▪ *Drugs and/or supplies for cosmetic purposes* ▪ *Drugs to enhance athletic performance* ▪ *Smoking cessation drugs and medication, including nicotine patches unless you are enrolled in our Smoking Cessation program (see page 34).* ▪ *Diabetic supplies, except those shown above* ▪ *Fertility drugs* ▪ *Drugs prescribed by a dentist*	*All charges*

Section 5(g) Special features

Feature	Description
PacifiCare Perks℠ Program	A PacifiCare members only program which offers discounts for health clubs, alternative care, vitamins and much more! Call 1 (800) 531-3341 for more information regarding PacifiCare Perks℠ benefits.
Health Improvement Programs and HealthCredits	For Health Improvement programs offered in your area and costs associated with these programs call 1 (800) 531-3341. Managing your Heart Health, Managing Diabetes, Smoking Cessation*, Pregnancy to Pre-school and Managing Depression. HealthCredits is a virtual comprehensive program you can browse for general health information and healthy recipes. Build a customized fitness or diet plan. E-mail coaches and get personalized responses to your specific questions and issues. Find out ways to improve your emotional well-being. Create a plan to help motivate your children. And along the way, why not be rewarded for your healthful lifestyle choices? With HealthCredits, you can earn credits that can be used to get discounts on fitness items and make you eligible for quarterly drawings. *There is a $20 prescription drug copayment for smoking cessation products.
Centers of Excellence	Services performed at Centers of Excellence are covered when medically necessary and preapproved. You pay $15 for outpatient PCP visits, $30 for specialist visits and $200 copayment per day up to 5 days per admission for inpatient hospitalization.
Travel benefit/services overseas	Covered for emergencies only.

Section 5(h) Dental benefits

IMPORTANT

Here are some important things to keep in mind about these benefits:

- For more information call PacifiCare Dental at 1 (800) 229-1985.
- Please remember that all benefits are subject to the definitions, limitations, and exclusions in this brochure and are payable only when we determine they are medically necessary. For a full list of benefits, exclusions and limitations please refer to the Plan information pamphlet for the 2005 PacifiCare Dental Indemnity Plan for Federal Employees.
- We do not have a deductible.
- There is no waiting period for eligibility to access these dental benefits; however, there are waiting periods to obtain bridges and dentures.
- There is a $1,000 calendar year maximum.
- Your PacifiCare medical plan covers hospitalization for dental procedures only when a nondental physical impairment exists which makes hospitalization necessary to safeguard the health of the patient; we do not cover the dental procedure unless it is described below.
- For treatment or therapy of Temporal Mandibular Joint (TMJ) disorders, see section 5 (a), Medical benefits.
- Be sure to read Section 4, *Your costs for covered services*, for valuable information about how cost sharing works. Also read Section 9 about coordinating benefits with other coverage, including with Medicare.
- For medically necessary prescriptions authorized for dental treatment see Section 5 (f), *Prescription drug benefits*.

IMPORTANT

Dental Benefits (This dental plan has no deductibles and no lifetime maximums. You may see any provider you like.)

Service	We pay	You pay
Accidental injury benefit		
We cover emergency dental care only. Immediate (within 48 hours) stabilization and emergency services for trauma/injury to sound natural teeth, jawbone, or surrounding tissues. When you require emergency dental services, we will cover these services under your medical plan.	N/A	$15 PCP office visit copayment, $30 specialist visit copayment $100 copayment if you receive these services in an emergency room. Note: The emergency room copayment is not waived if you are admitted to the hospital.
Preventive and Diagnostic		
ADA code **D0150** Comprehensive Oral exam (one every six months) **D0210** Intraoral X-rays (one bitewing series of four every 12 months, one full mouth series each two years) and diagnostic services. **D1110** Prophylaxis (one every six months)	100% Usual, customary and reasonable (UCR).	All charges in excess of the scheduled amounts.

Dental benefits continued on next page.

Preventive and Diagnostic *(Continued)*	We pay	You pay
Basic and Major Services		
D1120 Amalgam fillings (one tooth surface, permanent teeth)	$18	All charges in excess of the scheduled amount listed to the left.
D2120 Amalgam fillings (two tooth surfaces, permanent teeth)	$23	
D2751 Porcelain with metal crown	$200	
D2740 Porcelain Crown	$125	
D3310 Single root canal	$90	
D3320 Bi-root canal	$115	
D4341 Periodontal root planing and scaling (per quadrant)	$30	
D5110 Full mouth dentures (upper)	$232.50	
D5120 Full mouth dentures (lower)	$232.50	
D5213 Partial dentures	$225	
D6250 Bridges: Tru-pontic type	$82.50	
D7110 Extractions	$15	

Note: There is a waiting period for bridges and dentures. A deferment period of 36 months applies to the initial placement of full dentures or bridges if all the teeth being replaced were missing before the covered person's coverage became effective under this policy.

Section 5(i) Non-FEHB benefits available to Plan members

The benefits on this page are not part of the FEHB contract or premium, **and you cannot file an FEHB disputed claim about them**. Fees you pay for these services do not count toward FEHB deductibles or catastrophic protection out-of-pocket maximums .

Medicare Managed Care and Medicare Supplement plans

If you are Medicare eligible and are interested in enrolling in a Medicare HMO or a Medicare Supplement Plan sponsored by this Plan without dropping your enrollment in this Plan's FEHB plan, call 1 (800) 637-9284 for information.

Medicare Advantage – With nearly a million members, Secure Horizons is one of the largest Medicare Advantage contracting plans in the nation. As a member of Secure Horizons, you benefit from low or no plan copayments, low or no deductibles, and virtually no paperwork. Secure Horizons offers peace of mind for Medicare beneficiaries residing in parts of AZ, CA, CO, NV, OK, OR, TX, & WA by offering more services than original Medicare for little additional cost. For more information, call toll free 1 (800) 637-9284 (TDHI 1 (800) 647-6038) or visit our Web site www.securehorizons.com.

Medicare Supplement – Secure Horizons Medicare Supplement Plans pick up where Medicare leaves off, so you don't have to worry about overwhelming medical bills. As a Medicare beneficiary you can choose the level of coverage you feel best suits your needs. Choices range from a plan that covers some basic hospitalization and medical coinsurance expenses, to a plan with a richer benefit package that includes foreign travel emergency and at-home recovery. For more information, call toll free 1 (800) 637-9284 (TDHI 1 (800) 647-6038) or visit our Web site www.securehorizons.com.

Section 6. General exclusions – things we don't cover

The exclusions in this section apply to all benefits. **Although we may list a specific service as a benefit, we will not cover it unless your Plan doctor determines it is medically necessary to prevent, diagnose, or treat your illness disease, injury, or condition.**

We do not cover the following:

- Care by non-Plan providers except for authorized referrals or emergencies (see Emergency Benefits);
- Services, drugs, or supplies you receive while you are not enrolled in this Plan;
- Services, drugs, or supplies that are not medically necessary;
- Services, drugs, or supplies not required according to accepted standards of medical, dental, or psychiatric practice;
- Experimental or investigational procedures, treatments, drugs or devices;
- Services, drugs, or 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;
- Services, drugs, or supplies related to sex transformations; or
- Services, drugs, or supplies you receive from a provider or facility barred from the FEHB Program.
- Services, drugs, or supplies you receive without charge while in active military service.

Section 7. Filing a claim for covered services

When you see Plan physicians, receive services at Plan hospitals and facilities, or obtain your prescription drugs at Plan pharmacies, you will not have to file claims. Just present your identification card and pay your copayment.

You will only need to file a claim when you receive emergency services from non-plan providers. Sometimes these providers bill us directly. Check with the provider. If you need to file the claim, here is the process:

Medical and hospital, prescription drugs, and Durable Medical Equipment (DME) Benefits

In most cases, providers and facilities file claims for you. Physicians must file on the form HCFA-1500, Health Insurance Claim Form. Your facility will file on the UB-92 form. For claims questions and assistance, call us at 1 (800) 531-3341.

When you must file a claim – such as for services you receive outside of the Plan's service area – submit it on the HCFA-1500 or a claim form that includes the information shown below. Bills and receipts should be itemized and show:

- Covered member's name and ID number;
- Name and address of the physician or facility that provided the service or supply;
- Dates you received the services or supplies;
- Diagnosis;
- Type of each service or supply;
- The charge for each service or supply;
- A copy of the explanation of benefits, payments, or denial from any primary payer – such as the Medicare Summary Notice (MSN); and
- Receipts, if you paid for your services.
- Be sure to keep a copy for your records.

Submit your claims to:

PacifiCare of Nevada
4601 E. Hilton Avenue
Phoenix, AZ 85034

Deadline for filing your claim

Send us all of the documents for your claim as soon as possible. You must submit the claim by December 31 of the year after the year you received the service, unless timely filing was prevented by administrative operations of Government or legal incapacity, provided the claim was submitted as soon as reasonably possible.

When we need more information

Please reply promptly when we ask for additional information. We may delay processing or deny your claim if you do not respond.

Section 8. The disputed claims process

Follow this Federal Employees Health Benefits Program disputed claims process if you disagree with our decision on your claim or request for services, drugs, or supplies – including a request for preauthorization/prior approval:

Step	Description
1	Ask us in writing to reconsider our initial decision. You must: (a) Write to us within 6 months from the date of our decision; and (b) Send your request to us at: **PacifiCare of Nevada, 4601 E. Hilton, MS AZ74-107, Phoenix, AZ 81054**; and (c) Include a statement about why you believe our initial decision was wrong, based on specific benefit provisions in this brochure; and (d) Include copies of documents that support your claim, such as physicians' letters, operative reports, bills, medical records, and explanation of benefits (EOB) forms.
2	We have 30 days from the date we receive your request to: (a) Pay the claim (or, if applicable, arrange for the health care provider to give you the care); or (b) Write to you and maintain our denial – go to step 4; or (c) Ask you or your provider for more information. If we ask your provider, we will send you a copy of our request – go to step 3.
3	You or your provider must send the information so that we receive it within 60 days of our request. We will then decide within 30 more days. If we do not receive the information within 60 days, we will decide within 30 days of the date the information was due. We will base our decision on the information we already have. We will write to you with our decision.
4	If you do not agree with our decision, you may ask OPM to review it. You must write to OPM within: • 90 days after the date of our letter upholding our initial decision; or • 120 days after you first wrote to us – if we did not answer that request in some way within 30 days; or • 120 days after we asked for additional information. Write to OPM at: United States Office of Personnel Management, Insurance Services Programs, Health Insurance Group 3, 1900 E Street, NW, Washington, D.C. 20415-3630. Send OPM the following information: • A statement about why you believe our decision was wrong, based on specific benefit provisions in this brochure; • Copies of documents that support your claim, such as physicians' letters, operative reports, bills, medical records, and explanation of benefits (EOB) forms; • Copies of all letters you sent to us about the claim; • Copies of all letters we sent to you about the claim; and • Your daytime phone number and the best time to call. Note: If you want OPM to review more than one claim, you must clearly identify which documents apply to which claim. Note: You are the only person who has a right to file a disputed claim with OPM. Parties acting as your representative, such as medical providers, must include a copy of your specific written consent with the review request. Note: The above deadlines may be extended if you show that you were unable to meet the deadline because of reasons beyond your control.

The disputed claims process *(continued)*

OPM will review your disputed claim request and will use the information it collects from you and us to decide whether our decision is correct. OPM will send you a final decision within 60 days. There are no other administrative appeals.

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If you do not agree with OPM's decision, your only recourse is to sue. If you decide to sue, you must file the suit against OPM in Federal court by December 31 of the third year after the year in which you received the disputed services, drugs or supplies or the year in which you were denied precertification or prior approval. This is the only deadline that may not be extended.

OPM may disclose the information it collects during the review process to support their disputed claim decision. This information will become part of the court record.

You may not sue until you have completed the disputed claims process. Further, Federal law governs your lawsuit, benefits, and payment of benefits. The Federal court will base its review on the record that was before OPM when OPM decided to uphold or overturn our decision. You may recover only the amount of benefits in dispute.

NOTE: **If you have a serious or life-threatening condition** (one that may cause permanent loss of bodily functions or death if not treated as soon as possible), and

(a) We haven't responded yet to your initial request for care or preauthorization/prior approval, then call us at 1 (800) 531-3341 and we will expedite our review; or

(b) We denied your initial request for care or preauthorization/prior approval, then:
- If we expedite our review and maintain our denial, we will inform OPM so that they can give your claim expedited treatment too, or
- You may call OPM's Health Insurance Group 3 at (202) 606-0737 between 8 a.m. and 5 p.m. eastern time.

Section 9. Coordinating benefits with other coverage

When you have other health coverage

You must tell us if you or a covered family member have coverage under another group health plan or have automobile insurance that pays health care expenses without regard to fault. This is called "double coverage."

When you have double coverage, one plan normally pays its benefits in full as the primary payer and the other plan pays a reduced benefit as the secondary payer. We, like other insurers, determine which coverage is primary according to the National Association of Insurance Commissioners' guidelines.

When we are the primary payer, we will pay the benefits described in this brochure.

When we are the secondary payer, we will determine our allowance. After the primary plan pays, we will pay what is left of our allowance, up to our regular benefit. We will not pay more than our allowance.

What is Medicare?

Medicare is a Health Insurance Program for:

- People 65 years of age and older
- Some people with disabilities, under 65 years of age
- People with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant)

Medicare has two parts:

- Part A (Hospital Insurance). Most people do not have to pay for Part A. If you or your spouse worked for at least 10 years in Medicare-covered employment, you should be able to qualify for premium-free Part A insurance. (Someone who was a Federal employee on January 1, 1983, or since automatically qualifies.) Otherwise, if you are age 65 or older, you may be able to buy it. Contact 1 (800) MEDICARE for more information.
- Part B (Medical Insurance). Most people pay monthly for Part B. Generally, Part B premiums are withheld from your monthly Social Security check or your retirement check.

• Should I enroll in Medicare?

The decision to enroll in Medicare is yours. We encourage you to apply for Medicare benefits 3 months before you turn age 65. It's easy. Just call the Social Security Administration toll-free number 1 (800) 772-1213 to set up an appointment to apply. If you do not apply for one or both Parts of Medicare, you can still be covered under the FEHB Program.

If you can get premium-free Part A coverage, we advise you to enroll in it. Most Federal employees and annuitants are entitled to Medicare Part A at age 65 **without cost.** When you don't have to pay premiums for Medicare Part A, it makes good sense to obtain the coverage. It can reduce your out-of-pocket expenses as well as costs to the FEHB, which can help keep FEHB premiums down.

Everyone is charged a premium for Medicare Part B coverage. The Social Security Administration can provide you with premium and benefit information. Review the information and decide if it makes sense for you to buy the Medicare Part B coverage.

If you are eligible for Medicare, you may have choices in how you get your health care. Medicare Advantage is the term used to describe the various private health plan choices available to Medicare beneficiaries. The information in the next few pages shows how we coordinate benefits with Medicare, depending on whether you are in the Original Medicare Plan or a private Medicare Advantage plan.

• The Original Medicare Plan (Part A or Part B)

The Original Medicare Plan (Original Medicare) is available everywhere in the United States. It is the way everyone used to get Medicare benefits and is the way most people get their Medicare A and B benefits now. You may go to any doctor, specialist, or hospital that accepts Medicare. The Original Medicare Plan pays its share and you pay your share. Some things are not covered under Original Medicare, such as most prescription drugs (but coverage through private prescription drug plans will be available starting in 2006).

When you are enrolled in Original Medicare along with this Plan, you still need to follow the rules in this brochure for us to cover your care. Your care must continue to be authorized by your Plan PCP, or precertified as required. We will not waive any of our copayments. (Primary Payer chart begins on next page.)

Claims process when you have the Original Medicare Plan – You probably will never have to file a claim form when you have both our Plan and the Original Medicare Plan.

- When we are the primary payer, we process the claim first.
- When Original Medicare is the primary payer, Medicare processes your claim first. In most cases, your claims will be coordinated automatically and we will provide secondary benefits for covered charges. You will not need to do anything. To find out if you need to do something about filing your claims, call us at 1 (800) 531-3341, visit us on our Web site at www.pacificare.com, or you can fax us at (480) 303-7678.

We do not waive any costs if the Original Medicare Plan is your primary payer. (Primary Payer Chart begins on next page.)

Medicare always makes the final determination as to whether they are the primary payer. The following chart illustrates whether Medicare or this Plan should be the primary payer for you according to your employment status and other factors determined by Medicare. It is critical that you tell us if you or a covered family member has Medicare coverage so we can administer these requirements correctly.

Primary Payer Chart		
A. When you - or your covered spouse - are age 65 or over and have Medicare and you…	**The primary payer for the individual with Medicare is…**	
	Medicare	**This Plan**
1) Have FEHB coverage on your own as an active employee or through your spouse who is an active employee		✓
2) Have FEHB coverage on your own as an annuitant or through your spouse who is an annuitant	✓	
3) Are a reemployed annuitant with the Federal government and your position is excluded from the FEHB (your employing office will know if this is the case) and you are not covered under FEHB through your spouse under #1 above	✓	
4) Are a reemployed annuitant with the Federal government and your position is not excluded from the FEHB (your employing office will know if this is the case) and … You have FEHB coverage on your own or through your spouse who is also an active employee		✓
You have FEHB coverage through your spouse who is an annuitant	✓	
5) Are a Federal judge who retired under title 28, U.S.C., or a Tax Court judge who retired under Section 7447 of title 26, U.S.C. (or if your covered spouse is this type of judge) and you are not covered under FEHB through your spouse under #1 above	✓	
6) Are enrolled in Part B only, regardless of your employment status	✓ for Part B services	✓ for other services
7) Are a former Federal employee receiving Workers' Compensation and the Office of Workers' Compensation Programs has determined that you are unable to return to duty	✓*	
B. When you or a covered family member…		
1) Have Medicare solely based on end stage renal disease (ESRD) and… • It is within the first 30 months of eligibility for or entitlement to Medicare due to ESRD (30-month coordination period)		✓
• It is beyond the 30-month coordination period and you or a family member are still entitled to Medicare due to ESRD	✓	
2) Become eligible for Medicare due to ESRD while already a Medicare beneficiary and… • This Plan was the primary payer before eligibility due to ESRD		✓for 30-month coordination period
• Medicare was the primary payer before eligibility due to ESRD	✓	
C. When either you or a covered family member are eligible for Medicare solely due to disability and you…		
1) Have FEHB coverage on your own as an active employee or through a family member who is an active employee		✓
2) Have FEHB coverage on your own as an annuitant or through a family member who is an annuitant	✓	
D. When you are covered under the FEHB Spouse Equity provision as a former spouse	✓	

* Workers' Compensation is primary for claims related to your condition under Workers' Compensation

- **Medicare Advantage**

If you are eligible for Medicare, you may choose to enroll in and get your Medicare benefits from a Medicare Advantage plan. These are private health care choices (like HMOs) in some areas of the country. In most Medicare Advantage plans, you can only go to doctors, specialists, or hospitals that are part of the plan. Medicare Advantage plans provide all the benefits that Original Medicare covers. Some cover extras, like prescription drugs. To learn more about enrolling in a Medicare Advantage plan, contact Medicare at 1-800-MEDICARE (1-800-633-4227) or at www.medicare.gov.

If you enroll in a Medicare Advantage plan, the following options are available to you:

This Plan and our Medicare Advantage: You may enroll in our Medicare Advantage plan and also remain enrolled in our FEHB plan. In this case, we do not waive cost-sharing for your FEHB coverage.

This Plan and another plan's Medicare Advantage plan: You may enroll in another plan's Medicare Advantage plan and also remain enrolled in our FEHB plan. We will still provide benefits when your Medicare Advantage plan is primary, even out of the Medicare Advantage plan's network and/or service area (if you use our Plan providers), but we will not waive any of our copayments, coinsurance, or deductibles. If you enroll in a Medicare Advantage plan, tell us. We will need to know whether you are in the Original Medicare Plan or in a Medicare Advantage plan so we can correctly coordinate benefits with Medicare.

Suspended FEHB coverage to enroll in a Medicare Advantage plan: If you are an annuitant or former spouse, you can suspend your FEHB coverage to enroll in a Medicare Advantage plan, eliminating your FEHB premium. (OPM does not contribute to your Medicare Advantage plan premium.) For information on suspending your FEHB enrollment, contact your retirement office. If you later want to re-enroll in the FEHB Program, generally you may do so only at the next Open Season unless you involuntarily lose coverage or move out of the Medicare Advantage plan's service area.

TRICARE and CHAMPVA

TRICARE is the health care program for members, eligible dependents of military persons and retirees of the military. TRICARE includes the CHAMPUS program. CHAMPVA provides health coverage to disabled Veterans and their eligible dependents. If TRICARE or CHAMPVA and this Plan cover you, we pay first. See your TRICARE or CHAMPVA Health Benefits Advisor if you have questions about these programs.

Suspended FEHB coverage to enroll in TRICARE or CHAMPVA: If you are an annuitant or former spouse, you can suspend your FEHB coverage to enroll in one of these programs, eliminating your FEHB premium. (OPM does not contribute to any applicable plan premiums.) For information on suspending your FEHB enrollment, contact your retirement office. If you later want to re-enroll in the FEHB Program, generally you may do so only at the next Open Season unless you involuntarily lose coverage under the program.

Workers' Compensation

We do not cover services that:

- You need because of a workplace-related illness or injury that the Office of Workers' Compensation Programs (OWCP) or a similar Federal or State agency determines they must provide; or
- OWCP or a similar agency pays for through a third party injury settlement or other similar proceeding that is based on a claim you filed under OWCP or similar laws.

  Once OWCP or similar agency pays its maximum benefits for your treatment, we will cover your care. You must use our providers.

Medicaid

When you have this Plan and Medicaid, we pay first.

Suspended FEHB coverage to enroll in Medicaid or a similar State-sponsored program of medical assistance: If you are an annuitant or former spouse, you can suspend your FEHB coverage to enroll in a one of these State programs, eliminating your FEHB premium. For information on suspending your FEHB enrollment, contact your retirement office. If you later want to reenroll in the FEHB Program, generally you may do so only at the next Open Season unless you involuntarily lose coverage under the State-sponsored program.

When other Government agencies are responsible for your care

We do not cover services and supplies when a local, State, or Federal Government agency directly or indirectly pays for them.

When others are responsible for injuries

When you receive money to compensate you for medical or hospital care for injuries or illness caused by another person, you must reimburse us for any expenses we paid. However, we will cover the cost of treatment that exceeds the amount you received in the settlement.

If you do not seek damages you must agree to let us try. This is called subrogation. If you need more information, contact us for our subrogation procedures.

Section 10. Definitions of terms we use in this brochure

Calendar year

January 1 through December 31 of the same year. For new enrollees, the calendar year begins on the effective date of their enrollment and ends on December 31 of the same year.

Coinsurance

Coinsurance is the percentage that you must pay for your care.
Example: You pay 50% for covered infertility services.

Copayment

A copayment is a fixed amount of money You pay when you receive covered services. See page 12.

Covered services

Care we provide benefits for, as described in this brochure.

Custodial care

Day to day care including assistance with daily living activities that can be provided by a non-medical individual.

Experimental or investigational Services

Our National and Regional Medical Committees determine whether or not treatments, procedures and drugs are no longer considered experimental or investigational. Our determinations are based on the safety and efficacy of new medical procedures, technologies, devices and drugs.

Medical necessity

Medical necessity refers to medical services or hospital services that are determined by us to be:

- Rendered for the treatment or diagnosis of an injury or illness; and
- Appropriate for the symptoms, consistent with diagnosis, and otherwise in accordance with sufficient scientific evidence and professionally recognized standards; and
- Not furnished primarily for the convenience of the member, the attending physician, or other provider of service; and
- Furnished in the most economically efficient manner which may be provided safely and effectively to the member.

Plan allowance

Plan allowance is the amount we use to determine our payment and your coinsurance for covered services. Plans determine their allowances in different ways. We determine our allowance by our contracted rate with the participating provider.

Us/We

Us and we refer to PacifiCare Health Plans.

You

You refers to the enrollee and each covered family member.

Section 11. FEHB facts

Coverage Information

- **No pre-existing condition limitation**

We will not refuse to cover the treatment condition that you had before you enrolled in this Plan solely because you had the condition before you enrolled.

- **Where you can get information about enrolling in the FEHB Program**

See www.opm.gov/insure. Also, your employing or retirement office can answer your questions, and give you a *Guide to Federal Employees Health Benefits Plans,* brochures for other plans, and other materials you need to make an informed decision about your FEHB coverage. These materials will tell you:

- When you may change your enrollment;
- How you can cover your family members;
- What happens when you transfer to another Federal agency, go on leave without pay, enter military service, or retire;
- When your enrollment ends; and
- When the next open season for enrollment begins.

We don't determine who is eligible for coverage and, in most cases, cannot change your enrollment status without information from your employing or retirement office.

- **Types of coverage available for you and your family**

Self Only coverage is for you alone. Self and Family coverage is for you, your spouse, and your unmarried dependent children under age 22, including any foster children or stepchildren your employing or retirement office authorizes coverage for. Under certain circumstances, you may also continue coverage for a disabled child 22 years of age or older who is incapable of self-support.

If you have a Self Only enrollment, you may change to a Self and Family enrollment if you marry, give birth, or add a child to your family. You may change your enrollment 31 days before to 60 days after that event. The Self and Family enrollment begins on the first day of the pay period in which the child is born or becomes an eligible family member. When you change to Self and Family because you marry, the change is effective on the first day of the pay period that begins after your employing office receives your enrollment form; benefits will not be available to your spouse until you marry.

Your employing or retirement office will **not** notify you when a family member is no longer eligible to receive health benefits, nor will we. Please tell us immediately when you add or remove family members from your coverage for any reason, including divorce, or when your child under age 22 marries or turns 22.

If you or one of your family members is enrolled in one FEHB plan, that person may not be enrolled in or covered as a family member by another FEHB plan.

- **Children's Equity Act**

OPM has implemented the Federal Employees Health Benefits Children's Equity Act of 2000. This law mandates that you be enrolled for Self and Family coverage in the FEHB Program, if you are an employee subject to a court or administrative order requiring you to provide health benefits for your child(ren).

If this law applies to you, you must enroll for Self and Family coverage in a health plan that provides full benefits in the area where your children live or provide documentation to your employing office that you have obtained other health benefits coverage for your children. If you do not do so, your employing office will enroll you involuntarily as follows:

- If you have no FEHB coverage, your employing office will enroll you for Self and Family coverage in the Blue Cross and Blue Shield Service Benefit Plan's Basic Option;
- If you have a Self Only enrollment in a fee-for-service plan or in an HMO that serves the area where your children live, your employing office will change your enrollment to Self and Family in the same option of the same plan; or
- If you are enrolled in an HMO that does not serve the area where the children live, your employing office will change your enrollment to Self and Family in the Blue Cross and Blue Shield Service Benefit Plan's Basic Option.

As long as the court/administrative order is in effect, and you have at least one child identified in the order who is still eligible under the FEHB Program, you cannot cancel your enrollment, change to Self Only, or change to a plan that doesn't serve the area in which your children live, unless you provide documentation that you have other coverage for the children. If the court/administrative order is still in effect when you retire, and you have at least one child still eligible for FEHB coverage, you must continue your FEHB coverage into retirement (if eligible) and cannot cancel your coverage, change to Self Only, or change to a plan that doesn't serve the area in which your children live as long as the court/administrative order is in effect. Contact your employing office for further information.

- **When benefits and premiums start**

The benefits in this brochure are effective on January 1. If you joined this Plan during Open Season, your coverage begins on the first day of your first pay period that starts on or after January 1. If you changed plans or plan options during Open Season and you receive care between January 1 and the effective date of coverage under your new plan or option, your claims will be paid according to the 2005 benefits of your old plan or option. However, if your old plan left the FEHB Program at the end of the year, you are covered under that plan's 2004 benefits until the effective date of your coverage with your new plan. Annuitants' coverage and premiums begin on January 1. If you joined at any other time during the year, your employing office will tell you the effective date of coverage.

- **When you retire**

When you retire, you can usually stay in the FEHB Program. Generally, you must have been enrolled in the FEHB Program for the last five years of your Federal service. If you do not meet this requirement, you may be eligible for other forms of coverage, such as Temporary Continuation of Coverage (TCC).

When you lose benefits

- **When FEHB coverage ends**

You will receive an additional 31 days of coverage, for no additional premium when:

- Your enrollment ends, unless you cancel your enrollment; or
- You are a family member no longer eligible for coverage.

You may be eligible for spouse equity coverage or Temporary Continuation of Coverage (TCC) or a conversion policy (a non-FEHB individual policy).

- **Spouse equity coverage**

If you are divorced from a Federal employee or annuitant, you may not continue to get benefits under your former spouse's enrollment. This is the case even when the court has ordered your former spouse to supply health coverage for you. But, you may be eligible for your own FEHB coverage under the spouse equity law or Temporary Continuation of Coverage (TCC). If you are recently divorced or are anticipating a divorce, contact your ex-spouse's employing or retirement office to get RI 70-5, the *Guide to Federal Employees Health Benefits Plans for Temporary Continuation of Coverage and Former Spouse Enrollees*, or other information about your coverage choices. You can also download the guide from OPM's Web site, www.opm.gov/insure.

- **Temporary Continuation of Coverage (TCC)**

If you leave Federal service, or if you lose coverage because you no longer qualify as a family member, you may be eligible for Temporary Continuation of Coverage (TCC). For example, you can receive TCC if you are not able to continue your FEHB enrollment after you retire, if you lose your job, if you are a covered dependent child and you turn 22 or marry, etc.

You may not elect TCC if you are fired from your Federal job due to gross misconduct.

Enrolling In TCC: Get the RI 79-27, which describes TCC, and the RI 70-5, the *Guide to Federal Employees Health Benefits Plans for Temporary Continuation of Coverage and Former Spouse Enrollees*, from your employing or retirement office or from www.opm.gov/insure. It explains what you have to do to enroll.

- **Converting to individual coverage:**

You may convert to a non-FEHB individual policy if:

- Your coverage under TCC or the spouse equity law ends. (If you canceled your coverage or did not pay your premium, you cannot convert);
- You decided not to receive coverage under TCC or the spouse equity law; or
- You are not eligible for coverage under TCC or the spouse equity law.

If you leave Federal service, your employing office will notify you of your right to convert. You must apply in writing to us within 31 days after you receive this notice. However, if you are a family member who is losing coverage, the employing or retirement office will **not** notify you. You must apply in writing to us within 31 days after you are no longer eligible for coverage.

Your benefits and rates will differ from those under the FEHB Program; however, you will not have to answer questions about your health, and we will not impose a waiting period or limit your coverage due to pre-existing conditions.

- **Getting a Certificate of Group Health Plan Coverage**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a Federal law that offers limited Federal protections for health coverage availability and continuity to people who lose employer group coverage. If you leave the FEHB Program, we will give you a Certificate of Group Health Plan Coverage that indicates how long you have been enrolled with us. You can use this certificate when getting health insurance or other health care coverage. Your new plan must reduce or eliminate waiting periods, limitations, or exclusions for health related conditions based on the information in the certificate, as long as you enroll within 63 days of losing coverage under this Plan. If you have been enrolled with us for less than 12 months, but were previously enrolled in other FEHB plans, you may also request a certificate from those plans.

For more information get OPM pamphlet RI 79-27, *Temporary Continuation of Coverage (TCC) under the FEHB Program*. See also the FEHB Web site www.opm.gov/insure/health; refer to the "TCC and HIPAA" frequently asked questions. These highlight HIPAA rules, such as the requirement that Federal employees must exhaust any TCC eligibility as one condition for guaranteed access to individual health coverage under HIPAA, and have information about Federal and State agencies you can contact for more information.

Section 12. Two Federal Programs complement FEHB benefits

Important information

OPM wants to make sure you are aware of two Federal programs that complement the FEHB Program. First, the **Federal Flexible Spending Account (FSA) Program**, also known as **FSAFEDS**, lets you set aside pre-tax money to pay for health and dependent care expenses. The result can be a discount of 20% to more than 40% on services you routinely pay for out-of-pocket. Second, the **Federal Long Term Care Insurance Program (FLTCIP)** helps cover long term care costs, which are not covered under the FEHB.

The Federal Flexible Spending Account Program – FSAFEDS

• What is an FSA?

It is a tax-favored benefit that allows you to set aside pre-tax money from your paychecks to pay for a variety of eligible expenses. *By using an FSA, you can reduce your taxes while paying for services you would have to pay for anyway, producing a discount that can be over 40%!*

There are two types of FSA's offered by FSAFEDS:

Health Care Flexible Spending Account (HCFSA)

- Covers eligible health care expenses not reimbursed by this Plan, or any other medical, dental, or vision care plan you or your dependents may have.
- Eligible dependents for this account include anyone you claim on your Federal Income Tax return as a qualified dependent under the U.S. Internal Revenue Service (IRS) definition and/or with whom you jointly file your Federal Income Tax return, even if you don't have self and family health benefits coverage. *Note:* The IRS has a broader definition of a "family member" than is used under the FEHB Program to provide benefits by your FEHB Plan.
- The maximum annual amount that can be allotted for the HCFSA is $4,000. *Note:* The Federal workforce includes a number of employees married to each other. If each spouse/employee is eligible for FEHB coverage, both may enroll for a HCFSA up to the maximum of $4,000 each ($8,000 total). Both are covered under each other's HCFSA. The minimum annual amount is $250.

Dependent Care Flexible Spending Account (DCFSA)

- Covers eligible dependent care expenses incurred so you, and your spouse, if married, can work, look for work, or attend school full-time.
- Qualifying dependents for this account include your dependent children under age 13, or any person of any age whom you claim as a dependent on your Federal Income Tax return (and who is mentally or physically incapable of self care).
- The maximum annual amount that can be allotted for the DCFSA is $5,000. The minimum annual amount is $250. *Note:* The IRS limits contributions to a DCFSA. For single taxpayers and taxpayers filing a joint return, the maximum is $5,000 per year. For taxpayers who file their taxes separately with a spouse, the maximum is $2,500 per year. The limit includes any child care subsidy you may receive.

• Enroll during Open Season

You **must make an election** to enroll in an FSA during the 2005 FEHB Open Season. Even if you enrolled during 2004, you must make a new election to continue participating in 2005. Enrollment is easy!

- **Online: visit www.FSAFEDS.com and click on Enroll.**
- **Telephone:** call an FSAFEDS Benefits Counselor toll-free at 1-877-FSAFEDS (372-3337), Monday through Friday, from 9 a.m. until 9 p.m., Eastern Time. TTY: 1- 800-952-0450.

What is SHPS?

SHPS is a third-party administrator hired by OPM to manage the FSAFEDS Program. SHPS is the largest FSA administrator in the nation and is responsible for enrollment, claims processing, customer service, and day-to-day operations of FSAFEDS.

Who is eligible to enroll?

If you are a Federal employee eligible for FEHB – even if you're not enrolled in FEHB – you can choose to participate in either, or both, of the FSAs. *However, if you enroll in a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), you are not eligible to participate in an HCFSA*.

Almost all Federal employees are eligible to enroll for a DCFSA. The only exception is intermittent (also called "when actually employed" [WAE]) employees expected to work fewer than 180 days during the year.

Note: FSAFEDS is the FSA Program established for all Executive Branch employees and Legislative Branch employees whose employers have signed on to participate. Under IRS law, FSA's are not available to annuitants. Also, the U.S. Postal Service and the Judicial Branch, among others, have their own plans with slightly different rules. However, the advantages of having an FSA are the same regardless of the agency for which you work.

- **How much should I contribute to my FSA?**

Plan carefully when deciding how much to contribute to an FSA. Because of the tax benefits of an FSA provides, the IRS places strict guidelines on how the money can be used. Under current IRS tax rules, you are required to forfeit any money for which you did not incur an eligible expense under your FSA account(s) during the Plan Year. This is known as the "use-it-or-lose-it" rule. You will have until April 30, following the end of the Plan Year to submit claims for your eligible expenses incurred from January 1through December 31. For example if you enroll in FSAFEDS for the 2005 Plan Year, you will have until April 30, 2006 to submit claims for eligible expenses.

The FSAFEDS Calculator at www.FSAFEDS.com will help you plan your FSA allocations and provide an estimate of your tax savings based on your individual situation.

- **What can my HCFSA pay for?**

Every FEHB plan includes cost sharing features, such as deductibles you must meet before the Plan provides benefits, coinsurance or copayments that you pay when you and the Plan share costs, and medical services and supplies that are not covered by the Plan and for which you must pay. These out-of-pocket costs are summarized on page 12 and detailed throughout this brochure. Your HCFSA will reimburse you when those costs are for qualified medical care that you, your spouse and/or your dependents receive that is NOT covered or reimbursed by this FEHB Plan or any other coverage that you have.

Under this plan, typical out-of-pocket expenses include:

- Infertility services
- Custodial home health care
- Experimental or investigational procedures and treatments not covered by this Plan
- Care received by non-plan providers

The IRS governs expenses reimbursable by a HCFSA. See Publication 502 for a comprehensive list of tax-deductible medical expenses. ***Note:*** **While you will see insurance premiums listed in Publication 502, they are NOT a reimbursable expense for FSA purposes.** Publication 502 can be found on the IRS Web site at http://www.irs.gov/pub/irs-pdf/p502.pdf. The FSAFEDS Web site also has a comprehensive list of eligible expenses at www.FSAFEDS.com/fsafeds/eligibleexpenses.asp. If you do not see your service or

expense listed please call an FSAFEDS Benefits Counselor at 1-877-FSAFEDS (372-3337), who will be able to answer your specific questions.

• Tax savings with an FSA

An FSA lets you allot money for eligible expenses ***before*** your agency deducts taxes from your paycheck. This means the amount of income that your taxes are based on will be lower, so your tax liability will. Without an FSA, you would still pay for these expenses, but you would do so using money remaining in your paycheck after Federal (and often state and local) taxes are deducted. The following chart illustrates a typical tax savings example:

Annual Tax Savings Example	With FSA	Without FSA
If your taxable income is:	$50,000	$50,000
And you deposit this amount into a FSA:	$ 2,000	$0-
Your taxable income is now:	$48,000	$50,000
Subtract Federal & Social Security taxes:	$13,807	$14,383
If you spend after-tax dollars for expenses:	-$0-	$ 2,000
Your real spendable income is:	$34,193	$33,617
Your tax savings:	**$576**	**- $0 -**

Note: This example is intended to demonstrate a typical tax savings based on 27% Federal and 7.65% FICA taxes. Actual savings will vary based upon in which retirement system you are enrolled (CSRS or FERS), your state of residence, and your individual tax situation. In this example, the individual received $2,000 in services for $1,424, a discount of almost 36%! You may also wish to consult a tax professional for more information on the tax implications of an FSA.

• Tax credits and deductions

You *cannot* claim expenses on your Federal Income Tax return if you receive reimbursement for them from your HCFSA or DCFSA. Below are some guidelines that may help you decide whether to participate in FSAFEDS.

Health care expenses

The HCFSA is Federal Income Tax-free from the first dollar. In addition, you may be reimbursed from your HCFSA at any time during the year for expenses up to the annual amount you've elected to contribute.

Only health care expenses exceeding 7.5% of your adjusted gross income are eligible to be deducted on your Federal income tax return. Using the example shown above , only health care expenses exceeding $3,750 (7.5% of $50,000) would be eligible to be deducted on your Federal income tax return. In addition, money set aside through an HCFSA is also exempt from FICA taxes. This exemption is not available on your Federal income tax return.

Dependent care expenses

The DCFSA generally allows many families to save more than they would with the Federal tax credit for dependent care expenses. Note that you may only be reimbursed from the DCFSA up to your current account balance. If you file a claim for more than your current balance, it will be held until additional payroll allotments have been added to your account.

Visit www.FSAFEDS.com and download the Dependent Care Tax Credit Worksheet from the Forms and Literature page to help you determine what is best for your situation. You may also wish to consult a tax professional for more details.

- **Does it cost me anything to participate in FSAFEDS?**

No. Section 1127 of the National Defense Authorization Act (Public Law 108-136) requires agencies that offer FSAFEDS to employees to cover the administrative fee(s) on behalf of their employees. However, remember that participating in FSAFEDS can cost you money if you don't spend your entire account balance by the end of the Plan Year, resulting in the forfeiture of funds remaining in your account (the IRS "use-it-or-lose-it" rule).

- **Contact us**

To learn more or to enroll, please visit the **FSAFEDS Web site** at www.FSAFEDS.com, or contact SHPS directly via email or by phone. FSAFEDS Benefits Counselors are available Monday through Friday, from 9:00 a.m. until 9:00 p.m. Eastern Time.

- E-mail: FSAFEDS@shps.net
- Telephone: 1-877-FSAFEDS (372-3337)
- TTY: 1-800-952-0450 (for hearing impaired individuals that would like to utilize a text messaging service)

The Federal Long Term Care Insurance Program

- **It's important protection**

Why should you consider applying for coverage under the Federal Long Term Care Insurance Program (FLTCIP)?

- **FEHB plans do not cover the cost of long term care.** Also called "custodial care," long term care is help you receive to perform activities of daily living – such as bathing or dressing yourself - or supervision you receive because of a severe cognitive impairment. The need for long term care can strike anyone at any age and the cost of care can be substantial.
- **The Federal Long Term Care Insurance Program can help protect you from the potentially high cost of long term care.** This coverage gives you options regarding the type of care you receive and where you receive it. With FLTCIP coverage, you won't have to worry about relying on your loved ones to provide or pay for your care.
- **It's to your advantage to apply sooner rather than later.** In order to qualify for coverage under the FLTCIP, you must apply and pass a medical screening (called underwriting). Certain medical conditions, or combinations of conditions, will prevent some people from being approved for coverage. By applying while you're in good health, you could avoid the risk of having a future change in your health disqualify you from obtaining coverage. Also, the younger you are when you apply, the lower your premiums.
- **You don't have to wait for an open season to apply.** The Federal Long Term Care Insurance Program accepts applications from eligible persons at any time. You will have to complete a full underwriting application, which asks a number of questions about your health. However, if you are a new or newly eligible employee, you (and your spouse, if applicable) have a limited opportunity to apply using the abbreviated underwriting application, which asks fewer questions. Newly married spouses of employees also have a limited opportunity to apply using abbreviated underwriting.
- **Qualified relatives are also eligible to apply.** Qualified relatives include spouses and adult children of employees and annuitants, and parents, parents-in-law, and stepparents of employees.

- **To find out more and to request an application**

Call 1 (800) LTC-FEDS (1 (800) 582-3337) (TTY 1 (800) 843-3557)
or visit www.ltcfeds.com.

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Do not rely on this page; it is for your convenience and may not show all pages where the terms appear.

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Summary of benefits for PacifiCare of Nevada – 2005

- **Do not rely on this chart alone.** All benefits are provided in full unless indicated and are subject to the definitions, limitations, and exclusions in this brochure. On this page we summarize specific expenses we cover; for more detail, look inside.

- If you want to enroll or change your enrollment in this Plan, be sure to put the correct enrollment code from the cover on your enrollment form.

- We only cover services provided or arranged by Plan physicians, except in emergencies.

Benefits	You pay	Page
Medical services provided by physicians: • Diagnostic and treatment services provided in the office	Office visit copayment: $15 primary care, $30 specialist	15
Services provided by a hospital: • Inpatient	$200 per day up to 5 days per admission	26
• Outpatient	$100 per outpatient surgery or procedure	27
Emergency benefits: • In-area	$100 per emergency room visit	29
• Out-of-Area	$100 per emergency room visit	29
Note: Emergency Room copay is not waived if you are admitted to the hospital.	$100 copayment	29
Mental Health • Inpatient	$200 per day up to 5 days per admission	30
• Outpatient	$30 copayment per office visit	30
Prescription drugs	$15 copayment for generic formulary prescriptions $35 for brand formulary $50 non-formulary prescriptions	32
Dental Care	Nothing for preventive services; scheduled allowance for other services	35
Eye Exams	$15 per Primary Care Physician office visit $30 per Specialist office visit	19
Vision Hardware	After you pay a $25 copayment toward vision hardware, you will receive either a $100 allowance toward frames and lenses every 24 months or an $85 allowance toward contact lenses every 24 months.	19
Protection against catastrophic costs (your catastrophic protection out-of-pocket maximum)	Nothing after $3,000/Self Only or $9,000/Family enrollment per calendar year. Some costs do not count toward this protection	12

2005 Rate Information for PacifiCare of Nevada

Non-Postal rates apply to most non-Postal enrollees. If you are in a special enrollment category, refer to the FEHB Guide for that category or contact the agency that maintains your health benefits enrollment.

Postal rates apply to career Postal Service employees. Most employees should refer to the FEHB Guide for United States Postal Service Employees, RI 70-2. Different postal rates apply and special FEHB guides are published for Postal Service Nurses, RI 70- 2B; and for Postal Service Inspectors and Office of Inspector General (OIG) employees (see RI 70-2IN).

Postal rates do not apply to non-career postal employees, postal retirees, or associate members of any postal employee organization who are not career postal employees. Refer to the applicable FEHB Guide.

		Non-Postal Premium				***Postal Premium***	
		Biweekly		**Monthly**		**Biweekly**	
Type of Enrollment	**Code**	**Gov't Share**	**Your Share**	**Gov't Share**	**Your Share**	**USPS Share**	**Your Share**
Nevada: **Clark county**							
Self Only	**K91**	**$104.30**	**$34.77**	**$225.99**	**$75.33**	**$123.42**	**$15.65**
Self & Family	**K92**	**$236.77**	**$78.92**	**$513.00**	**$171.00**	**$280.17**	**$35.52**