

# Summary Plan Description



IMPORTANT BENEFITS INFORMATION

## AT&T Mobility Medical Program

This Summary Plan Description (SPD) is an update to the AT&T Mobility Medical Program (Program), a component program under the AT&T Umbrella Benefit Plan No. 3. This SPD replaces your existing SPD and all of its Summaries of Material Modifications.

Please keep this SPD for future reference.

NIN: 78-39612

## IMPORTANT INFORMATION

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In all cases, the official Plan documents govern and are the final authority on Plan terms. If there are any discrepancies between the information in this Summary Plan Description (SPD) and the Plan documents, the Plan documents will control. AT&T reserves the right to terminate or amend any and all of its employee benefits plans or programs. Participation in the plans and programs is neither a contract, nor a guarantee of future employment.

### What Is This Document?

This SPD is a guide to your Program benefits. This SPD, together with the SMMs issued for this Program, constitute your SPD for this Program as well as the AT&T Umbrella Benefit Plan No. 3 (Plan) with respect to benefits provided under this Program. See the “Eligibility and Participation” section for more information about Program eligibility.

Este documento contiene un resumen, en inglés. Si usted tiene dificultad en entender este documento, entre en contacto por favor con AT&T Benefits Center, **877-722-0020**.

### What Information Do I Need to Know to Use This SPD?

Eligibility, participation, benefit provisions, forms of payment and other Program provisions depend on certain factors such as your:

- Employment status (for example full-time or part-time)
- Job title classification
- Employer
- Service history (for example, hire date, Termination Date or Term of Employment)

To understand how the various provisions affect you, you will need to know the above information. The Benefits Administrator can provide these details. See the “Contact Information” section for more information on how to contact the Benefits Administrator.

### What Action Do I Need to Take?

You should review this SPD.

### How Do I Use This Document?

As you read this SPD, pay special attention to the key points at the beginning of most major sections and shaded boxes that contain helpful examples and important notes. While AT&T has provided these tools to help you better understand the Program, it is important that you read the SPD in its entirety, so that you can understand the Program details. Also, throughout this SPD, there are cross-references to other sections in the SPD. Please consult the Table of Contents to help you locate these cross-referenced sections.

Keep your SPDs and SMMs for your future reference. They are your primary resource for your questions about the Program.

## Questions?

If you have questions regarding your Program benefits, eligibility or contributions, contact the applicable administrators. Contact information is provided in the “Contact Information” section.

Si usted tiene alguna dificultad en entender cualquier parte de este documento, entre en contacto por favor con el Administrador en la seccion de “Contact Information.”

## USING THIS SUMMARY PLAN DESCRIPTION

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### KEY POINTS

- *The AT&T Umbrella Benefit Plan No. 3 (Plan) is a welfare benefit plan providing coverage for health and welfare benefits through component Programs.*
- *This is a Summary Plan Description (SPD) for the AT&T Umbrella Benefit Plan No. 3 (Plan) with respect to Benefits under the AT&T Mobility Medical Program (Program).*

This document is an SPD for the portion of the Program that applies to eligible Bargained Employees of Participating Companies.

This is a Summary Plan Description (SPD) for the AT&T Umbrella Benefit Plan No. 3 (Plan). The Plan was established on Jan. 1, 2014 when it was split from the AT&T Umbrella Benefit Plan No. 1, which was established on Jan. 1, 2001, and incorporates certain welfare plans sponsored by AT&T Inc. Benefits under the Plan are provided through separate component programs. A program is a portion of the Plan that provides benefits to a particular group of participants or beneficiaries. Each program under the Plan applies to a specified set of benefits and group of Employees.

This SPD is a legal document that provides comprehensive information about the AT&T Mobility Medical Program (Program).

It provides information about eligibility, enrollment, contributions and legal protections for the Program Benefits for active Bargained Employees of Participating Companies under the Health Care Network (HCN) Option.

Keep this SPD with your important papers and share it with your covered dependents.

Use this SPD to find answers to your questions about your Program Benefits in effect as of Jan. 1, 2017. This SPD replaces all previously issued SPDs and Summary of Material Modifications (SMMs) for the portion of the Program covered in this SPD. To learn whether this SPD describes the Program provisions that apply to you, see the “Eligibility and Participation” section and your Participating Company or Former Participating Company and your Employee group listed in Appendix A.

*Note: Separate documents describe the benefits provided under available Fully-Insured Managed Care Options. See the “Fully-Insured Managed Care Options” section. Contact the Eligibility and Enrollment Vendor for more information on Fully-Insured Managed Care Option availability. To obtain a copy of the document describing benefits available under a Fully-Insured Managed Care Option, contact the Fully-Insured Managed Care Option administrator. Contact information is available on your Program ID card. You can also obtain contact information from the Eligibility and Enrollment Vendor.*

## **Company Labels and Acronyms Used in This SPD**

Most of the information in this SPD applies to all participants. However, some Program provisions regarding eligibility, contributions, enrollment changes and Benefit levels may differ depending on your employment status, job title, employing company and service history. When the SPD identifies differences that apply to participants of an employing Company or an employee group, acronyms are used to refer to the employing Company or the employee group rather than the official name of the employing Company or group. See *Appendix A* for the list of Participating Company names and employee groups and their associated acronyms. If you are not sure what information applies to you, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the "Contact Information" section for contact information.

## **Section References**

Many of the sections of this SPD relate to other sections of the document. You may not obtain all of the information you need by reading only one section. It is important that you review all sections that apply to a specific topic. Also, see the footnotes and notes embedded in the text. They further clarify content, offer additional information or identify exceptions that apply to certain Covered Persons. These notes are important to fully understand Program Benefits.

## **Terms Used in This SPD**

Certain words and terms are capitalized in this SPD. Some of these words and terms have specific meaning (see the "Definitions" section for their meaning).

## **Program Responsibilities**

Your Physician or other health care Providers are not responsible for knowing or communicating your Benefits. They have no authority to make decisions about your Benefits under the Program. This Program determines Covered Health Services and Benefits available. The Plan Administrator has delegated the exclusive right to interpret and administer applicable provisions of the Program to Program fiduciaries. Their decisions, including in the claims and appeal process, are conclusive and binding and are not subject to further review under the Program. Neither the Program, its administrators, nor its fiduciaries make medical decisions, and they do not determine the type or level of care or Course of Treatment for your personal situation. Only you and your Physician determine the treatment, care and Services appropriate for your situation.

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## HIGHLIGHTS

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This SPD describes the Program effective Jan. 1, 2017, unless otherwise noted. Some of the more significant changes to the SPD document since the last restatement of this SPD in 2016 are listed below.

- Revision of the list of Participating Companies and Bargaining Units to add or remove companies and bargaining units, as applicable.
- Modifications implementing changes resulting from the AT&T Mobility National Bargained Benefit Plan - CWA bargaining changes.
- The changes previously described in the following SMM are now incorporated in this SPD:
  - Change in Address for the Agent for Service of Legal Process, NIN 78-37015

## ELIGIBILITY AND PARTICIPATION

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### KEY POINTS

- *You and your dependents are eligible for coverage under this Program if you meet the eligibility requirements described in this section.*
- *Eligibility rules differ based upon your employing Company and employment classification.*
- *The Program provides various levels of coverage for you or you and your dependents.*
- *You may be eligible for one or more coverage options under the Program.*

### Eligibility at a Glance

This section includes information to help you determine if you are eligible for this Program. Review the next section “What Coverage Levels are Available” for the level of coverage (e.g. Individual or Family) available under the Program and the “Program Options” subsection to determine what Program options are available under the Program. To determine if your dependents are eligible for this Program, see the “How to Determine if Your Dependents are Eligible for this Program” section.

In order to determine your eligibility for the Program, you need to know your employment classification and if you are in a bargaining unit or population group of a Participating Company listed in *Appendix A*. Locate the information applicable to you in the “Eligibility Rules” section of the table(s) to determine if you meet the eligibility requirements noted in the table(s) below.

Special eligibility rules apply to employees who transfer or change positions under circumstances specified in the National Transfer Plan in your collective bargaining agreement. If you transfer between bargained groups, contact the Eligibility and Enrollment Vendor.

If you do not meet the eligibility requirements for the Program described in this Summary Plan Description (SPD), contact the Eligibility and Enrollment Vendor for assistance in identifying the SPD that might apply to you.

Enrollment is not automatic. You must be enrolled in the Program to receive coverage. See the “Enrollment and Changes to Your Coverage” section for information on how and when you must enroll and effective dates of coverage.

**Rehired Eligible Former Employees**

You are considered to be a “Rehired Retiree” (also known as a “Rehired Eligible Former Employee”) if:

- You are an Employee of a Participating Company in the Program in a position that would otherwise make you eligible for Benefits under this Program, and
- At the time of your latest hire, you were eligible for post-employment benefits under a plan program sponsored by AT&T Inc. or a member of the AT&T Inc. Controlled Group of Companies.

If you are a Rehired Retiree, the provisions of the AT&T Rehired Eligible Former Employee Supplement supersede the rules in this SPD, including but not limited to whether you are eligible for coverage under this or another program. Contact the Eligibility and Enrollment Vendor to obtain the AT&T Rehired Eligible Former Employee Supplement. It will be mailed to you at no cost. See the Eligibility and Enrollment Vendor table in the “Contact Information” section for contact information.

You will not be eligible for benefits from a program under AT&T Umbrella Benefits Plan No. 1 while you are an Active Employee, except in certain limited circumstances.

**Eligible Employees**

Eligibility Rules	
<b>Eligible Employees</b>	
You are an Eligible Employee if...	You are a Regular, Full-time or Part-time Bargained Employee who is Actively at Work and employed by a Participating Company.
<b>Dual Enrollment - Special Rule</b>	
Dual Enrollment	While you may be eligible under more than one status (for example, as an Employee and a dependent), the Program only allows you to be enrolled under a single status. See the "Dual Enrollment" section for more information.

**How to Determine if Your Dependents Are Eligible for This Program**

Review this section to determine if your dependents are eligible to enroll in the Program. Coverage for your Eligible Dependents is not automatic. **You must enroll your dependents if you want them to be covered under the Program.**

Unless your dependent’s eligibility for coverage is due to surviving dependent status, military orders under Military Service Leave for those called to involuntary active duty by Presidential Executive, or COBRA continuation coverage, your dependent(s) cannot be enrolled in the Program, unless you are also enrolled. In addition, if more than one coverage option is available under the Program, you and your Eligible Dependents must be enrolled in the same coverage option, unless one or more of you and your Eligible Dependents are Medicare Eligible and others are not. You may not cover a Spouse and a Partner as Eligible Dependents under the Program at the same

time. In addition, there may be restrictions on whether you can cover another Employee or Eligible Former Employee as a dependent under this Program. See the “Dual Enrollment” section for more information.

The Company reserves the right to verify eligibility of any enrolled dependents. See the “Dependent Eligibility Verification” section for more information. Once a dependent is enrolled, it is your responsibility to contact the Eligibility and Enrollment Vendor to cancel coverage whenever you have a dependent that is no longer eligible, including, for example, when you are divorced. See the “Enrollment and Changes to Your Coverage” section for more information.

If one of your dependents does not meet the eligibility requirements of the Program, the Program will not pay Benefits for any expenses incurred for that dependent. Also, if the Program pays Benefits for a dependent while the dependent is ineligible, you may be required to reimburse the Program for all such payments.

*Note: If coverage for your dependent is based upon the terms of a Qualified Medical Child Support Order (QMCSO), see the “Alternate Recipients Under Qualified Medical Child Support Order” section for coverage information.*

### **Eligible Dependents**

<b>Eligibility Rules</b>	
<b>Eligible Dependents</b>	
Your dependents who meet the eligibility rule are eligible for Program coverage.	<p>(1) Your Spouse/Legally Recognized Partner (LRP).</p> <p>(2) Your Child(ren) until the end of the month in which the Child reaches the age of 26 regardless of marital status.</p> <p>The term Child(ren) means any of the following until the end of the month in which they reach age 26:</p> <ul style="list-style-type: none"> <li>• Your biological Child(ren).</li> <li>• Child(ren) placed with you for purposes of adoption.</li> <li>• Child(ren) you have legally adopted or, your stepchild(ren).</li> <li>• The Child(ren) of your LRP.</li> <li>• Child(ren) for whom either you or your Spouse/LRP is a Legal Guardian. The term does not include wards of the state or foster Child(ren) who are not placed for adoption.</li> </ul> <p>(3) Your unmarried Disabled Child(ren) who is mentally, physically and/or medically incapable of self-support and fully dependent on you for financial support provided he or she was both: (1) covered under the Program; and (2) was disabled before the end of the month in which he or she reached the age of 26. You must provide satisfactory evidence of disability in order for your Disabled Child(ren) to be eligible for coverage under the Program. In addition, an independent medical examination of your dependent may be required. See the “Certification of Disabled Dependents” section for information on how to certify disability.</p>

## Dual Enrollment

The Program is designed to provide coverage for you and your Eligible Dependents. However, the Program has rules limiting Dual Enrollment, as described below. Dual Enrollment means that you are enrolled for Program coverage and at the same time enrolled in another Company-sponsored medical program under a different eligibility status.

The Program does not permit you or a dependent to be enrolled in the Program as an Employee, Eligible Former Employee or Eligible Dependent at the same time.

## WHAT COVERAGE OPTIONS ARE AVAILABLE

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### KEY POINTS

- *The Program provides coverage under one or more options that may include Company Self-Funded Option(s) and Fully-Insured Managed Care Options.*
- *The Program options available to you are generally determined based on the ZIP code for your home address in Company records.*

## Program Options

The Program provides coverage under one or more options. The Company Self-Funded Option(s) available to you and your enrolled dependents are determined based on the requirements specified below. You also may be eligible for Fully-Insured Managed Care Option coverage as described in the “Fully-Insured Managed Care Option” section.

The coverage options listed below are available under the Program.

The Company Self-Funded Health Care Network (HCN) is available to all Eligible Employees and Eligible Former Employees (excluding Employees and former Employees who reside in Puerto Rico or Hawaii). The HCN includes the Network and ONA Options. The options available to you will be determined based on the ZIP code for your home address in Company records. If your ZIP code is in the Network Area, you will be able to elect the HCN Network option. If your ZIP code is outside the Network Area, you will be able to elect either the HCN Network or ONA options.

If you reside in Puerto Rico or Hawaii, you will be able to elect a Fully-Insured Managed Care Option.

### ***Fully-Insured Managed Care Option***

At the Company’s discretion one or more Fully-Insured Managed Care Options may be available under the Program to provide an alternative to the Company Self-Insured Program coverage. Each Fully-Insured Managed Care Option is available as an option, only in the geographic area designated by the Company. The fact that an option was available in a prior year or is available generally to the public in an area does not mean that the option will be available under the Program. Whether you reside in a geographic area in which a Fully-Insured Managed Care Option is available to you is based on the ZIP code for your home address as reflected in the Company records. Information concerning the Fully-Insured Managed Care Options available to you, if any, will be provided when you have an opportunity to enroll or change your coverage elections.

If you have enrolled in the Fully-Insured Managed Care Option, you will continue to refer to the Program for the rules on eligibility, enrollment and contributions. In most cases, these rules will

govern over the eligibility provisions otherwise applicable under the insurer's policy. However, in limited circumstances, coverage for certain dependents, principally a Partner or a Disabled Child(ren) over the age of 26, may not be available under a specific Fully-insured Managed Care Option if coverage would not be permitted under the option's Certificate of Insurance. Also, rules established by the Centers for Medicare Services (CMS) may affect your eligibility for and the timing of your enrollment in a Medicare HMO. See the "Eligibility and Participation" section for more information.

Coverage in a Fully-Insured Managed Care Option under the Program for you and any of your dependents is available only while the individual is enrolled for coverage under the Program. Other insurance coverage may be available directly from the insurer after Program coverage terminates.

Any contributions you are required to pay for coverage under a Fully-Insured Managed Care Option also are determined under the Program. See the "Contribution Policy" section for more information.

Those enrolled in a Fully-Insured Managed Care Option must refer to the separate insurance booklets applicable to the Fully-Insured Managed Care Option for all terms and conditions, other than eligibility, enrollment and contributions, such as what health services are provided and Claims and Appeals procedures for Claims and Appeals that are not related to eligibility and enrollment. Except for the rules on eligibility, enrollment and contributions, the terms of the Fully-Insured Managed Care Option will govern in the event of any conflict between the terms of the Fully-Insured Managed Care Option and the terms of the Program. If you have any questions about the terms of the Fully-Insured Managed Care Option, contact your Fully-Insured Managed Care Option coverage provider for more information. The telephone number is included on your ID card. If you have questions about your eligibility, enrollment or contributions for a Fully-Insured Managed Care Option under the Program, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the "Contact Information" section for contact information.

## ENROLLMENT AND CHANGES TO YOUR COVERAGE

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### KEY POINTS

- *You must enroll to receive Program coverage.*
- *For your dependents to receive Program coverage, you and your dependents must be enrolled.*
- *You must act within the required time frames for enrolling and making changes to your Program coverage. If you miss the window of opportunity to enroll or make changes to your elections, you may have a gap in coverage or may not be able to make changes you desire to your coverage.*
- *You have certain responsibilities. You must notify the Eligibility and Enrollment Vendor if:*
  - Your address changes.
  - You have a change in enrollment.

- You receive a Qualified Medical Child Support Order (QMCSO).
- You or a covered dependent enrolls in Medicare.
- An enrolled dependent loses eligibility for any reason, such as divorce and attaining a certain age.

## What Coverage Levels Are Available

Your Cost of Coverage varies depending on the level of coverage you choose.

The Program offers the following levels of coverage.

- Individual – You only
- Individual + Spouse/LRP – You and your Spouse or LRP
- Individual + One or More Eligible Dependent Child(ren) – You and your dependent Child(ren)
- Family – You, your Spouse/LRP and one or more dependent Child(ren)

See the “Eligible Dependents” section for information about who qualifies as your Eligible Dependent.

## Enrollment at a Glance

The *Enrollment Rules for You* table below indicates the enrollment opportunities for which you and your dependents are eligible, as well as the time frames for electing coverage and making changes. For more detailed information regarding types of enrollment, see the sections following the *Enrollment Rules for You* table.

### Enrollment Rules for You

Enrollment	
Newly Eligible Enrollment	Unsubsidized: Within 31 days of the later of your Hire Date or the date appearing on your enrollment materials - for coverage to be effective on your date of hire, provided you enroll within the 31-day initial enrollment period. If you miss the 31-day deadline, you will not be able to enroll until Annual Enrollment or if you are permitted to enroll due to a "Change-in-Status".
Annual Enrollment	During Annual Enrollment - for coverage to be effective on the first day of the following Plan Year.
Change-in-Status Enrollment	See the "Change-in-Status Enrollment" section.

## Annual Enrollment

Annual Enrollment occurs each fall. During Annual Enrollment, you will be notified of the coverage options available to you for the next Plan Year. Your enrollment materials will also include information on coverage assigned to you if you do not take action.

**IMPORTANT:** The assigned coverage will be effective for the next Plan Year if you do not make an election.

It is important to review the materials and take action if needed. Your options, including your assigned coverage, may be different than your current coverage. Some options require you to actively enroll. Coverage begins Jan. 1 of the following Plan Year.

**IMPORTANT:** If you have a Change-in-Status Event on or after Sept. 1 and want to change your coverage, you need to make two separate elections:

- 1) Change your current coverage in effect through the end of the Plan Year, and
- 2) Update your Annual Enrollment elections for coverage beginning Jan. 1.

You can enroll online via the Eligibility and Enrollment Vendor website or by calling the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the "Contact Information" section for contact information.

## Change-in-Status Enrollment

Circumstances often change. You may get married, welcome a Child to the family, lose benefits under another employer's medical plan or you or a family member takes a leave of absence. These important events are called "Change-in-Status Events" and the Program allows you to change your enrollment when you experience specific Change-in-Status Events. See the "Change-in-Status Event" section for more information on events that are considered a Change-in-Status.

Your ability to change your Program enrollment when you experience a Change-in-Status Event during a Plan Year is in addition to Annual Enrollment opportunities.

### **Notice of A Change-In-Status Event**

It's important to consider how a change will impact your benefits. If any Change-in-Status Event occurs and you want to change your enrollment choices, you must inform the Eligibility and Enrollment Vendor within 31 days after the event.

There are some exceptions to this rule:

- If you gain or lose eligibility for Medicaid or a state Children's Health Insurance Program (CHIP) coverage, you must inform the Eligibility and Enrollment Vendor within 60 days of the gain or loss of coverage.
- If you or a covered dependent dies, the Fidelity Service Center should be notified as soon as possible at **800-416-2363** to initiate the appropriate changes to Program enrollment.
- If you experience a birth, adoption or placement for adoption, you must inform the Eligibility and Enrollment Vendor within 60 days of the event.

### **The Effective Date of Your Change-In-Status Enrollment**

It is very important that you notify the Eligibility and Enrollment Vendor within the time frames stated above when requesting a change to your enrollment. Your eligibility to make a change and the effective date of your request for your change in enrollment depends on when you request that change.

To change your enrollment, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

As noted above, your change in enrollment request is subject to review by the Eligibility and Enrollment Vendor. This review could have an impact on the effective date of your enrollment. For example, if you request enrollment for your newly eligible Child, your enrollment is subject to the same rules that apply to newly Eligible Employees and dependents, including the Dependent Eligibility Verification Process. Therefore, it is especially important to submit the necessary documents that prove eligibility for your dependent in a timely manner. Failure to submit the documents on time may delay his or her effective date of coverage under the Program beyond the effective dates listed below. See the “Dependent Eligibility Verification” section for more information.

If you request your enrollment change within the specified time frame and you provide all documentation requested by the Eligibility and Enrollment Vendor within the time required, your new enrollment will become effective either on:

- The date of the Change-in-Status Event in the case of birth, adoption or placement for adoption.
- On the first of the month after the event for all other Change-in-Status Events.
- If you do not notify the Eligibility and Enrollment Vendor within the time frames noted above, you must wait until the next Annual Enrollment or another Change-in-Status Event to change your enrollment.

### ***Your Change in Status May Affect Your Tax Treatment of Your Contributions***

A change in enrollment may lead to an adjustment to your required contributions and may also affect the tax treatment of your new contribution amount. For information about how your specific enrollment change may affect the amount of your contributions, contact the Eligibility and Enrollment Vendor.

**IMPORTANT:** This section does not contain information about your right to change the amount of your before-tax contribution. The section outlines your right to change your Program coverage enrollment only. For more information on how contributions are affected by Change-in-Status Events, please see the “Before-Tax and After-Tax Contributions” section.

### **Enrollment Rules for Your Dependents**

Program coverage is not automatic for you or your Eligible Dependents. You must enroll through the Eligibility and Enrollment Vendor to have coverage. To enroll a dependent, you must be enrolled in coverage. See the *Eligibility and Enrollment Vendor* table for contact information.

**IMPORTANT:** Special enrollment provisions apply if you do not enroll when you are first eligible. See the “Enrollment Rules for You” section.

Your dependent enrollment elections can be made:

- During Annual Enrollment – for coverage beginning the first day of the following Plan Year.

- Within 31 days of the later of your Hire Date or the date on your enrollment materials — for coverage beginning on your date of hire.
- After a Change-in-Status Event. See the “Change-in-Status Events” section for additional information, including a list of Change-in-Status Events and the changes in coverage you are allowed to make. A Change-in-Status-Event includes the date you are first eligible for the Company contribution toward your medical coverage.

See the *Eligibility and Enrollment Vendor* table for contact information. For information about contributions required to maintain your Program coverage, see the “Contributions” section.

**IMPORTANT:** If you are denied enrollment in the Program, you have the right to file a Claim for Eligibility. See the “How to File a Claim for Eligibility to Enroll or Participate in the Program” section for information.

### ***Dependent Eligibility Verification***

Your dependent may participate in the Program if he or she is eligible under the terms of the Program and enrolled.

In order to enroll your dependent, you must call the Eligibility and Enrollment Vendor.

The Eligibility and Enrollment Vendor will mail a dependent eligibility verification package to your address. If you do not receive the package in 7-10 days, it is your responsibility to call the Eligibility and Enrollment Vendor again. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

The dependent eligibility verification package will contain instructions for submitting documents that verify your dependents' eligibility for coverage, including a list of documents that would meet this requirement. For example, if you are enrolling a Child, you will be required to provide a copy of a birth certificate and/or other specified document that establishes the Child's relationship to you.

**IMPORTANT:** You must provide documentation proving the eligibility of your dependent prior to the date specified by the Eligibility and Enrollment Vendor and before your dependent's coverage can become effective under the Program.

If you provide the required documentation within the required timeframe and the Eligibility and Enrollment Vendor has reviewed your documents and approved the eligibility of your dependent, coverage under the Program will become effective as of the first of the month following the date you requested enrollment (if Prospective Enrollment is permitted under the Program), or earlier if pursuant to Annual Enrollment or a qualified status change as described under the Program.

If the Eligibility and Enrollment Vendor denies your application to add your dependent for coverage under the Program, you may file a Claim on this decision to the Eligibility and Enrollment Vendor. If the Eligibility and Enrollment Vendor denies your initial Claim, you may appeal that decision to the Eligibility and Enrollment Appeals Committee (EEAC). See the section on “How to File a Claim for Eligibility to Enroll or Participate in the Program.”

**If you do not provide the required documentation prior to the deadline stated, your dependents will not be enrolled for coverage under the Program retroactively.**

*Note: Enrollment of an ineligible dependent in the Program constitutes benefits fraud and violates the AT&T Code of Business Conduct. The Company will refer suspected fraudulent enrollments to AT&T Asset Protection for investigation, which may result in legal action and financial consequences.*

### **Certification of Disabled Dependents**

It is necessary to certify that your Child(ren) is disabled in order to obtain extended eligibility under the Program. Your disabled dependent will not receive Benefits under the Program if you fail to certify his or her disabled status. Review this section carefully to understand the steps necessary for certification (and recertification).

To certify an unmarried Child (including the Child of a Partner) who is disabled, you must contact the Eligibility and Enrollment Vendor to obtain the required forms for certification and follow the instructions on the forms. You and the Child's Physician must complete the application form and submit it for approval as directed in the form. The Eligibility and Enrollment Vendor will advise you whether the Child qualifies for coverage under the terms of the Program. The Eligibility and Enrollment Vendor will enroll your Child for coverage, if your Child is eligible under the terms of the Program. In addition, the Eligibility and Enrollment Vendor will periodically solicit you for disabled dependent verification.

Medical coverage for a Disabled Child(ren) begins when the Child(ren) is certified. Coverage is not retroactive for medical expenses incurred before certification.

**IMPORTANT:** It is best to contact the Eligibility and Enrollment Vendor three to six months before the Child reaches age 26. Failure to timely certify your dependent prior to age 26 will result in a break in Program coverage.

You must recertify a Disabled Child(ren) by providing satisfactory evidence of his or her disability at the discretion of the Plan Administrator, in order to continue eligibility for Program coverage. In addition, an independent medical examination of your unmarried Disabled Child(ren) may be required at the time of certification or recertification.

## **Change-in-Status Events**

### **Permissible Change-in-Status Enrollment Events**

Change-in-Status Events permit you to change your Program enrollment. For a detailed description of each of these events, see *Appendix B*. The permitted enrollment changes reflected in *Appendix B* are based on the terms and conditions of the Program and are consistent with federal law. The Plan Administrator has the discretion to determine whether or not a requested enrollment change is consistent with the event. See the "Status Change Codes legend" at the end of the tables in *Appendix B* for an explanation of the codes used in the tables.

There are certain requirements that your change in enrollment request must meet in order to be permitted under the Program.

- **The enrollment change must be consistent with the event.** The Change-in-Status Event must:
  - Affect eligibility and coverage under the Program; and
  - Must be on account of and consistent with the event.

- **Request your enrollment before the deadline.** Your request for a change in your enrollment must occur within 31 days of the Change-in-Status Event. However, Child(ren) acquired through birth or adoption (or placement of a Child in the Employee's or Eligible Former Employee's home pending adoption) may be enrolled within 60 days after the event.
- **Document your event.** While not always required, the Program has the right to request documentation that supports your Change-in-Status Event. For example:
  - Adding a newborn dependent Child will require a copy of the Child's birth certificate
  - Adding a new Spouse will require a copy of a marriage certificate
  - Waiving coverage under the Program in favor of coverage under another employer's medical plan may require proof of enrollment in the other medical plan.

## LEAVE OF ABSENCE

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### KEY POINTS

- *Special rules apply if you are on a leave of absence. You may be required to pay for coverage that continues during your leave of absence.*
- *If you do not continue coverage while on a leave of absence, you may be required to re-enroll upon your return to work.*

Your eligibility for continued coverage under this Program and whether you are required to pay for this coverage during your leave of absence, depends on the type of absence and, in some cases, on the duration of your leave. If you are on an approved leave of absence, you will receive a notice explaining what coverage you are eligible to continue to receive and whether you will be required to pay for this coverage. If you continue coverage, you must make all contributions during the required time frame to avoid interruption of your benefits. If you do not continue coverage under the Program while you are on your leave of absence, you must re-enroll upon your return to work by contacting the Enrollment and Eligibility Vendor and speaking to a representative. All coverage that continued while you were on leave will be continued when you return to work unless your eligibility has changed, for example, a change in your position results in eligibility for a different benefit program.

Special rules apply if you are absent from work by reason of Military Service or on a leave of absence subject to the Family and Medical Leave Act ("FMLA leave"). These rules are covered in the next two sections.

Because your coverage generally will be continued until the end of the month in which your active employment ends, a leave of absence that begins and ends in the same month will not affect your eligibility for coverage, but you may be required to re-enroll for coverage upon your return to work in order to continue your coverage uninterrupted.

### Extended Coverage for Employees on Active Military Duty

The Uniformed Services Employment and Re-employment Rights Act of 1994, as amended (USERRA) provides the right to elect continued coverage under this Program for an Employee who is absent from employment for more than 30 days by reason of service in the Uniformed Services.

The terms “Uniformed Services” or “Military Service” mean the United States Armed Forces, the Army National Guard and Air National Guard when engaged in active duty for training, inactive duty training or full-time National Guard duty, the commissioned corps of the United States Public Health Service and any other category of persons designated by the President of the United States in time of war or national emergency.

If you are qualified to continue coverage pursuant to USERRA, you may elect to continue your coverage under this Program by notifying the Eligibility and Enrollment Vendor in advance and providing payment of any required contribution for this coverage. This may include the amount the Company normally pays on your behalf. If your Military Service is for a period of time shorter than 31 days, you will not be required to pay more than your regular contribution amount for your coverage under this Program.

You may continue your coverage under USERRA for up to the shorter of:

- The 24-month period beginning on the day of your absence from work due to Military Service.
- The day after the date on which you fail to apply for, or return to, a position of employment with the Company.

Regardless of whether you continue coverage under this Program while in Military Service, if you return to employment with the Company, your coverage and coverage for your Eligible Dependents will be reinstated under the Program. No exclusions or waiting period will be imposed in connection with this reinstatement unless a sickness or Injury is determined by the Secretary of Veterans Affairs to have been incurred in, or aggravated during, the performance of Military Service.

This is a brief overview of the provisions of USERRA. For information concerning coverage for Employees who are absent from employment by reason of service in the Uniformed Services and their Eligible Dependents, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

## **Extended Coverage While on an FMLA-Protected Absence or on FMLA**

During a leave covered by the Family and Medical Leave Act (FMLA leave), the Company will maintain your coverage under the Program for up to 12 weeks of leave on the same terms and conditions as applicable to similarly situated Active Employees who are not on FMLA leave. If you receive pay while on an FMLA leave, your required contributions will continue to be taken from your pay. If you do not receive pay while on an FMLA leave, you will be billed and required to pay your required contributions.

### ***Repayment of Cost of Health Care Coverage Paid or Advanced by the Company***

If you do not return to work for the Company following FMLA leave for a reason other than the continuation, recurrence or onset of a serious health condition that entitles you to approved FMLA leave or as a result of other circumstances beyond your control (for example, a layoff), you may be required to reimburse the Company for the cost of your Program coverage during your FMLA leave. If you return to work for the Company following FMLA leave, you will be required to reimburse the Company for the Employee contributions that were not paid during your FMLA leave.

### ***Continuation of Coverage under COBRA***

If you do not return to active employment after your FMLA leave ends or you notify the Company that you do not intend to return after the end of your FMLA leave, you will be eligible to continue coverage through COBRA. The period of COBRA coverage will begin on the earlier of:

- The date your FMLA leave ends if you do not return to active employment.
- The date you notify the Company that you do not intend to return after the end of your FMLA leave.

### ***For More Information***

FMLA leave information is available on the OneStop website at **onestop.web.att.com**. At the OneStop home page, select the *Your Time & Attendance* tab, then the *Family Medical Leave Act* section. The website contains information on FMLA Qualifying Events, eligibility requirements, details on the application process and other helpful resources. If you are not at work, you will be able to find additional information about FMLA leaves at **access.att.com**.

You also may send correspondence to:

AT&T FMLA Operations  
105 Auditorium Circle, 12<sup>th</sup> Floor  
San Antonio, TX 78205

*Telephone Number*  
Toll-free: **888-722-1787**

*Hours of Operation*  
Customer Care Specialists are available Monday through Friday, 8 a.m. to 6 p.m. Central time.

## **CONTRIBUTIONS**

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### **KEY POINTS**

- *Your contribution is the amount you are required to pay monthly for Program coverage.*
- *A number of factors impact your contribution cost, including the coverage option you choose, the number of Eligible Dependents you cover, and your Medicare enrollment status.*

The amount you contribute toward the Cost of Coverage depends on the difference between the total annual Cost of Coverage and the Company contribution for a given year. The Company contribution is affected by:

- The date you were hired, rehired or transferred.
- Your employment status (for example, Actively at Work).
- The number of hours that you are scheduled to work.
- The medical option you are enrolled in.
- Whether or not you cover dependents.

- Whether you or your covered dependent is Medicare Eligible.
- Whether your coverage is continued through Company Extended Coverage (CEC) or COBRA.

**IMPORTANT:** Your hire date is not necessarily the date used to determine your Term of Employment (also known as net credited service).

You will receive information about contributions at Annual Enrollment each year, any time the Eligibility and Enrollment Vendor determines that you have a Change-in-Status Event that allows you to make an enrollment election and anytime you make a change that results in a contribution change. Refer to your enrollment materials for information concerning the contribution amount that applies to you. You also may obtain an electronic or printed personalized contribution statement any time through the Eligibility and Enrollment Vendor. These documents are considered to be a component of your Summary Plan Description. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

## How Contributions Are Made

### **Employee**

Contributions are deducted from your paycheck. If your contributions are not deducted, for example, if you are on an unpaid leave of absence (LOA), you will be billed and direct payments will be required, generally through check or money order. If the Eligibility and Enrollment Vendor makes this service available, you may choose to have your contributions automatically withdrawn from your checking or savings account. If you are direct billed, the Eligibility and Enrollment Vendor may permit you to pay your contributions up to one year in advance. Contact the Eligibility and Enrollment Vendor to determine what options are available to you. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

If you are an Employee, your contributions will be deducted from your paycheck on a before-tax basis, unless you elect to make your contributions on an after-tax basis. If you are an Employee who is subject to income tax in Puerto Rico, your contributions may be made only on an after-tax basis.

**IMPORTANT:** You have a 60-day grace period from the day your payment is due to make your payment before coverage is terminated. Failure to pay all required contributions for both you and any covered dependents will result in loss of coverage retroactive to the last day of the month for which full payment was received. Coverage will be canceled and you may not re-enroll until the next Annual Enrollment unless you experience a Change-in-Status Event that permits you to enroll sooner. In addition, if you are making contributions toward coverage under any other Company health and life insurance plans, coverage under those health and life plans will be canceled as well, and you may not be able to re-enroll in those plans, if at all, until the next Annual Enrollment unless you experience a Change-in-Status Event that permits you to enroll sooner. You should contact the Eligibility and Enrollment Vendor for more information. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

**EXAMPLE:** If your monthly contributions are medical \$400, vision \$50 and supplemental life insurance \$150 for a total of \$600 and you pay through March in full but have \$150 left to pay toward your contributions for April coverage, coverage for medical, vision and supplemental life insurance will be terminated effective April 1, if payment of the remaining \$150 balance is not made in full by May 31.

## Before-Tax and After-Tax Contributions

If you are an Active Employee, including if you are a rehired former Employee, your Program contributions will automatically be deducted from your pay on a before-tax basis upon enrolling in the Program.\* If you do not want these contributions deducted on a before-tax basis, you must elect after-tax contributions when you enroll.

If your contributions are paid on a before-tax basis, your ability to make changes to your contributions mid-year is governed by the AT&T Flexible Spending Account (FSA) Plan. As a result, even if you are eligible to change your medical coverage to an option with lower or higher contributions due to a Change-in-Status Event or Prospective Enrollment, you cannot change the amount of your before-tax contributions unless you experience a qualified Change-in-Status Event as defined in the AT&T FSA Plan. Although generally similar, not all Change-in-Status Events under the Program are considered qualified under the AT&T FSA Plan. Refer to the AT&T FSA Plan SPD for more information on before-tax contributions and for a list of events that are considered qualified Change-in-Status Events.

If you are not an Active Employee, you must pay your Program contributions on an after-tax basis.

**\*Puerto Rico employee contributions are paid on an after-tax basis.**

**IMPORTANT:** Active Employee contributions are automatically deducted from your paycheck on a before-tax basis, so if you want these contributions deducted on an after-tax basis, you must make this election during your enrollment period.

## Contribution Policy

You are required to pay a monthly contribution to participate in the Program as specified in the *Contributions Rules* table below. To use the table, you must first find the row in the *Employee Classification* column that contains the information that applies to you. Your contribution rule will be on that row in the *Contribution Rules* column unless a special rule described in the table applies to you.

If you transfer between bargained groups, contact the Eligibility and Enrollment Vendor.

The following applies to you and your Class I Dependents.

### Company Self-Funded Option

Employee Classification		Contribution Rules
Regular and Term Employee (less than 90 days Term of Employment)	Full-time or Part-time	You pay 100% of the monthly Cost of Coverage.

Employee Classification		Contribution Rules
Regular and Term Employee (at least 90 days Term of Employment and less than 6 months Term of Employment)	Full-time	<p>You pay the following monthly contribution</p> <p><b>Option 1</b></p> <p>Individual: \$128</p> <p>Individual + Spouse: 100% of the monthly Cost of Coverage less the individual subsidy</p> <p>Individual + Children: 100% of the monthly Cost of Coverage less the individual subsidy</p> <p>Family: 100% of the monthly Cost of Coverage less the individual subsidy</p> <p><b>Option 2</b></p> <p>Individual: \$70</p> <p>Individual + Spouse: 100% of the monthly Cost of Coverage less the individual subsidy</p> <p>Individual + Children: 100% of the monthly Cost of Coverage less the individual subsidy</p> <p>Family: 100% of the monthly Cost of Coverage less the individual subsidy</p>

Employee Classification	Contribution Rules
Regular and Term Employee (at least 6 months Term of Employment)	<p><b>Employees hired, rehired, or transferred before Jan. 1, 2017</b></p> <p>You pay the following monthly contribution</p> <p><b>Jan. 1, 2017, through Dec. 31, 2017</b></p> <p><b>Option 1</b></p> <p>Individual: \$89  Individual + Child(ren): \$153  Individual + Spouse: \$245  Family: \$260</p> <p><b>Option 2</b></p> <p>Individual: \$32  Individual + Child(ren): \$55  Individual + Spouse: \$88  Family: \$93</p> <p><b>Jan. 1, 2018 through Dec. 31, 2018</b></p> <p><b>Option 1</b></p> <p>Individual: \$88  Individual + Child(ren): \$150  Individual + Spouse: \$241  Family: \$256</p> <p><b>Option 2</b></p> <p>Individual: \$44  Individual + Child(ren): \$75  Individual + Spouse: \$121  Family: \$128</p>

Employee Classification		Contribution Rules
		<p><b>Jan. 1, 2019 through Dec. 31, 2019</b></p> <p><b>Option 1</b>  Individual: \$98  Individual + Child(ren): \$168  Individual + Spouse: \$269  Family: \$286</p> <p><b>Option 2</b>  Individual: \$57  Individual + Child(ren): \$97  Individual + Spouse: \$156  Family: \$166</p> <p><b>Beginning Jan. 1, 2020</b></p> <p><b>Option 1</b>  Individual: \$110  Individual + Child(ren): \$188  Individual + Spouse: \$302  Family: \$321</p> <p><b>Option 2</b>  Individual: \$70  Individual + Child(ren): \$120  Individual + Spouse: \$193  Family: \$205</p>

Employee Classification	Contribution Rules
	<p><b>Employees hired on or after Jan. 1, 2017</b></p> <p>You pay the following contributions</p> <p><b>Jan. 1, 2017 through Dec. 31, 2017</b></p> <p><b>Option 1</b></p> <p>Individual: \$128  Individual + Child(ren): \$219  Individual + Spouse: \$351  Family: \$372</p> <p><b>Option 2</b></p> <p>Individual: \$70  Individual + Child(ren): \$120  Individual + Spouse: \$192  Family: \$204</p> <p><b>Jan. 1, 2018 through Dec. 31, 2018</b></p> <p><b>Option 1</b></p> <p>Individual: \$121  Individual + Child(ren): \$207  Individual + Spouse: \$333  Family: \$352</p> <p><b>Option 2</b></p> <p>Individual: \$77  Individual + Child(ren): \$132  Individual + Spouse: \$211  Family: \$224</p>

Employee Classification		Contribution Rules
		<p><b>Jan. 1, 2019 through Dec. 31, 2019</b></p> <p><b>Option 1</b>            Individual: \$126            Individual + Child(ren): \$215            Individual + Spouse: \$346            Family: \$368</p> <p><b>Option 2</b>            Individual: \$85            Individual + Child(ren): \$145            Individual + Spouse: \$233            Family: \$247</p> <p><b>Beginning Jan. 1, 2020</b></p> <p><b>Option 1</b>            Individual: \$132            Individual + Child(ren): \$226            Individual + Spouse: \$362            Family: \$384</p> <p><b>Option 2</b>            Individual: \$93            Individual + Child(ren): \$159            Individual + Spouse: \$255            Family: \$271</p>
	Part-time (20 or more scheduled hours per week)	You pay 50% of the monthly Cost of Coverage.
	Part-time (less than 20 scheduled hours per week)	You pay 100% of the monthly Cost of Coverage.
<p><i>Some Employee classifications may not apply (for example, Term). See the "Eligible Employees" section for your specific eligibility requirements.</i></p>		

## Surviving Dependents

Company contributions toward the Cost of Coverage are available to your surviving dependents receiving Company Extended Coverage (CEC) for up to 12 full months following your death, as long as a surviving dependent remains eligible for and enrolled in CEC. Your surviving dependent(s) who continue coverage under CEC after the 12-month period will pay 100% of the Cost of Coverage with no Company contribution.

As described in the “Surviving Dependent Coverage” section, CEC is integrated with COBRA continuation coverage. As a result, COBRA contributions will be reduced by the amount of Company contributions available under CEC. Once Company contributions under CEC end, your surviving dependent(s) will pay 100% of the Cost of Coverage for continued COBRA coverage for up to 24 months (total of 36 months).

## Tax Consequences of Coverage for Partners and Their Dependents

The Company’s level of contribution toward Program coverage for a Partner and a Partner’s Child(ren) is the same as the Company’s contribution for coverage of a Spouse and a Spouse’s Child(ren).

However, when a Partner or a Partner’s Child(ren) are covered under the Program, and your relationship is not recognized as a marriage under the applicable state law or federal law, the Company may be required to include the Cost of Coverage as taxable income on your annual tax reporting statement, unless you provide information each year that your covered dependents qualify as tax dependents under the Internal Revenue Code as well as your state and local income tax laws, if applicable.

The amount reported as taxable income on your annual tax reporting statement is based on the total Cost of Coverage under the Program, including any before-tax contributions that you have paid for a Partner and his or her Child(ren). This amount is subject to federal, FICA income and any applicable state and local tax withholding.

## Contribution Surcharges

Your level of contribution toward Program coverage can be affected by incentives designed to promote Employee wellness. These incentives, discussed in detail in the “Health and Wellness Programs” section, provide for surcharges and credits to your medical contributions. These include:

- Your certification during Annual Enrollment that you meet the definition of a non-tobacco user or have satisfied other tobacco user cessation requirements as specified in the “Health and Wellness Programs” section of this SPD. If you do not certify that you are a non-tobacco user or take the alternative steps described in the “Health and Wellness Programs” section you will have a surcharge of up to \$600 annually (a \$50 monthly increase) applied to your medical contribution beginning Jan. 1, 2017.

If you did not certify during the last annual enrollment that you are not a tobacco user, the surcharge will **automatically** apply if you are enrolled in the Program.

The “Health and Wellness Programs” section includes information on available alternatives, privacy, and protection of genetic information.

Your level of contribution can also be impacted if you enroll a Spouse/LRP for coverage under the Program.

- Beginning Jan. 1, 2019, if you enroll a Spouse/LRP in coverage, you must verify when you first enroll your Spouse/LRP or during Annual Enrollment that your Spouse/LRP does not have access to medical coverage through his/her current employer. Otherwise, you will be treated as if you have a Spouse/LRP to whom the conditions of the Spouse/LRP surcharge apply, and the surcharge shown in the table below will be assessed for each month in which your Spouse/LRP is enrolled in any coverage option. The Change-in-Status Event provisions also apply and you can remove the surcharge during the year if your Spouse/LRP loses access to coverage under another employer’s plan. Likewise, you are responsible for reporting if your enrolled Spouse/LRP gains coverage through another employer during the year.
- You **must** take action to avoid a surcharge. If you do not respond during your enrollment period, the surcharge will apply.

	2017	2018	2019	2020
Tobacco Surcharge	\$50 per month	\$50 per month	\$50 per month	\$50 per month
Working Spouse Surcharge	None	None	\$100 per month	\$100 per month

## Employees on Leave of Absence

If you are on an approved leave of absence (LOA), you will receive a notice explaining what Program coverage you are eligible to continue and any contributions that you are required to pay for this coverage. If contributions are required, the Eligibility and Enrollment Vendor will send you a monthly bill. Payment is due on the first of the month for the following month of coverage. For example, the bill you receive on June 15 applies to coverage for the month of July. Payment is due by July 1.

If you have questions concerning billing or payment of your contribution, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

**IMPORTANT:** You have a 60-day grace period from the day your payment is due to make payment before coverage is terminated. Failure to pay all required contributions will result in loss of coverage retroactive to the last day of the month for which full payment was received. You may not be eligible to re-enroll until you return from your LOA. If you do not continue coverage under the Program while you are on LOA and you would like to re-enroll upon your return to work, you must contact the Eligibility and Enrollment Vendor to determine if you are eligible. If you are eligible to re-enroll, you will also receive enrollment materials from the Eligibility and Enrollment Vendor upon your return to work.

## Individuals Covered Through COBRA

If you or your Eligible Dependents are continuing coverage through COBRA, you or your Eligible Dependents will be required to pay for the coverage through the direct billing process administered by the Eligibility and Enrollment Vendor. See the “Extension of Coverage — COBRA”

section for more information about COBRA rights. Additional information on paying for COBRA coverage is provided in the “Paying for COBRA Continuation Coverage” subsection. See the “How Contributions are Made” section for details on the direct billing process. If you have questions concerning billing or payment of COBRA continuation coverage, you can contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

## BENEFITS AT A GLANCE

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### KEY POINTS

- *Program Benefits are summarized in the Benefits at a Glance table. More detailed information, including exclusions and limitations, are listed in the “What Is Covered” section.*
- *The Benefits at a Glance table(s) provides information on how you and the Program share in the cost of the most commonly used Covered Health Services.*

The following *Benefits at a Glance* table(s) provides you:

- **A summary, not an exhaustive list, of the most commonly used medical and MH/SA Covered Health Services.** See the “What Is Covered” section for more detailed information on what is covered. Even if a Service is listed as a Covered Health Service, certain exclusions or limitations may apply that affect Benefits payable under the Program. Other Services are specifically excluded from coverage regardless of the circumstances. For information on what is not covered, as well as circumstances affecting whether a Service is covered, see the “Exclusions and Limitations” section.
- **A summary of limitations specific to the Covered Health Services in the table.** This information is not exhaustive. See the “What Is Covered” section for more detailed information on limitations to the Covered Health Services.
- **Cost-sharing information.** You and the Program share in the cost of care as summarized in the table(s) below. The following *Benefits at a Glance* table(s) provides information on how you and the Program share in the cost of the most commonly used Services. However, circumstances specific to your situation may impact your level of cost sharing. To better understand these cost-sharing features and how they impact your Benefits, see the “Cost Sharing” section of this SPD.
- **Information on when Notification or Preauthorization is required.** The Program requires notification or Preauthorization for certain Services or circumstances. If you do not provide Notification or Preauthorization when it is required, your Benefits may be reduced or denied. The “Notification and Preauthorization Requirements” section of this SPD provides more detailed information.

This section does not include information on Prescription Drug coverage; see the “Prescription Drug Coverage” section. This section also does not include Benefits provided under any Fully-Insured Managed Care Options available under the Program. See the “Fully-Insured Managed Care Option” section for information.

**IMPORTANT:** No coverage will be provided for Services that the Benefits Administrator does not determine are Medically Necessary. Medically Necessary means that a specific Covered Health Service is required, in the reasonable medical judgment of the Benefits Administrator, for the treatment or management of a medical symptom or condition, and that the Service provided is the most efficient and economical Service that can safely be provided. Just because a Provider prescribes, orders, recommends, approves or views a Service as Medically Necessary does not make the Service Medically Necessary and does not mean the Program will pay the cost of that Service. See the “Medically Necessary” section for a complete description of Medically Necessary.

For a complete understanding of Benefits coverage, read this SPD in its entirety. If you have any questions about your Medical and MH/SA Benefits, contact your applicable Benefits Administrator.

**Table 1 – HCN Option 1**

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
<b>Notification and Preauthorization Requirements</b>				
Notification and Preauthorization Requirements	See the "Notification and Preauthorization Requirements" section for more information.	See the "Notification and Preauthorization Requirements" section for more information.	See the "Notification and Preauthorization Requirements" section for more information.	
<b>Cost Sharing</b>				
Cost Sharing	You and the Program share in the Cost of Coverage. See the information in this table and the "Cost Sharing" section of this SPD for more information.	You and the Program share in the Cost of Coverage. See the information in this table and the "Cost Sharing" section of this SPD for more information.	You and the Program share in the Cost of Coverage. See the information in this table and the "Cost Sharing" section of this SPD for more information.	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
<b>Annual Deductible</b>	<p>Medical, including MH/SA</p> <p>For Individual/Individual + Child(ren)/Individual + Spouse/Family:</p> <p>2017: \$500/\$1,000/ \$1,000/\$1,000</p> <p>2018: \$650/\$1,300/ \$1,300/\$1,300</p> <p>2019: \$700/\$1,400/ \$1,400/\$1,400</p> <p>2020: \$750/\$1,500/ \$1,500/\$1,500</p>	<p>Medical, including MH/SA</p> <p>For Individual/Individual + Child(ren)/Individual + Spouse/Family:</p> <p>2017: \$1,300/\$2,600/ \$2,600/\$2,600</p> <p>2018: \$2,275/\$4,550/ \$4,550/\$4,550</p> <p>2019: \$2,450/\$4,900/ \$4,900/\$4,900</p> <p>2020: \$2,625/\$5,250/ \$5,250/\$5,250</p>	<p>Medical, including MH/SA</p> <p>For Individual/Individual + Child(ren)/Individual + Spouse/Family:</p> <p>2017: \$500/\$1,000/ \$1,000/\$1,000</p> <p>2018: \$650/\$1,300/ \$1,300/\$1,300</p> <p>2019: \$700/\$1,400/ \$1,400/\$1,400</p> <p>2020: \$750/\$1,500/ \$1,500/\$1,500</p>	<p>Unless otherwise noted, the Annual Deductible applies.</p>
<b>Annual Out-of-Pocket Maximum</b>	<p>Medical, including MH/SA Includes Annual Deductible</p> <p>For Individual/Individual + Child(ren)/Individual + Spouse/Family:</p> <p>2017: \$2,500/\$5,000/ \$5,000/\$5,000</p> <p>2018: \$3250/\$6,500/ \$6,500/\$6,500</p> <p>2019: \$3,500/\$7,000/ \$7,000/\$7,000</p> <p>2020: \$3,750/\$7,500/ \$7,500/\$7,500</p>	<p>Medical, including MH/SA Includes Annual Deductible</p> <p>For Individual/Individual + Child(ren)/Individual + Spouse/Family:</p> <p>2017: \$7,300/\$14,600/ \$14,600/\$14,600</p> <p>2018: \$9,750/\$19,500/ \$19,500/\$19,500</p> <p>2019: \$10,500/\$21,000/ \$21,000/\$21,000</p> <p>2020: \$11,250/\$22,500/ \$22,500/\$22,500</p>	<p>Medical, including MH/SA Includes Annual Deductible</p> <p>For Individual/Individual + Child(ren)/Individual + Spouse/Family:</p> <p>2017: \$2,500/\$5,000/ \$5,000/\$5,000</p> <p>2018: \$3250/\$6,500/ \$6,500/\$6,500</p> <p>2019: \$3,500/\$7,000/ \$7,000/\$7,000</p> <p>2020: \$3,750/\$7,500/ \$7,500/\$7,500</p>	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
Coinsurance	Percent of the Allowable Charge you pay after the Annual Deductible. Coinsurance information is provided in this table for each Covered Health Service category. Additional information is also provided in the "Cost Sharing" section of this SPD.	Percent of the Allowable Charge you pay after the Annual Deductible. Coinsurance information is provided in this table for each Covered Health Service category. Additional information is also provided in the "Cost Sharing" section of this SPD.	Percent of the Allowable Charge you pay after the Annual Deductible. Coinsurance information is provided in this table for each Covered Health Service category. Additional information is also provided in the "Cost Sharing" section of this SPD.	
Co-payments	Co-payments apply for certain Covered Health Services described in this table. Additional information is also provided in the "Cost Sharing" section of this SPD.	Co-payments apply for certain Covered Health Services described in this table. Additional information is also provided in the "Cost Sharing" section of this SPD.	Co-payments apply for certain Covered Health Services described in this table. Additional information is also provided in the "Cost Sharing" section of this SPD.	
<b>Preventive Care Services</b>				
Preventive Care	0% Coinsurance	Not covered	0% Coinsurance	Annual Deductible does not apply. See the "What Is Covered" section for information about Preventive Care Services.
<b>Emergency Services</b>				
Emergency Room (Emergency Medical Condition)	10% Coinsurance	10% Coinsurance	10% Coinsurance	
Ambulance Services (Emergency)	10% Coinsurance	10% Coinsurance	10% Coinsurance	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
<b>Non-Emergency Services</b>				
Emergency Room (Non-Emergency)	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Urgent Care Facility (Non-Emergency)	10% Coinsurance	20% Coinsurance	10% Coinsurance	
Ambulance Services (Non-Emergency)	Not covered	Not covered	Not covered	
<b>Inpatient Services</b>				
Facility Charge	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Room and Board	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Lab and X-Ray	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
Physician and Surgeon Services	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
<b>Outpatient Services</b>				
<b>Office Visit</b>				
Office Visit (Non-Specialist)	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Office Visit (Specialist)	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
<b>Outpatient Care</b>				
Outpatient Surgery	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
Outpatient Lab and X-Ray Services (excluding Preventive Care)	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Outpatient Chemotherapy	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
<b>Mental Health and Substance Abuse Services</b>				
<b>Mental Health</b>				
Mental Health Outpatient Services	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Mental Health Inpatient Services	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
<b>Substance Abuse</b>				
Substance Abuse Outpatient Services	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Substance Abuse Inpatient Services	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
<b>Family Planning/ Maternity Services</b>				
Office Visit (Pre/Postnatal)	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	For routine prenatal care, check with Benefits Administrator.
Hospital Delivery Services	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	Non-Network: Inpatient Services Facility Charge applies.
Infertility Services	Not covered	Not covered	Not covered	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
<b>Rehabilitation Services</b>				
Physical Therapy	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Occupational Therapy	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Speech Therapy	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Cardiac Rehabilitation Therapy	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Pulmonary Rehabilitation	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
Post-Cochlear Implant Aural Therapy	Not covered	Not covered	Not covered	
<b>Additional Services</b>				
Acupuncture	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Chiropractic	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Durable Medical Equipment	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	
Home Health Care	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	Non-Network: Limited to 60 visits per year.
Hospice Services	10% Coinsurance	Not covered	10% Coinsurance	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
Organ and Tissue Transplant Services	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	Network/ONA: See <i>Appendix C</i> for additional Benefits that may be available if you use a Designated Network Provider. Non-Network: Inpatient Services Facility Charge applies.
Skilled Nursing Facility Services/Inpatient Rehabilitation Facility Services/Extended Care Facility Services	10% Coinsurance	2017: 20% Coinsurance 2018: 50% Coinsurance 2019: 50% Coinsurance 2020: 50% Coinsurance	10% Coinsurance	Network: Limited to 100 days per calendar year (combined Network and Non-Network Services). Non-Network: Facility Charge applies. Limited to 60 days per calendar year (combined Network and Non-Network Services). ONA: Limited to 100 days per calendar year.

**Table 2 – HCN Option 2**

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
<b>Notification and Preauthorization Requirements</b>				
Notification and Preauthorization Requirements	See the "Notification and Preauthorization Requirements" section for more information.	See the "Notification and Preauthorization Requirements" section for more information.	See the "Notification and Preauthorization Requirements" section for more information.	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
<b>Cost Sharing</b>				
Cost Sharing	You and the Program share in the Cost of Coverage. See the information in this table and the "Cost Sharing" section of this SPD for more information.	You and the Program share in the Cost of Coverage. See the information in this table and the "Cost Sharing" section of this SPD for more information.	You and the Program share in the Cost of Coverage. See the information in this table and the "Cost Sharing" section of this SPD for more information.	
Annual Deductible	Medical, including MH/SA and Rx  For Individual/Individual + Child(ren)/Individual + Spouse/Family: \$1,300/\$2,600/\$2,600/\$2,600	Medical, including MH/SA and Rx  For Individual/Individual + Child(ren)/Individual + Spouse/Family: \$3,900/\$7,800/\$7,800/\$7,800	Medical, including MH/SA and Rx  For Individual/Individual + Child(ren)/Individual + Spouse/Family: \$1,300/\$2,600/\$2,600/\$2,600	Unless otherwise noted, the Annual Deductible applies.
Annual Out-of-Pocket Maximum	Medical, including MH/SA and Rx; Includes Annual Deductible  For Individual/Individual + Child(ren)/Individual + Spouse/Family: \$6,450/\$12,900/\$12,900/\$12,900; Individual + Child(ren), Individual + Spouse and Family capped at \$6,450 per Individual	Medical, including MH/SA and Rx; Includes Annual Deductible  For Individual/Individual + Child(ren)/Individual + Spouse/Family: \$19,350/\$38,700/\$38,700/\$38,700	Medical, including MH/SA and Rx; Includes Annual Deductible  For Individual/Individual + Child(ren)/Individual + Spouse/Family: \$6,450/\$12,900/\$12,900/\$12,900; Individual + Child(ren), Individual + Spouse and Family capped at \$6,450 per Individual	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
Coinsurance	Percent of the Allowable Charge you pay after the Annual Deductible. Coinsurance information is provided in this table for each Covered Health Service category. Additional information is also provided in the "Cost Sharing" section of this SPD.	Percent of the Allowable Charge you pay after the Annual Deductible. Coinsurance information is provided in this table for each Covered Health Service category. Additional information is also provided in the "Cost Sharing" section of this SPD.	Percent of the Allowable Charge you pay after the Annual Deductible. Coinsurance information is provided in this table for each Covered Health Service category. Additional information is also provided in the "Cost Sharing" section of this SPD.	
Co-payments	Co-payments apply for certain Covered Health Services described in this table. Additional information is also provided in the "Cost Sharing" section of this SPD.	Co-payments apply for certain Covered Health Services described in this table. Additional information is also provided in the "Cost Sharing" section of this SPD.	Co-payments apply for certain Covered Health Services described in this table. Additional information is also provided in the "Cost Sharing" section of this SPD.	
<b>Preventive Care Services</b>				
Preventive Care	0% Coinsurance	Not covered	0% Coinsurance	Annual Deductible does not apply. See the "What Is Covered" section for information about Preventive Care Services.
<b>Emergency Services</b>				
Emergency Room (Emergency Medical Condition)	10% Coinsurance	10% Coinsurance	10% Coinsurance	
Ambulance Services (Emergency)	10% Coinsurance	10% Coinsurance	10% Coinsurance	
<b>Non-Emergency Services</b>				
Emergency Room (Non-Emergency)	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Urgent Care Facility (Non-Emergency)	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Ambulance Services (Non-Emergency)	Not covered	Not covered	Not covered	

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
<b>Inpatient Services</b>				
Facility Charge	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Room and Board	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Lab and X-Ray	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Physician and Surgeon Services	10% Coinsurance	50% Coinsurance	10% Coinsurance	
<b>Outpatient Services</b>				
<b>Office Visit</b>				
Office Visit (Non-Specialist)	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Office Visit (Specialist)	10% Coinsurance	50% Coinsurance	10% Coinsurance	
<b>Outpatient Care</b>				
Outpatient Surgery	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Outpatient Lab and X-Ray Services (excluding Preventive Care)	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Outpatient Chemotherapy	10% Coinsurance	50% Coinsurance	10% Coinsurance	
<b>Mental Health and Substance Abuse Services</b>				
<b>Mental Health</b>				
Mental Health Outpatient Services	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Mental Health Inpatient Services	10% Coinsurance	50% Coinsurance	10% Coinsurance	
<b>Substance Abuse</b>				
Substance Abuse Outpatient Services	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Substance Abuse Inpatient Services	10% Coinsurance	50% Coinsurance	10% Coinsurance	
<b>Family Planning/ Maternity Services</b>				
Office Visit (Pre/Postnatal)	10% Coinsurance	50% Coinsurance	10% Coinsurance	For routine prenatal care, check with Benefits Administrator.

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
Hospital Delivery Services	10% Coinsurance	50% Coinsurance	10% Coinsurance	Non-Network: Inpatient Services Facility Charge applies.
Infertility Services	Not covered	Not covered	Not covered	
<b>Rehabilitation Services</b>				
Physical Therapy	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Occupational Therapy	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Speech Therapy	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Cardiac Rehabilitation Therapy	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Pulmonary Rehabilitation	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Post-Cochlear Implant Aural Therapy	Not covered	Not covered	Not covered	
<b>Additional Services</b>				
Acupuncture	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Chiropractic	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Durable Medical Equipment	10% Coinsurance	50% Coinsurance	10% Coinsurance	
Home Health Care	10% Coinsurance	50% Coinsurance	10% Coinsurance	Non-Network: Limited to 60 visits per year.
Hospice Services	10% Coinsurance	Not covered	10% Coinsurance	
Organ and Tissue Transplant Services	10% Coinsurance	50% Coinsurance	10% Coinsurance	Network/ONA: See <i>Appendix C</i> for additional Benefits that may be available if you use a Designated Network Provider.  Non-Network: Inpatient Services Facility Charge applies.

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>	<b>Limitations and Exceptions</b>
Skilled Nursing Facility Services/Inpatient Rehabilitation Facility Services/Extended Care Facility Services	10% Coinsurance	50% Coinsurance	10% Coinsurance	<p>Network: Limited to 100 days per calendar year (combined Network and Non-Network Services).</p> <p>Non-Network: Facility Charge applies. Limited to 60 days per calendar year (combined Network and Non-Network Services).</p> <p>ONA: Limited to 100 days per calendar year.</p>

## Your Program Coverage Overview

The Program offers Benefits to help you pay the cost of medical, including Mental Health/Substance Abuse Services for you and your Eligible Dependents. The Program also offers Prescription Drug Benefits, which are explained in the “Prescription Drug Coverage” section of this SPD.

This section of the SPD includes further details about your Medical and Mental Health/Substance Abuse Program Benefits. It is important you read these sections of this SPD to receive the maximum Benefits from the Program. As you read the details of the Program, it is important to keep the following in mind:

- The *Benefits at a Glance* table only provides a high-level summary of your Benefits. To best understand the full extent of Covered Health Services and any limitations or exclusions applicable to your Benefits, see the “What Is Covered” and “Limitations and Exclusions” sections of this SPD.

- You and the Program share the cost of most Covered Health Services. See the “Cost Sharing” section for information on how you and the Program share in this responsibility. The following are exceptions to the general cost-sharing provisions contained in this section of the SPD:
  - Preventive Care Services are covered at 100 percent of the Allowable Charge if these Services are provided by a Network Provider. However, the Program will pay no Benefits, and you will be responsible for the full cost of Services, if Preventive Care Services are provided by a Non-Network Provider (unless you have ONA coverage). If you have ONA coverage, Preventive Care Services are provided without cost sharing, regardless of whether you use a Network or Non-Network Provider. However, your Benefits will be limited to the amount of the Allowable Charge. For information specific to your Preventive Care Services Benefits, see the *Benefits at a Glance* table and “Preventive Care Services” section.
  - Emergency Services are covered the same whether you receive care at a Network or Non-Network facility, as long as the Service is provided for an Emergency Medical Condition. See the “Definitions” section for the definition of Emergency Medical Condition and Emergency Services. For more information on your Benefits for Emergency Services, see the “Emergency Services” section.
- The Program gives you access to a Network of Physicians and other health care Providers to maximize your Benefits under the Program. You are not required to designate a Primary Care Physician to receive Program Benefits. However, if you use Network Providers, you will receive the Network level of Benefits and generally pay less out of pocket for Covered Health Services. Also, the Benefits Administrator and the Network Provider negotiate an agreed amount for the Provider’s Services, and your Network Provider will not charge you for any amounts that are more than the Negotiated Rate. For more information, see the “What You Need to Know About Providers” section.
- If you receive Services from a Non-Network Provider, you generally will pay more for Covered Health Services because your portion of the cost sharing may be greater and Providers have not agreed to a Negotiated Rate for Covered Health Services. You also may be required to pay any amount above the Allowable Charge determined by the Benefits Administrator. For more information, see the “Non-Network Coverage” section.
- If you reside in an area that is not within a Network Area and are enrolled in ONA coverage, you have the flexibility to choose either a Network or Non-Network Provider whenever you receive care and receive the same level of Benefits. If your care is provided by a Network Provider, you will generally pay less out of pocket because you will receive the advantage of a Negotiated Rate. You also are not required to designate a Primary Care Physician to receive Program Benefits. For more information, see the “Outside Network Area (ONA) Coverage” section.
- Services are not considered a Covered Health Service unless they are determined to be Medically Necessary. See the “Medically Necessary” section for more information.
- Some Services require Notification and/or Preauthorization for maximum coverage under the Program. See the “Notification and Preauthorization Requirements” section for information.

**IMPORTANT:** The Benefits Administrator determines whether a Service is covered and what Benefits the Program will pay, based on the terms of the Program. No other person has the authority to make any statement, decision or representation regarding coverage under this Program. See the "Plan Administration" section for information.

## Conditions for Program Benefits

Program Benefits are available if you meet all of the following:

- You are a Covered Person, which means you meet all eligibility requirements for Program coverage and are properly enrolled for coverage.
- You continue to meet all of the eligibility requirements and all required contributions for your coverage are paid timely.
- You receive Covered Health Services while your Program coverage is in effect — after you meet eligibility requirements and before coverage ends, as described in the "When Coverage Ends" section.
- You or your Provider file a timely Claim for Benefits, as described in the "Claims for Benefits" section and provide any required information in support of your Claim.

## COST SHARING

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### KEY POINTS

- *You and the Company share in the cost of Benefits provided under the Program.*
- *Cost sharing may be in the form of an Annual Deductible, Coinsurance, an Annual Out-of-Pocket Maximum, Allowable Charge or other provisions.*

You and the Program share in the cost of your care. You should be aware of how the cost-sharing provisions affect your Benefits.

This section describes cost-sharing features that are built into the Program. See the *Benefits at a Glance* table(s) for specific amounts. This section does not include cost sharing information for benefits provided under any Fully-Insured Managed Care Options available under the Program. See the "Fully-Insured Managed Care Option" section for information.

### **Annual Deductible**

The Annual Deductible is the amount that you (and your covered family members) pay each year for Allowable Charges before the Program begins to pay Benefits for most Covered Health Services (other than Preventive Care Services obtained from Network Providers).

There are separate Network and Non-Network Annual Deductibles:

- Network Allowable Charges you are responsible for are counted toward meeting your Network Deductible but do not count toward the Non-Network Annual Deductible.
- Non-Network Allowable Charges you are responsible for are counted toward meeting your Non-Network Deductible but do not count toward the Network Annual Deductible.

For ONA coverage (see “Outside Network Area (ONA) Coverage”), only the ONA Annual Deductible applies, and Allowable Charges will count toward the ONA Annual Deductible, regardless of whether you use Network or Non-Network Providers. If you switch to Network coverage during the year, the amounts applied to your ONA Annual Deductible will apply to your Network Annual Deductible for the rest of the year in which you switch.

With Individual + 1 and Family coverage, a Covered Person is eligible to receive Benefits once their Eligible Expenses satisfy the individual Annual Deductible. The Individual + 1 or Family Annual Deductible, as applicable, is met once any combination of Covered Persons’ Eligible Expenses meets the Individual + 1 or Family Annual Deductible amount. It is not necessary that any one individual reach the individual Annual Deductible, but no one individual may contribute more than the individual Annual Deductible amount.

- If more than one covered family member is injured in the same accident, only one individual Annual Deductible must be met before the Program begins to pay Benefits for Services (subject to the Annual Deductible) resulting from the accident during that calendar year.

**HCN Option 1**

Medical and MH/SA Allowable Charges apply to the Annual Deductible. Prescription Drug Allowable Charges will not apply to the new medical and MH/SA Annual Deductible. The tables following the example summarize what does and does not apply to the Annual Deductible.

*This is an example only. The actual terms of your Program, such as the applicable Annual Deductible amounts for the option you elect, will govern; you can substitute the Annual Deductible for your Program option to see how this could affect you.*

For example, suppose Joe covers his wife, Elaine, and their son, Tom, in the Program with a family Network Annual Deductible of \$1,500. Joe has the first medical procedure in his family for the year and pays out of pocket \$500 in Allowable Charges for Network care, which applies toward the family Network Annual Deductible.

If Elaine then has a procedure for Network care where she pays out of pocket \$750 in Allowable Charges, her expenses apply toward the family Network Annual Deductible.

Now, when Joe, Elaine or Tom needs care, once any family member or a combination of family members has paid out of pocket \$250 in Allowable Charges for Network care, Joe, Elaine and Tom will begin receiving Benefits because the \$1,500 Network family Annual Deductible will have been met.

	Counts toward the Network Annual Deductible?	
	Yes	No
Amounts that exceed Allowable Charges for Eligible Expenses		X
Co-payment		X
Contributions		X

	Counts toward the Network Annual Deductible?	
	Yes	No
Ineligible expenses		X
Network Allowable Charges	X	
Non-Network Allowable Charges		X
Notification or Preauthorization penalties		X
Outpatient Prescription Drug Allowable Charges for Eligible expenses		X

	Counts toward the Non-Network Annual Deductible?	
	Yes	No
Amounts that exceed Allowable Charges for Eligible Expenses		X
Co-payment		X
Contributions		X
Ineligible Expenses		X
Network Allowable Charges		X
Non-Network Allowable Charges	X	
Notification or Preauthorization penalties		X
Outpatient Prescription Drug Allowable Charges for Eligible Expenses		X

See the *Benefits at a Glance* table(s) for Annual Deductible amounts and information on what Services are subject to the Annual Deductible.

If family members are enrolled in different Program options, the Annual Deductible of the option covering an individual will apply only to that individual and other family members enrolled in the same option. In addition, expenses that apply to each family member's individual Annual Deductible will only apply to meeting the family Annual Deductible of those family members enrolled in the same Program option. Family members enrolled in a separate Program option will have a separate Annual Deductible. Allowable Charges incurred by a family member will apply only to the Annual Deductible that applies to that individual and not to the separate Annual Deductible applicable to the family member(s) enrolled in a different Program option.

#### HCN Option 2

HCN Option 2 has a separate Annual Deductible for each option (Network, ONA and Non-Network). Amounts incurred under one option do not apply to the other option.

The Annual Deductible is integrated with Mental Health Substance Abuse, Prescription Drug, and CarePlus. The tables below summarize what does and does not apply to the Annual Deductible.

	Counts toward the Network Annual Deductible?	
	Yes	No
Amounts that exceed Allowable Charges for Eligible Expenses		X
Co-payment		X
Contributions		X
Ineligible expenses		X
Network Allowable Charges	X	
Non-Network Allowable Charges		X
Notification or Preauthorization penalties		X
Outpatient Prescription Drug Allowable Charges for Eligible expenses	X	

	Counts toward the Non-Network Annual Deductible?	
	Yes	No
Amounts that exceed Allowable Charges for Eligible Expenses		X
Co-payment		X
Contributions		X
Ineligible Expenses		X
Network Allowable Charges		X
Non-Network Allowable Charges	X	
Notification or Preauthorization penalties		X
Outpatient Prescription Drug Allowable Charges for Eligible Expenses	X	

See the *Benefits at a Glance* table(s) for Annual Deductible amounts and information on what Services are subject to the Annual Deductible.

**Coinsurance**

Coinsurance is the percentage of Allowable Charges you pay for Covered Health Services except Network Preventive Health Services.

The Coinsurance percentage varies depending on the Covered Health Service. For Covered Health Services that are subject to a Network requirement, the Coinsurance percentage also varies, depending on whether or not you use a Network Provider.

If you use a Provider who charges more than the Allowable Charge for a Covered Health Service, you also will be responsible for any charges in excess of the Allowable Charge.

*This is an example only. The actual terms of your Program, such as the applicable Coinsurance amounts, will govern; you can substitute the Coinsurance amounts for your Program to see how this could affect you.*

For example, if the Program pays 90 percent of Allowable Charges if you use a Network Provider and 80 percent if you use a Non-Network Provider, and you visit a Network Provider for a Covered Health Service, the Network Provider will accept a Negotiated Rate. If the Negotiated Rate is \$10,000 and there is no Annual Deductible requirement or you have met your Annual Deductible, the Program will pay \$9,000 (90% x \$10,000). You will be responsible for the \$1,000 Coinsurance amount (10% x \$10,000).

If you visit a Non-Network Provider, the Provider's billed charge may be higher than the Allowable Charge. If the Allowable Charge is \$10,000, the Provider bills \$14,000 and you have met your Non-Network Annual Deductible, the Program will pay \$8,000 (80% x \$10,000). You will be responsible for the \$2,000 Coinsurance amount (20% x \$10,000) plus the remaining \$4,000 difference between the amount billed (\$14,000) and the Allowable Charge (\$10,000).

**Note:** *If you are enrolled in a coverage option that does not pay Benefits differently based on whether you use a Network Provider, the Program will pay the same percent of Allowable Charges whether you use a Network Provider or not. However, if you use a Network Provider, your Coinsurance amount will be based on the Negotiated Rate and, because the Network Provider accepts the Negotiated Rate as payment for the Covered Health Services, you will not be responsible for the difference between the amount billed and the Allowable Charge.*

### **Co-payments**

A Co-payment is a flat dollar amount you pay for certain Services. Co-payments vary depending on the Covered Health Service. See the *Benefits at a Glance* table(s) following the "Conditions for Program Benefits" section for Co-payment amounts.

### **Annual Out-of-Pocket Maximum**

The Annual Out-of-Pocket Maximum limits the amount you pay for Covered Health Services each year. Once your payments for Covered Health Services reach the Annual Out-of-Pocket Maximum, the Program pays 100 percent of Allowable Charges for most Covered Health Services for the rest of the year unless you change your Program option.

Notwithstanding the Annual Out-of-Pocket Maximum limit for the Program, the Allowable Charges for Eligible Expenses you pay out of pocket for Covered Health Services by Network Providers in a calendar year may not exceed the limit specified for each year by PPACA (\$7,150 for individual coverage and \$14,300 for family coverage in 2017). This overarching Annual Out-of-Pocket Maximum includes all Network Co-payments, Annual Deductibles, and Coinsurance for Essential Health Benefits (e.g., medical, mental health/substance abuse, prescription drug, non-excepted dental and vision) and must accumulate to a single overarching Annual Out-of-Pocket Maximum or have limits imposed on the component pieces that will not exceed the foregoing cap when combined.

Separate Annual Out-of-Pocket Maximums apply for Network and Non-Network Covered Health Services:

- Network Allowable Charges do not count toward the Non-Network Annual Out-of-Pocket Maximum.
- Non-Network Allowable Charges do not count toward the Network Annual Out-of-Pocket Maximum.

This means that even if you meet the Network Annual Out-of-Pocket Maximum, you must still meet the Non-Network Annual Out-of-Pocket Maximum before the Program begins to pay 100 percent of Allowable Charges for Non-Network Covered Health Services.

**IMPORTANT:** When you use Non-Network Providers, any amounts you pay for Covered Health Services that exceed the Allowable Charge for the Eligible Expense do not apply toward your Annual Out-of-Pocket Maximum. In addition, the Program will not pay these excess amounts even if you reach your Annual Out-of-Pocket Maximum.

If you are enrolled in ONA coverage, only the ONA Annual Out-of-Pocket Maximum applies. Your Allowable Charges count toward meeting the ONA Annual Out-of-Pocket Maximum regardless of whether you use Network or Non-Network Providers.

#### HCN Option 1

There are different individual and family Annual Out-of-Pocket Maximum amounts. Once an individual reaches the applicable individual Annual Out-of-Pocket Maximum, the Program will begin paying 100 percent of Allowable Charges for Eligible Expenses that person incurs. Once payments for all family members reach the family Annual Out-of-Pocket Maximum, the individual Annual Out-of-Pocket Maximum for all family members will be considered met for the rest of the year, and the Program will begin paying 100 percent of Allowable Charges for Eligible Expenses that any family member incurs.

#### HCN Option 2

There are different individual and family Annual Out-of-Pocket Maximums. If your coverage category is either Individual + 1 or Individual + 2 or more, only the family Annual Out-of-Pocket Maximum applies, and you must meet the family Annual Out-of-Pocket Maximum before the Program pays 100 percent of Allowable Charges for Eligible Expenses. The family Annual Out-of-Pocket Maximum is considered to be met when the expenses of any combination of covered family members meet the family Annual Out-of-Pocket Maximum, whether or not any individual family member has met his or her individual Annual Deductible. However, the Annual Out-of-Pocket Maximum is capped for each individual family member at the individual Annual Out-of-Pocket Maximum, as stated in the Benefits at a Glance table, which means that the Program will pay 100 percent of Allowable Charges for Eligible Expenses for an individual family member who reaches the capped amount, but the family Annual-Out-of-Pocket Maximum must be met before the Program pays 100% of these expenses for all other family members.

Amounts that apply to the Annual Out-of-Pocket Maximum include amounts you pay toward the cost of medical and MH/SA Eligible Expenses. Prescription Drug Eligible Expenses will no longer apply to the new medical and MH/SA Annual Out-of-Pocket Maximum.

The following table summarizes what does and does not apply to the Network, Non-Network and ONA Annual Out-of-Pocket Maximum.

**Table 1 – HCN Option 1**

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>
<b>Counts toward the Annual Out-of-Pocket Maximum?</b>			
Amounts that exceed allowable charges for eligible expenses	No	No	No
Annual Deductible	Yes	Yes	Yes
Coinsurance	Yes	Yes	Yes
Contributions	No	No	No
Ineligible expenses	No	No	No
Non-Network Allowable Charges	No	Yes	Yes
Network Allowable Charges	Yes	No	Yes
Outpatient prescription drug expenses	No	No	No
Notice or preauthorization penalties	No	No	No
Emergency, physician office visits, urgent care facility copays	Not applicable	No	Not applicable
Co-payments (Inpatient/Hospital and Outpatient Surgery Facility Charges)	Not applicable	No	Not applicable
Balance-billed charges	No	No	No
Health care this plan doesn't cover	No	No	No

**Table 2 – HCN Option 2**

	<b>Network</b>	<b>Non-Network</b>	<b>ONA</b>
<b>Counts toward the Annual Out-of-Pocket Maximum?</b>			
Amounts that exceed allowable charges for eligible expenses	No	No	No
Annual Deductible	Yes	Yes	Yes
Coinsurance	Yes	Yes	Yes
Contributions	No	No	No
Ineligible expenses	No	No	No
Non-Network Allowable Charges	No	Yes	Yes
Network Allowable Charges	Yes	No	Yes
Outpatient prescription drug expenses	Yes	Yes	Yes
Notice or preauthorization penalties	No	No	No
Emergency, physician office visits, urgent care facility copays	Not applicable	No	Not applicable
Co-payments (Inpatient/Hospital and Outpatient Surgery Facility Charges)	Not applicable	No	Not applicable

	<b>Network</b>	<b>Non- Network</b>	<b>ONA</b>
Balance-billed charges	No	No	No
Health care this plan doesn't cover	No	No	No

**Allowable Charge for Eligible Expenses for Participants Enrolled in a Health Care Network**

The Program Benefits payable for an Eligible Expense are limited to the Allowable Charge determined by the Benefits Administrator. Benefits are not paid for amounts billed for a Covered Health Service that are above the Allowable Charge.

The Benefits Administrator determines Allowable Charges for Eligible Expenses based on whether you are covered under the Network/Non-Network or ONA provisions, the type of Provider (Network or Non-Network) and whether or not this Program's coverage is primary or Medicare is primary.

The following table indicates the basis used by the Benefits Administrator to determine the Allowable Charge for Eligible Expenses. For example, if the Eligible Expense is for a Covered Health Service provided by a Network Provider and the Program coverage is primary, the Allowable Charge will be the Negotiated Rate determined by the Benefits Administrator.

<b>If this Program Is Primary</b>	
<b>Network Providers</b>	<b>Non-Network Providers</b>
Negotiated Rate	<ul style="list-style-type: none"> <li>Reasonable &amp; Customary rate (R&amp;C)</li> </ul>
<b>For Emergency Services</b>	
<b>Network Providers</b>	<b>Non-Network Providers</b>
Negotiated Rate	The highest of the: <ul style="list-style-type: none"> <li>Median Allowable Charge for Network Emergency Services;</li> <li>R&amp;C (or similar amount determined using the Program's general method for determining payments for Non-Network Services); or</li> <li>Amount that would be allowable under Medicare; but no more than the Provider bills for the Service. The Provider may bill you for the amount not covered by the Program.</li> </ul>
<b>If Medicare Is Primary</b>	
<ul style="list-style-type: none"> <li>If Provider accepts Medicare assignment, then the Medicare Allowable amount.</li> <li>If Provider does not accept Medicare assignment, then the Medicare charge limit.</li> </ul>	
<b>If Another Coverage is Primary</b>	
See the "Coordination of Benefits" section for more information.	

### **Benefit Maximums**

A Benefit Maximum is a limit on how much the Program will pay for a Covered Health Service over a specified period. For example, the Program may include an annual or lifetime Benefit Maximum on a specific Covered Health Service.

Any lifetime or annual Benefit Maximum applies only to those Covered Health Services that are not Essential Health Benefits, as defined by the Patient Protection and Affordable Care Act (PPACA). In addition, Preventive Care Services are not subject to Benefit Maximums.

Benefit Maximums are shown in your *Benefits at a Glance* table.

## **MEDICAL BENEFITS**

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### **KEY POINTS**

- *The overview provides you with key concepts to understand your Medical Benefits.*
- *The Benefits at a Glance table gives you a broad overview of your medical coverage.*

### **OVERVIEW**

This section describes Medical Benefits, including Mental Health/Substance Abuse (MH/SA) Benefits, under this Program. Topics in this section include what is covered and excluded, cost-sharing provisions, Provider Networks and Notification/Preauthorization requirements. See the "Prescription Drug Coverage" section for information about the Prescription Drug Program. To take advantage of the Benefits noted in this section, you must be enrolled in the Program at the time you receive Covered Health Services. Also, you (or your Provider) must file a timely Claim for Benefits. See the "Claims Filing Deadline" section for deadline information. Here is an overview of this section:

- **Network vs. Non-Network Providers.** *Even when you are enrolled in Network coverage, you are not required to use Network Providers. However, you generally pay more if you use Non-Network Providers, except for Emergency Services. Note: Emergency Services are paid at the same level regardless of the Provider's Network status.*
- **Health Care Network vs. Out-of-Network Area Coverage.** *You are assigned Network coverage if your home ZIP code falls in the Network Area. If your home ZIP code does not fall in the Network Area, you are assigned Outside Network Area (ONA) coverage, but you may elect Network coverage.*
- **Allowable Charge.** *Program Benefits are based on the Allowable Charge, which is determined by the Benefits Administrator. Amounts above the Allowable Charge do not count toward the Annual Deductible or Annual Out-of-Pocket Maximum. See the "Cost Sharing" section for more information.*

- **Shared Cost of Benefits.** Generally, you and the Program share the cost of Medical Benefits, including Mental Health/Substance Abuse Covered Health Services. When you are enrolled in a Health Care Network option and use Network Providers or you are enrolled in coverage under a Preferred Provider Organization option, you pay a flat fee, called a Co-payment, for most office visits, urgent care, emergency room or Hospital-based Services. When you use Non-Network Providers or are enrolled in an ONA option, you may pay a Co-payment or a portion of Eligible Expenses (“Coinsurance”) after you have met your Annual Deductible. You generally no longer have to pay Coinsurance but will continue to be subject to applicable Co-payments after you have met your Annual Out-of-Pocket Maximum. However, only Allowable Charges count toward the Annual Deductible and Annual Out-of-Pocket Maximum, and the Program will not pay Benefits for charges in excess of Allowable Charges. If you use a Non-Network Provider, you generally may be required to pay more than the Allowable Charges in addition to your Coinsurance. For more information on the cost-sharing provisions applicable to you, see the Benefits at a Glance table and the “Cost Sharing” section below. If you are enrolled in an Indemnity option, you pay a percentage of Eligible Expenses (“Coinsurance”) for Medical Benefits, including MH/SA. Once you have reached your applicable Annual Out-of-Pocket Maximum you will not be required to pay additional Coinsurance for Allowable Charges subject to that Annual Out-of-Pocket Maximum; however, any applicable Co-payments will continue to apply. Only Allowable Charges count toward the Annual Deductible and Annual Out-of-Pocket Maximum, and the Program will not pay Benefits for charges in excess of Allowable Charges.
- **Annual Deductible.** Except for eligible Preventive Care Services, you may have to meet an Annual Deductible before the Program begins to pay Benefits depending on your coverage option. There are separate individual and family Annual Deductibles. Note: Deductibles and Out-of-Pocket Maximums start over each year. See the Benefits at a Glance table and the Annual Deductible subsection for information.
- **Preventive Care Services.** Eligible Preventive Care Services are covered at 100 percent and are not subject to an Annual Deductible, Co-payment, or in some cases, Coinsurance when you use Network Providers or if you are enrolled in ONA coverage or Indemnity coverage. If you are enrolled in Network coverage, Preventive Care Services generally are not covered when you use Non-Network Providers. See the Benefits at a Glance table for information.
- **Notification and Preauthorization.** Some Services require you to notify the Benefits Administrator within a certain period of time before or after receiving care. Other Services require you to preauthorize care. For special Services associated with certain medical conditions (for example, transplants), you must obtain Preauthorization before receiving care. See the “Notification and Preauthorization Requirements” section for more information.
- **Covered Health Services.** This section of your Summary Plan Description (SPD) includes a list of medical and Mental Health/Substance Abuse Covered Health Services and restrictions on those Services, as well as a list of Services that are not covered by the Program. The lists are not exhaustive. Generally, a Covered Health Service is a Service that is Medically Necessary and appropriate for your condition, and that is not Experimental or Investigational or otherwise excluded.

- **Mental Health Services and Substance Abuse (MH/SA).** *Eligible MH/SA Services generally are covered at the same level as other covered medical expenses, to the extent required by law. However, MH/SA Benefits are managed by a different Benefits Administrator than the Benefits Administrators for your Medical and Prescription Drug Benefits. For information on how to contact the medical, Prescription Drug or MH/SA Benefits Administrator, see the "Contact Information" section.*

**IMPORTANT:** If you are enrolled in a Fully-Insured Managed Care Option, you are not eligible for Benefits under the Program as described in this section. See the "Fully-Insured Managed Care Option" section of this SPD for more information.

### **What You Need to Know About Providers**

The medical and MH/SA Benefits Administrators or their affiliates arrange for health care Providers to participate in a Network. There are separate Networks for Medical Benefits and MH/SA Benefits.

The Benefits Administrator negotiates rates with Physicians, Hospitals and other Providers who have agreed to join the Network administered by the medical or MH/SA Benefits Administrator. Each Provider who joins the Network goes through a process to confirm information about his or her licenses and other credentials. This process confirms that Network Providers meet certain standards established by the Program or the Benefits Administrator. However, this credentialing process does not assure the quality of the Services provided.

A list of Network Providers is available online at the applicable Benefits Administrator's website. You must verify your Provider's Network status before you receive care, even when you are referred by another Network Provider. At any time, a Provider's status may change as Providers may drop out of or join the Network throughout the year. Network Providers also may not be accepting new patients or Medicare. If a Provider leaves the Network or is not available to you, you must choose another Network Provider to receive Network level of Benefits. You can verify the Provider's status by contacting your medical or MH/SA Benefits Administrator. See the "Contact Information" section for Benefits Administrator contact information.

Do not assume that a Network Provider's agreement includes all Covered Health Services at Negotiated Rates. Some Network Providers contract to provide only certain Covered Health Services. For example, a Physician may participate in the medical Benefits Administrator's Network for cardiology Services only and not for primary care. Contact your Benefits Administrator for information about the type of Covered Health Services offered by a Network Provider.

Providers do not determine your Program Benefits and are not qualified or authorized to advise you about Eligible Expenses. Network Providers are independent Practitioners. They are not Employees of the Company, a medical Benefits Administrator or an MH/SA Benefits Administrator.

### **How Network Areas Are Determined**

Whether you live in a Network Area can be a significant factor in determining your Benefits payable under the Program. Network areas are determined based on ZIP code. Your home ZIP code listed on Company records is used to determine your level of coverage.

You are considered to be in a Network Area and assigned Network coverage if:

- At least two adult Providers (i.e., two internists or two family practice Physicians), two pediatricians and two obstetricians/gynecologists (OB/GYNs) are within five miles of your home ZIP code.
- At least one Network Hospital is within 15 miles of your home ZIP code.

If your home ZIP code is not in a Network Area, you are assigned Outside Network Area (ONA) coverage. If you are assigned ONA coverage, you may elect Network coverage. See the “Outside Network Area (ONA) Coverage” section for more information.

### ***Network Benefits***

Each time you need care, you choose which Provider to use. Generally, the choice you make affects the level of Benefits you receive and any Benefits limitations that may apply.

You are eligible for the Network level of Benefits under the Program when you receive Covered Health Services from Providers who have contracted with the medical or MH/SA Benefits Administrator to provide Services in the medical or MH/SA Network, as applicable.

For facility Services (such as an outpatient surgery center or Hospital), the Program reimburses charges from the anesthesiologist, Hospital, Physician, consulting Physician, pathologist and radiologist based on whether or not the facility is part of the Network. For example, care received at a Network facility will be reimbursed at the Network Benefits level, whether or not the individual Provider participates in the Network.

With the exception of Emergency Services, charges for other Covered Services, including outpatient lab, X-ray and Diagnostic Services, are reimbursed based on whether or not the Provider is part of the Network. For example, outpatient lab, X-ray and Diagnostic Services rendered by a Network Provider will be reimbursed at the Network Benefits level, but Services rendered by a Non-Network Provider will be reimbursed at the Non-Network level. This is true regardless of whether the Services are associated with an office visit performed by a Network Provider or you have been referred for the service by a Network Provider. Emergency Services are always paid at the Network level. To learn more, see the “Emergency Services” section.

Generally, when you receive Covered Health Services from a Network Provider, you pay less than you would if you receive the same care from a Non-Network Provider.

In addition, when you use a Network Provider, the Network Provider will generally file your Claims.

**IMPORTANT:** If you or your covered dependent are Medicare Eligible and Medicare is your primary coverage (see the “Coordination of Benefits” section), Benefits will be paid based on the Medicare assigned rate, whether or not you use a Network Provider.

### ***Designated Network Providers***

If you have a medical condition that needs special Services, your Benefits Administrator may direct you to a Designated Network Provider.

For example, if you need a transplant, additional Benefits may be available when you use a Designated Network Provider that your Benefits Administrator chooses. For a description of these additional Benefits, see the “What Is Covered” section.

### ***Non-Network Provider Benefits Paid as Network Benefits***

If specific Covered Health Services are not available from a Network Provider, you may be eligible for the Network level of Benefits when those Services are received from a Non-Network Provider. In this situation, you or your Network Provider must notify your medical or MH/SA Benefits Administrator, who will work with you and your Network Provider to coordinate care through a Non-Network Provider.

## **Non-Network Coverage**

When you are enrolled in Network coverage and you receive care from a Non-Network Provider, you will generally pay more out of pocket than if you received care from a Network Provider due to the following:

- The Program shares less of the cost for Covered Health Services received from a Non-Network Provider.
- The Program only shares the cost for Covered Health Services up to the Allowable Charge determined by the Benefits Administrator. See the discussion above concerning Allowable Charge and the “Definitions” section for a definition of Allowable Charge. When you use a Network Provider, you are not responsible for charges in excess of the Allowable Charge. However, when you receive Non-Network Services, your Provider may require payment for billed amounts above the Allowable Charge. This amount will not count toward your Annual Deductible and Annual Out-of-Pocket Maximum. You may want to ask your Non-Network Provider how much you will be billed for a Service before you receive care.

For certain types of care, different provisions may apply. See the *Benefits at a Glance* table for more information.

If you must receive care outside of the Network, exceptions to Non-Network cost sharing apply. For more information, contact your Claims Administrator.

See the “Cost Sharing” section for more information, and the *Benefits at a Glance* table for specific information about what the Program pays.

## **Outside Network Area (ONA) Coverage**

You will be assigned ONA coverage if your home ZIP code is not in a Network Area unless you elect Network coverage. The Program pays ONA coverage at the same level of Benefits regardless of whether your care is provided by a Network or Non-Network Provider.

It may still be to your benefit to use a Network Provider, however, as Network Provider discounts are generally available to you, which means you can lower your out-of-pocket expenses by using a Provider that is in the medical or MH/SA Benefits Administrator’s Network. Any amounts that you pay out of pocket will be based on the Negotiated Rate, which is generally less than what the Network Provider usually charges for the Service. In addition, when you use a Network Provider, you are not responsible for any amounts that exceed the Negotiated Rate.

When you use a Non-Network Provider, you will still receive the same level of Benefits, but the Benefits the Program pays will be based on the Allowable Charge, and you will be billed for the amount the Provider’s fees exceed the Allowable Charge, which can be considerable. This is referred to as Balance Billing. See the “Cost Sharing,” “Allowable Charge for Eligible Expenses” and “Comparison of Claims/Financial Responsibility” sections for more information.

You may verify a Provider's status by contacting the medical or MH/SA Benefits Administrator or visiting the applicable Benefits Administrator's website. See the "Contact Information" section for Benefits Administrator contact information.

**IMPORTANT:** ONA provisions, including Notification and Preauthorization requirements and cost-sharing requirements, apply if you are enrolled in ONA coverage, whether or not you use a Network Provider. See the "Cost Sharing" section for information.

### ***Electing to Enroll in Network Coverage***

If you are assigned ONA coverage, you may choose to enroll in Network coverage at any time by calling the Eligibility and Enrollment Vendor. However, before you elect Network coverage, you should consider if there are enough Network Providers in your area to meet your needs and/or if you are willing to travel the distance required to access Network Providers. If you choose to enroll in Network coverage, your change takes effect the first of the month after you inform the Eligibility and Enrollment Vendor of your choice to elect Network coverage.

Once you elect Network coverage, you may not return to ONA coverage until the next Annual Enrollment period unless you experience a status change event that would allow you to change your level of coverage. Note that a Provider leaving the Network is not a status change event that would allow you to return to ONA coverage if you have previously elected to change from ONA to Network coverage.

Even if you do not enroll in Network coverage, your out-of-pocket expenses will generally be lower when you receive care from a Network Provider because Network Providers have agreed to Negotiated Rates. See the "Comparison of Network, Non-Network and ONA Benefits" section for information.

## **Comparison of Network, Non-Network and ONA Benefits**

The following table provides an overview of the differences in out-of-pocket expenses, Notification and Claim filing requirements and how Emergency Services are covered among Network, Non-Network and ONA levels of Benefits. This does not apply to Preventive Care; see the separate "Preventive Care" subsection under the "What Is Covered" section for information on Preventive Care Benefits.

	<b>Network Benefits (Network Provider Used)</b>	<b>Network Benefits (Non-Network Provider Used)</b>	<b>Outside Network Area (ONA) Benefits</b>
<b>Out-of-pocket expenses</b>	<p>Your out-of-pocket expenses are lower when you use Network Providers:</p> <ul style="list-style-type: none"> <li>• The Benefits Administrator and the Network Provider negotiate an agreed amount for the Provider's Services. The agreed amount is considered the Negotiated Rate for Program Benefits.</li> <li>• The Network level of Benefits pays a greater portion of the Allowable Charge determined by the Benefits Administrator, which is based on the Negotiated Rate.</li> <li>• Your Network Provider will not charge you for any amounts that are more than the Negotiated Rate.</li> </ul>	<p>Your out-of-pocket expenses are greater when you use Non-Network Providers:</p> <ul style="list-style-type: none"> <li>• Non-Network Providers generally do not agree to a Negotiated Rate for the Provider's Services; however, the Program only pays Benefits up to the Allowable Charge.</li> <li>• The Non-Network Provider has not agreed to accept a Negotiated Rate for the Provider's Services. This means that you must pay any amount above the Allowable Charge determined by the Benefits Administrator.</li> <li>• The amount to which your Coinsurance applies may be greater.</li> </ul>	<p>Your out-of-pocket expenses are lower when you use Network Providers:</p> <ul style="list-style-type: none"> <li>• The Benefits Administrator and the Network Provider negotiate an agreed amount for the Provider's Services. The agreed amount is considered the Negotiated Rate for Program Benefits.</li> <li>• Your Network Provider will not charge you for any amounts that are more than the Negotiated Rate.</li> </ul> <p>Your out-of-pocket expenses are greater when you use Non-Network Providers:</p> <ul style="list-style-type: none"> <li>• If a Negotiated Rate is not agreed upon, the Provider may charge you for any billed amounts that are more than the Allowable Charge determined by the Benefits Administrator.</li> </ul>
<p>See the <i>Benefits at a Glance</i> table following the "Conditions for Program Benefits" section for cost-sharing amounts.</p>			

	<b>Network Benefits (Network Provider Used)</b>	<b>Network Benefits (Non-Network Provider Used)</b>	<b>Outside Network Area (ONA) Benefits</b>
<b>Notification and Preauthorization requirements</b>	It is your responsibility to determine whether you or your Provider will complete this process. If you receive Services from a Network Provider, in most cases, the Provider will complete the process for you. If your Provider does not provide this Service, or if you are using a Non-Network Provider, you will need to complete the process to obtain Preauthorization yourself.	If you are using a Non-Network Provider, you will need to complete the process to obtain Preauthorization yourself. You must notify your Benefits Administrator within a certain time frame when you use a Non-Network Provider for certain Covered Health Services. Failure to do so may result in reduced or no Benefits.	It is your responsibility to determine whether you or your Provider will complete this process. If you receive Services from a Network Provider, in most cases, the Provider will complete the process for you. If your Provider does not provide this Service, or if you are using a Non-Network Provider, you will need to complete the process to obtain Preauthorization yourself.
<i>See the "Notification and Preauthorization Requirements" section for information about Services that require Notification or Preauthorization and associated penalties when Notification or Preauthorization is not provided or is not provided timely.</i>			
<b>Claims</b>	Your Provider files Claims for you.	You must file Claims, unless your Provider agrees to file for you.	You must file Claims, unless your Provider agrees to file for you.
<b>Emergency Services</b>	Emergency Services are paid at the Network level for true emergencies. See the "Emergency Services" subsection under the "What Is Covered" section for more information.	Emergency Services are paid at the Network level for true emergencies, even when you use Non-Network Providers. See the "Emergency Services" subsection under the "What Is Covered" section for more information.	Emergency Services are paid at the same Level of Benefits for true emergencies, regardless of whether you use a Network or Non-Network Provider. See the "Emergency Services" subsection under the "What Is Covered" section for more information.

### **Comparison of Claims/Financial Responsibility**

What are the financial consequences of using Non-Network Providers when you have Network coverage (or access to Network Providers)? Here's an example.

Mary receives a bill for a \$12,000 Hospital stay. Assuming she has already met her Annual Deductible, the following table shows what she could pay depending on the Provider she uses. The numbers and percentages used in this table are illustrative only. The actual amounts applicable under the terms of the Program will govern.

	<b>Network</b>	<b>Non-Network</b>	<b>ONA (Network Provider Used)</b>	<b>ONA (Non- Network Provider Used)</b>
Provider charge for Covered Health Service	\$12,000	\$12,000	\$12,000	\$12,000
Allowable Charge (determined by Benefits Administrator for Covered Health Service)	\$9,000	\$10,500	\$9,000	\$10,500
Percentage of Allowable Charge paid by the Program	90%	80%	90%	90%
Total amount paid by the Program	\$8,100	\$8,400	\$8,100	\$9,450
Mary's percentage/Coinsurance of Allowable Charge	10%	20%	10%	10%
Amount exceeding Allowable Charge	\$0	\$1,500	\$0	\$1,500
Total amount Mary owes Provider	\$900	\$3,600	\$900	\$2,550

If Mary receives care from a Network Provider, she pays only \$900 out of pocket (her portion of the Allowable Charge for that Covered Health Service). However, if Mary receives care from a Non-Network Provider, she is responsible for her portion of the Allowable Charge *plus* the difference between the amount the Provider charges for the Covered Health Service and the Allowable Charge for that Covered Health Service determined by the Benefits Administrator.

## Choosing Your Providers

If you are enrolled in a Network level of coverage, you choose whether or not to use a Network Provider each time you need Medical Benefits. When you use a Network Provider, you receive the Network level of Benefits and generally pay less out of pocket. When you use Non-Network Providers, you receive the Non-Network level of Benefits, which may result in more out-of-pocket expenses for you.

If you are enrolled in an ONA level of coverage, you receive the same level of Benefits no matter which Provider you use. However, when you use Network Providers, you generally pay less out of pocket because charges are based on the Allowable Charge.

See the "How Your Choice of Providers Affects Your Benefits" section for more information.

## How Your Choice of Providers Affects Your Benefits

The amount you pay may be affected by whether you use a Network or Non-Network Provider. Network Providers include medical and MH/SA Network Providers.

- **Network Providers.** Your medical or MH/SA Benefits Administrator has identified a group of Providers who are "in Network" and have agreed to provide Covered Health Services at a Negotiated Rate (or discounted rate). Generally, these Negotiated Rates are lower than what Non-Network Providers would charge. This means you pay less. The Network Provider will generally bill and be reimbursed by the Benefits Administrator.

- **Non-Network Providers.** When you receive Covered Health Services from a Non-Network Provider, the Provider's fees are not subject to Negotiated Rates. The Program only pays up to the amount that the Benefits Administrator determines is the Allowable Charge for a given Service in your area. This means that if your doctor charges above this determined Allowable Charge, you may have to pay the remainder. In most cases, you also will have to file a Claim for Benefits with the Benefits Administrator.

*Note: In some circumstances, a Negotiated Rate arrangement will apply even when you use a Non-Network Provider. If a Negotiated Rate arrangement between a Provider and the Benefits Administrator or one of its vendors, affiliates or subcontractors applies, the Negotiated Rate will be the Allowable Charge, and you will not be responsible for any difference between the amount the Provider bills and the Allowable Charge for Eligible Expenses. This can occur with Non-Network Providers, for example, if the Provider participates in a Network administered by the Benefits Administrator other than the Network utilized by the Program or the Benefits Administrator is able to negotiate an agreed fee for your Service.*

**IMPORTANT:** The Benefits Administrator will provide you an Explanation of Benefits (EOB) that identifies the amounts the Benefits Administrator paid on your behalf and amounts that you must pay. Some administrators may refer to this statement by another name, such as Personal Health Statement (PHS).

## Showing Your ID Card

You will receive an identification (ID) card from your medical Benefits Administrator after you enroll. Be sure to carry your ID card with you at all times and show it to your Provider when you receive Services. Your ID card includes important information about your Program Benefits and lets your Provider know that you are enrolled in the Program and that Negotiated Rates may apply.

## Transition of Care

If you are enrolled in a Health Care Network, Consumer Driven Health Plan or Preferred Provider Organization option, the following applies:

If Network areas change due to a change in Benefits Administrator, transition of care allows you to continue care for certain Covered Health Services with your current Provider — and receive Network Benefits — for a period of time before you must transfer to a Network Provider to continue to receive the Network level of Benefits. Note that transition of care is not available for all Covered Health Services. If you have a question or need to apply for transition of care, contact the medical Benefits Administrator. See the *Medical Benefits Administrator* table in the "Contact Information" section for contact information.

You must meet your Benefits Administrator's conditions for transition of care and your Benefits Administrator must approve the request in advance to be eligible for transition of care.

In addition, you may be eligible for transition of care assistance if the Benefits Administrator determines (at its sole discretion) that there have been substantial changes to your local Network that affect your treatment plan.

Different transition of care procedures apply depending on the type of care, as detailed below.

### ***Non-MH/SA Transition of Care Procedures***

Contact your Benefits Administrator to request a transition of care application. You must submit your application no later than 30 days after the medical Benefits Administrator changes.

Transition of care is only available for the following clinical conditions:

- End-stage renal disease and dialysis (applies to the Physician or other Provider, or dialysis center), limited to 30 days.
- Nonsurgical cancer therapies, including chemotherapy and radiation, limited to 30 days or completion of the current cycle, whichever is longer.
- Pregnancy, through the postpartum follow-up visit.
- Symptomatic AIDS, limited to 30 days.
- Transplants (solid organ and bone marrow).

If you apply for a transition of care, you must contact your Benefits Administrator or a Network Provider, who must request approval of care obtained from a Non-Network Provider. See the “Non-Network Providers Paid as Network Benefits” section for more information.

If more documentation is needed, the Benefits Administrator will contact you or your Provider. Generally, the medical Benefits Administrator decides whether to approve the transition of care application within two business days from when all requested information is received, but this could be longer.

If your request is denied, you or your Provider will be notified in writing of the decision and of your Appeal rights. To start the Appeals process, you must submit an Appeal in writing within the period described in the denial letter and send the Appeal to the address shown in the letter. See the “Questions and Appeals” section for information on the Appeals process.

To find out the status on your transition of care request, contact the medical Benefits Administrator. See the “Contact Information” section for medical Benefits Administrator contact information.

### ***MH/SA Transition of Care Procedures***

Contact your MH/SA Benefits Administrator within 30 days after the effective date of your enrollment to request transition of care. See the “Contact Information” section for MH/SA Benefits Administrator contact information.

- **Inpatient Care.** If you are hospitalized or being treated on an intermediate care basis (i.e., residential, partial/day, intensive outpatient) when you become covered, coverage will continue under your current program until you are discharged or transitioned to a less intensive level of care. The MH/SA Benefits Administrator will work with your current care representative.
- **Outpatient Care.** If you are receiving Covered Health Services from a Provider who is not in the MH/SA Network when you become covered, you may request a transition MH/SA Benefit for up to three months (90 days from the transition of care effective date). If you are still in treatment with the Non-Network Provider after the three-month transition period, outpatient MH/SA care will be covered at the Non-Network Benefits level.

## Notification and Preauthorization Requirements

The Program requires you to provide Notification to or obtain Preauthorization from the Benefits Administrator before you receive certain Covered Health Services. The Notification and Preauthorization process is in place to verify that Services are Medically Necessary and that treatment provided is the proper level of care. For more information on how a Service is determined to be Medically Necessary, see the “Medically Necessary” section of this SPD.

Depending on the Service your Provider has recommended you receive, you may need to do one of the following:

- *Notify* the Benefits Administrator.
- *Preauthorize* your care.

**IMPORTANT:** Notification, Preauthorization and predetermination of benefits do not mean Benefits are payable. The Service for which you are seeking Benefits must be a Covered Health Service, and you must meet the Program’s eligibility requirements and any other Program requirements related to the Covered Health Service at the time the Covered Health Service is provided.

### ***Notification and Preauthorization Process***

It is your responsibility to determine whether you or your Provider will complete this process. If you receive Services from a Network Provider, in most cases the Provider will complete the process for you. If your Provider does not provide this Service, or if you are using a Non-Network Provider, you will need to complete the process yourself. Refer to your ID card for the appropriate number to call. Contact information is also located in the “Contact Information” section of this SPD.

When you, your Provider or authorized representative contact the medical or MH/SA Benefits Administrator, you are likely to be asked to provide the following information:

- The name of the attending and/or admitting Physician.
- The name of the Hospital where the Admission has been scheduled and/or the location where the Service has been scheduled.
- The scheduled Admission and/or Service date.
- A preliminary diagnosis or reason for the Admission and/or Service.

Once the Benefits Administrator receives all required information, a representative will assist you in determining the course of treatment through an established case management and review program. This program is designed to:

- Determine whether the planned Service and associated Admission is a Covered Health Service under the Program by:
  - Reviewing the information that is provided and seeking additional information if necessary.
  - Issuing a determination that the Services are either Medically Necessary or not Medically Necessary.

- Educate you about the types of treatment available to you under the Program.
- Offer treatment alternatives if your situation warrants Alternate Care.
- Monitor your progress during ongoing treatment.

**Notification and Preauthorization Requirements Table**

The following table identifies the procedures that require Notification or Preauthorization, the time frame for providing Notification or obtaining Preauthorization and any penalties for noncompliance. There may be other circumstances where the Benefits Administrator requires notification or additional information in order to determine Benefits available under the Program.

*Note: It is important to follow the procedures and timing noted below. Failure to provide Notification or receive Preauthorization may affect your Benefits. If you do not provide Notification or receive Preauthorization, your Benefits may be denied or may be significantly reduced. If you have any questions about the Notification or Preauthorization requirements, contact your Benefits Administrator at the telephone number on your ID card. Contact information is also located in the "Contact Information" section of this SPD.*

**IMPORTANT:** In an emergency, seek care immediately, then call your Physician as soon as reasonably possible for further assistance and directions on follow-up care.

	<b>Notification and Preauthorization Requirements</b>	<b>Timing</b>	<b>Penalties</b>
Alternate Care in Lieu of Hospitalization	<b>Preauthorization:</b> Required	As soon as possible and before Services are received	Benefits will be denied
Ambulatory Surgical Centers	See the <i>Outpatient Procedures/Surgery</i> row	See the <i>Outpatient Procedures/Surgery</i> row	See the <i>Outpatient Procedures/Surgery</i> row
Emergency Room	<b>Notification:</b> Not required unless admitted. See the <i>Hospital Admission after an Emergency</i> row for more information.	See the <i>Hospital Admission after an Emergency</i> row for more information	See the <i>Hospital Admission after an Emergency</i> row for more information
Home Health Care	<b>Preauthorization:</b> Required	Five business days before Home Health Care treatment begins	Benefits will be denied
Hospital Admission after an Emergency	<b>Notification:</b> Required	Within 24 hours of Admission	Benefits payable will be reduced by 20%
Maternity Hospital Admission	<b>Notification:</b> Required	As soon as reasonably possible if the inpatient stay for the mother or newborn exceeds 48 hours for normal vaginal delivery or 96 hours for cesarean section	Benefits payable will be reduced by 20%

	<b>Notification and Preauthorization Requirements</b>	<b>Timing</b>	<b>Penalties</b>
Organ and Tissue Transplant	<b>Notification:</b> Required. There are specific guidelines regarding Benefits for transplant Services. In order to receive special Services you must notify the Medical Benefits Administrator.  Additional Benefits are available for certain Programs, see <i>Appendix C</i> for more information.	As soon as the possibility of a transplant arises (and before the transplant center performs a pretransplantation evaluation)	No penalty for failing to notify the Medical Benefits Administrator  If Hospital Admission is required, see the <i>Scheduled Hospital Admission</i> row for penalty for failure to notify, which will apply
Outpatient Procedures/Surgery	<b>Preauthorization:</b> Required for certain procedures. See the "Notification and Preauthorization Requirements" section for a list of procedures requiring prior Notification.	Five business days before procedure or as soon as reasonably possible	Benefits payable will be reduced by 20%
Reconstructive Procedures	<b>Notification:</b> Required	Five business days before receiving Services. When you provide Notification, the Benefits Administrator can verify that the Service is a reconstructive procedure rather than a cosmetic procedure.	No penalty for failing to notify for reconstructive procedures  If Hospital Admission is required, see the <i>Scheduled Hospital Admission</i> row for penalty for failure to notify, which will apply.
Scheduled Hospital Admission	<b>Preauthorization:</b> Required	For elective Admissions: five business days before Admission	Benefits payable will be reduced by 20%
Skilled Nursing Facility or Extended Care Facility	<b>Preauthorization:</b> Required for elective Admissions and nonelective Admissions	<b>Preauthorization:</b> Five business days before elective Admission, one business day or same day for nonelective Admission	Benefits will be denied
Surgery	See the <i>Scheduled Hospital Admissions</i> or <i>Outpatient Procedures/Surgery</i> row.	See the <i>Scheduled Hospital Admissions</i> or <i>Outpatient Procedures/Surgery</i> row.	See the <i>Scheduled Hospital Admissions</i> or <i>Outpatient Procedures/Surgery</i> row.
For a complete list of Services not listed in this table, see the "Notification and Preauthorization Requirements" section below.			

Above you will find a description of the process for providing prior Notification to the Benefits Administrator. See the *Notification and Preauthorization Requirements* table above for a list of

procedures, timing requirements and any penalties for failure to follow Notification and Preauthorization requirements.

### ***Prior Notification Requirements***

The Program requires you, your Provider or authorized representative to give prior Notification to your medical or MH/SA Benefits Administrator within the designated time frame before you receive certain Covered Health Services or Benefits will be reduced or denied. These Services and the required time frames are identified in the table above. Also see the list below for certain Services requiring prior Notification when performed on an outpatient basis.

In addition, although not required, there are some Covered Health Services for which advance Notification is recommended. Letting your medical or MH/SA Benefits Administrator know about procedures before you receive them lets your Benefits Administrator assess if Preauthorization is required and ensures you are receiving the most appropriate Program Benefits.

If you use a Non-Network Provider or are enrolled in ONA coverage, you must preauthorize your care with the Benefits Administrator before you receive the following medical surgical procedures:

- Carpal tunnel (relief of nerve pressure in the wrist)
- Cholecystectomy (gall bladder removal)
- Cardiac catheterization (diagnostic procedure passing a catheter into the heart through a blood vessel) or angioplasty (widening of a blood vessel)
- EGD-endoscopic procedure of the stomach or intestine (examination with a small camera)
- Heart surgery
- Hip replacement
- Hysterectomy
- Knee arthroscopy
- Knee replacement
- Laminectomy (spinal operation to remove part of the vertebrae)
- Myringotomy (surgery of the eardrum to relieve pressure)
- Nasal endoscopy/ethmoidectomy (sinus surgery)
- Pelvic laparoscopy (pelvic surgery through a small incision)
- Removal of tonsils and/or adenoids
- Septoplasty (surgery to correct the septum in your nose)
- Spinal fusion
- Tympanostomy (insertion of an ear tube)

*Note: The above list of surgical procedures that require prior Notification does not apply to Former SNET Employees who were covered by the applicable labor agreement between Cingular*

*Wireless and the CWA covering CWA District 1 (formerly SNET) who retired on or before Dec. 31, 2005.*

### **Post-Notification**

In some cases, you must notify your medical or MH/SA Benefits Administrator after you receive a Service. See the *Notification and Preauthorization Requirements* table for specific Services that require post-Notification.

### **Preauthorization Requirements**

The Program requires you, your Provider or authorized representative to contact the Benefits Administrator before you receive certain Covered Health Services and obtain the Benefits Administrator's approval for the planned care. If you do not obtain Preauthorization when required, Benefits for the Covered Health Service will be reduced or denied.

### **Predetermination of Benefits**

If you want to know if a Service is covered under the Program before receiving the Service, you may ask your medical Benefits Administrator for a "predetermination." This gives you and your Provider an idea of what may be covered so you can plan your treatment. To request a predetermination of benefits under the Program, please have your Physician contact the medical Benefits Administrator at the toll-free telephone number on your ID card. It is important that you or your Provider submit the predetermination well before treatment is planned. Once you receive the predetermination, you can compare it with your Physician's quoted fee to determine what portion of the bill will be your responsibility.

A predetermination of benefits is not required, nor is it considered a Pre-Service Claim as described in the "Pre-Service Claims" subsection of the "Claims for Benefits" section. A predetermination is valid for 90 days from the date of the predetermination letter. Procedures not performed within this period require a new review.

Completion of a predetermination of benefits does not guarantee that Services will be covered when performed. The final Allowable Charge determination will be made at the time the bill is submitted and will be based on the actual Service provided. The predetermination is based on the information provided and status at the time provided. If circumstances change or a different Service is performed, Benefits payable may vary considerably from the predetermination.

Your Program covers Medically Necessary Covered Health Services as determined by the Benefits Administrator based on the terms of the Program. Although decisions regarding the course of treatment you receive are entirely between you and your Provider, whether or not a Service is "Medically Necessary" determines payment as a Covered Health Service under the Program.

A specific Service is Medically Necessary if, in the reasonable medical judgment of the Benefits Administrator, the Service meets the requirements described in the definition of Medically Necessary below.

## Definition of Medically Necessary

Medically Necessary means those Covered Health Services provided by a Hospital, Physician or other Provider for the purpose of preventing, evaluating, diagnosing or treating an Illness (including a Mental Illness), Injury, substance abuse disorder, condition, disease or its symptoms, that are all of the following as evaluated and determined by the Benefits Administrator or its designee, within the Benefit's Administrator's sole discretion. The Services must be:

- In accordance with Generally Accepted Standards of Medical Practice.
- Clinically appropriate in terms of type, frequency, extent, site and duration, and considered effective for your Illness, Injury, Mental Illness, substance abuse disorder, disease or its symptoms and not an Experimental, Investigational or Unproven Service.
- Provided for the diagnosis or the direct care and treatment of the Illness, Injury, Mental Illness, substance abuse disorder, condition disease or its symptoms.
- Not primarily for convenience purposes (for example, convenience of the Covered Person, Physician, other Provider or family member).
- Not more costly than an alternative drug or Service(s) that is at least as likely to produce equivalent therapeutic or diagnostic results for the diagnosis or treatment of your Illness, Injury, disease or symptoms.

For example, when applied to hospitalization, Medically Necessary means that the Covered Person requires acute care as a bed patient because the nature of the Services cannot be safely and adequately delivered as an outpatient.

**IMPORTANT:** For purposes of determining Medical Necessity, "Generally Accepted Standards of Medical Practice" means standards that are based on creditable scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, Physician specialty society recommendations the views of Physicians practicing in relevant clinical areas and any other relevant factors.

## Services Considered Not Medically Necessary

Charges will not be considered Medically Necessary when diagnosis, care or treatment is:

- Of unproven or questionable value.
- Unnecessary when performed in combination with other care.
- Custodial in nature.
- Unlikely to provide a Physician with additional information when used repeatedly.
- Not ordered by a Physician. *Note: The fact that a Physician may prescribe, order, recommend or approve a Service does not itself make that Service or supply Medically Necessary.*
- Considered a cosmetic procedure. Services are considered cosmetic procedures when they improve appearance without making an organ or body part work better.

### ***Examples of Services Considered Not Medically Necessary***

Examples of hospitalization and other Covered Health Services that are not Medically Necessary include, but are not limited to:

- Hospital Admissions to observe or evaluate a medical condition that could have been provided safely and adequately in another setting such as a Hospital's outpatient department.
- Hospital Admissions primarily for diagnostic studies (X-rays, laboratory and pathological Services, and machine diagnostic tests) that could be safely done in another setting on an outpatient basis.
- Continued inpatient Hospital care when the patient's medical symptoms and condition no longer require continued stay.
- Hospitalization or Admission to a Skilled Nursing Facility, nursing home or other facility for the primary purpose of Custodial Care, convalescent care, rest cures or domiciliary care to the patient.
- Hospitalization or Admission to a Skilled Nursing Facility for the convenience of the patient or Physician, or because care in the home is not available or is unsuitable.
- The use of skilled or private duty nurses to assist in daily living activities or routine supportive care, or to provide Services for the convenience of the patient and/or his or her family.
- Reshaping a nose with a prominent bump that did not occur as a result of accidental Injury or surgery, or that is not having an effect on a function like breathing, would be considered a cosmetic procedure.
- Upper eyelid surgery at times will improve vision and be covered as a reconstructive procedure, while on other occasions improvement in appearance is the primary purpose of the procedure and, therefore, the surgery would be considered cosmetic and not covered.

The Benefits Administrator will determine whether hospitalization or other health care Services are Medically Necessary and therefore, eligible for payment. If you have any questions about whether a Service is considered Medically Necessary, contact your Benefits Administrator before care is obtained. Care that is not Medically Necessary will not be covered.

See the "Exclusions and Limitations" section of this SPD for further details regarding Medically Necessary care and other exclusions from coverage.

### **Determination of Medically Necessary Covered Health Services**

After the Benefits Administrator makes a determination as described in the "Notification and Preauthorization Requirements" and "Claims Procedures" sections, you, your Provider and/or the facility will receive Notification of whether or not a Service is considered Medically Necessary. The Notification will specify the dates and Services that were considered during the process.

The Benefits Administrator determines the Medical Necessity of Services as it specifically relates to each individual Claim after the Service is received, based on the actual Service provided. In the event that the Benefits Administrator determines that all or any portion of an inpatient hospitalization or other health care Service is not Medically Necessary, the Program will not be responsible for any related Hospital or other health care Service charge incurred. Remember that

the Program does not cover the cost of hospitalization or any health care Services that are not determined to be Medically Necessary.

**IMPORTANT:** Keep in mind that a Medically Necessary determination does not guarantee that Benefits are available. Benefits are only payable for Services that are a Covered Health Service and not subject to any exclusion or limitation. The Medically Necessary determination does not override the Program's Benefits provision or the final determination on that Claim for Benefits.

See the "Notification and Preauthorization Requirements" and "Claims Procedures" sections of this SPD for more information.

## Health and Wellness Programs

The Company offers a health and wellness incentive program designed to promote wellness in Employees. Mobility employees are eligible to participate in the health and wellness programs.

### ***Tobacco User Medical Contribution Surcharge***

To encourage Employees and their Spouses to be tobacco-free, the Program provides a contribution incentive for Employees who are not "tobacco users" or who take the alternative steps described below. A "tobacco user" is someone who has used tobacco products more frequently than every two weeks since Jan. 1 of the applicable Plan Year. Tobacco products include cigarettes, cigars, pipes, e-cigarettes, vaporizers, and/or smokeless tobacco. Someone who uses tobacco products no more than once every two weeks is **not** considered a tobacco user.

The Tobacco User Medical Contribution Surcharge imposes a surcharge. The surcharge is applied to your required monthly contribution if **you do not either:**

1. Certify at annual enrollment that you are not a "tobacco user," or
2. Complete four Tobacco Cessation Calls (one intake call, three follow-up calls) provided by the Health and Wellness Vendor and three Quitnet participation items (download quit guide, set quit date and review medication plan) during the period identified in the materials distributed to you describing this tobacco cessation program and surcharge. See the Health and Wellness Vendor table in the "Contact Information" section for contact information.

If you do not complete the actions listed above during the time specified for the applicable calendar year and you did not certify during the last annual enrollment that you are not a tobacco user, you will be classified as a tobacco user and the surcharge will apply to you. See the "Additional Information concerning the Medical Contribution Credits and Tobacco User Medical Contribution Surcharge" subsection below for more information.

The Tobacco User Medical Contribution Surcharge and related provisions are evaluated annually, including, for example, the definition of a "tobacco user" and the tobacco cessation program available as an alternative means to meet the requirements for removal of the surcharge. Any resulting changes in these provisions will be communicated.

### ***Additional Information Concerning the Tobacco User Medical Contribution Surcharge***

If you need an Alternative Means to satisfy the requirements AT&T is committed to helping you achieve your best health. Rewards are available to all Active Employees participating in the

Program. If you or your Spouse think you might be unable to meet a standard for a reward under this Program, you might qualify for an opportunity to earn the same reward by different means. Contact the Health and Wellness Vendor at 888-665-6455 and we will work with you (and, if you wish, with your doctor) to find a wellness program with the same reward that is right for you in light of your health status.

**IMPORTANT:** The Genetic Information Nondiscrimination Act of 2008

AT&T neither requires nor requests that you provide genetic information or family medical history for any purpose in connection with the tobacco medical contribution surcharge. The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and health plans from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, we are asking that you not provide any genetic information when responding to the survey or providing information concerning the tobacco surcharge. "Genetic information," as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

*How the Tobacco User Medical Contribution Surcharge is applied.*

The Tobacco User Medical Contribution Surcharge is an increase to your monthly contributions for medical coverage. If you enroll in coverage during Annual Enrollment, the surcharge will be applied for each month that you are enrolled in any coverage option under the Program. The Tobacco User Medical Contribution Surcharge will end when your coverage is terminated. The surcharge will not apply to a midyear re-enrollment or enrollment. The tobacco user surcharge will apply for each plan year, unless you take the steps required to avoid the surcharge. See the *Contribution Surcharges* subsection of the Contribution section for more information.

## Your Privacy

Your individually identifiable data may be provided to other vendors that contract with the Program to provide administrative services (such as the Benefit Administrators) to facilitate their provision of services under the Program. These services include programs that provide enhanced support to Participants (for example, special services that could assist with early identification and treatment of health-related conditions such as diabetes, heart disease, chronic obstructive pulmonary disease, asthma and cancer, and assistance with finding providers that specialize in the treatment of such conditions).

Such data will be used by the Program for the purpose of:

- Evaluating the operation of the Program to identify potential plan improvements, and
- Evaluating the health needs of the AT&T population generally to determine appropriate programs that can better meet those needs.

Any personal health information you provide to Health and Wellness Vendors or its subcontractors will be protected in accordance with HIPAA's requirements. See *Protecting Privacy of Your Protected Health Information-Notice of HIPAA Privacy Rights* for more information.

## WHAT IS COVERED

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### KEY POINT

- See this section to determine what medical Services are covered by the Program. You may be required to take additional action to receive certain Benefits.

**IMPORTANT:** If you are enrolled in a Fully-Insured Managed Care Option, you are not eligible for Benefits under the Program as described in this section. See the “Fully-Insured Managed Care Option” section of this SPD for more information.

This section provides detailed information about the kinds of Medical Benefits, including Benefits for Mental Health/Substance Abuse Services, the Program provides. The term “Program,” when used in this section, does not include Fully-Insured Managed Care Options that are available under the Program. See the “Fully-Insured Managed Care Option” section for information. For specific information about what you pay for these Covered Health Services, see the *Benefits at a Glance* table. To better understand how to use this section and better understand what is covered, here is some important information:

- Covered Health Services are grouped by category and follow the order of the *Benefits at a Glance* table. Covered Health Services that do not fit into a specific category are included in the “Additional Services” section.
- The Program only covers Covered Health Services that are Medically Necessary.
- Even though a Service is included as a Covered Health Service, certain circumstances can cause the Benefits to be reduced or denied.
  - You must provide Notification or obtain Preauthorization for some Covered Health Services. See the “Notification and Preauthorization Requirements” section for more information. While references to this section are made in the description of certain Covered Health Services, it is your responsibility to consult this section and be familiar with when Notification or Preauthorization is required, even if no reference is made in the description of the Service.
  - Certain circumstances may result in the Program not providing Benefits for what would generally be a Covered Health Service. For example, if the Claim for Benefits is filed after the time period for filing Claims has passed. See the “Exclusions and Limitations” section for information.
- The medical Benefits Administrator may provide an opportunity for Covered Persons to lower their out-of-pocket costs through a specialized Network of health care Providers. See *Appendix C* for additional information on the programs available to you through the medical Benefits Administrator. Specialized Benefits provided by this Network of health care Providers are not available when care is covered by Medicare as your primary coverage.
- This section does not include information on Prescription Drug coverage; see the “Prescription Drug Coverage” section.

## Covered Health Services for Active Employees Under the National Bargained Benefit Plan

The following subsections describe Covered Health Services under the Program that apply to Active Employees whose Benefits are provided under the National Bargained Benefit Plan.

### ***Preventive Care Services***

The Program covers Preventive Care Services. Preventive care focuses on evaluating your current health status when you are symptom-free and taking the necessary steps to maintain your health. Appropriate preventive care will vary from person to person based on age, gender and other risk factors, including family history. Consult with your Provider to discuss medical appropriateness and frequency for your individual situation. Special Program provisions apply when you receive preventive care that qualifies as Preventive Care Services under the Program.

Preventive Care Services are those Services that are determined by the Benefits Administrator to provide preventive care and are included in the Benefits Administrator's preventive care policy. The fact that a Service is coded by a Provider as preventive care does not determine whether the Service is covered as a Preventive Care Service. At a minimum, Preventive Care Services include the preventive care required pursuant to the provisions of the Patient Protection and Affordable Care Act (PPACA). The Services covered as Preventive Care Services will change from time to time as new medical evidence emerges and evidence-based recommendations change.

Services that are Preventive Care Services in some circumstances may also be provided for purposes other than the routine preventive care covered as Preventive Care Services. When this occurs, these Services are **not** covered as Preventive Care Services. However, they may be covered under other provisions of the Program, subject to applicable cost sharing, including Co-payment, Coinsurance and an Annual Deductible. Examples of Services that can be Preventive Care Services in some circumstances but not others include mammograms, colonoscopies and blood tests such as cholesterol tests.

Information concerning whether specific Services are Preventive Care Services should be obtained from the Benefits Administrator. The current guidelines for Preventive Care Services under the Program can be obtained by accessing the Benefits Administrator's website, or you can receive a copy, free of charge, by calling the Benefits Administrator's customer service at the toll-free number on your identification card. As these guidelines may change from time to time, it is important to receive up-to-date information on what the Benefits Administrator has determined to be Preventive Care Services. Your Benefits Administrator's contact information is also located in the *Medical Benefits Administrator* table in the "Contact Information" section of this SPD.

Special coverage provisions apply to Preventive Care Services. Preventive Care Services are covered at 100 percent of the Allowed Amount without participant cost sharing such as a Co-payment, Coinsurance or Annual Deductible, but only when you receive Preventive Care Services on an outpatient basis from a Network Provider. Benefits for Preventive Care Services are subject to other Program requirements, such as setting and appropriateness.

No coverage is provided for Preventive Care Services if you receive these Services from a Non-Network Provider, unless you are enrolled in coverage that does not utilize a Network, such as an indemnity or out-of-network area (ONA) option. If you are enrolled in coverage that does not utilize a Network, Preventive Care Services are covered at 100 percent of the Allowed Amount, regardless of the Network status of the Provider.

### Preventive Care Transition of Care

If a Service is added to Preventive Care Services under the Program while you are undergoing a course of care and, as a result, the Service will no longer be covered if you use a Non-Network Provider, preventive care transition of care is available. Preventive care transition of care allows you to continue the preventive care with your current Non-Network Provider — and still receive Non-Network Benefits — for a period up to 12 months. The transition period will be no longer than required for the current course of care as determined by the Benefits Administrator. At the end of your transition period you must transfer to a Network Provider to receive Benefits for Preventive Care Services.

Preventive care transition of care requires Preauthorization by the Benefits Administrator. If you are receiving a Service from a Non-Network Provider that the Benefits Administrator determines will become a Preventive Care Service, you or your Provider must contact the Benefits Administrator to request a transition of care plan within 60 days of the effective date the care you are receiving is added to Preventive Care Services. If you have a question or need to apply for a transition of care plan, contact the medical Benefits Administrator. See the *Medical Benefits Administrator* table in the "Contact Information" section for contact information.

### **Disease Management**

Personal Health Support is an enhanced clinical management experience provided by the Medical Benefits Administrator that connects AT&T employees and their families to health care answers, personalized nurse support and resources for chronic conditions, common illnesses or other medical issues.

Contact Personal Health Support to:

- Receive individualized personal nurse support for chronic or complex conditions
- Get 24/7 symptom triage
- Find the right care for you and your family
- Get the most out of your health plan
- Receive coaching for common medical issues

Conditions supported:

- Asthma
- Bariatric surgery
- Cancer
- Chronic obstructive pulmonary disease (COPD)
- Coronary artery disease
- Diabetes
- End-stage renal disease
- Heart disease
- Heart failure

- High blood pressure
- High cholesterol
- Kidney disease
- Maternity support
- Neonatal care
- Transplant
- Other healthcare issues

To access Personal Health Support, call 866-705-9767 or the number on the back of your UnitedHealthcare ID card.

Note: Similar services that are described elsewhere in the SPD continue to be available; however, they are enhanced and provided through Personal Health Support. These services also can be accessed as noted in the description of the service.

### **Emergency Services**

#### Emergency Room (Emergency Medical Condition)

If you have an Emergency Medical Condition, you should immediately get the necessary medical treatment at the nearest Emergency Facility. The Program provides Benefits for outpatient treatment of an Emergency Medical Condition at a Hospital, Alternative Facility or Physician's office.

Emergency Services due to an Emergency Medical Condition that are provided by a Non-Network Provider will be covered at the Network level of Benefits, that is, the Network cost-sharing requirements will apply no matter where you receive treatment. See the "Cost Sharing" section for information. The Allowable Charge for covered Non-Network Emergency Services Benefits will be no less than the highest of:

- The median Allowable Charge for Network Emergency Services;
- Reasonable and Customary (R&C) (or similar amount determined using the Program's general method for determining payments for Non-Network Services); or
- Amount that would be allowable under Medicare, but in no event more than the billed charges.

The Provider may bill you for the amount not covered by the Program as an Allowable Charge. This special coverage provision only applies to Emergency Services provided in a Hospital emergency room to treat an Emergency Medical Condition.

Neither Notification nor Preauthorization is required for coverage of Emergency Services in the event of an Emergency Medical Condition. However, the use of Emergency Services is subject to review to determine whether the medical condition was a true Emergency Medical Condition. See the *Benefits at a Glance* table for information on coverage if you receive care in an emergency room that is not treatment to address an Emergency Medical Condition.

You should notify the Benefits Administrator if you are admitted to the Hospital from the emergency room. See the "Notification and Preauthorization Requirements" section for more

information. If you are admitted to a Non-Network Hospital, you may be required to transfer to a Network Hospital to continue receiving Network Benefits after your condition is Stabilized.

Emergency Room (Nonemergency)

If you or your enrolled dependent requires care for a nonemergency or routine medical condition, you should first contact your primary care Physician or other Network Provider. The following table provides examples of covered emergency conditions and “nonemergency or routine” medical conditions.

Conditions Suggesting the Need for Emergency Services	Conditions Suggesting the Need for Nonemergency or Routine Services
<ul style="list-style-type: none"> <li>• An apparent heart attack, including chest pain extending to the arms and jaw</li> <li>• Shortness of breath or difficulty breathing</li> <li>• Excessive bleeding</li> <li>• Loss of consciousness</li> <li>• Convulsions</li> <li>• Symptoms of a stroke, including sudden paralysis and/or slurred speech, lack of responsiveness, severe headache</li> <li>• Severe or multiple Injuries, including fractures</li> <li>• Allergic reactions</li> <li>• Apparent poisoning</li> </ul>	<ul style="list-style-type: none"> <li>• Sprains, strains</li> <li>• Fevers</li> <li>• Bad cuts</li> <li>• Skin rashes</li> <li>• Excessive vomiting</li> <li>• Stomach pain or cramps</li> <li>• Prolonged diarrhea</li> <li>• Bad colds, sore throats, coughs</li> <li>• Minor burns</li> <li>• Swollen glands</li> </ul>

See the *Benefits at a Glance* table for information on coverage if you receive care in an emergency room that is not treatment to address an Emergency Medical Condition.

Urgent Care Facility

Illnesses and Injuries that are of a less serious nature than an emergency may be treated more economically by a visit to an Urgent Care Facility. Urgent Care Facilities are usually open evenings, weekends and holidays and are designed to give patients fast, effective service and to prevent a serious decline in health. Urgent Care Facilities commonly treat conditions like the following:

- Minor Injuries and cuts
- Upper respiratory infections
- Ear infections
- Sprains
- Sore throats
- Urinary tract infections

### Ambulance Services

- Ground Ambulance Services Benefits are payable under the Program when determined by the medical Benefits Administrator to be Medically Necessary for adequate treatment of an Emergency Medical Condition to the first local Hospital where treatment is provided. Ground Ambulance Service is also covered for transfers between Hospitals and certain other health care institutions, provided you are so critically ill that the ground Ambulance Service is necessary to your well-being, the institution to which you are taken has some special facility for treatment of your particular condition that is not available to you otherwise, and that institution is the normal or usual place that other Covered Persons living in the area would be taken for your particular specialized treatment.
- Air Ambulance Service used in lieu of ground Ambulance Service Benefits are payable under the Program when such Service is determined by the medical Benefits Administrator to be Medically Necessary for adequate treatment of an Emergency Medical Condition. See the *Benefits at a Glance* table for more information.

### **Inpatient Services**

The Program provides Benefits for Hospital Services in the following categories, subject to the following conditions:

- The Service is ordered by a Physician and normally furnished by a Hospital.
- You notify or receive Preauthorization required under the Program; see the “Notification and Preauthorization Requirements” section.
- The Service provided is at the level appropriate for your condition (for example, acute care, intensive care, isolation care or rehabilitation unit).
- Hospitalization is necessary to prevent, diagnose or treat an Illness or Injury.

### Room and Board

- Hospital daily room and board (up to the regular Semi-private Room rate).

### Lab and X-Ray

- X-ray exams, X-ray therapy radiation therapy and treatment
- Laboratory tests
- Processing and administering blood and blood derivatives if not replaced

### Physician and Surgeon Services

- Intensive care
- General nursing care
- Presurgical Physician consultations and in-Hospital Physician visits

### Other Inpatient Services

Other inpatient Hospital Services include:

- Special diets.
- Operating, delivery, recovery and treatment rooms, equipment and supplies.

- Anesthetics.
- All FDA-approved drugs and medicines for in-Hospital use.
- Dressings, ordinary splints and casts.
- Oxygen and oxygen therapy.
- Electrocardiograms and electroencephalograms.
- Chemotherapy. Eligible Expenses for drugs for chemotherapy obtained through a prescription are payable under the Prescription Drug coverage. See the "Prescription Drug Coverage" section for more information.
- Physical Therapy.
- Hemodialysis treatment.
- Eyecare. The Program covers eye treatments that are Covered Health Services, such as eye surgery.
- Medical Services associated with dental treatment of accidental Injury that occurred while covered under the Program, or when a Physician other than a dentist certifies that hospitalization for medical treatment is Medically Necessary to safeguard the life or health of the patient because of the existence of a specified nonmedical organic impairment, such as heart trouble or hemophilia.

### ***Outpatient Services***

The Program provides Benefits for care as an outpatient. In many instances, you can avoid an overnight Hospital stay by having a Service or surgery performed as an outpatient at a Hospital, a stand-alone Ambulatory Surgical Center or a Provider's office.

Certain outpatient Services are Preventive Care Services. See the "Preventive Care Services" section for information. Certain outpatient Services require Notification or Preauthorization. See the "Notification and Preauthorization Requirements" section for information.

The Program covers the following outpatient Services:

#### ***Office Visits***

- Services of a Physician for an office visit or house call for diagnosis and/or treatment of an Injury, Illness or disease, including Pregnancy.
- Services of a qualified physiotherapist (physical therapist) or a licensed Speech Therapist when prescribed by a Provider and the Services are not Educational in nature.

#### ***Other Outpatient Services***

- Surgery.
- Pre-Admission and diagnostic X-ray and laboratory tests, including allergy testing.
- Hemodialysis treatment.

- Chemotherapy and radiation therapy. Eligible Expenses for drugs for chemotherapy obtained through a prescription are payable under the Prescription Drug coverage. See the “Prescription Drug Coverage” section for more information.
- Prostheses and their replacements when required due to the normal growth process of a Child or when required as a result of a change in physical condition due to Injury, illness or disease.
- Allergy testing and treatment if prescribed by a Physician.
- Eyecare. The Program covers eye treatments that are Covered Health Services, such as eye surgery, but not expenses associated with a vision therapy program.
- Initial pair of eyeglasses or contact lenses following eye surgery or Injury.
- Dental Services. The removal of bony impacted, or partially bony impacted wisdom teeth are covered under the Program.
- An appliance to replace a lost body organ or part to help a disabled person return to functioning capacity — for example, an artificial limb or eye. Only the charge for the first appliance in the patient's lifetime is covered for each body organ or part, except for replacements needed due to a change in the patient's physical condition (including normal physical growth).
- Oxygen and the charges for giving it, including rental of required equipment.
- Nursing Services (including private duty nursing). The Services of an RN or LPN given through a Home Health Care Agency.
- Emergency room treatment. See the “Emergency Services” section for more information.
- Medical Services for treatment of accidental Injury that occurred while covered under the Program.
- Medical Services associated with dental treatment of accidental Injury that occurred while covered under the Program, or when a Physician other than a dentist certifies that outpatient medical treatment is Medically Necessary to safeguard the life or health of the patient because of the existence of a specified nonmedical organic impairment, such as heart trouble or hemophilia.

### ***Mental Health and Substance Abuse (MH/SA) Services***

Mental health conditions and substance abuse conditions will be determined by the MH/SA Benefits Administrator, having reference to the mental health and substance abuse conditions defined and categorized in: (1) the most current version of the *Diagnostic and Statistical Manual of Mental Disorders*; (2) the most current version of the *International Classification of Diseases*; or (3) state or federal guidelines, as appropriate.

The sections that follow provide information about the MH/SA care covered under the Program. For more information on the specific Benefit levels that apply, see the *Benefits at a Glance* table.

Only Services determined to be Medically Necessary by the MH/SA Benefits Administrator are covered under the Program. Certain Services require Notification or Preauthorization. See the “Notification and Preauthorization Requirements” section for more information. For inpatient and outpatient Network and Non-Network Services, documentation of Medical Necessity of Services

will be required in order to be considered an eligible charge (this is called retrospective review). See the definition of Medically Necessary in the “Definitions” section for what is considered Medically Necessary MH/SA care.

#### Alternative to Mental Health Inpatient Care

The MH/SA Benefits Administrator may suggest alternative treatment options instead of inpatient care.

#### Approved Providers

You will want to verify that your Provider’s credentials meet the requirements for reimbursement under the Program. Approved Providers include the following:

- Licensed professional counselor
- Licensed marriage, family and Child counselor
- Licensed doctoral-level psychologist (Ph.D., Ed.D., Psy.D.)
- Licensed psychiatric nurse with a Master of Science in nursing and an RN license
- Licensed masters-prepared social worker (Some states may have additional requirements or may certify rather than license these professionals.)
- Licensed Marriage and Family Therapist (LMFT)
- Psychiatrist, M.D. or D.O. licensed to practice patient care psychiatry
- Mental Health Nursing with Prescription Authority (APRN)

#### Inpatient Mental Health/Substance Abuse Services

Covered MH/SA inpatient Hospital care includes Hospital daily room and board (up to the regular Semi-private Room rate), general nursing care, intensive care and other inpatient Services, including the following:

- Initial evaluation/assessment
- Medical history and physical
- All FDA-approved drugs and medicines for in-Hospital use
- Laboratory/pathology tests
- Electrocardiograms and electroencephalograms
- Individual therapy
- Family therapy
- Group therapy
- Neuropsychological testing
- Psychological testing
- Radiology

- Psychiatrists/Physicians
- Recreational/Occupational Therapy
- Psychosocial programs/Services
- Discharge planning
- Aftercare (for substance abuse programs)

**Outpatient Mental Health/Substance Abuse Services**

Benefits are available for Mental Health Services and Substance Abuse Services received on an outpatient basis in a Provider's office or at an Alternative Facility, including the following:

- Mental health, substance abuse and chemical dependency evaluations and assessment
- Diagnosis
- Treatment planning
- Referral Services
- Medication management
- Short-term individual, family and group therapeutic Services (including intensive outpatient therapy)
- Crisis intervention
- Psychological testing

***Family Planning/Maternity Services***

**Family Planning**

- Voluntary sterilization and related examinations. Voluntary sterilization is covered for females as Preventive Care Services except when due to a medical condition that is not considered to be preventive.
- Office visits for birth control. This will be considered Preventive Care Services if provided as part of a routine wellness visit (including well-woman exams) or billed separately and coded appropriately as "preventive medicine Counseling". See the "Preventive Care Services" section.

**Maternity Services**

- Obstetrical and newborn care in the Hospital.
- Certified Nurse-Midwife within the scope of the Nurse-Midwife's certification.
- Prenatal and postnatal care (certain prenatal care may be covered as Preventive Care Services). See the "Preventive Care Services" section for information.
- Routine nursery care of the newborn during the mother's postdelivery confinement.

**IMPORTANT:** Your newborn is eligible for coverage at birth, but you must take the necessary steps to enroll the newborn with the Eligibility and Enrollment Vendor within the time frame required to receive Program Benefits. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

See the “Newborns’ and Mothers’ Health Protection Act” section of this SPD for information on your rights regarding Hospital stays after normal vaginal delivery or cesarean section.

### **Rehabilitation Services**

The Program covers the following rehabilitation Services:

- Medical care and treatment by an Occupational or Physical Therapist.
- Services of a qualified Speech Therapist when prescribed by an attending Physician, the Services are not Educational in nature and Services are expected to result in significant physical improvement in the condition within two months of the start of treatment.

### **Additional Services**

#### Alternate Care

Benefits are available for Alternate Care under the terms of an Alternate Care Plan developed by the Benefits Administrator or its designee. During the course of a patient’s care under the Program, the Benefits for a specific needed treatment or modality (therapeutic method) may be depleted. If additional treatment or an extension of a certain Service is needed, the Benefits Administrator or its designee may consider, if appropriate, creating an Alternate Care Plan to either continue the current care in lieu of, or to avoid, a potentially more costly alternative or offer a more cost-effective Alternate Care.

If it is determined that a patient is eligible for an Alternate Care Plan, the Benefits Administrator or its designee will contact the patient and/or the Provider to explain the benefits of an Alternate Care Plan. If the patient and the Provider agree that the Alternate Care Plan is a medically appropriate alternative, the Benefits Administrator or its designee will provide the patient with an Alternate Care Plan agreement. The agreement must be signed by the patient and the Provider and returned to the Benefits Administrator or its designee.

The patient is not required to participate in the Alternate Care Plan. The patient and the Provider can, at any time, end or change the course of care. However, any changes to the course of care will not be governed by the Alternate Care Plan and may not be covered under the Program.

The following are some instances in which the patient is not eligible for Alternate Care:

- The Program is the secondary Coverage Plan. See the “Coordination of Benefits” section for more information.
- The Service or supply is specifically excluded under the Program.
- The coverage for the Service has already reached a Benefit Maximum, unless continuation of such Service is in lieu of or avoids a potentially more costly alternative.

- The compared “in lieu of” care or Service is not medically appropriate for the diagnosis as determined by the Benefits Administrator or its designee.
- The compared “in lieu of” care or Service is not more cost effective in comparison with another Course of Treatment covered by the Program as determined by the Benefits Administrator or its designee.

Alternate Care Benefits will be terminated if the Benefits Administrator or its designee determines that:

- A normal requirement for payment of Benefits under the Program is not met (e.g., the patient is no longer eligible to participate).
- Alternate Care is not being provided by duly licensed Providers within the scope of their license.
- Alternate Care is determined not to be a Covered Health Service or is otherwise excluded under the Program.
- Payment of Alternate Care Benefits is not cost effective, as determined in the sole discretion of the Benefits Administrator or its designee.
- Any established durations or other limitation set forth in the Alternate Care Plan agreement has been met or exceeded.

All Alternate Care must be preauthorized. See the “Notification and Preauthorization Requirements” section for more information.

Provision of Alternate Care Benefits in one instance shall not result in an obligation to provide the same or similar Benefits in any other instance. In addition, the provision of Alternate Care Benefits shall not be construed as a waiver of any of the terms, conditions, limitations and exclusions of the Program.

#### Chiropractic Treatments

The Program covers chiropractic treatments. Limits apply to Network and Non-Network Services combined. See the *Benefits at a Glance* table for those limits.

#### Congenital Heart Disease Resources Program

The Congenital Heart Disease (CHD) program is the medical Benefits Administrator’s program made available to Covered Persons under the Program. The CHD Program provides information to Covered Persons with congenital heart disease and offers access to Designated Network Providers for the treatment of congenital heart disease. See *Appendix C* for information about the medical Benefits Administrator’s CHD Program. You can also contact the medical Benefits Administrator for information about congenital heart disease Services.

#### Durable Medical Equipment Rentals or Purchase

The Program covers charges for rental or initial purchase (or necessary repair) of Durable Medical Equipment prescribed by a Physician for treatment of an Illness or Injury. Coverage does not include any changes made to the Covered Person's home, automobile or personal property, such as air conditioning or remodeling. Equipment rental coverage is limited to the purchase price of the Durable Medical Equipment.

### Gender Dysphoria (Reassignment) Treatment

To be covered under the Program, the gender dysphoria (reassignment) treatment must be Medically Necessary. The determination of whether the treatment is Medically Necessary will be made by the Benefits Administrator based on generally accepted medical standards of care such as *The World Professional Association for Transgender Health (WPATH)* (formerly known as the *Harry Benjamin International Gender Dysphoria Association's Standards of Care for Gender Identity Disorders*).

Factors for consideration may include whether the individual meets the following criteria:

- Be at least 18 years of age.
- Have a diagnosis of Gender Dysphoria.
- Undergo a minimum of 12 months of continuous hormonal therapy when recommended by a mental health professional and provided under the supervision of a Physician.
- Complete a minimum of 12 months of successful, continuous, full-time, real-life experience in their new gender, with no returning to their original gender.
- Regularly participate in psychotherapy, as recommended by a treating medical or mental health Practitioner.

Your Benefits Administrator may have specific guidelines regarding Benefits for treatment of Gender Dysphoria services. Contact your Benefits Administrator for further information about these guidelines and to obtain required prior authorization and/or notification. For information on how to contact the Benefits Administrator, see the "Contact Information" section.

*Note: Travel and lodging are not covered under this Benefit.*

### Hearing Benefit

The Program covers the initial hearing aid(s) following Illness or Injury and the exams for their prescription or fitting.

### Home Health Care

The following Home Health Care expenses will be covered to the extent that they would have been covered if the person had received such Services in a Hospital:

- Medical supplies
- Drugs and medications ordered by a Physician other than those available through the Prescription Drug Benefits
- Laboratory Services given or ordered by a Hospital
- Home health aide Services (four hours counts as one visit)
- Nursing or related skilled Services (each visit counts as one visit, regardless of the length of the visit)

See the "Notification and Preauthorization Requirements" section for information.

### Hospice Care

The Program covers Hospice Services if the attending Physician has certified that the patient is terminally ill with six months or less to live. Services for the patient must be given in a licensed Hospice facility or in the patient's home.

### Organ and Tissue Transplant Services

Covered Health Services include organ and tissue transplants when ordered by a Physician. Transplantation Services must be received at a Designated Network Provider to receive the maximum level of Benefits available under this provision. Benefits are available at other facilities if approved by the medical Benefits Administrator. Benefits are available for the transplants listed below when the transplant meets the definition of a Covered Health Service and is not an Experimental or Investigational Service or an Unproven Service.

- Heart transplants.
- Lung transplants.
- Heart/lung transplants.
- Liver transplants.
- Small bowel transplants.
- Liver/small bowel transplants.
- Kidney transplants.
- Pancreas transplants.
- Kidney/pancreas transplants.
- Bone marrow/peripheral stem cell transplants, with or without high dose chemotherapy. Not all bone marrow transplants meet the definition of a Covered Health Service.

Other transplant procedures not listed above are covered when the medical Benefits Administrator determines that it is Medically Necessary. Benefits are also available for cornea transplants that are provided by a Physician at a Hospital. Cornea transplants do not need to be provided at a Designated Network Provider in order to receive Network Benefits.

If care is provided at a Designated Network Provider, you may be eligible for reimbursement of travel expenses to and from the Designated Network Provider. In addition, the Program also pays for a travel companion's eligible travel and hotel expenses. Depending on the circumstances, travel and lodging Benefits may be taxable compensation under the Internal Revenue Code. Contact the Benefits Administrator for further information. Organ or tissue transplants or multiple organ transplants other than those listed above are excluded from coverage.

Additional Benefits may be available when you use a Designated Network Provider chosen by the medical Benefits Administrator. For a description of those additional Benefits, see *Appendix C* for information.

## EXCLUSIONS AND LIMITATIONS

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### KEY POINTS

- *Certain services are never covered by the Program.*
- *Other services are covered only if they are Medically Necessary.*
- *Some services are covered, but only in certain circumstances or to a limited extent.*

The Program does not cover certain medical services or expenses. These are called exclusions. All care must be Medically Necessary to be covered. No Benefits will be provided for services that are not Medically Necessary in the judgment of the Benefits Administrator.

This section and the Prescription Drug “Exclusions and Limitations” section provide a list of services and expenses that are not covered. “Services” includes all services, treatments and supplies (including Durable Medical Equipment) and Prescription Drugs for which Claims are submitted.

This list does not include exclusions for outpatient Prescription Drug expenses. See the Prescription Drug “Exclusions and Limitations” section for a list of Prescription Drug exclusions. This section also does not include exclusions and limitations information provided under any Fully-Insured Managed Care Options available under the Program. See the “Fully-Insured Managed Care Option” section for information.

The exclusions in the following list are not intended to be all-inclusive. Even if not included in the following list, a Service would not be covered if it is not a Covered Health Service as described in the “What Is Covered” section. That is because some general categories of expenses, such as eyecare, are not paid by the Program except in specific instances, such as a pair of eyeglasses after eye surgery. It is important to check both sections. If you have questions about whether a Service or expense is covered under the Program, contact the applicable Benefits Administrator.

In addition, the Program will not pay for Benefits for any of the Services or expenses described in this section, even if either of the following is true:

- It is recommended or prescribed by a Physician.
- It is the only available treatment for your condition.

### **Exclusions and Limitations for Active Employees Under The National Bargained Benefit Plan**

The following information summarizes exclusions and limitations under the Program that apply to National Bargained Benefit Plan Employees.

#### **General Health Care Exclusions**

- Services that are determined to be inappropriate in the sound discretion of the Benefits Administrator.
- Expenses for services that you have no legal responsibility to pay or for which a charge would not ordinarily be made in the absence of coverage under this Program.

- Expenses for services that exceed the Allowable Charge or any specified limitation or penalty imposed under the Program.
- Charges for nontreatment purposes, including missed appointments, room or facility reservations, completion of Claim forms or record processing.
- Charges for examinations, evaluations and reports not required for health reasons, such as employment, school or insurance examinations.
- Charges for services incurred as a result of the failure to comply with Medicare utilization review requirements.
- Charges for services needed as a result of an Injury, Illness or disease arising out of the participation in or attempt to commit a felony or assault.
- Charges for covered expenses under any provision of the Program if already paid pursuant to any other provision of the Program.
- Services for which coverage is available:
  - Under AT&T CarePlus – A Supplemental Benefit Program.
  - Under a Company-sponsored disability plan for treatment resulting from a job-related accidental Injury.
- Charges for services payable under workers' compensation or similar laws.
- Services provided in connection with an occupational Injury, Illness or disease arising out of and in the course of employment with an employer if the employer pays for such charges or you waive or fail to assert your rights with respect to such charges.
- Charges paid or payable under any government law or regulation.
- Services available from or covered by any governmental agency or plan.
- Expenses for services received after the date a Covered Person's coverage ends, including Services for medical conditions that began before the date the individual's coverage under the Program ends (except for Hospital room and board charges as a Hospital inpatient if already confined to a Hospital when coverage ends).
- Expenses for services (including Hospital confinement) received before the recipient's effective date of coverage under the Program.
- Services that are not Covered Health Services, except as may be specifically provided in "What Is Covered" section.
- Treatment of any Injury, Illness or disease caused by service in the armed forces of any government or by an act of war, whether declared or undeclared, including armed aggression, riot or insurrection unless you are on Company business, including travel, assignment and relocation outside of the United States.

## ***Specific Health Care Exclusions***

### **Alternative Treatments**

- Acupuncture for any purpose except anesthesia.
- Aromatherapy.
- Holistic medicine, services, supplies or treatment.
- Hypnotism.
- Massage therapy.
- Rolfing (holistic tissue massage).
- Other forms of alternative treatment as defined by the National Center for Complimentary and Alternative Medicine (NCCAM) of the National Institutes of Health. This exclusion does not apply to manipulative treatment and nonmanipulative osteopathic care for which Benefits are provided as described in the "What Is Covered" section.

### **Dental**

- Dental care except as specifically provided under the Program as described in the "What Is Covered" section.
- Services for treatment of temporomandibular joint disorders (TMJ) or other conditions involving joints or muscles of the jaw by any method or procedure other than surgery.

### **Devices, Appliances and Prosthetics**

- Appliances for snoring except when provided as a part of treatment for documented obstructive sleep apnea.
- Orthotic appliance(s) that straighten or reshape a body part.
- Smoking cessation services, products or drugs except as covered under Preventive Care Services. See the "Preventive Care Services" section for more information.

### **Drugs**

- Charges for over-the-counter medications and pharmaceutical purchases, whether prescribed by a Physician or otherwise, except for insulin, Diabetic Supplies such as blood testing aids and diagnostic urine tests, and hypodermic needles and syringes prescribed by a Physician for use with covered injectables, and except as set forth in the "Prescription Drug Coverage" section.

### **Foot Care**

- Routine foot care except when needed for severe systemic disease or preventive foot care for Covered Persons with diabetes for which Benefits are provided as described under the "What Is Covered" section.

### **Medical Supplies and Equipment**

- Prescribed or nonprescribed medical supplies and disposable supplies such as elastic stockings, ace bandages or gauze and dressings.

### Mental Health/Substance Abuse (MH/SA)

- Any nonprescription or over-the-counter drug, supplement or other medicinal treatment.
- Any testing, evaluation, consultation, therapy, rehabilitation, remedial education, Services, supplies or treatment for developmental disabilities, communication disorders or learning disabilities available from or through the educational system (whether public, parochial or private), and/or required to be made available from or through the educational system pursuant to Public Law 94-142, regardless of whether or not there is any cost to the Covered Person or the Covered Person takes advantage of such testing, rehabilitation, remedial education, Services or treatment.
- Any testing, evaluation, consultation, therapy, services, supplies or treatment for personal or professional growth and development.
- Any testing, evaluation, consultation, therapy, services, supplies or treatment provided by the Covered Person's parent, siblings, Child(ren), current or former Spouse, or current or former Partner.
- Any testing, evaluation, consultation, therapy, services, supplies or treatment relating to employment, regardless of whether Investigational or pre- or post-employment.
- Any testing, evaluation, consultation, therapy, services, supplies or treatment that are covered as benefits under a plan or other coverage that is primary to coverage under the Program. See the "Coordination of Benefits" section for information concerning Coordination of Coverage.
- Any testing, therapy, service, supply or treatment of organic disorders, dementia and primary neurologic/neurodevelopment/neurocognitive disorders, except for associated treatable and acute behavioral manifestations.
- Any testing, therapy, service, supply or treatment provided as a result of any workers' compensation law or similar legislation or obtained through, or required by, any governmental agency or program, whether federal, state or of any subdivision thereof (exclusive of Medi-Cal/Medicaid) or caused by the conduct or omission of a third party for which the Covered Person has a claim of damages or relief, unless the Covered Person provides the Program or its designee with a lien against such claim for damages or relief in a form and manner satisfactory to the Program and its designee.
- Any testing, therapy, service, supply or treatment that does not meet national standards for mental health professional practice or that have not been found to be efficacious or beneficial by one or more of the plans or its designees or authorized management entity's clinical quality or review committees based on a review of peer-reviewed literature and clinical information available.
- Court-ordered psychiatric or substance abuse evaluation, treatment and testing except when the Program or its designee determines that such Services are Medically Necessary for the treatment of a DSM-IV mental health diagnosis according to established clinical criteria and clinical policies of the Program or its designee.
- Custodial Care. Defined as any services, supplies, care or treatment rendered to a Covered Person who:
  - Is disabled mentally or physically as a result of a DSM-IV-TR (or ICD-9) MH/SA diagnosis and such disability is expected to continue and be prolonged.

- Requires a protected, monitored or controlled environment whether inpatient, outpatient or at home.
- Requires assistance with activities of daily living.
- Is not under active and specific medical, surgical or psychiatric treatment that will reduce the disability to the extent necessary to enable the Covered Person to function outside the protected, monitored or controlled environment.
- Experimental or Investigational testing, therapy, service, supply or treatment defined as an unproven therapy or treatment that may or may not be superior to a current “gold standard” therapy and that meets one or more of the following criteria:
  - Not generally accepted by the medical community as effective and proven.
  - Not recognized by professional medical organizations as conforming to accepted medical practice.
  - Not approved by the FDA or other requisite government body.
  - In clinical trials or needs further study.
  - Rarely used, novel or unknown and lacks authoritative evidence of safety and efficacy.
- Inpatient Prescription Drugs not dispensed as part of the treatment for a DSM-IV mental health diagnosis in the course of a preauthorized covered inpatient Admission.
- Outpatient Prescription Drugs.
- Private duty nursing except when preauthorized by the Program or its designee as Medically Necessary.
- Psychological testing except when preauthorized as Medically Necessary by the Program or its designee.
- Services, supplies or treatment for or related to education or training for professional licensure, certification, registration or accreditation.
- Treatment or consultations provided via telephone, electronic transmission or other non-in-person modalities, unless determined as Medically Necessary.

### Nutrition

- Food of any kind. Foods that are not covered include:
  - Enteral feedings and other nutritional and electrolyte supplements, including infant formula and donor breast milk, unless they are the only source of nutrition. Infant formula available over the counter is always excluded.
  - Foods to control weight, treat obesity (including liquid diets).
  - Vitamins and minerals.
  - Meals you can order from a menu for an additional charge during an inpatient stay.
  - Other dietary and electrolyte supplements.

- Services of nutritionists or dieticians except as covered under Preventive Care Services or otherwise specifically provided under the Program.
- Digestive aids.

Personal Care, Comfort or Convenience

- Supplies, equipment and similar incidentals for personal comfort, including when provided while an inpatient in a Hospital. Examples include the following:
  - Air conditioners
  - Air purifiers and filters
  - Batteries and battery chargers
  - Beauty/barber service
  - Dehumidifiers and humidifiers
  - Ergonomically correct chairs
  - Non-Hospital beds, comfort beds, motorized beds and mattresses
  - Breast pumps (except when covered under Preventive Care Services; see the "Preventive Care Services" section)
  - Car seats
  - Chairs, bath chairs, feeding chairs, toddler chairs, chair lifts and recliners
  - Exercise equipment and treadmills
  - Guest service
  - Hot tubs, Jacuzzis, saunas and whirlpools
  - Medical alert systems
  - Music devices
  - Personal computers
  - Pillows
  - Power-operated vehicles
  - Radios
  - Strollers
  - Safety equipment
  - Telephone
  - Television
  - Vehicle modifications such as van lifts

- Video players
- Home modifications to accommodate a health need (including, but not limited to, ramps, elevators, swimming pools)

### Physical Appearance

Cosmetic procedures, except as described in the “What Is Covered” section, are excluded from coverage. Examples include:

- Liposuction or removal of fat deposits considered undesirable, including fat accumulation under the male breast and nipple.
- Pharmacological regimens.
- Nutritional procedures or treatments.
- Tattoo or scar removal procedures (such as salabrasion, chemosurgery and other such skin abrasion procedures).
- Hair removal or replacement by any means.
- Treatments for skin wrinkles or any treatment to improve the appearance of the skin.
- Treatment for spider veins.
- Skin abrasion procedures performed as a treatment for acne.
- Treatments for hair loss.
- Varicose vein treatment of the lower extremities when it is considered cosmetic.
- Replacement of an existing intact breast implant if the earlier breast implant was performed as a cosmetic procedure. Replacement of an existing breast implant is considered reconstructive if the initial breast implant followed mastectomy. See the “What Is Covered” section for more information.
- Physical conditioning programs such as athletic training, bodybuilding, exercise, fitness, flexibility, health club memberships and programs, spa treatments, and diversion or general motivation.
- Wigs regardless of the reason for the hair loss.
- Treatment of benign gynecomastia (abnormal breast enlargement in males).

### Procedures and Treatments

- Any procedure to restrict the intake of food or other nutritional material or to divert the passage of such material through the digestive tract, including, but not limited to, gastric bypass, gastric balloons, jejunal bypass, laparoscopic banding and stomach stapling.

- Experimental or Investigational Services. This exclusion applies even if Experimental or Investigational Services, treatments, devices or pharmacological regimens are the only treatment options for your condition. When a Covered Person is enrolled in a clinical trial, this exclusion does not apply to routine patient costs for Services provided in connection with the clinical trial consistent with the coverage provided under the Program that are typically covered for a Covered Person who is not enrolled in a clinical trial. Routine patient costs do not include 1) the Experimental, Investigational or Unproven Service itself; 2) Services that are provided solely to satisfy data collection and analysis needs and that are not used in the direct clinical management of the patient; and 3) a Service that is inconsistent with the generally accepted and established standards of care for a particular diagnosis otherwise covered under the Program.
- Medical and surgical treatment for snoring except when provided as a part of treatment for documented obstructive sleep apnea.
- Medical and surgical treatment of excessive sweating (hyperhidrosis).

#### Reproduction

- Services and associated expenses for infertility treatment, including assisted reproductive technology, regardless of the reason for treatment. This exclusion does not apply to Services required to treat or correct underlying causes of infertility.
- Storage and retrieval of all reproductive materials (examples include eggs, sperm, testicular tissue and ovarian tissue).
- In vitro fertilization regardless of the reason for treatment.
- Surrogate parenting, donor eggs, donor sperm and host uterus.
- The reversal of voluntary sterilization.
- Artificial reproductive treatments done for genetic or eugenic (selective breeding) purposes.

#### Transplants

- Services connected with the removal of an organ or tissue from you for purposes of a transplant to another person. (Donor costs for removal are payable for a transplant through the organ recipient's Benefits under the Program.)

#### Travel

- Certain Designated Network Provider and travel and lodging expenses are not covered, including, but not limited to, the following:
  - Charges for personal comfort and convenience items.
  - Charges that are not incurred during the patient's stay at a Designated Network Provider, except travel days.
  - Charges that have not been included in the patient's or the travel companion's itinerary as preauthorized by the medical Benefits Administrator.
  - Charges in connection with transportation for the patient other than the trip to and/or from the Designated Network Provider except as approved by the medical Benefits Administrator.

- Charges in connection with transportation for the travel companion other than the trip required to accompany the patient to and/or from the Designated Network Provider except for covered travel and lodging expenses.
- Charges in connection with the repair or maintenance of a motor vehicle.
- Charges for personal expenses incurred by the travel companion to maintain the patient's or the travel companion's home during the patient's stay at the Designated Network Provider, including Child care charges, house-sitting charges and kennel charges.
- Reimbursement of any wages lost by the patient or the travel companion during the patient's stay at the Designated Network Provider.

#### Types of Care

- Charges for Physical Therapy and Speech Therapy that are Educational in nature.
- Chiropractic care that is considered maintenance, preventive, palliative, passive or supportive in nature as determined by the medical Benefits Administrator.
- Chiropractic and osteopathic manipulative treatment to treat an Illness.
- Custodial Care as defined in the "Definitions" section.
- Cosmetic surgery or treatment unless required to correct Injury caused by an accident, or to correct birth defects or deformities. Charges for reconstructive surgery after other surgery covered under the Program has been performed on the same part of the anatomy for treatment of an Illness, Injury or disease will not be excluded if they otherwise qualify as covered expenses except as specifically covered under the Program.
- Care in an institution that is primarily a place of rest, a home for the aged, a nursing or convalescent home, a skilled nursing home or any similar place except as specifically provided under the Program.
- Domiciliary care.
- Upper and lower jawbone surgery except as required for direct treatment of acute traumatic Injury or cancer.
- Orthognathic surgery, jaw alignment and treatment for the temporomandibular joint except as a treatment of obstructive sleep apnea.
- Rest cures.
- Outpatient rehabilitation Services for the treatment of a condition that ceases to be therapeutic and instead administered to maintain a level of functioning or to prevent a medical problem from occurring or recurring.
- Speech Therapy to treat stuttering, stammering or other articulation disorders.

#### Vision and Hearing

- Charges for eye surgery when the primary purpose is to correct myopia, hyperopia or astigmatism, including, but not limited to, radial keratotomy and LASIK.

- Cochlear implants.
- Eyeglasses, contact lenses or exams for the prescription or their fitting except for the initially prescribed pair of eyeglasses or contact lenses after eye surgery or Injury and the exams for the prescription or their fitting.
- Hearing aid expenses except when provided under the “Hearing Benefit” section.

**All Other Exclusions**

- Charges for services other than those determined by a Benefits Administrator to be a Covered Health Service for the treatment of Injury, Illness or disease other than Preventive Care Services as specified under the Program.
- Charges for services for a covered individual whose primary coverage is through a Fully-Insured Managed Care Option when the charges are excluded by such option due to noncompliance with that option’s guidelines.
- Educational or Developmental Services.
- Services of Christian Science Practitioners.
- Charges for the evaluation of the suitability of an individual and/or the individual’s condition for any Service excluded from coverage under the Program.

**IMPORTANT:** Omission of a service or supply from this list does not automatically qualify it as an Eligible Expense under the Program. Contact the Benefits Administrator before you receive care to determine if the item or service is covered.

If you have a question about a specific service and whether it is covered under the Program, contact the appropriate Benefits Administrator.

## PRESCRIPTION DRUG COVERAGE

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**KEY POINTS**

- *The Prescription Drug Benefit covers many, but not all, Prescription Drugs currently on the market.*
- *The Prescription Drug Benefit level of coverage depends on where you purchase your Prescription Drug and the type of Prescription Drug you receive.*
- *The Retail Prescription Drug Service is used for a short-term prescription supply (up to a 30-day supply).*
- *The Mail Order Prescription Drug Service is used for a long-term prescription supply (generally, up to a 90-day supply).*
- *The Prescription Drug Benefit imposes special rules for filling and refilling prescriptions for Specialty Prescription Drugs.*

## Benefits at a Glance

The Program provides coverage of Prescription Drugs through the Prescription Drug Benefit. The Prescription Drug Benefit is administered by the Prescription Drug Benefits Administrator. Eligibility and participation is automatic with your participation in the Company's Self-Funded Options.

If you are enrolled in a Fully-Insured Managed Care Option, you are not eligible for the Prescription Drug Benefits described in this section. Contact your Fully-Insured Managed Care Option Benefits Administrator for information about Prescription Drug coverage.

The applicable table below gives you the highlights of the Prescription Drug Benefit. In it, you will find summary information about the cost and coverage of Prescription Drugs and other requirements that may affect your Benefits under the Prescription Drug Benefit. In addition, you will find quick references for more information related to the Prescription Drug Benefit.

**Table 1 – HCN Option 1**

	<b>Network Retail Pharmacy</b>	<b>Non-Network Retail Pharmacy</b>	<b>Mail Order</b>
<b>Cost and Coverage</b>			
Annual Deductible	Not applicable	Not applicable	Not applicable
Annual Out-of-Pocket Maximum	Ind./Ind.+Child(ren)/ Ind.+Spouse/and Family 2017: \$900/\$1,800/\$1,800/\$1,800 2018-2020: \$1,200/\$2,400/\$2,400/ \$2,400 <ul style="list-style-type: none"> <li>• Combined with Mail Order Prescription Drug Service.</li> <li>• Network Co-payments apply.</li> </ul> Expenses that do not apply to the Annual-out-of-Pocket Max. <ul style="list-style-type: none"> <li>• Prescription Drugs that are not a Covered Health Service.</li> <li>• Additional costs incurred for failure to comply with Program terms (such as mandatory Generic Drug penalty).</li> <li>• Prescriptions purchased at a Non-Network Retail Pharmacy.</li> </ul>	Not applicable	Ind./Ind.+Child(ren)/ Ind.+Spouse/and Family 2017: \$900/\$1,800/\$1,800/\$1,800 2018-2020: \$1,200/\$2,400/\$2,400/ \$2,400 <ul style="list-style-type: none"> <li>• Combined with Mail Order Prescription Drug Service.</li> <li>• Network Co-payments apply.</li> </ul> Expenses that do not apply to the Annual Out-of-Pocket Max. <ul style="list-style-type: none"> <li>• Prescription Drugs that are not a Covered Health Service.</li> <li>• Additional costs incurred for failure to comply with Program terms (such as mandatory Generic Drug penalty).</li> <li>• Prescriptions purchased at a Non-Network Retail Pharmacy.</li> </ul>

	<b>Network Retail Pharmacy</b>	<b>Non-Network Retail Pharmacy</b>	<b>Mail Order</b>
	<ul style="list-style-type: none"> <li>Any medical or MH/SA expenses.</li> <li>Any applicable monthly contributions.</li> <li>Any charges for non-covered prescription drugs.</li> <li>Any charges for prescription drugs that are exclusions under the program.</li> </ul>		<ul style="list-style-type: none"> <li>Any medical or MH/SA expenses.</li> <li>Any applicable monthly contributions.</li> <li>Any charges for non-covered prescription drugs.</li> <li>Any charges for prescription drugs that are exclusions under the program.</li> </ul>
Supply Limit	Up to a 30-day supply; limited to two (2) fills for maintenance prescriptions then must use Mail Order. Subject to the Advanced Control Specialty Formulary provisions.	Up to a 30-day supply	Up to a 90-day supply; subject to the Advanced Control Specialty Formulary provisions
Generic Drug	\$10 Co-payment per prescription	You pay the greater of the applicable Network retail Co-payment, or the balance after the Program pays 75% of the Network Retail Cost of the Prescription Drug. See the "Classification of Prescription Drugs" section.	\$20 Co-payment per prescription
Preferred Brand Drug	Co-payment per prescription 2017: \$30 2018: \$35 2019: \$35 2020: \$35	You pay the greater of the applicable Network retail Co-payment, or the balance after the Program pays 75% of the Network Retail Cost of the Prescription Drug. See the "Classification of Prescription Drugs" section.	Co-payment per prescription 2017: \$60 2018: \$70 2019: \$70 2020: \$70
Non-Preferred Brand Drug	Co-payment per prescription 2017: \$60 2018: \$60 2019: \$70 2020: \$70	You pay the greater of the applicable Network retail Co-payment, or the balance after the Program pays 75% of the Network Retail Cost of the Prescription Drug. See the "Classification of Prescription Drugs" section.	Co-payment per prescription 2017: \$120 2018: \$120 2019: \$140 2020: \$140

	<b>Network Retail Pharmacy</b>	<b>Non-Network Retail Pharmacy</b>	<b>Mail Order</b>
Co-payment Exceptions	If the cost of the prescription is less than the applicable Co-payment, you pay the cost of the prescription rather than the Co-payment.	If the cost of the prescription is less than the applicable Co-payment, you pay the cost of the prescription rather than the Co-payment.	If the cost of the prescription is less than the applicable Co-payment, you pay the cost of the prescription rather than the Co-payment.
<b>Other Requirements</b>			
Mandatory Generic/Brand Restriction	Applies. See the "Brand-Name Drugs Purchased When a Generic Drug Is Available" section.	Applies. See the "Brand-Name Drugs Purchased When a Generic Drug Is Available" section.	Applies. See the "Brand-Name Drugs Purchased When a Generic Drug Is Available" section.
Generic/Brand Exceptions	Available. See the "Generic/Brand-Name Exception" section.	Available. See the "Generic/Brand-Name Exception" section.	Available. See the "Generic/Brand-Name Exception" section.
Mandatory Mail	Applies to purchase of Maintenance Prescription Drugs after second Fill at retail.	Applies to purchase of Maintenance Prescription Drugs after second Fill at retail.	Applies to purchase of Maintenance Prescription Drugs after second Fill at retail.
Rx Clinical Programs	Medication Management Programs apply to promote safety and limit possible fraud, waste and abuse of Prescription Drugs. Preauthorization may be required in some cases.	Medication Management Programs apply to promote safety and limit possible fraud, waste and abuse of Prescription Drugs. Preauthorization may be required in some cases.	Medication Management Programs apply to promote safety and limit possible fraud, waste and abuse of Prescription Drugs. Preauthorization may be required in some cases.
Specialty Pharmacy	Specialty Prescription Drugs must be filled through the Prescription Drug Benefits Administrator's Specialty Pharmacy.  See the "Specialty Prescription Drug Services" section for information.	Specialty Prescription Drugs must be filled through the Prescription Drug Benefits Administrator's Specialty Pharmacy.  See the "Specialty Prescription Drug Services" section for information.	Specialty Prescription Drugs are automatically processed through the Specialty Pharmacy when you use the Prescription Drug Benefits Administrator's Mail Order Prescription Drug Service.  See the "Specialty Prescription Drug Services" section for Co-payment information.

**Table 2 – HCN Option 2**

	<b>Network Retail Pharmacy</b>	<b>Non-Network Retail Pharmacy</b>	<b>Mail Order</b>
<b>Cost and Coverage</b>			
Annual Deductible	<p>Combined with Network medical, MH/SA, and CarePlus.</p> <p>See the <i>Benefits at a Glance</i> table of the "Medical and Mental Health/Substance Abuse Coverage" section for amounts. Annual Deductible applies before Co-payments apply.</p>	<p>Combined with Network medical, MH/SA, and CarePlus.</p> <p>See the <i>Benefits at a Glance</i> table of the "Medical and Mental Health/Substance Abuse Coverage" section for amounts. Annual Deductible applies before Co-payments apply.</p>	<p>Combined with Network medical, MH/SA, and CarePlus.</p> <p>See the <i>Benefits at a Glance</i> table of the "Medical and Mental Health/Substance Abuse Coverage" section for amounts. Annual Deductible applies before Co-payments apply.</p>
Annual Out-of-Pocket Maximum	<p>Combined with Network medical, MH/SA, and CarePlus.</p> <p>See the <i>Benefits at a Glance</i> table of the "Medical and Mental Health/Substance Abuse Coverage" section for amounts.</p>	<p>Combined with Network medical, MH/SA, and CarePlus.</p> <p>See the <i>Benefits at a Glance</i> table of the "Medical and Mental Health/Substance Abuse Coverage" section for amounts.</p>	<p>Combined with Network medical, MH/SA, and CarePlus.</p> <p>See the <i>Benefits at a Glance</i> table of the "Medical and Mental Health/Substance Abuse Coverage" section for amounts.</p>
Supply Limit	<p>Up to a 30-day supply; limited to two (2) fills for maintenance prescriptions then must use Mail Order. Subject to the Advanced Control Specialty Formulary provisions</p>	<p>Up to a 30-day supply</p>	<p>Up to a 90-day supply; subject to the Advanced Control Specialty Formulary provisions</p>
Generic Drug	<p>\$9 Co-payment per prescription</p>	<p>You pay the greater of the applicable Network retail Co-payment, or the balance after the Program pays 75% of the Network Retail Cost of the Prescription Drug.</p> <p>See the "Classification of Prescription Drugs" section.</p>	<p>\$18 Co-payment per prescription</p>
Preferred Brand Drug	<p>\$35 Co-payment per prescription</p>	<p>You pay the greater of the applicable Network retail Co-payment, or the balance after the Program pays 75% of the Network Retail Cost of the Prescription Drug.</p> <p>See the "Classification of Prescription Drugs" section.</p>	<p>\$70 Co-payment per prescription</p>

	<b>Network Retail Pharmacy</b>	<b>Non-Network Retail Pharmacy</b>	<b>Mail Order</b>
Non-Preferred Brand Drug	\$70 Co-payment per prescription	You pay the greater of the applicable Network retail Co-payment, or the balance after the Program pays 75% of the Network Retail Cost of the Prescription Drug.  See the "Classification of Prescription Drugs" section.	\$140 Co-payment per prescription
Co-payment Exceptions	If the cost of the prescription is less than the applicable Co-payment, you pay the cost of the prescription rather than the Co-payment.	If the cost of the prescription is less than the applicable Co-payment, you pay the cost of the prescription rather than the Co-payment.	If the cost of the prescription is less than the applicable Co-payment, you pay the cost of the prescription rather than the Co-payment.
<b>Other Requirements</b>			
Mandatory Generic/Brand Restriction	Applies. See the "Brand-Name Drugs Purchased When a Generic Drug Is Available" section.	Applies. See the "Brand-Name Drugs Purchased When a Generic Drug Is Available" section.	Applies. See the "Brand-Name Drugs Purchased When a Generic Drug Is Available" section.
Mandatory Mail	Applies to purchase of Maintenance Prescription Drugs after second Fill at retail.	Applies to purchase of Maintenance Prescription Drugs after second Fill at retail.	Applies to purchase of Maintenance Prescription Drugs after second Fill at retail.
Rx Clinical Programs	Medication Management Programs apply to promote safety and limit possible fraud, waste and abuse of Prescription Drugs. Preauthorization may be required in some cases.	Medication Management Programs apply to promote safety and limit possible fraud, waste and abuse of Prescription Drugs. Preauthorization may be required in some cases.	Medication Management Programs apply to promote safety and limit possible fraud, waste and abuse of Prescription Drugs. Preauthorization may be required in some cases.
Specialty Pharmacy	Specialty Prescription Drugs must be filled through the Prescription Drug Benefits Administrator's Specialty Pharmacy after the first Fill at retail.  See the "Specialty Prescription Drug Services" section for Co-payment information.	Specialty Prescription Drugs must be filled through the Prescription Drug Benefits Administrator's Specialty Pharmacy after the first Fill at retail.  See the "Specialty Prescription Drug Services" section for information.	Specialty Prescription Drugs are automatically processed through the Specialty Pharmacy when you use the Prescription Drug Benefits Administrator's Mail Order Prescription Drug Service.  See the "Specialty Prescription Drug Services" section for Co-payment information.

For more information about the Prescription Drug Benefit, see the:

- “Filling Your Prescriptions” section for more information on the following:
  - Retail Prescription Drug Services.
  - Mail Order Prescription Drug Services.
  - Specialty Prescription Drug Services.
- “Cost Sharing” section for information on how you and the Program share in the cost of your Prescription Drug coverage.
- “What Is Covered” section for a list of Prescription Drug categories that are covered under the Prescription Drug Benefit.
- “What Is Not Covered” section for a list of Prescription Drugs that are **not** covered under the Prescription Drug Benefit.
- “Contact Information” section if you have any specific questions for the Prescription Drug Benefits Administrator.
- “Claims for Benefits” section if your Prescription Drug Benefit is denied in whole or in part.

## Cost Sharing

You and the Program share in the cost of your Prescription Drug coverage.

This section describes cost-sharing features that are built into the Program. See the *Benefits at a Glance* table following the “Key Points” section for specific amounts.

### **Annual Deductible**

The Annual Deductible is the amount that you (and your covered family members) pay each year before the Program begins to pay Prescription Drug Benefits. The Prescription Drug Benefit is subject to an Annual Deductible and is not coordinated with Medicare. See the *Benefits at a Glance* table following the “Key Points” section for Annual Deductible amounts.

### **Co-payments**

Each time you fill a prescription you pay a Co-payment. The amount of your Co-payment depends on the classification of the Prescription Drug you purchase (Generic Drug, Preferred Brand Drug or Non-Preferred Brand Drug) and where you get your prescription filled.

### **Annual Out-of-Pocket Maximum**

The Annual Out-of-Pocket Maximum limits the amount you pay for Prescription Drugs each year purchased from a Network Retail Pharmacy or through the Mail Order or Specialty Drug Programs. Once you reach your combined Network Retail Pharmacy and Mail Order or Specialty Drug Program Annual Out-of-Pocket Maximum, the Program will pay the full amount of Eligible Expenses you incur for your eligible Prescription Drugs purchased from a Network Retail Pharmacy or through the Mail Order or Specialty Drug Program for the rest of the calendar year. Notwithstanding the Annual Out-of-Pocket Maximum limit for the Program, the Allowable Charges for Eligible Expenses you pay out of pocket for Covered Health Services in a calendar year may not exceed the limit specified for each year by PPACA (\$6,850 for individual coverage and \$13,700 for family coverage in 2016). This overarching Annual Out-of-Pocket Maximum includes all Network Co-payments, Annual Deductibles, and Coinsurance for Essential Health Benefits (e.g.,

medical, mental health/substance abuse, prescription drug, non-excepted dental and vision) and must accumulate to a single overarching Annual Out-of-Pocket Maximum or have limits imposed on the component pieces that will not exceed the foregoing cap when combined.

See the *Benefits at a Glance* table following the “Key Points” section for the applicable cost share information.

## Prescription Drug Coverage

### ***Covered and Excluded Medications***

The Prescription Drug Program offers coverage of drugs that are:

- Required by federal law to be dispensed with a written prescription.
- Approved by the Food and Drug Administration (FDA).
- Dispensed pursuant to a prescription issued by a Prescriber.
- Dispensed consistent with Evidence-based Medical Guidelines.
- Dispensed subject to the professional judgment of the dispensing Pharmacist according to applicable laws, regulations and limitations.
- Included on the Standard Formulary or the Advanced Control Specialty Formulary issued by the Prescription Drug Benefits Administrator.

The Prescription Drug Benefit covers many, but not all, Prescription Drugs currently on the market. For information about Prescription Drugs covered under the Prescription Drug Program, see the “What Is Covered” and “What Is Not Covered” subsections of this “Prescription Drug Coverage” section. For information about coverage of a specific Prescription Drug, contact the Prescription Drug Benefits Administrator. See the “Contact Information” section for contact information.

### ***Classification of Prescription Drugs***

The Program covers both Generic Drugs and Brand-Name Drugs, with certain restrictions.

#### *Generic Drugs*

A Generic Drug is a medication chemically equivalent to a Brand-Name Drug on which the patent has expired.

To maximize your Benefits under the Program, Generic Drugs must be considered. If certain higher-cost drugs are prescribed and a lower-cost alternative is available, you will be required to first try the lower-cost drug at least one time before the higher-cost Brand-Name Drug will be covered.

#### *Brand-Name Drugs*

A Brand-Name Drug is a drug manufactured and marketed under a trademark or name by a specific drug manufacturer. The Prescription Drug Program designates these drugs as either Preferred Brand Drugs or Non-Preferred Brand Drugs.

The Prescription Drug Benefits Administrator has developed a *Preferred Drug Benefit Guide* to help you and your Prescriber select medically appropriate drug therapies from various categories of Preferred Brand Drugs and Generic Drugs that may be available. For information about coverage of a specific Prescription Drug, contact the Prescription Drug Benefits Administrator.

The Prescription Drug Benefits Administrator's *Preferred Drug Benefit Guide* is available to you on its website and is updated quarterly.

*Note: The Preferred Drug Benefit Guide is subject to change and does not guarantee coverage under the Prescription Drug Program. See the "Contact Information" section for the website address and contact information of the Prescription Drug Benefits Administrator. You may also request a copy from the Prescription Drug Benefits Administrator.*

#### Preferred Brand Drug

A Preferred Brand Drug is a Brand-Name Drug that is included on the Prescription Drug Benefits Administrator's *Preferred Drug Benefit Guide*. Preferred Brand Drugs generally do not have a Generic Drug equivalent. Preferred Brand Drugs have been reviewed and approved by a group of independent, unaffiliated clinical Physicians and Pharmacists based on their proven clinical and cost effectiveness.

#### Non-Preferred Brand Drug

A Non-Preferred Brand Drug is a Brand-Name Drug that is *not* included on the Prescription Drug Benefits Administrator's *Preferred Drug Benefit Guide* and may or may not have a Generic Drug equivalent. Non-Preferred Brand Drugs generally have the highest Co-payment, and therefore, are generally more expensive.

To maximize your Benefits under the Program, Generic Drugs and Preferred Brand Drugs must be considered. If certain higher-cost drugs are prescribed and a lower-cost alternative is available, you may be required to first try the lower-cost drug at least one time before the higher-cost Non-Preferred Brand Drug will be covered.

#### Brand-Name Drugs Purchased When a Generic Drug Is Available

To reduce costs for both you and the Program, the Prescription Drug Benefits Administrator promotes the use of Generic Drugs whenever possible.

If a Generic Drug is available and you request a Brand-Name Drug instead, you will pay the applicable Generic Drug Co-payment plus the difference in cost between the Brand-Name Drug and the Generic Drug. This requirement applies even if your Prescriber indicates that a Generic Drug should not be substituted.

#### Generic Step Therapy for Certain Prescriptions

If a Generic Drug is available, you may be required to first try the Generic Drug before a Brand-Name Drug will be covered. This program is called Generic Step Therapy. If your Prescriber believes that a drug requiring Generic Step Therapy is Medically Necessary, you may contact the Prescription Drug Benefits Administrator and receive a waiver for the Generic Step Therapy requirement if the Prescription Drug Benefits Administrator determines that the use of the prescribed drug is Medically Necessary.

The Prescription Drug Benefits Administrator determines the conditions for which Generic Step Therapy may apply. Currently, those conditions are:

Acid Reflux	Acne	Allergy	Blood Pressure
Cholesterol	Depression	Enlarged Prostate	Glaucoma
Headache	Glaucoma	Insomnia	Osteoporosis
Pain	Urinary Incontinence		

**Brand-Name Drugs Purchased When a Generic Drug Is Unavailable**

If a Generic Drug is unavailable through the Retail Prescription Drug Service or the Mail Order Prescription Drug Service due to a manufacturer’s back order, but the Brand-Name Drug is available, you may request the Brand-Name Drug; however, you are responsible for paying the brand-name Co-payment.

**Brand-Name Drugs When Medically Necessary**

If a Brand-Name Drug is Medically Necessary, your Prescriber must indicate this on the prescription; otherwise, a Generic Drug will be dispensed. Since a Brand-Name Drug is not usually Medically Necessary, the Pharmacist may contact your Prescriber even if the prescription indicates to dispense the Brand-Name Drug. If the Prescriber does not approve the change to a Generic Drug, your prescription will be filled as originally written with the Brand-Name Drug. See the “Cost Sharing” section for cost share information.

**Generic/Brand-Name Exception**

If you cannot use a Generic Drug, you can ask for a Generic Drug/Brand-Name Drug exception. Eligibility depends on the following:

- The Prescription Drug Benefits Administrator’s electronic records show that you have filled prescriptions for all Generic Drug alternatives within the last 90 days.
- Your Prescriber provided written documentation of the name and strength of all Generic Drugs you have tried or considered.
- Your Prescriber certifies that the Brand-Name Drug is the only safe and effective treatment for your condition.

If the Prescription Drug Benefits Administrator approves your request for an exception, it will apply for a 365-day period. This period begins the date your request is approved. You will pay the Co-payment amount that applies to the Preferred or Non-Preferred Brand Drug. You will not be required to pay the additional amount that would otherwise apply when you do not purchase a Generic Drug when available.

If you would like to request an exception, see the *Prescription Drug Benefits Administrator* table in the “Contact Information” section for contact information.

*Note: The Company offers this exception at its own discretion and can remove it at any time.*

### **Medication Management Services**

The Prescription Drug Benefits Administrator uses Medication Management Services to promote the safe and effective use of Prescription Drugs. These Services are centered on Evidence-based Medical Guidelines and include:

- Drug Utilization Review – A safety feature that checks each new prescription against a record of your other Prescription Drugs and alerts the Pharmacist to potential drug interactions and other medication-related concerns.
- Specialty Pharmacy Services – A program to provide medications that treat complex conditions and usually require special handling. See the “Specialty Prescription Drug Services” section.
- Prescription Drug Coverage Review – A program that uses Evidence-based Medical Guidelines specifications to review if drug dosage and duration prescribed for certain conditions is appropriate.

### **Prescription Drug Benefits Administrator**

The Prescription Drug Benefits Administrator manages the Prescription Drug Benefit Program on behalf of the Plan Administrator. The Prescription Drug Benefits Administrator is identified in the “Contact Information” section.

For information about the Plan Administrator’s authority to delegate administrative powers to a third-party administrator, see the “Plan Administration” section.

## **Filling Your Prescriptions**

Depending on the type of medication you need and the frequency of filling, you may fill your prescription at a Retail Pharmacy or by using the Mail Order Prescription Drug Service or the Specialty Prescription Drug Service.

The Prescription Drug Benefit consists of the following Services:

- **The Retail Prescription Drug Services:** for short-term, immediate-use medications to treat acute conditions.
- **The Mail Order Prescription Drug Services:** for long-term maintenance medications to treat chronic conditions.
- **The Specialty Prescription Drug Services:** for medications that treat long-term diseases that frequently require coordination of other medical Services, such as nursing and self-administration education.

### **Retail Prescription Drug Services**

You may fill short-term, immediate-use medications at a Retail Pharmacy (up to a 30-day supply).

### **Network Pharmacy**

The Prescription Drug Benefits Administrator offers a national Network of Pharmacies. Certain Retail Pharmacies have been designated as part of the Network while others are not. For the lowest out-of-pocket costs, you should use a Pharmacy within this Network. To locate a Network Retail Pharmacy in your area, contact the Prescription Drug Benefits Administrator. See the *Prescription Drug Benefits Administrator* table in the “Contact Information” section for contact information.

When you visit a Network Retail Pharmacy, show your Prescription Drug ID card. You pay any applicable cost share. See the “Cost Sharing” section for your cost share requirements. If you don’t show your ID card, the Pharmacist cannot confirm your eligibility, or if there is a question about whether the prescribed medication is covered, you may be required to pay the full retail price for the Prescription Drug and then submit a Claim for Benefits for consideration by the Prescription Drug Benefits Administrator.

To locate a Network Retail Pharmacy, contact the Prescription Drug Benefits Administrator or go online. The Pharmacy Locator System – a web-based and voice-activated system for locating Network Retail Pharmacies within specific ZIP codes – is available to assist in locating Network Retail Pharmacies. See the *Prescription Drug Benefits Administrator table* in the “Contact Information” section for contact information.

### Non-Network Pharmacy

In most cases, you will find a Network Retail Pharmacy to meet your Prescription Drug needs. The Network includes thousands of Pharmacies nationwide, including major chains and independent community Pharmacies.

However, if you use a Non-Network Retail Pharmacy, you will pay 100 percent of the Prescription Drug price and you must submit a Claim for Benefits again for consideration by the Prescription Drug Benefits Administrator.

For more information on filing Prescription Drug Claims, see the “Claims for Benefits” section.

### **Mail Order Prescription Drug Services**

The Mail Order Prescription Drug Service provides a convenient and cost-effective way for you to order up to a 90-day supply of a long-term or maintenance medication to be delivered directly to your home at no additional cost to you. The Mail Order Prescription Drug supply is used to treat a chronic condition such as asthma, diabetes or high blood pressure.

### Filling Initial Prescriptions Under the Mail Order Prescription Drug Service

For information on how to fill your initial mail order prescription, log onto the Prescription Drug Benefits Administrator’s website. See the *Prescription Drug Benefits Administrator table* in the “Contact Information” section for contact information. This site will provide you with information and forms required to submit your Prescription Drug to the Mail Order Prescription Drug Service.

- **Refilling Prescriptions.** There are several ways to refill your Mail Order Prescription Drug. Contact the Prescription Drug Benefits Administrator for instructions. See the *Prescription Drug Benefits Administrator table* in the “Contact Information” section for contact information.
- **Fill Limit at Retail.** If your Prescriber prescribes a Maintenance Drug, your use of a Retail Pharmacy to refill the prescription and receive Prescription Drug Benefits is limited. After the first two Fills at a Retail Pharmacy, all prescriptions for Maintenance Drugs must be filled through the Mail Order Prescription Drug Service to be covered under the Prescription Drug Program. Once you reach your Retail Pharmacy limit, Prescription Drug Benefits will not be payable unless you use the Mail Order Prescription Drug Service. Expenses for any Prescription Drugs that are not covered because you did not use the Mail Order Prescription Drug Service will not apply toward any cost sharing requirements. See the “Cost Sharing” section for your cost share requirements.

Note: You do not need to use the Mail Order Prescription Drug Service if you are submitting Claims for Maintenance Drugs obtained from a licensed long-term care facility with a National Association of Board Pharmacies (NABP) number.

**IMPORTANT:** Prescription Drugs will not be filled or refilled under the Mail Order Prescription Drug Service if any of the following apply:

- (1) The prescription was written more than 12 months before it was filled.
- (2) The time permitted under applicable state law for controlled substances has expired.
- (3) The Prescription Drug is prohibited by applicable law or regulation.

Pharmacies are required by law to dispense no more than the exact quantity prescribed by the Prescriber. To order refills of a medication, the Prescriber must indicate on the prescription that you can order refills.

Once you purchase a Prescription Drug at a Retail Pharmacy or processing has begun through the Mail Order Prescription Drug Service, it cannot be canceled or returned. Federal and state laws require that returned medications be destroyed and cannot be restocked. As a result, once the Pharmacist has dispensed the drug, the order cannot be canceled and you are responsible for the full Co-payment. The Prescription Drug Benefit covers many, but not all, Prescription Drugs currently on the market. For information about your Prescription Drug cost under the Program, contact the Prescription Drug Benefits Administrator. See the "Contact Information" section for contact information.

### ***Replacement/Early Refill Policy***

Under certain conditions, the Program will authorize the Prescription Drug Benefits Administrator to cover the expense of replacing medications (Co-payments will apply). The conditions are outlined below:

- When medications are stolen or destroyed due to fire and a police report is filed.
- In the case of a natural disaster and the medication is destroyed.

Early refills may be authorized in cases when Covered Persons are traveling outside the United States where refills would not be available. Please note this procedure will not apply to certain controlled substances. Contact the Prescription Drug Benefits Administrator for more information about these procedures.

### ***Specialty Prescription Drug Services***

Specialty Prescription Drugs, often called biologic or biotech drugs, are high-cost oral, injectable and infused medications.

### ***Advanced Control Specialty Formulary***

A new formulary has been implemented that addresses both appropriate utilization and preferred drug selections. This formulary includes at least one specialty drug in each therapeutic class, but may not include all FDA-approved specialty drugs in each therapeutic class. New-to-market drugs will initially not be included on the formulary until they are reviewed and a determination is made by the Prescription Drug Benefits Administrator. This determination usually occurs within 90 days, but as quickly as two weeks for drugs with significant treatment improvement. The Prescription

Drug Benefits Administrator may make changes to the formulary to promote appropriate utilization of Specialty Prescription Drugs.

Excluded Specialty Drugs When Medically Necessary

If your Prescriber believes an excluded specialty drug is Medically Necessary, you may contact the Prescription Drug Benefits Administrator and receive a waiver for the formulary requirement if the Prescription Drug Benefits Administrator determines that the drug is Medically Necessary in your circumstance.

Specialty Prescription Drug Step Therapy

The Specialty Prescription Drug formulary may also require step therapy, so a Preferred Specialty Drug may be required before a Non-Preferred Specialty Drug prescription is filled. This specialty drug step therapy program promotes the use of safe, therapeutically equivalent and lower-cost Preferred Brand Drug before using a higher-cost, non-preferred medication. If your Prescriber believes a drug requiring specialty step therapy is Medically Necessary, you may contact the Prescription Drug Benefits Administrator and receive a waiver for the specialty step therapy requirement if the Prescription Drug Benefits Administrator determines that the drug is Medically Necessary in your circumstance.

The Prescription Drug Benefits Administrator determines the conditions for which specialty step therapy may apply. Some conditions include, but are not limited to, the following:

Autoimmune	Hematology	Hepatitis C
Human Growth Hormones	Multiple Sclerosis	Oncology
Osteoarthritis	Pulmonary Arterial Hypertension	

Additional conditions also managed under the Specialty Prescription Drug Service are conditions such as Hepatitis, radiation and chemotherapy prescriptions for cancer treatments. In general, you must fill these prescriptions through the Specialty Prescription Drug Service.

Some key characteristics of specialty drugs include:

- Need for frequent dosage adjustments and drug monitoring.
- Cause more severe side effects than traditional drugs.
- Need special storage, handling and/or administration.
- Have a narrow therapeutic range.
- Require periodic laboratory or diagnostic testing.

**IMPORTANT:** If you are hospitalized, the medications you receive while confined are covered under the medical or MH/SA inpatient Hospital coverage provisions and not under the Prescription Drug Benefit. For medical and MH/SA Benefits information, see the *Benefits at a Glance* table in the “Medical and Mental Health/Substance Abuse (MH/SA) Coverage” section.

If you or your covered dependent receives a Prescription Drug from a Specialty Pharmacy, you will be assigned to a clinician-led care team that will work with you to:

- Provide education on how to take your medication correctly;
- Review how to safely store and handle your medication;
- Remind you when it is time to refill your medication;
- Confirm how much medication you have on hand before scheduling the next shipment;
- Troubleshoot any side effects you may experience; and
- Identify potential treatment issues and coordinate with your Prescriber.

#### Guidelines for Purchasing Specialty Prescription Drugs

- You may fill your first prescription for a Specialty Prescription Drug at a Network Retail Pharmacy.
- You must use the Specialty Prescription Drug Service for subsequent purchases of your Specialty Prescription Drug to receive coverage under the Prescription Drug Benefit. Except for the first Fill at a Network Retail Pharmacy, subsequent Fills of your Specialty Prescription Drug will not be covered under the Prescription Drug Benefit even if you use a Network Retail Pharmacy. The one-time exception applies to each Specialty Prescription Drug you purchase. Any Specialty Prescription Drug that is not covered because it was not purchased through the Specialty Prescription Drug Service will not apply toward any applicable cost share. See the "Cost Sharing" section for your cost share requirements.
- The Specialty Prescription Drug reimbursement limitation applies to all Specialty Prescription Drugs, including Specialty Prescription Drugs self-administered in your home. You must obtain self-administered Specialty Prescription Drugs through the Specialty Prescription Drug Service or it will not be covered by the Prescription Drug Program, and you will be responsible for 100 percent of the cost of the specialty medication.
- The Specialty Prescription Drug reimbursement limitation will apply to all Specialty Prescription Drugs – including Specialty Prescription Drugs obtained through a doctor's office or inpatient/outpatient facility and administered in the doctor's office or inpatient/outpatient facility.
- Because of their high cost and potential for side effects, Specialty Prescription Drugs are at risk for waste and excessive cost, both to the participant and the Program. As a result, Specialty Prescription Drugs are generally limited to a 30-day Fill. Some oncology Specialty Prescription Drugs, which are especially prone to side effects, may be limited to a first Fill of 15 days. See the chart below to determine your Co-payment should your Specialty Prescription Drug be limited to a 15- or 30-day supply.

- The Specialty Prescription Drug Co-payment is based on the number of days covered by the Fill as follows:

Number of Days Supply	Co-payment Amount
Oncology prescription first Fill limit 15 days or less	One-sixth of the applicable Mail Order Co-payment
30 days or less	One-third of the applicable Mail Order Co-payment
If FDA dosing guidelines require more than a 90-day supply	100 percent of the Mail Order Co-payment

For more information about the Specialty Pharmacy Service or Specialty Prescription Drugs, contact the Prescription Drug Benefits Administrator. See the *Prescription Drug Benefits Administrator* table in the “Contact Information” section for contact information.

- For Specialty Prescription Drugs that have been formulated and have a required FDA dosing guideline greater than a 90-day supply (i.e., drugs that are administered once yearly), the Specialty Pharmacy Co-payment will be the same Co-payment amount as the 90-day Mail Order Co-payment.

For more information about the Specialty Prescription Drug Service or Specialty Prescription Drugs, contact the Prescription Drug Benefits Administrator. See the *Prescription Drug Benefits Administrator* table in the “Contact Information” section for contact information.

### **Pharmacy Choice Can Affect Your Prescription Drug Benefits**

If you fill a prescription for an eligible Prescription Drug at a Non-Network Retail Pharmacy, you must pay the Pharmacy’s full, nondiscounted charge and file a Claim for Benefits. The Program reimbursement, if any, will be limited to 50 percent of the Network Retail Cost of the Prescription Drug if you are enrolled in HCN Option 1. If you are enrolled in HCN Option 2 then the Program reimbursement, if any, will be limited to 75 percent of the Network Retail Cost of the Prescription Drug or the applicable Copayment, if greater.

**IMPORTANT:** If you purchase a drug at a Non-Network Pharmacy and if the cost of your Prescription Drug is less than the required Co-payment, you will pay the lesser of the required Co-payment or you will pay the actual cost of the Prescription Drug because it is less.

### **Prescription Drug Benefit Coverage and Medicare Part D**

Enrollment in the Medicare Part D Prescription Drug plan may impact your and your dependents’ coverage under the Prescription Drug Benefit. For example, if you currently have coverage under the Prescription Drug Benefit and also enroll in a Medicare Part D Prescription Drug plan, the Prescription Drug Benefit under this Program and the Medicare Part D Prescription Drug plan are coordinated. This means that each of the Prescription Drug plans pay a share of the total bill for the medication.

If you are eligible for Medicare, you will receive an Annual Notice of Creditable Coverage. This notice describes whether the Prescription Drug Benefit coverage options available to you pay on

average as much as the standard Medicare Prescription Drug coverage. For more information, see the “Medicare Part D” section of this SPD.

For more information about how enrollment in a Medicare Part D Prescription Drug plan will affect coverage under the Prescription Drug Benefit, contact the Prescription Drug Benefits Administrator. See the *Prescription Drug Benefits Administrator* table in the “Contact Information” section for contact information.

## What Is Covered

The Prescription Drug Program covers many, but not all, Prescription Drugs currently on the market. The Prescription Drug Program offers coverage of drugs that are:

- Written by a Prescriber;
- Required by federal law to be dispensed with a written prescription;
- Consistent with Evidence-based Medical Guidelines;
- Approved by the Food and Drug Administration (FDA);
- Dispensed subject to the professional judgment of the dispensing Pharmacist according to applicable laws, regulations and limitations; and
- Included in the Prescription Drug Benefit Administrator’s Standard Formulary and Advanced Control Specialty Formulary.

The Prescription Drug Benefits Administrator maintains a published list of covered Prescription Drugs (referred to as the “drug list” or “formulary”) that is updated quarterly and available to you, free of charge, via the Internet. The drug list or formulary contains therapeutic categories, Generic and Preferred Brand Drugs, and can be of use in determining which drugs are covered under the Program and which treatment options are available to you and your Prescriber.

### **Standard Formulary**

The Prescription Drug Benefits Administrator’s “Standard Formulary” will cover at least one drug in each therapeutic class, but it may not cover all Brand-Name Drugs in every therapeutic class if there are other, equivalent Generic or Brand-Name Drugs available on the formulary. Also, new-to-market Brand-Name Drugs will not be covered until they are reviewed and a determination is made whether they will be included on the formulary by the Prescription Drug Benefits Administrator. If you or your Prescriber believes that a drug not included on the formulary is Medically Necessary, you may contact the Prescription Drug Benefits Administrator. If the Prescription Drug Benefits Administrator determines that the prescribed drug is Medically Necessary in your circumstance, the Program will waive the formulary requirement and the provisions applicable to a Non-Preferred Brand Drug will apply.

For information about coverage of a specific Prescription Drug, contact the Prescription Drug Benefits Administrator. See the table in the “Contact Information” section.

The list that follows identifies categories of Prescription Drugs generally covered under the Program. The list is illustrative and does not guarantee Program coverage.

The Standard Formulary covers many, but not all, Prescription Drugs currently on the market. The categories listed below generally represent those Prescription Drugs commonly utilized under the Program, but it is not an exhaustive list of therapeutic categories or the drugs within those

categories. For information about your Prescription Drugs covered under the Program, see “What Is Covered” and “What Is Not Covered” in this section. For information about a specific Prescription Drug, contact the Prescription Drug Benefits Administrator. See the *Prescription Drug Benefits Administrator* table in the “Contact Information” section for contact information.

Covered Categories	
Anti-Hyperlipidemics	Dermatologicals
Anti-Hypertensives	Penicillin
Beta-Blockers	Analgesics
Anti-Depressants	Anti-Inflammatory
Analgesics and Opioids	Macrolides
Ulcer Drugs	Anti-Asthmatic and Bronchodilator Agents
Diuretics	Hormone Therapies
Thyroid Agents	Contraceptives
Anti-Diabetics	Human Growth Hormones
Calcium Channel Blockers and Regulators	Insulin Drugs and Supplies

### ***Personal-Choice Drugs***

The Prescription Drug Program does not cover Personal-Choice Drugs. However, you may purchase Personal-Choice Drugs at a discounted price at a Network Retail Pharmacy. You pay the full discounted cost. The amount you pay for Personal-Choice Drugs does not count toward your cost sharing (such as the Annual Deductible or Out-of-Pocket Maximum).

- Drugs in the following categories are considered Personal-Choice Drugs. The Prescription Drug Benefits Administrator determines the specific drugs in each of these categories. The list of drugs may change at any time. You should contact the Prescription Drug Benefits Administrator to determine if any drugs have been added to or removed from the list. See the “Contact Information” section for the telephone number and web address of the Prescription Drug Benefits Administrator. Anti-wrinkle agents
- Contraceptive devices
- Cosmetic Botox
- Depigmenting agents
- Erectile dysfunction medications
- Fertility medications
- Hair-growth agents
- Hair removal agents
- Influenza treatments
- Injectable contraceptives

- Nail fungal treatments
- Nutritional supplements (both oral and injectable)
- Ostomy and irrigation supplies
- Prescription Drug devices
- Respiratory therapy supplies (Aerochamber, Inspirease, Spacer, Peak Flow Meter, Nebulizer)
- Vaccines

## Preventive Care Drugs

Preventive care focuses on evaluating your current health status when you are symptom-free and taking the necessary steps to maintain your health. Appropriate Preventive Care Services will vary from person to person based on age, gender and other risk factors, including family history, and include certain Prescription Drugs. Special benefit provisions apply when you receive Prescription Drugs that qualify as Preventive Care Drugs under the Program.

The drugs that are covered by the Program as Preventive Care Drugs are determined by the Prescription Drug Benefits Administrator based on the requirements of the Patient Protection and Affordable Care Act. The medications covered under the Preventive Care Drugs provisions will change from time to time, as new medical evidence emerges and evidence-based recommendations change. The drugs considered Preventive Care Drugs in some circumstances may also be provided for purposes other than routine preventive care. When this occurs, these drugs are not covered as Preventive Care Drugs by the Program. However, they may be covered under other provisions of the Program, subject to applicable cost sharing, including Co-payment, Coinsurance and Annual Deductible.

Examples of Preventive Care Drugs covered by the Program include:

- Folic acid vitamins prescribed due to Pregnancy or as a daily supplement for women planning to become pregnant.
- Contraceptives approved by the Food and Drug Administration prescribed to keep you from becoming pregnant.
- Aspirin prescribed as heart-attack prevention.
- Iron supplementation for Children ages six to 12 months who are at risk for iron deficiency anemia.
- Oral fluoride supplementation for Children older than six months whose primary water source is deficient in fluoride.
- Tobacco cessation intervention for anyone who uses tobacco.
- Immunizations such as Hepatitis A, Hepatitis B, Pneumococcal, Diphtheria, Tetanus, Pertussis, etc.
- Vitamin D for adults age 65 and older in community dwellings who are at increased risk for falls.

- Bowel preparation medications for adults age 50 through 74 for colorectal cancer screenings.
- Medications for primary prevention of breast cancer for women 35 and older.

Subject to the following restrictions, when a medication is covered as a Preventive Care Drug and you fill your prescription through a Network Retail Pharmacy or the Mail Order Prescription Drug Service, your medication will be covered without cost sharing, such as Co-payments, Coinsurance or Annual Deductibles, if applicable:

- This provision only applies to certain Generic Drugs and over-the-counter generic medications. Brand-Name Drugs are not covered as Preventive Care Drugs unless the Prescription Drug Benefits Administrator determines that a Generic Drug is not available. If the Prescription Drug Benefits Administrator determines that there is a Generic Drug available and you purchase the Brand-Name Drug, you will pay the difference in price between the Generic and Brand-Name Drug. See the “Brand-Name Drugs Purchased When a Generic Drug Is Available” section for further information.
- A prescription is required.

If you have questions about Preventive Care Drugs, you may contact the Prescription Drugs Benefit Administrator’s customer service at the toll-free number provided on your ID card. You also can check if a medication is a Preventive Care Drug before you fill a prescription by logging onto the Prescription Drug Benefits Administrator’s website at **Caremark.com** and checking whether a Co-payment applies or by calling the Prescription Drug Benefits Administrator using the information in the “Contact Information” section.

## What Is Not Covered

The Prescription Drug Benefit covers a wide range of prescription medications and related supplies, but it does include some limitations. Listed below are many of the limitations and exclusions that apply to the Prescription Drug Program. If a prescription medication or supply is not specifically excluded under the limitations below, it does not necessarily mean that the prescribed item is covered by the Program. To determine whether a specific prescribed item is covered under the Program, please contact the Prescription Drug Benefits Administrator.

Exclusions and Limitations	
Exclusions and Limitations:	Notes
Allergy serums	
Amounts above the Allowable Charge	
Anti-wrinkle agents	
Any drug or medicine not Medically Necessary for the treatment of your condition	
Any prescription refill in excess of the number of refills specified by the Provider or any refill requested after one year from the Provider’s original order	
Batteries	

<b>Exclusions and Limitations</b>	
Exclusions and Limitations:	Notes
Charges for over-the-counter medications and pharmaceutical purchases	Except insulin, Diabetic Supplies, hypodermic needles and syringes prescribed by a Prescriber for use with covered injectables and medications. The Program also covers certain over-the-counter medications that are considered preventive if a prescription is provided. See the "Preventive Care Drugs" section for more information about preventive medications.
Charges for the administration or injection of any drug	May be covered under Medical. Not covered under the Prescription Drug Program. See the "What Is Covered" subsection in the "Medical and Mental Health/Substance Abuse Coverage" section.
Cosmetic Botox	
Depigmenting Agents	
Diet and weight loss medications	Requires Prior Authorization; If Prior Authorization is not approved by the Prescription Drug Benefits Administrator, medications are classified as Personal-Choice Drugs. See the "Personal-Choice Drugs" section for information.
Drugs in excess of the day supply limit for drugs purchased at a Retail Pharmacy or through the Mail Order Prescription Drug Service	Except for Seasonale and Seasonique or their generic equivalent. See the Supply Limit in the "Benefits at a Glance" section.
Drugs paid for by any local, state or federal government agency	Except Medicaid programs or where otherwise required by law
Drugs that are not federal legend drugs (that is, over-the-counter drugs)	The Program also covers certain over-the-counter medications that are considered Preventive Care Drugs if a prescription is provided. See the "Preventive Care Drugs" section for more information about preventive medications.
Drugs to treat nail fungal infections	
Erectile dysfunction medications	
Fertility medications	
Generic Zyban and Chantix	Not covered after two 12-week cycles per year are exhausted. After two 12 week cycles, classified as a Personal-Choice Drug. See the "Personal-Choice Drugs" section for more information.
Hair growth stimulants	
Hair removal agents	
Immunization agents, vaccines, biologicals, blood or blood plasma	May be covered under Medical. See the "What Is Covered" subsection in the "Medical and Mental Health/Substance Abuse Coverage" section.
Influenza treatment	Except Tamiflu. Flu shots may be covered under Medical.
Injectable medications that cannot be self-administered	Unless classified as a Specialty Prescription Drug or covered under the Medical portion of the Program. See the "What Is Covered" subsection in the "Medical and Mental Health/Substance Abuse Coverage" section.
Insulin Pumps	May be covered under the Medical portion of the Program. Not covered under the Prescription Drug Program.

<b>Exclusions and Limitations</b>	
Exclusions and Limitations:	Notes
Lancet devices	
Medical supplies (for example, bandages, braces and splints, appliances, devices, heat lamps and artificial appliances)	
Medication taken or administered to a patient in an institution that operates or houses a facility dispensing pharmaceuticals on its premises (including take-home medication)	
Medications for which the cost is recoverable under any workers' compensation or occupational disease law, state or government agency, or medications for which no charge is made to the participant	
Multiple and nontherapeutic vitamins, dietary supplements and health and beauty aids	Except vitamins that require a prescription if classified as preventive medication. See the "Preventive Care Drugs" section for more information about preventive medications.
Nutritional dietary supplements administered intravenously or through a gastrointestinal tube	May be covered under Medical. Not covered under the Prescription Drug Program. See the "What Is Covered" subsection in the "Medical and Mental Health/Substance Abuse Coverage" section.
Oral nutritional and diet supplements	Except if classified as preventive medication. See the "Preventive Care Drugs" section. Otherwise, classified as a Personal-Choice Drug. See the "Personal-Choice Drugs" section.
Ostomy and irrigation supplies	
Over-the-counter topical fluoride products	
Personal-Choice Drugs	Discounts may be available. See the "Personal-Choice Drugs" section.
Prescription devices	Except for covered Diabetic Supplies
Prescriptions for which primary coverage is provided by another plan	See the "Coordination of Benefits" section for information.
Products not requiring a prescription by law	
Respiratory therapy supplies	
Sales or use tax imposed by some states or municipalities or parishes	
Smoking deterrents, including nicotine products such as nicotine gum and nicotine patches	Except for generic Zyban and Chantix and other generic over-the-counter nicotine replacement products such as gum, patches and lozenges. See the "Generic Zyban and Chantix" section in this table.
Specialty Prescription Drugs	Coverage provided only if purchased through the Specialty Pharmacy. See the "Specialty Prescription Drug Services" section.

Exclusions and Limitations	
Exclusions and Limitations:	Notes
Specialty Prescription Drugs in excess of day supply limit for drugs purchased through the Specialty Prescription Drug Service	Except if the drug is a Specialty Prescription Drug for which the Program allows an extended days' supply. See the "Specialty Prescription Drug Services" section.
Support garments, and other nonmedicinal substances, regardless of intended use	
Therapeutic devices or appliances	May be covered under Medical. Not covered under the Prescription Drug Program.
Topical retinoids	Age limit applies to Retin A and its generic equivalents. The Prescription Drug Program Benefits Administrator must approve the use of Retin A and its generic equivalents for individuals age 26 or older.
Vitamins	Except vitamins that require a prescription or if covered as preventive medication. See the "Preventive Care Drugs" section for more information about preventive medications.

In addition to the limitations and exclusions above, the Prescription Drug Program will not cover the following:

- Drugs that do not meet all requirements for coverage under the Prescription Drug Program.
- Drugs labeled "Caution — limited by Federal law to Investigational use" and Experimental drugs, even though a charge is made to the individual. Whether a drug is determined to be Investigational, Experimental or unproven to be safe and effective is within the discretion of the Prescription Drug Benefits Administrator.
- Medication for which the cost is recoverable under any workers' compensation or occupational disease law, or any state or governmental agency, or medication furnished by any other drug, medical Service, individual or entity for which no charge is made to the Participant.
- Medication that is to be taken by or administered to an individual, in whole or in part, while he or she is a patient in a licensed Hospital, rest home, sanitarium, Extended Care Facility, Skilled Nursing Facility, convalescent Hospital, nursing home or similar institution that operates on its premises or allows to be operated on its premises, a facility for dispensing pharmaceuticals. *(Note: these will generally be covered by the Program's medical Benefits.)*
- Any medicine not prescribed by your Prescriber.
- Any prescription refilled in excess of the number of refills specified by the Prescriber or any refill dispenses after one year from the Prescriber's original order.
- Charges for the administration or injection of any drug.

## CLAIMS AND APPEAL PROCEDURES

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### KEY POINTS

- *Two types of Claims may be made and appealed under the Program: Claims for Eligibility and Claims for Benefits.*
- *You must exhaust all Appeal processes offered by the Program before filing a lawsuit.*

You, your covered dependents or duly authorized persons have the right under ERISA and the Plan (including the Program) to file a written Claim for Eligibility or Claim for Benefits under the Program.

The following sections describe the procedures used by the Program to process a Claim for Eligibility or a Claim for Benefits, along with your rights and responsibilities. These procedures were designed to comply with the rules of the United States Department of Labor (DOL) concerning a Claim for Eligibility or Claim for Benefits. It is important that you follow these procedures to make sure you receive the full extent of your Benefits under the Program. You may file suit in federal court if you are denied eligibility or benefits under the Program. However, you must complete all available claims and appeal processes offered under the Program before filing suit.

**IMPORTANT:** If you have completed all of the claims and appeal procedures explained in the following sections and your Appeal is denied, you have the right to file suit in federal court if you are denied eligibility to participate or if you are denied benefits under the Program.

## CLAIMS FOR ELIGIBILITY

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### KEY POINTS

- *If you or your dependent's enrollment in the Program is denied, you may file a written Claim for Eligibility with the Eligibility and Enrollment Vendor.*
- *If your Claim for Eligibility is denied, you may appeal the decision within 180 days of receipt of the denial notice.*

### When to File a Claim for Eligibility

If you or your dependents attempt to enroll or participate in the Program and are told you or your dependent is not eligible to enroll or participate in the Program, you may call the Eligibility and Enrollment Vendor to attempt to resolve the issue. See the *Eligibility and Enrollment Vendor* table in the "Contact Information" section. If the issue is not resolved to your satisfaction, you may file a written Claim for Eligibility.

**IMPORTANT:** The Eligibility and Enrollment Vendor should only be contacted for denials related to enrollment or participation in the Program. For benefit-related situations, you will need to contact the Benefits Administrator. Please see the "Claims for Benefits" section for the Claim for Benefits process.

You are responsible for initiating the Claim for Eligibility process. The Claim for Eligibility process does not begin until you have provided a written Claim, as outlined below.

## How to File a Claim for Eligibility

To file a Claim for Eligibility, you must submit your written Claim for Eligibility, along with any documentation that supports your Claim for Eligibility, to the Eligibility and Enrollment Vendor at the address listed in the “Contact Information” section. To submit a Claim for Eligibility you must file a completed Claims Initiation Form (CIF) or other written document asserting your Claim, along with any supporting documentation, with the Eligibility and Enrollment Vendor. A CIF is available from the Eligibility and Enrollment Vendor on request.

The Eligibility and Enrollment Vendor will notify you of its decision within 30 days of the date it receives your Claim for Eligibility. The Eligibility and Enrollment Vendor may extend this period once (for up to 15 days) if it determines that special circumstances require more time to decide your Claim for Eligibility. If this happens, you will receive a written notice of the special circumstances requiring the extra time and when to expect a response.

If the Eligibility and Enrollment Vendor requires additional information from you in order to determine your Claim for Eligibility, you will receive notification and you will have 45 days from the date you receive the notification to provide the information. The Eligibility and Enrollment Vendor's decision time period will be suspended until you provide the requested information, up to 45 days.

Once the information is received, the Eligibility and Enrollment Vendor will decide your Claim within the time remaining in the initial 30-day or extended 45-day review period, whichever applies.

If you do not respond to the request for information, your Claim for Eligibility will be determined based on the available information, but you may appeal this decision.

The following table summarizes the Program’s Claim for Eligibility decision time frame:

Activity	Number of Days Allowed	
Eligibility and Enrollment Vendor decides on Claim	30 days	From the date the Eligibility and Enrollment Vendor receives your initial Claim for Eligibility
Time period is extended if Eligibility and Enrollment Vendor determines special circumstances require more time	Up to 15 additional days	After the initial 30-day period
You must provide additional information requested by the Eligibility and Enrollment Vendor	45 days	From the date you receive notice from the Eligibility and Enrollment Vendor stating that additional information is needed

## What Happens If Your Claim for Eligibility Is Denied

Your Claim for Eligibility is denied when the Eligibility and Enrollment Vendor sends written notice that denies your Claim for Eligibility in whole or in part or if you do not receive notice of the denial within the time periods described above. A written denial notice will contain:

- Specific reasons for the denial.

- Specific references to the Program provisions upon which the denial is based.
- If applicable, a statement that an internal rule, guideline, protocol or other similar criterion was relied upon in making the determination and that a copy of the rule, guideline, protocol or criterion will be provided free of charge upon request.
- If applicable, a description of any additional information needed to make your Claim for Eligibility acceptable and the reason the information is needed.
- A description of the Program’s Appeal procedures.
- A statement of your right to file a civil action under ERISA after you have exhausted all opportunities to appeal under the Program.

## How to Appeal a Denied Claim for Eligibility

If your Claim for Eligibility is denied and you disagree with the decision, you may appeal the decision by filing a written request for review. To appeal the Claim, you or your authorized representative must file a written Appeal with the Eligibility and Enrollment Vendor within 180 days of receipt of the denial notice. A special form is not required; however, you may contact the Eligibility and Enrollment Vendor and obtain an Appeal form. A service representative also can provide the appropriate address to direct your Appeal.

See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

If you or your authorized representative submit an Appeal of a denied Claim for Eligibility, you or your representative has the right to:

- Send a written statement of the issues and any other comments. Be sure to clearly state any facts and/or reasons you believe should be considered and include any documents, records or other information relating to your Appeal.
- Include any new or additional evidence or materials that support your Appeal. This information must be provided with your written statement when you file your Appeal.
- Request and receive, free of charge, documents relevant to your Claim for Eligibility, such as any internal rule, guideline, protocol or other similar criterion relied on in denying your Claim for Eligibility.
- Reasonable access to and copies of all documents, records and other information relevant to your Claim for Eligibility.

## Internal Appeals Process

Eligibility and Enrollment Appeals Committee (EEAC) members, who were not involved in the initial decision to deny your Claim for Eligibility, will review and decide your Appeal. In the review of your Appeal, the EEAC will not afford deference to the denied Claim.

The EEAC will notify you of its decision within 60 days of the date of receipt of your Appeal. The EEAC can extend this period once (for up to 60 days) if special circumstances require more time to decide your Appeal. If this happens, you will receive a written notice of the special circumstances requiring the extra time and when to expect a response.

The EEAC’s decision on your Appeal will be in writing and will include the specific reasons and references to Program provisions relied on to make the decision. The EEAC’s decision will include a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your Claim for Eligibility. The EEAC has been delegated the exclusive right to interpret and administer applicable provisions of the Program, and its decisions are conclusive and binding and are not subject to further review under the Program. If your Appeal is denied, it is final and is not subject to further review. However, you may have further rights under ERISA, as described in the “ERISA Rights of Participants and Beneficiaries” section.

The following table summarizes the Program’s Appeal for Eligibility decision time frame:

Activity	Number of Days	
You request a review of a denied Claim for Eligibility	180 days	From receipt of a denial notice
Eligibility and Enrollment Appeals Committee (EEAC) decides on Appeal	60 days	From the date the EEAC receives your Appeal
Time period is extended if EEAC determines special circumstances require more time	Up to 60 days	After the initial 60-day period

### External Review Process for Certain Eligibility Claims

If your Appeal of a denied Claim for Eligibility is denied by the EEAC, there is an opportunity for external review but only in situations that involve rescission of Program coverage. Generally, rescission of Program coverage is the cancellation or discontinuance of your coverage that has retroactive effect, except to the extent it is attributable to failure to timely pay required contributions or due to an act, practice or omission that constitutes fraud or an intentional misrepresentation of material fact. For further description of rescission of coverage, see the “When Coverage Ends” section of this SPD. If you feel a rescission of Program coverage is not properly determined under the Program pursuant to the Claims and Appeals process, see the “External Review” section of the “Claims for Benefits” section for more information on the external Appeal process.

## CLAIMS FOR BENEFITS

### KEY POINTS

- *A Claim for Benefits is the initial request that is made to the Benefits Administrator by your Provider or by you to receive Benefits under the Program.*
- *You must file your request for payment of Benefits within the time period specified.*
- *Pre-Service and Post-Service Claims are the two different types of Claims for Benefits with different Claims procedures. If all or part of your Claim for Benefits is denied, you can appeal the decision. You must file your Appeal within the time limit.*
- *If your Appeal is denied based on medical judgment and you believe the outcome of your Appeal is unsatisfactory, you can request an external review.*

## How to File a Claim for Benefits

You, your covered dependents or an authorized representative have the right under ERISA and the Plan (including the Program) to file a written Claim for Benefits. A Claim for Benefits is the initial request that is made to the Benefits Administrator for Benefits under the Program. In some cases, the initial Claim for Benefits is filed by the Provider, and in other instances, you have the responsibility to file the initial Claim for Benefits or make certain that the Provider files it on your behalf.

The following are not considered a Claim for Benefits:

- An enrollment or eligibility request. This is considered a Claim for Eligibility. Please see the “Claims for Eligibility” section for more information. But, if your Claim for Benefits is denied on the basis that you are not eligible to participate in the Program, it may be a Claim for Benefits.
- A request to fill a prescription at a Retail Pharmacy. However, you can file a Claim for Benefits for reimbursement of a prescription filled at a Retail Pharmacy if:
  - The Pharmacist cannot verify eligibility.
  - You disagree with your cost-sharing amount.
  - You use a Non-Network Retail Pharmacy.

If you are enrolled in a Fully-Insured Managed Care Option, you must use the Fully-Insured Managed Care Option’s procedures for filing Claims for Benefits and Appeals. For information concerning these procedures, contact the Fully-Insured Managed Care Option administrator or refer to your Evidence of Coverage (EOC).

The following describes the procedures the Program uses to process Claims for Benefits, along with your rights and responsibilities. These Claims for Benefits procedures comply with the rules of the Department of Labor (DOL). It is important that you follow these procedures to make sure that you receive full Program Benefits. This section provides you with information about how and when to file a Claim for Benefits:

- If you receive Services from a Network Provider, Retail Pharmacy, Mail Order Prescription Drug Service or Specialty Drug Program, your Claim for Benefits generally will be filed by the Provider. The Program pays these Providers directly. You are responsible for meeting the Annual Deductible and for paying Coinsurance or applicable Co-payments to these Providers at the time of Service or when you receive a bill from the Provider. If a Network Provider sends you a bill for the balance owed for any Service (other than an Annual Deductible, Coinsurance or Co-payment), contact the Benefits Administrator.
- If you receive Services from a Non-Network Provider or you fill a prescription at a Non-Network Retail Pharmacy, you are responsible for filing a Claim for Benefits or making sure the Provider submits a Claim for Benefits on your behalf in the required format. See the “Information to Include in Your Claim” section for more details.

### ***Claim Filing Limits***

You or your Provider must submit your Claim for Benefits within one year after the date of Service or the date you receive the prescription.

If a Non-Network Provider or a Non-Network Retail Pharmacy submits a Claim for Benefits on your behalf, you are responsible for the timeliness of the Claim for Benefits and these timing

requirements still apply. If you or your Provider do not file a Claim for Benefits within this time period, Benefits will be denied or reduced at the Benefits Administrator’s discretion. If your Claim for Benefits relates to an inpatient stay, the date of Service is the date your inpatient stay ends.

**Information to Include in Your Claim for Benefits**

When you file a Claim for Benefits, you must provide certain information as shown in the following table.

<b>Medical Claim Requirements (including MH/SA Claims)</b>	<b>Prescription Drug Claim Requirements</b>
<ul style="list-style-type: none"> <li>• Employee’s or former Employee’s name and address</li> <li>• Patient’s name, age and relationship to the Employee or former Employee</li> <li>• Member number stated on your ID card</li> <li>• Itemized bill from your Provider that includes the following:               <ul style="list-style-type: none"> <li>• Patient diagnosis</li> <li>• Date(s) of Service</li> <li>• Procedure code(s) and descriptions of Service(s) rendered</li> <li>• Charge for each Service provided</li> <li>• Service Provider’s name, address and tax identification number</li> </ul> </li> <li>• Date the Injury or Illness began</li> <li>• Statement that indicates if you are enrolled for other coverage. If so, you must include the name of the other carrier(s)</li> </ul> <p>As part of the Claim for Benefits, the Benefits Administrator may require the individual who received Services to have an examination performed by an appropriate agent or independent contractor as often as the Benefits Administrator determines necessary.</p>	<p>You must include all original receipts (including proof of purchase) for your Claim to process. Cash register receipts will only be accepted for Diabetic Supplies. The minimum information required is:</p> <ul style="list-style-type: none"> <li>• Patient name</li> <li>• Date of Fill</li> <li>• Total charge</li> <li>• Prescription number</li> <li>• Metric quantity</li> <li>• Pharmacy name and address</li> <li>• Medicine NDC number</li> <li>• Days supply</li> <li>• Pharmacy NCPDP/NABP number</li> </ul>

The Benefits Administrator may ask for additional information to support your Claim for Benefits. If so, you will receive this request in writing.

**Payment of Benefits**

The Benefits Administrators are responsible for administration of a Claim for Benefits. The Benefits Administrator will make a determination of the Program’s applicability to your Claim for Benefits. See the *Benefits Administrator* table in the “Contact Information” section for information about Claim forms and procedures.

The Benefits Administrator will make a Benefit determination as set forth in the “Benefit Determinations” section. Once a Claim for Benefits is approved, Benefits will be paid directly to you unless either:

- The Provider notifies the Benefits Administrator that you authorized payment directly to the Provider.
- You make a written request for payment to be made directly to the Provider or Retail Pharmacy when you submit your Claim for Benefits.

The Benefits Administrator will not reimburse third parties who have purchased or been assigned Benefits by Physicians or other Providers.

### ***Benefit Determinations***

#### ***Post-Service Claims***

A Post-Service Claim is a Claim for Benefits you or your Provider file after Services have been received. If your Post-Service Claim is denied, in whole or in part, the Benefits Administrator will provide you a written notice of its determination within 30 days of receipt of the Claim for Benefits. The Benefits Administrator may extend this period once (for up to 15 days) if it determines that special circumstances require more time to decide your Claim for Benefits. If this happens, you will receive a written notice of the special circumstances requiring the extra time prior to the lapse of the 30-day period as well as the date by which you should expect a response.

If the Benefits Administrator requires additional information from you in order to determine your Claim for Benefits, you will receive notification prior to the lapse of the 30-day period and you will have 45 days from the date you receive the notification to provide the information. The Benefits Administrator’s decision time period will be suspended until you provide the requested information, up to 45 days.

Once the information is received, the Benefits Administrator will decide your Claim for Benefits within 15 days of the date the information is received.

If you do not respond to the request for information, your Claim for Benefits will be determined based on the available information, but you may appeal this decision. If your Claim for Benefits is denied, in whole or in part, you will receive a notice explaining the denial and identifying the Program provisions that the denial is based on, as well as the Claim Appeal procedures.

#### ***Pre-Service Claims***

A Pre-Service Claim is a Claim for Benefits where the Program requires approval of the Benefit in advance of obtaining medical care. If your Pre-Service Claim is submitted properly, the Benefits Administrator will provide written notice of its determination within a reasonable period of time appropriate to the medical circumstances, but not later than 15 days after its receipt of the Claim for Benefits. The Benefits Administrator may extend this period once (for up to 15 days) if it determines that special circumstances require more time to decide your Claim for Benefits. If this happens, you will receive a written notice of the special circumstances requiring the extra time prior to the lapse of the 15-day period as well as the date by which you should expect a response.

If you file a Pre-Service Claim improperly, the Benefits Administrator will notify you of how to correct it within five days of receipt of the Pre-Service Claim.

If the Benefits Administrator requires additional information from you in order to determine your Pre-Service Claim, you will receive notification within 15 days after the Benefits Administrator receives your Pre-Service Claim. You will have 45 days from the date of the notification to provide the information. The Benefits Administrator's decision time period will be suspended until you provide the requested information, up to 45 days.

Once the information is received, the Benefits Administrator will decide your Pre-Service Claim within 15 days of its receipt of the additional information. If your Claim for Benefits is denied, in whole or in part, you will receive a notice explaining the denial and identifying the Program provisions that the denial is based on, as well as the Appeal procedures.

If you do not respond to the request for information within the 45-day period, your Claim for Benefits will be determined based on the available information, but you may appeal this decision.

#### *Urgent Care Claims That Require Immediate Action*

An Urgent Care Claim is a Claim for Benefits or Services for which the Program requires you to obtain Preauthorization before the Covered Person receives medical care and a delay in receiving the Service could seriously jeopardize the life or health of the Covered Person or the Covered Person's ability to regain maximum function or, in the opinion of a Physician with knowledge of the Covered Person's medical condition, cause severe pain that cannot be adequately managed without the care or treatment that is the subject of the Claim for Benefits. The Benefits Administrator will defer to your attending Provider's determination that your Claim is an Urgent Care Claim within the meaning described above. In these situations:

- The Benefits Administrator will provide written, electronic or verbal notice of the determination as soon as possible, taking into account the medical exigencies, no later than 72 hours after receipt of the Claim.
- If the Benefits Administrator provides notice verbally, a written or electronic confirmation will follow within three days.

If you file an Urgent Care Claim improperly or additional information is necessary to process the Urgent Care Claim, the Benefits Administrator will notify you of how to correct it or of the required information as soon as possible, but not later than 24 hours of receipt of the Urgent Care Claim. You will have 48 hours to provide the requested information.

The Benefits Administrator will notify you of a determination as soon as possible, but no later than 48 hours after the earlier of:

- The receipt of the requested information.
- The end of the 48-hour period within which you were to provide the additional information, if the information is not received within that time.

If your Urgent Care Claim is denied, in whole or in part, you will receive a notice explaining the denial and identifying the Program provisions on which the denial is based, as well as the Appeal procedures.

#### *Concurrent Care Claims*

Concurrent Care is a type of Benefit offered under the Program that involves an ongoing Course of Treatment provided over a period of time or a specified number of treatments. A reduction or termination of previously approved Concurrent Care (other than by Program amendment or termination) before the end of the period of time or utilization of the specified number of treatments is an Adverse Benefit Determination for which you may file an Appeal.

The Benefits Administrator will notify you in advance if your previously approved Concurrent Care will be reduced or terminated so that you may file an Appeal before the reduction or termination. Your Concurrent Care will continue to be covered, pending the outcome of the internal Appeal. This means that the Program cannot terminate or reduce Concurrent Care without providing advance notice and the opportunity for review.

If you make a request to extend Concurrent Care at least 24 hours before the end of the approved treatment and your request to extend treatment is an Urgent Care Claim, as defined above, the Benefits Administrator will make a determination within 24 hours of receipt of your request.

If your request for Concurrent Care is not made at least 24 hours before the end of the approved treatment, the request will be treated as an Urgent Care Claim and decided according to the time frames described above. If your Concurrent Care was previously approved for a specific period of time or number of treatments, and you request to extend treatment in a non-urgent circumstance, your request will be considered a new Claim and decided according to Post-Service or Pre-Service Claim time frames, whichever applies.

### ***What Happens If Your Claim for Benefits Is Denied***

If your Claim for Benefits is denied, in whole or in part, it is an Adverse Benefit Determination. An Adverse Benefit Determination is any denial, reduction or termination of a Benefit, or a failure to provide or make a payment (in whole or in part) for a Benefit, including any based on your eligibility to participate in the Program, a determination that the Service is not a Benefit under the Program, a Network exclusion or other limitation on Benefits under the Program, a determination that a Service is Experimental, Investigational or not Medically Necessary or appropriate. You have the right to appeal any Adverse Benefit Determination under the procedures described below.

If your Claim for Benefits is denied, in whole or in part, the Benefits Administrator will provide you with written or electronic notification of the Adverse Benefit Determination that will include:

- Information sufficient to identify the Claim (including the date of Service, the health care Provider), the Claim amount (if applicable), a statement describing the availability, upon request, of the diagnosis code and its corresponding meaning and the treatment code and its corresponding meaning.
- Specific reasons for the denial.
- Specific references to the Program provisions upon which the denial is based.
- If applicable, a statement that an internal rule, guideline, protocol or other similar criterion was relied upon in making the determination and that a copy of the rule, guideline, protocol or criterion will be provided free of charge upon request.
- If applicable, an explanation of the scientific or clinical judgment for the determination, applying the Program's terms to your medical circumstances or a statement that this explanation will be provided free of charge upon request.
- If applicable, a description of any additional information needed to make your Claim for Benefits acceptable and the reason the information is needed.
- A description of the Program's Appeal procedures.
- A statement of your right to file a civil action under ERISA after you have exhausted all opportunities to appeal under the Program.

You or your authorized representative can appeal the denied Claim for Benefits within the time limits set forth in this section for the applicable type of Claim. If you wish to appeal a denied Pre-Service Claim or Post-Service Claim, you must contact the applicable Benefits Administrator in writing. You or your Provider may appeal a denied Urgent Care Claim by calling the Benefits Administrator or filing a written Appeal.

Your Appeal must be submitted to the Benefits Administrator within 180 days following receipt of the notice of the denial of your Claim for Benefits or the date your Claim for Benefits is deemed denied.

**IMPORTANT:** If your Claim for Benefits is denied on the basis of eligibility to enroll or participate in the Program, you should follow these procedures; however, your Appeal must be filed with the Eligibility and Enrollment Vendor. (See the *Eligibility and Enrollment* Vendor table in the "Contact Information" section.)

The Appeal will take into account all comments, documents, records and other information you submit relating to the Claim for Benefits, without regard to whether such information was submitted or considered in the initial Benefit determination. If you wish, you or your authorized representative may review the appropriate Plan documents and submit written information supporting your Claim for Benefits to the Benefits Administrator or Plan Administrator.

If you have received Preauthorization for an ongoing Course of Treatment, you will continue to be covered for that Concurrent Care, pending the outcome of the internal Appeal. This means that the Program cannot terminate or reduce any ongoing Course of Treatment without providing advance notice and the opportunity for review.

If the Program fails to meet the time requirements of the internal claims and appeal process for your Claim for Benefits, your Claim for Benefits is deemed denied and you may begin an external review request immediately, if applicable, or pursue your Claim for Benefits in a civil action under ERISA.

You have the right to, upon request and free of charge, reasonable access and copies of all documents, records or other information relevant to your Claim for Benefits. You must make this request in writing. You will be able to review your file and present information as part of the Appeal.

The Benefits Administrator will provide you, free of charge, with any new or additional evidence considered, relied upon or generated by the Plan in connection with your Claim, as well as any new or additional rationale to be used in reaching the decision. You will be given this information in advance of the date the notice of final Appeal decision is made to give you a reasonable opportunity to respond.

### ***How to File an Appeal for Benefits***

You can file a written Appeal if your Claim is denied, in whole or in part. To file an Appeal, you must send a written summary to the Benefits Administrator with all of the following information:

- Your name
- Patient's name and patient's identification number from his or her medical ID card
- Dates of Service

- Provider's name
- A summary of the issue, including the reason you believe the Claim for Benefits should be paid
- All relevant documents, such as letters, Explanation of Benefits (EOBs) and statements

See the *Benefits Administrator* table in the "Contact Information" section for more information.

The Benefits Administrator will decide your Appeal based on whether the Program provides Benefits for the proposed treatment or procedure and the amount of such Benefits. You and your Provider decide the appropriateness of pending health Services.

### ***Internal Appeals***

Your Appeal will be assigned to a qualified individual or committee who has had no involvement with the denial of your Claim for Benefits. If your Appeal is related to clinical matters, the review will include a consultation with a health care professional who has appropriate expertise in the field and who was not involved in the denial of your Claim for Benefits. The Benefits Administrator can also seek the expertise of other medical professionals to resolve your Claim. You must consent to this referral and to sharing your pertinent medical information.

### **Pre-Service and Post-Service Claim Appeals**

There are two levels of internal Appeals. You will be provided written or electronic notification of the decision on your Appeal(s) as follows:

- For Appeals of Pre-Service Claims (as defined in the "Benefit Determinations" subsection), the first-level Appeal will be conducted and you will be notified by the Benefits Administrator of the decision within a reasonable period of time appropriate to the medical circumstances, but not later than 15 days from receipt of a request for Appeal of a denied Claim. If you are not satisfied with the first-level Appeal decision, you have the right to request a second-level Appeal. Your second-level Appeal request must be submitted to the Benefits Administrator in writing within 180 days from receipt of the first-level Appeal decision. The second-level Appeal will be conducted and you will be notified by the Benefits Administrator of the decision within a reasonable period of time appropriate to the medical circumstances, but not later than 15 days from receipt of a request for review of the first-level Appeal decision.
- For Appeals of Post-Service Claims (as defined in the "Benefit Determinations" subsection), the first-level Appeal will be conducted and you will be notified by the Benefits Administrator of the decision within a reasonable period of time, but not later than 30 days from receipt of a request for Appeal of a denied Claim. If you are not satisfied with the first-level Appeal decision, you have the right to request a second-level Appeal. Your second-level Appeal request must be submitted to the Benefits Administrator in writing within 180 days from receipt of the first-level Appeal decision. The second-level Appeal will be conducted and you will be notified by the Benefits Administrator of the decision within a reasonable period of time, but not later than 30 days from receipt of a request for review of the first-level Appeal decision.
- For Pre-Service and Post-Service Claim Appeals, the Company has delegated to the Benefits Administrator the exclusive right to interpret and administer the provisions of the Program. The Benefits Administrator's decisions are conclusive and binding, subject to the external appeals process below, if applicable.

*Note: The Benefits Administrator's decision is based only on whether or not Benefits are available and the amount of Benefits under the Program for the proposed treatment or procedure. The determination as to whether the pending health Service is appropriate to treat your condition, any medical decision or what health Service you actually receive is between you and your Physician.*

### ***Urgent Care Appeals That Require Immediate Action***

An Urgent Care Appeal does not need to be submitted in writing. You or your Provider should call the applicable Benefits Administrator as soon as possible. The Benefits Administrator will provide you with a written or electronic determination as soon as possible, taking into account the medical exigencies, but not later than 72 hours from receipt of your request to Appeal a denied Urgent Care Claim. All necessary information, including the Benefits Administrator's determination of your Appeal, shall be transmitted between you or your authorized representative and the Benefits Administrator by telephone, facsimile, or other available similarly expeditious method.

For Urgent Care Appeals, the Plan Administrator has delegated the applicable Benefits Administrator the exclusive right to interpret and administer the provisions of the Program. The Benefits Administrator's decisions are conclusive and binding, subject to the external appeals process below.

If your internal Appeal is denied, in whole or in part, the Benefits Administrator will provide you with written or electronic notification of the Adverse Benefit Determination that will include:

- Information sufficient to identify the Claim (including the date of Service, the health care Provider, the Claim amount (if applicable), a statement describing the availability, upon request, of the diagnosis code and its corresponding meaning and the treatment code and its corresponding meaning.
- Specific reasons for the denial.
- Specific references to the Program provisions upon which the denial is based.
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your Claim.
- If applicable, a statement that an internal rule, guideline, protocol or other similar criterion was relied upon in making the determination and that a copy of the rule, guideline, protocol or criterion will be provided free of charge upon request.
- If applicable, an explanation of the scientific or clinical judgment for the determination, applying the Program's terms to your medical circumstances or a statement that this explanation will be provided free of charge upon request.
- A statement of your right to file a civil action under ERISA after you have exhausted all opportunities to appeal under the Program.

**IMPORTANT:** Contact the Benefits Administrator for a copy of the Program's external review procedures.

### ***External Review***

If your Appeal is denied, in whole or in part, you may file a request for external review of your denied Claim for Eligibility or a denied Claim for Benefits if your Appeal involves:

- Medical judgment (including, but not limited to, a determination based on the Program's requirements for Medical Necessity, appropriateness, health care setting, level of care or effectiveness of a covered Benefit; or a determination that a treatment is Experimental or Investigational).
- Rescission of coverage (whether or not the rescission has any effect on any particular Benefit at that time).

A denied Claim for Eligibility based on an individual's failure to meet the requirements for eligibility (e.g. worker classification and similar issues) cannot be the subject of an external review.

If an external review is available, you will receive a notice from the Benefits Administrator. The notice will include instructions for requesting the review. You may request an external review by completing the request for external review that may be obtained from the Benefits Administrator.

Except for approved expedited external review regarding Urgent Care Claims, this external review is available only after you have exhausted the internal Appeals process.

The external review will be made by an Independent Review Organization (IRO) using health care professionals who are not related to the Company and that had no involvement with the decision on the Claim for Benefits or your Appeal. If the Benefits Administrator approves your request for external review, the Benefits Administrator will provide you notice of the identity of the external review organization.

### ***Expedited***

You can request an expedited external review of a denied Urgent Care Claim or a denied Appeal of an Urgent Care Claim if the time frame for completion of a standard external review would seriously jeopardize your life or health or your ability to regain maximum function. It is also available if the denial involves an inpatient Admission, availability of care, continued stay, a health care item or discharge from a health care facility.

An external review decision is binding on the Program and the Claimant, except to the extent other remedies are available under law. The Program will provide Benefits as determined pursuant to the external review decision without delay, regardless of whether the Program intends to seek judicial review of the external review decision unless and until there is a judicial decision otherwise.

**IMPORTANT:** You may have additional rights available to you under ERISA, including the right to file a lawsuit in federal court. See the "ERISA Rights of Participants and Beneficiaries" section for more information.

## COORDINATION OF BENEFITS

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### KEY POINTS

- *Coordination of Benefits (COB) applies when you have health coverage under more than one plan.*
- *The COB rules describe how Program Benefits are determined and which Coverage Plan will pay first.*
- *Special COB rules apply if you are Medicare Eligible.*

### Determining Which Plan or Program Pays First

When two or more Coverage Plans pay Benefits, there are rules that determine which plan pays first. The rules for determining the order of payment are as follows:

- A Coverage Plan may consider the Benefits paid or provided by another Coverage Plan in determining its Benefits only when it is secondary to the other Coverage Plan. The primary Coverage Plan pays Benefits as if the secondary Coverage Plan(s) does not exist.
- The primary Coverage Plan pays first without regard to what another Coverage Plan may cover. A secondary Coverage Plan pays after the primary Coverage Plan and as a result, may reduce the Benefits it pays.
- A Coverage Plan that does not contain a Coordination of Benefits (COB) provision pays first unless the Coverage Plan is group coverage provided to an organization's members that supplements a basic Benefits package and provides coverage in addition to that basic Benefits package. Examples may include major medical coverages that apply after a base Coverage Plan's Hospital and surgical Benefits, and insurance coverages with a closed panel Coverage Plan that provides Non-Network Benefits.
- If you are enrolled in coverage under a Fully-Insured Managed Care Option, Benefits are coordinated with other Coverage Plans (other than the Program) based on the COB rules of the Fully-Insured Managed Care Option and not the rules described in this section. If the other Coverage Plan is offered under the Program, the rules described in this section will apply.
- The following rules describe which Coverage Plan pays Benefits before another Coverage Plan — the first applicable rule is the rule that is used:
  - **Non-dependent or dependent.** The Coverage Plan that covers you as a non-dependent (for example, as an Employee, member, subscriber or Eligible Former Employee) is primary, and the Coverage Plan that covers you as a dependent is secondary. However, if you are Medicare Eligible and Medicare is your primary Coverage Plan, then the Coverage Plan covering you as a member, subscriber, retiree or Eligible Former Employee is secondary and the Coverage Plan that covers you as a dependent is third. If Medicare is your secondary Coverage Plan, then Medicare is secondary and the Coverage Plan that covers you as a dependent is third, unless Medicare is also secondary to that Coverage Plan.

- **Active or inactive Employee.** The Coverage Plan that covers you as an Active Employee (not laid off or retired) is primary. This also applies if you are covered under separate plans as a dependent of an Eligible Former Employee and an Employee. If the other Coverage Plan does not have this rule and the Coverage Plans do not agree on the order of Benefits, this rule does not apply. If you are covered under separate plans as an Eligible Former Employee or retiree and as a dependent of an actively employed Spouse, the “non-dependent or dependent” rule described above applies.
- **Continuation coverage.** If you are covered under any federal or state provided right of continuation coverage and also covered under another Coverage Plan, the Coverage Plan covering you as an Employee, member, subscriber, retiree or Eligible Former Employee (or as that person’s dependent) is primary and the continuation coverage is secondary. If the other Coverage Plan does not have this rule and the Coverage Plans do not agree on the order of Benefits, this rule does not apply.
- **Longer or shorter length of coverage.** The Coverage Plan that covers you as an Employee, member, subscriber or Eligible Former Employee longest is primary.

If the preceding rules do not determine the primary Coverage Plan, the Coverage Plans (as defined in this section) share the Allowable Charges equally. The sum of all Benefits payable from this Program and the primary Coverage Plan will not exceed actual Allowable Charges incurred.

## COB for Eligible Dependent Child(ren)

When more than one Coverage Plan covers a Child, the order of Benefits determination is:

- The Coverage Plan of the parent whose birthday is earlier in the year (“birthday rule”) is primary if:
  - The parents are married;
  - The parents are not separated (whether or not they ever have been married); or
  - A court decree awards joint custody without specifying who has responsibility to provide health care coverage.
- The Coverage Plan that covers either of the parents longer is primary if both parents have the same birthday.
- The Coverage Plan of the parent who is responsible for a Child’s health care expenses or coverage, as specified by the terms of a court decree, is primary if the parent has knowledge of the terms. This rule applies to Claim determination periods or Plan Years beginning after the Coverage Plan receives notice of the court decree.

## How COB Works

When this Program is secondary, it may pay reduced Benefits. When processing a Claim, this Program will:

- Determine the Benefits the Program would pay if it were primary, however, if a negotiated rate applies to the Service, special rules apply to determine the Allowable Charge for the Service under the Program. Contact the Benefits Administrator if you have questions.

- Determine the difference between what the Program would have paid if it were primary and Benefits due from all Coverage Plans that are primary. If this Program would have paid more, this Program will pay the difference. Total Benefits under this Program plus those of primary Coverage Plans may be less than 100 percent of total Allowable Charges.
- COB rules do not apply if you enroll in two or more closed panel Coverage Plans and Benefits are not payable by a closed panel Coverage Plan. For example, COB does not apply if the closed panel Coverage Plan does not pay Benefits because you went to a non-panel provider.
- If you are eligible for Medicare as your primary coverage, this Program reduces its Benefits by the amount Medicare would pay for Medicare enrolled participants. COB with Medicare conforms to all applicable federal statutes and regulations. To the extent allowed by law, if you are Medicare Eligible, this Program assumes you have full Medicare Parts A and B coverage (i.e., Part A hospital insurance, Part B voluntary medical insurance) even if you have not enrolled for Medicare. See the "If You, Your Spouse or Your Dependent Is Eligible for Medicare" section for detailed information on Medicare coverage and its impact on Program Benefits.
- If you are enrolled in Medicare and Medicare is your primary Coverage, Program Benefits are secondary. Medicare pays first and Program Benefits are reduced by the amount Medicare pays. If you or your dependent is eligible for Medicare as your primary Coverage, but not enrolled in Medicare, Program Benefits are reduced by the amount Medicare would have paid.
- As an Active Employee or the dependent of an Active Employee, generally this Program pays primary to Medicare, even if you are eligible for and enrolled in Medicare.
- If you are eligible for Medicare as your primary coverage, you are not required to enroll in Medicare Part D for Prescription Drug Benefits. Your Program Prescription Drug Benefits are your primary coverage if you do not enroll in Medicare Part D. If you enroll in Medicare Part D, Medicare will be primary and your Program Benefits will be secondary.
- Payment made under another Coverage Plan may include an amount this Program should have paid. If this occurs, this Program may pay that amount to the organization that made the payment. This Program treats this amount as if it were a Benefit paid, and this Program will not have to pay that amount again. The term "payment made" includes providing Services, in which case "payment made" means reasonable cash value of the Services provided.
- If the amount of the payments the Program made is more than it should have paid under this COB provision, the Program may recover the excess. The Program may recover this amount from one or more of the persons paid, from one or more of the persons for whom the Program paid or any other person or organization that may be responsible for the Benefits or Services provided. The amount of payments made includes the reasonable cash value of any Benefits provided in the form of Services.

## IF YOU, YOUR SPOUSE OR YOUR DEPENDENT IS ELIGIBLE FOR MEDICARE

### KEY POINTS

- *Eligibility for Medicare can affect your Benefits under the Program.*
- *Once you or your Eligible Dependent is Medicare Eligible you must enroll in Medicare Parts A and B or your Medical Benefits may be substantially reduced.*
- *The Program may reimburse all or a portion of the monthly premium you pay for Medicare Part B coverage, if eligible, but you must enroll for reimbursement.*

Your Program Benefits are affected when you or your dependent become Medicare Eligible. The affects may include the following:

- Generally, Eligible Former Employees and dependents who are eligible for Medicare are not eligible to continue Program Benefits after becoming Medicare Eligible. See the “Eligibility and Participation” section and “When Coverage Ends” section for further information.
- For Medicare Eligible individuals who are enrolled in coverage under this Program, Program Benefits become secondary to Medicare after you leave employment and you must enroll in Medicare Parts A and B to receive the maximum coverage for your medical expenses.
- For the steps you must take if you are Medicare Eligible, see the “Medicare Parts A and B” section.

If within the next six months you or a covered dependent will become Medicare Eligible, either due to age or disability, or are planning to leave your employment, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

### Medicare Parts A and B

#### ***Impact of Medicare Parts A and B on Program Benefits***

Medicare Parts A and B provide coverage for many of the same expenses as the Program. When an individual is enrolled in both Medicare and a group health plan, federal law determines when Medicare or the Program provides primary coverage. When Medicare coverage is primary, Medicare pays first for these expenses before the Program calculates Benefits. Your Benefits under the Program will be secondary to Medicare for these expenses.

The chart below indicates when Medicare coverage or the Program generally is primary. To verify what coverage will be primary under your circumstances, contact the Centers for Medicare and Medicaid Services. See the “More Information on Medicare” section for contact information.

<b>Circumstances</b>	<b>Additional Conditions</b>	<b>Primary Payer</b>	<b>Secondary Payer</b>
Age-based Medicare entitlement for you or your Spouse or dependent + coverage under the Program due to current active employment status	Employer has 20 or more Employees	Program	Medicare

<b>Circumstances</b>	<b>Additional Conditions</b>	<b>Primary Payer</b>	<b>Secondary Payer</b>
Age-based Medicare entitlement + coverage under the Program due to former employment status or COBRA	N/A	Medicare	Program
Disability-based Medicare entitlement for you or your Partner or dependent + coverage under the Program due to current active employment status of a family member	Employer has 100 or more Employees	Program	Medicare
Disability-based Medicare entitlement + coverage under the Program due to former employment status, eligibility for long-term disability or COBRA	N/A	Medicare	Program
End-Stage Renal Disease (ESRD)-based Medicare eligibility or entitlement + coverage under the Program (including coverage due to current active employment status, Eligible Former Employee status or COBRA)	First 30 months of Medicare eligibility or entitlement	Program	Medicare
	After 30 months of Medicare eligibility or entitlement	Medicare	Program

To receive maximum coverage for services that could be covered under Medicare Parts A or B, you must enroll in Medicare Parts A and B when you first become Medicare Eligible. Once you or your covered dependent become eligible for Medicare as your primary coverage, Benefits payable under the Program will automatically be calculated and paid as secondary to Medicare. The Program will not pay any portion of your expenses that would be payable by Medicare Parts A or B as your primary coverage if you were enrolled. Once you become eligible for Medicare as your primary coverage, Benefits payable under the Program will automatically be reduced by Benefits that would be payable for the same Services under Medicare Parts A and B. This applies whether or not you enroll in Medicare Parts A and B. As a result, to receive maximum coverage for medical Services, you must enroll in both Medicare Parts A and B once you are Medicare Eligible, and remain enrolled.

While in some cases the Eligibility and Enrollment Vendor, the Company or a Benefits Administrator may be aware of your pending eligibility for Medicare and the Eligibility and Enrollment Vendor may send you materials regarding enrolling, it is your responsibility to enroll in Medicare when you first become eligible for Medicare as your primary coverage and notify the Eligibility and Enrollment Vendor of your enrollment. This includes eligibility based on disability as well as age. See the *Eligibility and Enrollment Vendor* table in the "Contact Information" section for contact information.

What are the consequences of not enrolling in Medicare when you are eligible? Here's an example.

Mike is a Medicare-Eligible Former Employee who is enrolled in a Program that has a \$400 individual Annual Deductible and a \$2,000 Annual Out-of-Pocket Maximum, and pays a Benefit of 90 percent once the Annual Deductible is met. Mike is enrolled in Medicare Part B and has a \$162 Medicare Part B deductible, which counts toward his Annual Deductible.

Assume Mike has a covered emergency room visit and receives a bill for \$5,000. He has not yet accumulated any expenses toward the Annual Deductible. Since Mike is enrolled in Medicare, here's what happens:

	Mike Pays	Medicare Pays	Program Pays
Medicare Part B deductible	\$162		
Medicare Part B Coinsurance		\$3,870.40 80% of \$4,838 (\$5,000 expense - \$162 deductible = \$4,838)	
Difference between Program deductible and Medicare deductible	\$238 (\$400 Program deductible less \$162 Medicare deductible)		
Program Coinsurance			\$269.60 90% of \$4,600 = \$4,140 (\$5,000 - \$162 - \$238 = \$4,600) \$4,140 - \$3,870.40 = \$269.60
Participant balance	\$460 (\$5,000 - \$162 - \$3,870.40 - \$238 - \$269.60)		
TOTAL	\$860.00	\$3,870.40	\$269.60

The Program calculates Benefits as if Mike enrolled in Medicare — even if he didn't do so. If, in fact, Mike didn't enroll, his out-of-pocket costs would be much higher:

	Mike Pays	Medicare Pays	Program Pays
Assumed Medicare Part B Coinsurance		\$3,870.40 (80% of \$4,838 = \$3,870.40) (\$5,000 expense - \$162 deductible = \$4,838)	
Program deductible	\$400		

	Mike Pays	Medicare Pays	Program Pays
Program Coinsurance			\$269.60 90% of \$4,600 = \$4,140 (\$5,000 - \$400 = \$4,600)  \$4,140 - \$3,870.40 = \$269.60
Participant balance	\$4,330.40  (\$5,000 - \$400 - \$269.60 = \$4,330.40)		
TOTAL	\$4,730.40	\$0	\$269.60

Mike will pay \$4,730.40, and the Program will pay \$269.60. Note that the \$3,870.40 that Medicare would have paid does not count toward meeting the Program Annual Out-of-Pocket Maximum.

### ***Other Consequences of Not Enrolling in Medicare Part A and Part B***

In addition to the impact on Program Benefits, failing to enroll in Medicare Parts A and B when eligible for Medicare as your primary coverage can also impact the cost of your Medicare coverage.

When your Program coverage becomes secondary to Medicare, it is important that you enroll in Medicare Part A and Part B or you could be required to pay more for your monthly Medicare Part B coverage in the future due to Medicare's late enrollment penalties.

For some people, enrollment in Medicare Parts A and B is automatic. For example, enrollment is automatic, but this is not always the case.

There generally is no monthly charge for Medicare Part A coverage; however, the federal government charges a monthly premium for Medicare Part B coverage. While you will have the option to opt out of Medicare Part B and avoid the premium, you should first determine the impact on your Program Benefits as well as your future Medicare Part B premium, when you do decide to enroll in Medicare.

If you are not automatically enrolled for Part A or Part B, you must enroll when you are first eligible or during a Medicare enrollment period. If you do not enroll during your initial Medicare enrollment period or you opt out of coverage, you may be subject to Medicare late enrollment penalties. These late enrollment penalties do not apply if you are eligible for enrollment during a Medicare special enrollment period. See the "Medicare Enrollment Periods and Late Enrollment Penalties" and "Medicare Special Enrollment Periods" sections for more information about these penalties and periods.

### ***Medicare Part B Premium Reimbursement***

If you are eligible, the Program may reimburse part of the Medicare Part B premium you pay for your Medicare Part B coverage. Medicare Part B premium reimbursement is not automatic or retroactive. To learn if you or your Class I Dependent, if applicable, is eligible for Medicare Part B

premium reimbursement, see the “Eligibility for Medicare Part B Premium Reimbursement” section or contact the Eligibility and Enrollment Vendor.

If eligible, you must take all of the following steps:

- Call the Eligibility and Enrollment Vendor when you become Medicare Eligible (whether due to age or disability) or as soon as you receive your Medicare Part B premium reimbursement enrollment information from the Eligibility and Enrollment Vendor (which should arrive about four months before your or your Dependent’s, if applicable, 65th birthday).
- Enroll through the Eligibility and Enrollment Vendor.
- Elect Medicare Part B premium reimbursement.
- If requested, provide proof of your enrollment in Medicare (e.g., a copy of your Medicare card).

Whether or not you receive the Medicare Part B premium reimbursement enrollment information from the Eligibility and Enrollment Vendor, it is your responsibility to contact the Eligibility and Enrollment Vendor to enroll. Also, coverage under a Company Long Term Disability Program is not enrollment. To receive reimbursement, you must contact the Eligibility and Enrollment Vendor and enroll in the reimbursement benefit if you become Medicare Eligible as a result of a disability.

Medicare Part B premium reimbursement generally will begin on the first day of the month after you enroll in the reimbursement benefit with the Eligibility and Enrollment Vendor, but no earlier than your Medicare eligibility date. However, you may be required to provide proof of enrollment in Medicare Part B and payment of premiums. If the Eligibility and Enrollment Vendor has asked for proof that you are enrolled in Medicare Part B, your enrollment will not take effect until the required information is received and processed by the Eligibility and Enrollment Vendor.

See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

There is no reimbursement for any Medicare Parts A or D premiums you pay.

**IMPORTANT:** Medicare Part B premium reimbursement is not automatic or retroactive. If you are eligible, you must contact the Eligibility and Enrollment Vendor to enroll in the Company’s Medicare Part B premium reimbursement program and follow the enrollment procedures. You must enroll at least one month before your Medicare eligibility date to avoid missing any available reimbursement.

### *Eligibility for Medicare Part B Premium Reimbursement*

This section includes information about Medicare Part B premium reimbursement for Eligible Former Employees and your Eligible Dependents who are Medicare Eligible. Medicare coverage must be primary to Program coverage for individuals to be eligible for reimbursement.

Eligibility and Medicare Part B premium reimbursement amounts are described in the table below. The Program will reimburse you and your Dependents for Medicare Part B premiums up to the maximum amount described in the table below as long as you provide the Eligibility and Enrollment Vendor proof that you paid the premiums.

Eligibility Criteria		Medicare Part B Premium Reimbursement
Eligibility for Medicare Part B Premium Reimbursement	You are an Eligible Former Employee (excluding SNET Former Employees who terminated before Jan. 1, 2005)	You may be reimbursed up to \$50 a month for Medicare Part B premiums (for yourself only).
	You are an Eligible Former Employee who terminated employment with SNET before Jan. 1, 2005	Medicare Part B premium reimbursements for you and your Medicare-Eligible Dependents are limited to \$50 a month each.

## Rehired Eligible Former Employee Medicare Part B Premium Reimbursement

You are considered a “rehired retiree,” also known as a “rehired Eligible Former Employee,” and special Medicare Part B premium reimbursement rules apply if:

- You previously terminated employment from a member of the AT&T Controlled Group and at that time were eligible for medical coverage as an Eligible Former Employee.
- Your eligibility for Post-Employment Benefits was not a result of disability.
- You are subsequently rehired by a member of the AT&T Controlled Group.

If you are a rehired Eligible Former Employee, there may be changes to your Benefits, both upon your rehire and your subsequent termination of employment.

If you have questions, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

### **Coordination of Medicare Part B Premium Reimbursement**

If you or your Class I Dependents are reimbursed for Medicare Part B premiums from any other source, the Program will subtract those amounts from the amount payable under the Program before paying any Medicare Part B premium reimbursement.

### **Medicare Part B Premium Reimbursement for Survivors**

If you are an eligible survivor under this Program receiving Medicare Part B premium reimbursement, you will be reimbursed through the end of the month in which the Eligible Former Employee died. You will also receive a lump sum payment equal to an additional six months of reimbursement. This lump sum will be reduced by any reimbursement you received in the six months after the Eligible Former Employee’s death.

### **Medicare Enrollment Periods and Late Enrollment Penalties**

When you first become eligible for Medicare Part A, you have an initial enrollment period in which to take action regarding Medicare Part B. Unless you have coverage under a group health plan available through your or your Spouse’s current active employment (or any family member’s active employment if you are eligible for Medicare due to disability), a delay on your part in Medicare Part B enrollment may delay Medicare coverage and result in higher Medicare premiums when you do enroll. This late enrollment penalty is in addition to a reduction in coverage of Medicare-eligible expenses described in the “Consequences of Not Enrolling in Medicare Parts A and B” section. The timing and length of the initial enrollment period vary, depending on the basis of Medicare eligibility. See the “More Information about Medicare” section for assistance with Medicare questions.

### ***Medicare Special Enrollment Period***

If you did not enroll in Medicare Part A and/or Medicare Part B when you were first eligible because you are covered under the Program or another group health plan based on your or your Spouse's or family member's current employment, you generally can enroll during a Medicare special enrollment period. The timing and length of this period vary. However, to avoid a gap in coverage of your Medicare-eligible expenses, it is important to ensure that you are enrolled in Medicare Parts A and B at the time your active employment ends. Delay also may result in higher Medicare premiums when you do enroll. See the "More Information about Medicare" section for assistance with Medicare questions. See the "Impact of Medicare Parts A and B on Program Benefits" section for information on how a delay in enrollment may affect your coverage of Medicare-eligible expenses.

*Note: For Medicare eligibility coverage and enrollment periods, the term Spouse applies only to a person of the opposite sex who is a husband or wife.*

A special enrollment period also applies to Medicare Advantage coverage, also known as Medicare Part C. See the "More Information about Medicare" section for assistance with Medicare questions.

For special enrollment periods that apply to Medicare Part D, see the "Enrollment in Medicare Part D" section.

### ***If You Work Past the Age of 65***

If you remain Actively at Work with the Company after age 65 and are eligible for Medicare Part A, the Program will provide your primary coverage, and Medicare coverage will be secondary for you and your covered dependents. You may elect Medicare as your primary coverage while you are still working. If you elect Medicare as your primary coverage while you are still working, you and your Eligible Dependents will not receive any Benefits from the Program.

If you are Medicare Eligible when you terminate employment, your eligibility for the Program may be affected by your termination. If you are enrolled in both the Program and Medicare, Medicare will become your primary medical coverage. If you were not enrolled in Medicare while you were an Active Employee, if you are Medicare Eligible when you terminate employment, Program coverage ceases to be your primary Medical coverage on the first day of the month following your Termination Date. If you were not enrolled in Medicare while you were an Active Employee, you must enroll in Medicare to have Medicare coverage. You may enroll in Medicare after your Termination Date during a Medicare special enrollment period. If your Medicare enrollment is not effective as of the first day of the month following your Termination Date, you will have a gap in coverage of the medical expenses that could have been covered by Medicare. See the "Medicare Special Enrollment Period" section for effective dates of Medicare coverage. You and/or your Spouse should enroll in Medicare Parts A and B before terminating employment to ensure you have the maximum coverage of your Medicare-eligible expenses.

### ***If You Become Disabled Before the Age of 65***

If you are disabled before age 65 and become eligible for Social Security for 24 months based on that disability, you also become eligible for Medicare. If your Company-sponsored coverage is not based on your current employment, to obtain maximum coverage for your Medical expenses that could be covered by Medicare, you must enroll in Medicare Parts A and B as soon as you are eligible. See the "Impact of Medicare Parts A and B on Program Benefits" section for more information.

***If Your Dependent Becomes Eligible for Medicare While You Are Actively at Work***

If your covered Spouse/Partner or dependent becomes eligible for Medicare while you are receiving medical coverage from a Company-sponsored plan due to your current employment, the Program will provide your covered Spouse/Partner's or dependent's primary coverage.

If you are planning to retire or terminate employment and you will be eligible for continued coverage under the Program, your covered dependent should enroll in Medicare before you terminate employment to receive the maximum coverage for your Medicare-eligible expenses. When you have terminated employment, your termination may impact your dependent's eligibility for coverage under the Program. If you have terminated employment but are receiving coverage under the Program for any reason, Medicare will become primary for any covered dependent who is eligible for Medicare. This will affect their Program coverage. See the "Impact of Medicare Parts A and B on Program Benefits," "Medicare Enrollment Periods and Late Enrollment Periods" and "Medicare Special Enrollment Period" sections for information. You must also notify the Eligibility and Enrollment Vendor of your covered dependent's Medicare eligibility to ensure that your contributions reflect your covered dependent's Medicare status.

If end-stage renal disease is the cause of Medicare eligibility for your covered dependent, see the "If You Have End-Stage Renal Disease" section for more information.

***If You Are Enrolled in a Fully-Insured Managed Care Option***

If you are enrolled in a Fully-Insured Managed Care Option, and you or your covered dependent is eligible or will soon become eligible for Medicare Parts A, B or D, your Program Benefits through the Fully-Insured Managed Care Option may be affected. Contact the Eligibility and Enrollment Vendor or your Fully-Insured Managed Care Option administrator for more information on how your eligibility for Medicare affects your eligibility for Program coverage and/or your benefits. For the Fully-Insured Managed Care Option administrator, refer to the toll-free number on your Program identification card. For the Eligibility and Enrollment Vendor, see the *Eligibility and Enrollment Vendor* table in the "Contact Information" section for contact information.

***If You Have End-Stage Renal Disease (ESRD)***

If you or your dependent has ESRD you may be eligible for Medicare before age 65 even if you are not disabled; for example, if you are receiving dialysis or require a kidney transplant.

If you are eligible for Medicare solely on the basis of ESRD and are enrolled in Program coverage, your Program coverage will be primary to Medicare for a period of 30 months, after which Medicare will provide primary coverage, even if you are Actively at Work. This is known as the coordination period.

Enrollment in Medicare Parts A and B is not automatic. You must actively enroll to have coverage. If you or your dependent does not enroll when eligible for Medicare as your primary coverage due to ESRD, Program Benefits will be affected in the same manner as if you became Medicare Eligible due to age. See the "Impact of Medicare Parts A and B on Program Benefits" section for information.

If you have questions regarding Program coverage, contact the medical Benefits Administrator. If you have questions concerning Medicare coverage, refer to the "Medicare & You" handbook. If you or your dependent is eligible for Medicare, you will receive a copy of this handbook in the mail every year from Medicare.

### ***If You Have Other Group Health Insurance***

If you or your dependent is enrolled in Medicare and you have other group health insurance (not individual insurance), it is important to determine whether Medicare is primary to either or both group coverages. If Medicare is primary to both, Medicare will pay benefits first. After Medicare pays, the Program and the other group health insurance plan will coordinate payment of benefits between them, based on the Coordination of Benefit (COB) rules. See the "Coordination of Benefits" and "Impact of Medicare Parts A and B on Program Benefits" sections for more information. If Medicare is primary to the Program (for example, you are a former Employee) but secondary to the other group health coverage (for example, the coverage is through your current employer), the other group coverage is primary and pays first, Medicare pays second and the Program third.

Be sure to notify your health care Providers about your other coverage to ensure that your bills are paid correctly and without delay.

### ***Medicare Crossover Program***

The Medicare crossover program is an electronic Claim-filing service set up by Medicare. This program electronically transmits Medicare Parts A and B Claims processed by Medicare to other group health insurance plans for processing. This eliminates the need for you to send a copy of the Provider's bill and the Explanation of Medicare Benefits (EOB) to your medical Benefits Administrator when filing a Claim for Benefits.

Once you elect Medicare crossover, you should allow 30-60 days from the set-up date for the crossover to start. Your EOB will indicate whether the Claim was electronically sent to the medical Benefits Administrator. Until this message appears, you must continue to file secondary Claims with the Benefits Administrator. Once the crossover starts, when Medicare processes a Claim, it is automatically forwarded electronically via the crossover program to the medical Benefits Administrator for processing. You should allow 30 days for Medicare to process the Claim and to electronically transmit the Claim to the medical Benefits Administrator for processing.

The Medicare crossover program links Medicare (all states; Washington, D.C.; Guam; Puerto Rico and U.S. Virgin Islands) to the medical Benefits Administrator.

**IMPORTANT:** If you do not want to participate in the Medicare crossover program, contact the medical Benefits Administrator to make your request. Changes in the Medicare crossover program are sent to Medicare, but may take 4-6 weeks before the change becomes effective. Retroactive requests are not available.

## **More Information on Medicare**

### ***Benefits Administrator***

If you have questions on how Medicare affects your Program Benefits, contact your medical Benefits Administrator at the toll-free number on your Program identification card. The medical Benefits Administrator is available to help you understand how your Medicare and Program Benefits are coordinated and how that affects your Program Benefit as a whole.

If you have questions on how Medicare eligibility affects your eligibility for Program Benefits, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the "Contact Information" section for contact information.

### ***Assistance with Medicare Questions***

If you need assistance in understanding Medicare's rules and regulations, you may contact Medicare toll-free at **800-MEDICARE (800-633-4227)** or at **medicare.gov**. You can refer to the "Medicare & You" handbook, which is available from Medicare. This handbook will help you understand Medicare.

You may also contact the Social Security Administration toll-free at **800-772-1213** or call your local Social Security Administration office. To find your local Social Security office, call **800-772-1213**. If you have access to the Internet, you may go to **ssa.gov**.

## **MEDICARE PART D**

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### **KEY POINTS**

- *Medicare Part D is a voluntary Prescription Drug Benefit available to Medicare-Eligible individuals.*
- *Unlike Medicare Parts A and B, as an Active Employee, you are not required to enroll in Medicare Part D when Medicare coverage is primary.*

### **Coverage Under Medicare Part D**

You and your dependents are eligible for Prescription Drug coverage under a Medicare Part D plan if you or your dependents are entitled to benefits under Medicare Part A and/or enrolled in Part B.

All Medicare Part D Prescription Drug plans provide at least a standard level of Prescription Drug coverage set by Medicare. Some plans may offer more Prescription Drug coverage for a higher monthly premium.

You may obtain the Medicare Part D Prescription Drug benefit through two types of private plans:

- You can join a Medicare Part D Prescription Drug plan for Prescription Drug coverage only; or
- You can join a Medicare Advantage plan that covers both medical Services and Prescription Drugs.

If you are considering joining a Medicare Part D Prescription Drug plan, you should compare your current Program Prescription Drug coverage, including which Prescription Drugs are covered and at what cost, with the coverage and costs of the Medicare Part D plans offering Prescription Drug coverage in your area.

### **Enrollment in Medicare Part D**

Each year, Medicare Part D Prescription Drug plans offer an enrollment opportunity from Oct. 15 through Dec. 7. If you or your dependents are eligible for Medicare Part D, then you are eligible to enroll.

In addition, you and your dependents may be eligible for a two-month special enrollment period to join a Medicare Part D Prescription Drug plan if:

- You or your dependents lose creditable Prescription Drug coverage, through no fault of your own; or
- You or your dependents drop noncreditable Prescription Drug coverage.

### ***If You Enroll in Medicare Part D***

If you and your dependents enroll in a Medicare Part D Prescription Drug plan, your coverage under the Program may be affected. For example, if you currently have Prescription Drug coverage under the Program and also enroll in a Medicare Part D Prescription Drug plan, coverage provided under the Program and the Medicare Part D Prescription Drug plan may be coordinated. See the "Coordination of Benefits" section for information on Coordination of Benefits.

In addition, if you decide to enroll in a Medicare Part D Prescription Drug plan and drop your current coverage under the Program, you and your dependents may not be able to get this coverage back.

For more information about how enrollment in a Medicare Part D Prescription Drug plan will affect coverage under the Program, contact the Prescription Drug Benefits Administrator. See the *Prescription Drug Benefits Administrator* table in the "Contact Information" section for contact information.

### ***You Are Not Required to Enroll in Medicare Part D***

As an Active Employee, you are not required to enroll in Medicare Part D to continue to obtain Prescription Drug Benefits under the Program; however, your decision to enroll or not to enroll may affect your Medicare Part D premiums in the future.

"Creditable coverage" means that Program Prescription Drug Benefits pay out at least as much as the standard coverage available through a Medicare Part D Prescription Drug plan. "Noncreditable coverage" is Prescription Drug coverage that, on average, does not pay out as much as the standard coverage available through Medicare Part D.

- If Prescription Drug coverage under the Program is considered "creditable," then you may keep Prescription Drug coverage under the Program and not pay a higher Medicare Part D premium if you later decide to join a Medicare Prescription Drug plan.
- If Prescription Drug coverage under the Program is considered "noncreditable," you may pay a higher Medicare Part D premium (a penalty) if you do not enroll in a Medicare Part D Prescription Drug plan when you first become eligible.

If you are eligible for Medicare, you will receive a Creditable Coverage Disclosure Notice annually describing if the Prescription Drug coverage options available to you under the Program are creditable. For more information about whether Prescription Drug coverage under the Program is creditable or noncreditable, contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the "Contact Information" section for contact information.

## Reimbursement of Medicare Part D Premiums

You are responsible for the full and timely payment of any Medicare Part D Prescription Drug coverage premiums to the private plan you choose or Medicare. The Program does *not* offer reimbursement of Medicare Part D premiums.

## Medicare Part D Low Income Assistance

If you have limited income and resources, extra help paying for Medicare Part D Prescription Drug coverage is available. For information about this extra help:

- You may contact Medicare at **800-MEDICARE (800-633-4227)** or on the Internet at **medicare.gov**.
- You may contact the Social Security Administration at **800-772-1213 (TTY 800-325-0778)** or on the Internet at **socialsecurity.gov**.

## Creditable Coverage and Late Enrollment Penalties

### ***Creditable Coverage***

If you or your dependents are eligible for Medicare and have Prescription Drug coverage through the Program, you may stay in the Program and choose not to enroll in the Medicare Prescription Drug plan. If the Prescription Drug coverage under the Program is at least as good as Medicare Part D Prescription Drug coverage (and therefore considered “creditable coverage”), then you and your dependents can continue to receive Prescription Drug Benefits under the Program and avoid higher Medicare Part D premiums if you or your dependents sign up for Medicare Part D Prescription Drug coverage later. If you are eligible for Medicare, you will be provided with an annual notice informing you whether your coverage is creditable or not.

### ***Late Enrollment Penalties***

If you or your dependents drop or lose your current Prescription Drug coverage under the Program and do not enroll in a Medicare Part D Prescription Drug plan within 63 consecutive days after your current Prescription Drug coverage under the Program ends, you may pay a higher Medicare Part D premium (a penalty) to join a Medicare Part D Prescription Drug plan later.

If you or your dependents go 63 consecutive days or longer without creditable Prescription Drug coverage under this Program (or any plan that offers creditable Prescription Drug coverage), your monthly Medicare Part D premium may increase by at least 1 percent of the Medicare Part D base beneficiary premium per month for every month that you are without creditable coverage. For example, if you go 19 months without creditable coverage, your premium may be at least 19 percent higher than the Medicare Part D national base premium. You may have to pay this higher Medicare Part D premium (penalty) as long as you have Medicare Part D Prescription Drug coverage. In addition, you may have to wait until the next Medicare Part D annual enrollment period to enroll in a Medicare Part D Prescription Drug plan.

## Qualified Status Changes Associated with Medicare

A gain or loss of Medicare Eligibility may affect your ability to change your Program coverage during the Plan Year.

To determine what your coverage options are due to a change in eligibility under Medicare:

- See the “Contributions” section for information on your ability to change your contribution election.
- See the “Change-in-Status Events” section for information on your ability to change your coverage election.

If you have further questions about a change in status associated with Medicare, please contact the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

## Additional Medicare Contact Information

### ***For More Information About Medicare Part D and This Program***

If you have questions about how the Program coordinates Prescription Drug coverage with Medicare Part D, you may contact your Prescription Drug Benefits Administrator at the toll-free number on your identification card.

### ***For More Information About Your Options Under Medicare Part D Prescription Drug Coverage***

More detailed information about Medicare Part D Prescription Drug plans is available in the “Medicare & You” handbook. If you or your dependent is eligible for Medicare, you will receive a copy of this handbook in the mail every year from Medicare. You also may be contacted directly by Medicare Part D Prescription Drug plans.

For more information about Medicare Part D Prescription Drug coverage:

- Visit Medicare on the Internet at [medicare.gov](http://medicare.gov).
- Call your State Health Insurance Assistance Program (refer to the “Helpful Resources & Tools” section of your copy of the “Medicare & You” handbook for the telephone number) for personalized help.
- Call Medicare at **800-MEDICARE (800-633-4227)**. TTY users should call **877-486-2048**.

## WHEN COVERAGE ENDS

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### **KEY POINTS**

- *Coverage under the Program generally terminates on the last day of the month in which your employment with the Company ends.*
- *Coverage for an eligible Spouse/Partner or Child will end as of the last day of the month, when the Spouse/Partner or Child no longer meets the requirements to be eligible under the Program.*

- *Under certain circumstances, coverage will be continued for a disabled Former Employee and a Disabled Child(ren).*
- *You and your eligible Spouse/Partner and Child(ren) may be able to continue coverage under COBRA in certain circumstances. In some circumstances, continued coverage may be provided after your death for some period of time.*

## **For Employees**

Coverage under the Program will stop on the earliest of the following:

- The last day of the month in which your employment with the Company stops.
- The Company reserves the right to end your coverage if you engage in a work stoppage against the Company.
- The last day of the month in which you stop being an Eligible Employee.
- Your company is no longer a Participating Company.
- The last day of a period for which contributions for the Cost of Coverage have been made in full, if the contributions for the next period are not made in full when due.
- The day the Program ends.

See the “Extension of Coverage – COBRA” and “Your Conversion Rights” sections for information about what rights you may have to continue coverage.

The remainder of this section describes certain other situations where continued coverage may be available for you and/or your covered dependents.

## **For Covered Spouse/Partner and Child(ren)**

Coverage for your Spouse/Partner, and/or your Child(ren), stops when one of the following occurs:

- Your coverage stops.
- The last day of a period for which contributions for the Cost of Coverage have been made in full if the contributions for the next period are not made in full when due.

Coverage for a Spouse/Partner or Child will stop sooner if one of the following occurs:

- The individual becomes covered as an Employee of the Company under this Program.
- The individual is no longer eligible as defined in the section called “Eligible Dependents.” (Coverage stops on the last day of the month in which the individual is no longer eligible.) Coverage ends for your Child(ren) at the end of the month in which they turn age 26.

See the “Extension of Coverage – COBRA,” “Surviving Dependent Coverage” and “Your Conversion Rights” sections for information about what rights you or your dependents may have to continue coverage.

A mentally or physically incapacitated Child’s medical benefit coverage under the Program will not stop due to age. It will continue as long as your dependent’s coverage under the Program

continues and the Child continues to meet the conditions described in the sections entitled "Eligible Dependents" and "Certification of Disabled Dependents."

## **Rescission of Coverage**

A rescission of your coverage occurs if the coverage is cancelled retroactively except when the termination is for nonpayment. Your coverage can be rescinded if you (or a person seeking coverage on your behalf), performs an act, practice or omission that constitutes fraud; or if you (or a person seeking coverage on your behalf) makes an intentional misrepresentation of material fact.

You will be provided with 30 calendar days advance notice before your coverage is rescinded. You have the right to request an internal Appeal of a rescission of your coverage. Once the internal Appeal process is exhausted, you may have the additional right to request an independent external review. If you appeal a rescission in coverage, coverage will be maintained pending a resolution of the Appeal to the extent required by law. See the "External Appeals Process for Certain Eligibility Claims" section for information.

## **If You Are Laid Off From Active Employment**

If you terminate employment due to a force adjustment or layoff, continued Company contributions to your medical coverage may be available for a limited period (as long as you continue to pay any applicable contribution) in accordance with the layoff provisions of your Company's collective bargaining agreement. You should refer to your collective bargaining agreement to determine the layoff benefits and what options are available for extended coverage. You may also contact the Eligibility and Enrollment Vendor for assistance with questions.

## **If You Are Leaving the Company**

If you leave the Company, you may be eligible for Post-Employment Benefits under this Program or a program for Eligible Former Employees for your job classification. The eligibility requirements for Post-Employment Benefits are set forth in the Summary Plan Description (SPD) for the medical program or programs applicable to your job classification.

The tables below summarize the Post-Employment Benefits eligibility and contribution rules that generally apply to Eligible Employees under this Program at termination of employment. You should also review the applicable Program SPD for details including applicable definitions and any exceptions that may apply to your specific circumstances. In the event of a conflict between the tables below and applicable Program SPD, the applicable Program SPD will govern. The Company has reserved the right to amend or terminate all benefit programs and any changes will supersede the information herein.

## Eligibility Rules

Eligibility Rules	
<b>Eligible Former Employees</b>	
You are an Eligible Former Employee if...	<p>You</p> <p>(1) Are a former Employee of a Participating Company</p> <p>(2) You terminated employment on or after January 1, 2017 and on or before Dec. 31, 2020</p> <p>(3) Are a member of one of the following groups</p> <ul style="list-style-type: none"> <li>• Former National Bargained Benefit Plan Employee hired on or after Jan. 1, 2005; or</li> <li>• Former National Bargained Benefit Plan Employee hired before Jan. 1, 2005, including               <p>(a) Former Southwestern Bell Wireless (SWBW) Plan Participant; or</p> <p>(b) Former Transition Group 2, 3 or 4 Employees* who were classified as bargained as of Jan. 1, 2005; or</p> <p>(c) Former Transition Group 2, 3 or 4 Employees* who transferred from a nonbargained (Management) Employee position on or after Jan. 1, 2005. (See the "Transfer Rule" section below for additional information.); and</p> </li> </ul> <p>(4) Meet one of the eligibility conditions applicable to you specified below.</p> <p><i>*Transition Group 1 Employees are not eligible for coverage under the Program. If you were classified as a Transition Group 1 Employee who met the age and service requirements for post-employment coverage on or before Dec. 31, 2001, you may be eligible for benefits provided by your former SBC Communications Inc. or BellSouth Corporation parent Company. Refer to the AT&amp;T Medical Program for the post-employment coverage requirements.</i></p>
You meet one of the following eligibility conditions...	<ul style="list-style-type: none"> <li>• Applicable Age and Service Based Eligibility, including           <p>(a) Modified Rule of 75</p> <p>(b) BLS Rule of 75</p> <p>(c) At least age 55 with at least 10 years Term of Employment</p> </li> <li>• Eligible Former Disabled Employee</li> <li>• You are not eligible for Program coverage once you become Medicare Eligible</li> </ul>
<b>Dual Enrollment - Special Rule</b>	
Dual Enrollment	While you may be eligible under more than one status (for example, as an Eligible Former Employee or dependent), the Program only allows you to be enrolled under a single status. See the "Dual Enrollment" section for more information.

**Contribution Rules - Company Self-Funded Option**

Eligible Former Employee Classification	Service History	Contribution Rules
Eligible Former Employees	At termination of employment you were covered by the AT&T Mobility Contract - CWA or in a NMNU position with benefits that follow the AT&T Mobility Contract - CWA	<p>Former SWBW Employee who were hired before Jan. 1, 2005 and terminated employment on or after Jan. 1, 2017</p> <p>You pay the following monthly contribution</p> <p><b>Jan. 1, 2017 - Dec. 31, 2017</b></p> <p><b>Option 1</b></p> <p>Individual: \$89</p> <p>Individual + Child(ren): \$153</p> <p>Individual + Spouse: \$245</p> <p>Family: \$260</p> <p><b>Option 2</b></p> <p>Individual: \$32</p> <p>Individual + Child(ren): \$55</p> <p>Individual + Spouse: \$88</p> <p>Family: \$93</p> <p><b>Jan. 1, 2018 - Dec. 31, 2018</b></p> <p><b>Option 1</b></p> <p>Individual: \$88</p> <p>Individual + Child(ren): \$150</p> <p>Individual + Spouse: \$241</p> <p>Family: \$256</p> <p><b>Option 2</b></p> <p>Individual: \$44</p> <p>Individual + Child(ren): \$75</p> <p>Individual + Spouse: \$121</p> <p>Family: \$128</p>

Eligible Former Employee Classification	Service History	Contribution Rules
		<p><b>Jan. 1, 2019 - Dec. 31, 2019</b></p> <p><b>Option 1</b>  Individual: \$98  Individual + Child(ren): \$168  Individual + Spouse: \$269  Family: \$286</p> <p><b>Option 2</b>  Individual: \$57  Individual + Child(ren): \$97  Individual + Spouse: \$156  Family: \$166</p> <p><b>Beginning Jan. 1, 2020</b></p> <p><b>Option 1</b>  Individual: \$110  Individual + Child(ren): \$188  Individual + Spouse: \$302  Family: \$321</p> <p><b>Option 2</b>  Individual: \$70  Individual + Child(ren): \$120  Individual + Spouse: \$193  Family: \$205</p>
	<p>At termination of employment you were covered by the AT&amp;T Mobility Contract - CWA or in a NMNU position with benefits that follow the AT&amp;T Mobility Contract - CWA</p>	<p>Transition Group 2</p> <p><b>Former SBC Employee:</b>  You pay 33% of the monthly Cost of Coverage.</p> <p><b>Former BLS Employee:</b>  You pay 40% of the monthly Cost of Coverage.</p>

Eligible Former Employee Classification		Service History	Contribution Rules
	At termination of employment you were covered by the AT&T Mobility Contract - CWA or in a NMNU position with benefits that follow the AT&T Mobility Contract - CWA	Transition Group 3	<p>You pay the full monthly Cost of Coverage for you and your Spouse/Partner less the Company contribution toward your and your Spouse's/Partner's monthly Cost of Coverage, which is based on your Term of Employment as follows</p> <ul style="list-style-type: none"> <li>• Up to 10 years: \$10 x the number of years of service</li> <li>• 11 years through 20 years: \$15 x the number of years of service</li> <li>• 21 or more years of service: \$20 x the number of years of service greater than 20</li> </ul> <p><i>Note: The Company contribution toward your dependent child's monthly Cost of Coverage is 50% of your Company contribution toward the monthly Cost of Coverage.</i></p>
	At termination of employment you were covered by the AT&T Mobility Contract - CWA or in a NMNU position with benefits that follow the AT&T Mobility Contract - CWA	Transition Group 4; and All other Eligible Former Employees (not in Transition Groups 1, 2 or 3, or former SWBW employees) with a termination date on or after Jan. 1, 2017.	You pay 100% of the monthly Cost of Coverage.

Contact the Eligibility and Enrollment Vendor to request a copy of the applicable SPD. See the "Contact Information" section for contact information. You also may be eligible to elect continuation coverage under COBRA in lieu of the Benefits available for Eligible Former Employees.

## If Your Active Employment Ends by Reason of Disability

If you are disabled, you may be eligible to continue your (and your Eligible Dependents') coverage under this Program or a program for Eligible Former Employees. See the section entitled "Eligible Former Disabled Employees" in the program SPD for Eligible Former Employees for a description of the eligibility requirements applicable to totally disabled former Employees.

## If Your Active Employment Ends by Reason of Your Death

If you have a surviving Spouse/Partner and/or Child(ren) covered by the Program as of the date of your death, they will be eligible to elect continuation coverage under COBRA. See the "Extension of Coverage – COBRA," "Surviving Dependent Coverage" and "Your Conversion Rights" sections for information about what rights you or your dependents may have to continue coverage.

In addition, your surviving dependents may be able to obtain continued coverage under the Program for a limited period on the same basis as during your active employment or may be able to continue coverage at their own expense for a period longer than the maximum COBRA coverage period. See the "Surviving Dependent Coverage" section for information.

## EXTENSION OF COVERAGE - COBRA

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### KEY POINTS

- *COBRA continuation coverage is a temporary extension of group coverage that allows Program participants who have lost coverage due to a Qualifying Event to continue coverage for a period of time.*
- *Continuation coverage is the same coverage that the Program offers similarly situated Covered Persons who are currently receiving coverage under this Program.*
- *If you experience a Qualifying Event, you must notify the Eligibility and Enrollment Vendor no later than 60 days after the date the event occurs.*
- *If you experience a termination of employment or reduction in hours, the Company will notify the vendor on your behalf.*
- *Once the vendor is notified, you and your Spouse/Partner and Child(ren) will receive an election form and notice. If you or your Spouse/Partner and Child(ren) do not elect your COBRA continuation coverage within the 65-day election period, you will lose your right to elect continuation coverage.*
- *Generally, you will be required to pay the entire cost of COBRA continuation coverage. This cost is equal to 102 percent of the Company's cost of providing coverage to similarly situated Covered Persons under the Program.*
- *If you fail to pay the COBRA premium by the due date, your COBRA coverage will end and you will not be able to re-enroll.*

## COBRA Continuation Coverage

Federal law requires most employers sponsoring group health plans to offer a temporary extension of coverage (called “continuation coverage” or “COBRA” coverage) in certain instances when coverage under the Program would otherwise end. This coverage is available to Employees/Eligible Former Employees and their families who are covered by the Program. **This section contains important information about your right to continue your health coverage through COBRA, as well as other health coverage alternatives that may be available to you through the Health Insurance Marketplace at [www.HealthCare.gov](http://www.HealthCare.gov) or by calling 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. Please read the information contained in this section very carefully and keep it for your records.** In this section, “you” is defined as the person or persons who lost coverage due to a Qualifying Event (the “Qualified Beneficiary”).

The Program is a group health plan subject to this law. You do not have to show that you are insurable to elect COBRA continuation coverage during the election period. However, you will have to pay the entire premium for your COBRA continuation coverage. At the end of the maximum coverage period (described below in this section), you may be allowed to enroll in an individual conversion health plan if it is available under the Program. You will be responsible for paying the premiums for this coverage as required by the individual conversion health plan.

This section generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive this coverage. This section provides only a summary of your COBRA continuation coverage rights. See the “Your ERISA Rights” section for contact information.

The COBRA Administrator is the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

In deciding whether to enroll in COBRA coverage you should consider what other health coverage alternatives may be available for you and your family, including coverage that may be available to you through the Health Insurance Marketplace at [www.HealthCare.gov](http://www.HealthCare.gov) or call **1-800-318-2596**. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage.

In the Health Insurance Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Being eligible for COBRA does not limit your eligibility for coverage for a tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity for another group health plan for which you are eligible (such as a spouse’s plan), even if the plan generally does not accept late enrollees, if you request enrollment within 30 days.

For more information about health insurance options available through the Health Insurance Marketplace, visit [www.HealthCare.gov](http://www.HealthCare.gov).

## What Is COBRA Continuation Coverage?

COBRA continuation coverage provides a temporary extension of group health coverage. It is available when coverage would otherwise end because of a life event known as a Qualifying Event. Specific Qualifying Events are listed later in this section.

After a Qualifying Event occurs and any required notice is provided to the COBRA Administrator, COBRA continuation coverage must be offered to each person who is a Qualified Beneficiary. A Qualified Beneficiary is someone who will lose coverage under the Program because of a Qualifying Event. Only Qualified Beneficiaries may elect to continue their group health coverage under COBRA. Qualified Beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

Depending on the type of Qualifying Event, the following may be considered "Qualified Beneficiaries" if they are covered under the Program on the day before the Qualifying Event occurs:

- Employees/Eligible Former Employees.
- Spouses/Partners of Employees/Eligible Former Employees.
- Dependent Child(ren) of Employees/Eligible Former Employees.
- Certain newborns, newly adopted Child(ren) and alternate recipients under Qualified Medical Child Support Orders (QMCSOs) may also be Qualified Beneficiaries. This is discussed in more detail in the "Child(ren) Born to or Placed for Adoption With the Covered Employee/Eligible Former Employee During COBRA Period" section and the "Alternate Recipients Under Qualified Medical Child Support Orders" section.

COBRA continuation coverage is the same coverage that the Program gives to Covered Persons or beneficiaries who are currently participating in the Program and not receiving COBRA continuation coverage. Ordinarily, the COBRA continuation coverage will be the same coverage that you had on the day before the Qualifying Event occurred. But if coverage is changed for similarly situated Active Employees or Eligible Former Employees covered by the Program, or their Spouses/Partners or Child(ren), the COBRA continuation coverage generally will be changed in the same way for the Qualified Beneficiaries on COBRA at the same time.

As a COBRA continuation coverage participant, you will have the same rights under the Program during your COBRA continuation coverage period as other Covered Persons or beneficiaries covered under the Program, including Annual Enrollment and special enrollment rights.

You can find specific information describing the coverage to be continued under the Program elsewhere in this document and in the Plan document. For more information about your rights and obligations under the Program, you can get a copy of the Plan document by requesting it from the Plan Administrator as described in the "Your ERISA Rights" section.

## **Qualifying Events: When Is COBRA Continuation Coverage Available?**

### ***Employee***

If you are an Employee of a Participating Company and are covered by the Program, you become a Qualified Beneficiary and have the right to elect COBRA continuation coverage if you lose your coverage under the Program due to one of the following Qualifying Events:

- Your employment ends for any reason other than your gross misconduct.
- Your hours of employment are reduced.

### ***Spouse or Partner***

If you are the Spouse/Partner of an Employee/Eligible Former Employee covered under the Program, you will become a Qualified Beneficiary and have the right to elect COBRA continuation

coverage if you lose your coverage under the Program because of any of the following Qualifying Events:

- Your Spouse/Partner dies.
- Your Spouse's/Partner's employment ends for any reason other than his or her gross misconduct, or your Spouse's/Partner's hours of employment are reduced.
- You become divorced or legally separated from your Spouse, or your legally recognized partnership is dissolved.

**IMPORTANT:** If you are an Employee/Eligible Former Employee and you eliminate coverage for your Spouse/Partner in anticipation of a divorce or partnership dissolution, and the divorce or partnership dissolution occurs, then the actual divorce or partnership dissolution will be considered a Qualifying Event even though the ex-Spouse/Partner lost coverage earlier. If the ex-Spouse/Partner notifies the Eligibility and Enrollment Vendor within 60 days after the later of the divorce or partnership dissolution or the date coverage terminates under the Program and can establish that the coverage was eliminated earlier in anticipation of the divorce or partnership dissolution, then COBRA continuation coverage may be available for the period after the divorce or partnership dissolution.

- Your Spouse/Partner becomes entitled to Medicare Part A, Part B or both.

### ***Child(ren)***

Your Child who is covered by the Program will become a Qualified Beneficiary and have the right to elect COBRA continuation coverage if he or she loses group health coverage under the Program because of any of the following Qualifying Events, or he or she is born to or placed with you for adoption during a period of COBRA continuation coverage and is enrolled in the Program:

- The Employee/Eligible Former Employee-parent dies.
- The Employee/Eligible Former Employee-parent's employment ends for reasons other than gross misconduct, or the Employee/Eligible Former Employee-parent's hours of employment with the Company are reduced.
- The parents' divorce or legal separation or the parents' partnership dissolves.
- The Employee/Eligible Former Employee-parent becomes entitled to Medicare Part A, Part B or both.
- The Child ceases to be eligible as a Child under the Program.

### ***FMLA (Active Employee Only)***

Special COBRA rules apply if you take FMLA leave and do not return to work at the end of the leave. Failure to return to work at the end of an FMLA leave may constitute a Qualifying Event (i.e., an Employee and the Employee's Spouse/Partner and Child(ren) may elect COBRA continuation coverage). In this case, you and your Spouse/Partner and Child(ren), if any, will be entitled to elect COBRA if both of the following conditions are met:

- They were covered under the Program on the day before the FMLA leave began (or became covered during the FMLA leave).
- They will lose coverage under the Program because you do not return to work at the end of the FMLA leave.

This means that you may be entitled to elect COBRA continuation coverage at the end of an FMLA leave for yourself and your dependents even if coverage under the Program ended during the leave.

If you are on a non-FMLA leave that provides coverage as if you were still an Active Employee, and your employment is terminated during the leave or your coverage ends at the end of the maximum coverage period specified for your leave, you (and your Spouse/Partner and Child(ren)) may elect COBRA continuation coverage to be effective as of the date your coverage would end if you are both:

- Covered under the Program on the day before beginning the leave of absence (LOA).
- Terminated from employment for any reason except gross misconduct or lost your coverage due to the expiration of the maximum coverage period.

If COBRA continuation coverage is elected, the maximum coverage period will begin with the date your coverage would otherwise have ended. See the "How Long Does COBRA Continuation Coverage Last?" section for more information.

## **Important Notice Obligations**

You will only receive notification that COBRA continuation coverage is available to you if you notify the COBRA Administrator in a timely manner that a Qualifying Event has occurred.

### ***Your Employer's Notice Obligations***

When the Qualifying Event is one of the following, your Employer will notify the Eligibility and Enrollment Vendor within 30 days of the Qualifying Event:

- The end of your employment.
- The reduction of your hours of employment.
- AT&T Inc.'s or your Participating Company's commencement of a Chapter 11 proceeding in bankruptcy.

If your employment ends due to a termination that your Employer determines to have been a result of your gross misconduct, you will receive a notice indicating that you have been determined **not** to be eligible for continuation coverage and why. You may appeal this determination by filing an Appeal with the Eligibility and Enrollment Vendor within 60 days after your receipt of this determination. See the "How to File a Claim for Eligibility" section for more information on your right to appeal an adverse eligibility determination under this Program.

### ***Your Notice Obligations***

You are responsible for notifying the Eligibility and Enrollment Vendor if your Spouse/Partner or Child loses coverage under the Program as a result of divorce, legal separation, partnership dissolution, or your entitlement for Medicare (Part A or Part B or both), or the Child's loss of eligible status under the Program. Your Spouse/Partner or Child is responsible for notifying the Eligibility and Enrollment Vendor if your Spouse/Partner or Child loses coverage under the Program as a result of your death. You, your Spouse/Partner or Child *must* provide this notice, using the procedures specified in the "COBRA Notice and Election Procedures" section, no later than 60 days after the later of the date the event occurs or the date the Qualified Beneficiary loses or would lose coverage under the Program's terms. This is generally at the end of the

month in which the date on which the Qualifying Event occurs (see the “When Coverage Ends” section for more details).

If you, your Spouse/Partner or Child fails to provide this notice to the COBRA Administrator during this 60-day notice period (using the procedures specified), any Spouse/Partner or Child who loses coverage will not be offered the option to elect continuation coverage. If you, your Spouse/Partner or Child fails to provide this notice to the Eligibility and Enrollment Vendor and if any Claims are mistakenly paid for expenses incurred after the date coverage should have terminated, then you, your Spouse/Partner and Child will be required to reimburse the Program for any Claims paid.

If the COBRA Administrator is provided with timely notice of a Qualifying Event that has caused a loss of coverage for a Spouse/Partner or Child, then the COBRA Administrator will send a COBRA enrollment notice to the last known address of the individual who has lost coverage. The COBRA Administrator will also notify you (the Employee/Eligible Former Employee), your Spouse/Partner and Child of the right to elect continuation coverage after the administrator receives notice of either of the following events that results in a loss of coverage:

- Employee’s termination of employment for any reason (other than for gross misconduct)
- Reduction in the Employee’s hours

## COBRA Notice and Election Procedures

All COBRA notices must be provided to the Eligibility and Enrollment Vendor within the time frames and methods specified in this section.

### Important COBRA Notice and Election Procedures

You must provide all required notices (or make your COBRA election) no later than the last day of the required notice period (or election period). You can do this by placing a telephone call to the COBRA Administrator at the telephone number in the “Contact Information” section of this SPD or subsequent summaries of material modifications. You must speak to a service associate at the time of the call. Written or electronic communications or calls to other telephone numbers will not meet your obligation to provide this notice. (If you are unable to use a telephone because of deafness, the COBRA Administrator has TTY telephone service available.) See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

When you call to provide notice or elect coverage, you must provide the name and address of the Employee/Eligible Former Employee covered under the Program and the name(s) and address(es) of the Qualified Beneficiary(ies) affected. If your notice concerns a Qualifying Event, you also must include the name of the Qualifying Event or second Qualifying Event, if applicable, as well as the date the event(s) happened. If your notice concerns the disability of a Qualified Beneficiary, you also must include the name of the disabled Qualified Beneficiary, the date when the Qualified Beneficiary became disabled and the date the Social Security Administration made its determination. You may be required to provide documentation to support eligibility.

### ***Electing COBRA Continuation Coverage***

Once you inform the Eligibility and Enrollment Vendor that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each Qualified Beneficiary. If you elect COBRA continuation coverage in a timely fashion, COBRA continuation coverage will begin on the date that the Program coverage would otherwise have been lost.

In order to elect COBRA continuation coverage (if you are entitled to do so), you and/or your Spouse/Partner and Child(ren) must complete and return the form within 65 days after the later of:

- The date you and/or your dependents lose coverage; or
- The date you and/or your covered dependents are notified of your right to continue coverage (the date on the COBRA enrollment notice).

**If you or your Spouse/Partner and Child(ren) do not elect continuation coverage within this 65-day election period using the procedure described in the “COBRA Notice and Election Procedures” section above, you will lose your right to elect continuation coverage.**

However, as described in the “Surviving Spouse/Partner and Child(ren)” section, when you or a Child is eligible for extended coverage during a leave of absence or after termination of employment and the extended coverage runs concurrently with COBRA continuation coverage, you will automatically be enrolled in COBRA continuation coverage for the duration of your eligibility for extended coverage. At the end of your extended coverage, you may continue COBRA continuation coverage for the remainder of your eligible period (if any), by paying the required COBRA premiums. See the “Company Extended Coverage” section for more information.

If you reject COBRA continuation coverage during the election period, you may change that decision and enroll anytime until the end of the election period, using the required election procedure.

In most cases, a single COBRA election form and notice will be provided to the Employee/Eligible Former Employee and any eligible Spouse/Partner and Child(ren) or, in the case of an election provided only to the Spouse/Partner and Child(ren), a single election form and notice will be provided to the Spouse/Partner. However, each Qualified Beneficiary has an independent right to elect continuation coverage. For example, both you and your Spouse/Partner may elect continuation coverage, or only one of you may choose to elect continuation coverage. In addition, each eligible Child may elect coverage, even if one or both of you do not. Parents may elect to continue coverage on behalf of their Child(ren).

Even if you have other health coverage or are enrolled in Medicare benefits on or before the date COBRA is elected, you are entitled to elect COBRA continuation coverage. However, as discussed below, a Qualified Beneficiary’s eligibility for COBRA continuation coverage will end if, **after** electing COBRA, he or she becomes covered under another employer-sponsored group health plan or program (after any pre-existing condition exclusion in that other plan ends) or becomes enrolled in Medicare. If this occurs, the other Qualified Beneficiaries may still elect COBRA continuation coverage.

**You may have other options available to you when you lose group health coverage.** For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse’s plan), even if that plan generally doesn’t accept late enrollees. Also, in certain

circumstances, the Program provides Company Extended Coverage (CEC) and may share in the cost of that coverage as described in the “When Coverage Ends” section.

## Paying for COBRA Continuation Coverage

Generally, each Qualified Beneficiary may be required to pay the entire cost of COBRA continuation coverage. The amount may not exceed 102 percent of the cost to the group health plan (including both Employee/Eligible Former Employee and Employer contributions) for coverage of a similarly situated Covered Person or beneficiary who is not receiving COBRA continuation coverage (or, in the case of an extension of COBRA continuation coverage due to a disability, 150 percent). Your election notice from the Eligibility and Enrollment Vendor will include the cost of COBRA continuation coverage. In some circumstances, when you or your dependents are receiving Company Extended Coverage, the Company will make contributions toward the applicable COBRA premium. See the “When Coverage Ends” section for more information. The amount of your COBRA premium may change from time to time during your period of COBRA coverage, for example, upon annual changes in the cost of group health plan coverage or if you elect changes in your coverage. You will be notified of any COBRA premium changes.

When you elect COBRA, you will receive an initial bill from the Eligibility and Enrollment Vendor. You must make your first payment for COBRA continuation coverage no later than 60 days after the date of your election. The amount of your required first payment will be stated on your initial bill. It will include the cost of COBRA continuation coverage from the date coverage begins through the end of the month following the month in which the bill is issued. Claims for payment of Benefits under the Program may not be processed and paid until you have elected COBRA continuation coverage and made the first payment. **Any Benefits paid during this period will be retroactively canceled if you do not elect COBRA or if coverage is canceled because you do not make timely payments.** Bills for subsequent coverage will be issued monthly.

## How Long Does COBRA Continuation Coverage Last?

COBRA continuation coverage is a temporary continuation of coverage. The maximum duration for COBRA continuation coverage is described in this section. COBRA continuation coverage can end before the end of the maximum coverage period for several reasons that are described in the “Termination of COBRA Coverage Before the End of the Maximum Coverage Period” section.

COBRA Events	
Event	Length of Coverage
If you leave the Company (for reasons other than gross misconduct)	Coverage for you and your dependents may last for up to 18 months*
If coverage stops because you no longer meet the eligibility requirements	Coverage for you and your dependents may last for up to 18 months*
If coverage stops because you are on a military leave	Coverage for you and your dependents may last for up to 24 months
If you die	Coverage for your dependents may last for up to 36 months
If you and your Spouse divorce or become legally separated or Partner requirements are no longer met	Coverage for your Spouse, Partner and/or Eligible Dependent Child(ren) may last for up to 36 months**
If a Child loses dependent status	Coverage for that dependent Child may last for up to 36 months**

COBRA Events	
Event	Length of Coverage
If you are laid off	Coverage for you and your dependents may last for up to 18 months*
If you fail to return to work at the end of your family medical leave	Coverage for you and your dependents may last for up to 18 months*
<p><i>*An 18-month continuation period may be extended. For more information, see the "18 Months (Extended Under Certain Circumstances)" section below.</i></p> <p><i>**If you do not call or provide written notice within 60 days after the event, COBRA or insurance continuation rights will be lost for that event.</i></p>	

**18 Months (Extended Under Certain Circumstances)**

When the Qualifying Event is the end of employment or reduction in hours, COBRA continuation coverage for you, your Spouse/Partner or Child, as applicable, can last for up to 18 months from the date of termination of employment or reduction in hours. There are three ways this 18-month period of COBRA continuation coverage can be extended:

- Disability Extension.** An 11-month extension of coverage may be available if any of the Qualified Beneficiaries in your family become disabled. All of the Qualified Beneficiaries who have elected COBRA continuation coverage will be entitled to the 11-month disability extension if one of them is qualified under this rule. The Social Security Administration (SSA) must formally determine under Title II (Old Age, Survivors and Disability Insurance) or Title XVI (Supplemental Security Income) of the Social Security Act that the Qualified Beneficiary was disabled at some time prior to or during the first 60 days of COBRA continuation coverage. You must notify the Eligibility and Enrollment Vendor of this fact, using the notification procedure identified in the "COBRA Notice and Election Procedures" section. **You must provide this notification within 60 days after the later of the SSA's determination or the beginning of COBRA continuation coverage and before the end of the first 18 months of COBRA continuation coverage.** The disabled individual does not need to enroll for coverage in order for the other Qualified Beneficiary family members to be covered. In the event the disabled party does not continue COBRA, only 102 percent of the premium may be charged for months 19 through 29. If the disabled party does continue COBRA, 150 percent of the premium will be charged for months 19 through 29. **If notice of the disability is not provided within the required period using the required procedure, there will be no disability extension of COBRA continuation coverage for any Qualified Beneficiary.** If the Qualified Beneficiary is determined by the SSA to no longer be disabled, you must notify the COBRA Administrator within 30 days after the SSA's determination. This is accomplished by using the notice procedure identified in the "COBRA Notice and Election Procedures" section. COBRA continuation coverage for all Qualified Beneficiaries will terminate as of the first day of the month that is more than 30 days after the SSA's determination that the Qualified Beneficiary is no longer disabled, provided it is after the initial 18-month period. The Program reserves the right to retroactively cancel COBRA coverage and will require reimbursement of all Benefits paid after the first day of the month that is more than 30 days after the SSA's determination.

- **Second Qualifying Event.** An extension of up to 18 months of COBRA continuation coverage will be available to Spouses/Partners and Child(ren) who elect COBRA continuation coverage if a second Qualifying Event occurs during the 18-month or 29-month coverage period following an Employee's termination of employment or reduction in hours. The maximum amount of continuation coverage available when a second Qualifying Event occurs is 36 months. The second Qualifying Event must be an event that would provide a 36-month continuation coverage period, such as the death of a covered Employee/Eligible Former Employee or a Child ceasing to be eligible for coverage. For the extension period to apply, notice of the second Qualifying Event must be provided to the Eligibility and Enrollment Vendor no later than the 60th day after the later of the date of the second Qualifying Event or the date coverage would otherwise end, using the notification procedure specified in the "COBRA Notice and Election Procedures" section. **If the notice procedure is not followed or notice is not given within the required period, then there will be no extension of COBRA continuation coverage due to a second Qualifying Event.**
- **Medicare extension for Spouse/Partner and Child(ren).** If a Qualifying Event that is a termination of employment or a reduction of hours occurs within 18 months after the Employee becomes entitled to Medicare, then the maximum coverage period for the Spouse/Partner and eligible Child(ren) will end three years after the date the Employee became entitled to Medicare (but the covered Employee's maximum coverage period will remain 18 months).

## **Termination of COBRA Continuation Coverage Before the End of the Maximum Coverage Period**

COBRA continuation coverage for the Employee/Eligible Former Employee, Spouse/Partner and/or Child(ren) will automatically terminate when any one of the following six events occurs before the end of the maximum coverage period:

- The premium for the Qualified Beneficiary's COBRA continuation coverage is not paid in full within the allowable grace period.
- After electing COBRA continuation coverage, you (the Employee/Eligible Former Employee, Spouse/Partner or Child) become covered under another group health plan/program (as an Employee or otherwise) that provides similar Benefits and has no exclusion or limitation with respect to any pre-existing condition that you have. If the other plan/program has applicable exclusions or limitations that would make your COBRA continuation coverage continue to be of value to you, then your COBRA continuation coverage will terminate after the exclusion or limitation no longer applies. This rule applies only to the Qualified Beneficiary who becomes covered by another group health plan/program.
- After electing COBRA continuation coverage, you (the Employee/Eligible Former Employee, Spouse/Partner or Child) become enrolled in Medicare. This will apply only to the person who becomes enrolled in Medicare.
- During a disability extension period, the disabled Qualified Beneficiary is determined by the Social Security Administration to no longer be disabled, however, continuation coverage will not end until the month that begins more than 30 days after the determination.

- If for any reason, other than a Qualifying Event, the Program would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).
- The Company no longer provides group health coverage to any of its Employees.

## **Information About Other Individuals Who May Become Eligible for COBRA Continuation Coverage**

### ***Child(ren) Born to or Placed for Adoption With the Covered Employee/Eligible Former Employee During COBRA Period***

A Child born to, adopted by or placed for adoption with you during a period of COBRA continuation coverage is considered to be a Qualified Beneficiary if you are a Qualified Beneficiary and have elected continuation coverage for yourself. The Child's COBRA continuation coverage begins when the Child is enrolled in the Program, whether through special enrollment, Prospective Enrollment or Annual Enrollment. It lasts for as long as COBRA continuation coverage lasts for your other family members. To be enrolled in the Program, the Child must satisfy the otherwise-applicable eligibility requirements (for example, age).

### ***Annual Enrollment Rights and HIPAA Special Enrollment Rights***

If you elect COBRA, you will be given the same opportunity available to similarly situated Active Employees to change your coverage options or to add or eliminate coverage for dependents at Annual Enrollment. In addition, the special enrollment rights provided under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will apply to those who have elected COBRA. HIPAA, a federal law, gives a person already on COBRA continuation coverage certain rights to add coverage for Eligible Dependents if that person acquires a new dependent (through marriage, birth, adoption or placement for adoption) or if an Eligible Dependent declines coverage because of other coverage and later loses that coverage as a result of certain qualifying reasons. Except for certain Child(ren) described in the "Child(ren) Born to or Placed for Adoption With the Covered Employee/Eligible Former Employee During COBRA Period" section above, dependents who are enrolled in a special enrollment or Annual Enrollment do not become Qualified Beneficiaries. Their coverage will end at the same time that coverage ends for the person who elected COBRA and later added them as dependents.

### ***Alternate Recipients Under Qualified Medical Child Support Orders***

If you have a Child that is receiving Benefits under the Program pursuant to a Qualified Medical Child Support Order received by the Eligibility and Enrollment Vendor during your (the Employee's/Eligible Former Employee's) period of employment with the Company, he or she is entitled to the same rights under COBRA as an eligible Child of yours, regardless of whether that Child would otherwise be considered eligible (other than on account of age).

## **When You Must Notify Us About Changes Affecting Your Coverage**

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the **addresses of family members**. While you are an Active Employee, your address in the system of the Eligibility and Enrollment Vendor will be used to send COBRA notices. See the *Active Employee Address and Telephone Number Changes* table in the "Information Changes and Other Common Resources" section for information on how to keep your address current while you are an Active Employee. For former Employees, if your address changes, you must promptly report your address change. See the *Pension Service Center* table in the "Information Changes and Other Common Resources" section for information on whom to contact to report your address change. If

you are not eligible to receive a pension plan benefit, or have already received your entire pension plan benefit in a lump sum and are not eligible for an Eligible Former Employee death benefit from your pension plan, contact the Eligibility and Enrollment Vendor to update your home address. See the *Pension Service Center* table in the “Contact Information” section for contact information.

Also, for all participants, if your marital status changes or if a covered Child ceases to be eligible for coverage under the Program terms, you, your Spouse/Partner or Child must promptly notify the Eligibility and Enrollment Vendor to remove that person from your coverage. You also must provide the appropriate mailing address for mailing your Spouse’s/Partner’s or Child’s COBRA notice. Such notification is necessary to protect COBRA rights for your Spouse/Partner and Child(ren). In addition, you must notify us if a disabled Employee or family member is determined to no longer be disabled. Once your dependent is enrolled in COBRA, he or she must promptly report any address changes. See the “Information Changes and Other Common Resources” section for information on whom to contact to report your address change.

## **For More Information**

Contact the Eligibility and Enrollment Vendor if you, your Spouse/ Partner or Child(ren) have any questions about this section or COBRA. You also may contact the nearest regional or district office of the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA). Addresses and telephone numbers of regional and district EBSA offices are available online at [dol.gov/ebsa](http://dol.gov/ebsa) (EBSA’s website).

## **Contact Information**

For contact information for the COBRA Administrator, see the *Eligibility and Enrollment Vendor* table in the “Contact Information” section. For contact information for the Plan Administrator, see the *Other Plan Information* table in the “Plan Information” section.

### ***Surviving Dependent Coverage***

If you are enrolled in the Program as of your date of death, your surviving Spouse/Partner and eligible Child(ren) enrolled at the time of your death may continue Program coverage under the same terms that would apply if you remained alive at the regular Active Employee or Eligible Former Employee cost (after-tax basis only) for 12 months (six months, in the case of Former SNET Employees who terminated employment before Dec. 31, 2005). Contribution adjustments will be made for changes in family composition and coverage levels and options your surviving dependents enroll in.

Surviving dependent coverage will terminate for all covered survivors at the end of the month in which the surviving Spouse or Partner (or, in the event there is no surviving Spouse or Partner, the oldest surviving Child):

- Fails to make the required contributions.
- Drops the coverage on himself or herself.
- Marries.
- Forms another legally recognized partnership.

If surviving dependent coverage terminates for any of these reasons, continuation of coverage under these provisions, including the Company subsidy toward the Cost of Coverage, cannot be reinstated.

The following additional conditions apply to this extended coverage:

- Surviving dependent coverage is available if you die while on a leave of absence (LOA) or short-term disability.
- Surviving dependent coverage is not available if you die while receiving long-term disability (LTD) benefits or severance payments.
- Surviving Spouses/Partners or Child(ren) cannot add new dependents during this Company Extended Coverage period.
- Coverage of surviving Child(ren) is subject to their continued eligibility as a covered Child under the Program.

Following exhaustion of surviving dependent coverage, COBRA continuation coverage may be available. See the “COBRA Continuation Coverage” section for more information on COBRA continuation coverage.

Your surviving Spouse/Partner and/or dependents covered under the Program as of your date of death may elect COBRA coverage at their expense instead of the surviving dependent coverage described above. See the “COBRA Continuation Coverage” section for more information on COBRA continuation coverage. If surviving dependent coverage is declined for any reason, including to elect COBRA continuation coverage, it cannot be reinstated.

**IMPORTANT:** To report a death, call the Eligibility and Enrollment Vendor listed in the *Eligibility and Enrollment Vendor* table in the “Contact Information” section. Please have information regarding the deceased available when you call, such as name and Social Security number.

## WHAT HAPPENS WHEN YOU LEAVE THE COMPANY

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### Active Program Coverage

Active Program coverage for you and your covered dependents continues through the end of the month in which your employment terminates. If eligible for Post-Employment Benefits, your Post-Employment Benefits will be subject to provisions that apply to Eligible Former Employees unless you elect COBRA continuation coverage under your active Program coverage. Information concerning your options as a former Employee will be provided by the Eligibility and Enrollment Vendor. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

### Post-Employment Coverage

The Eligibility and Enrollment Vendor will send you information regarding Post-Employment Benefits and required monthly contributions. Contact the Eligibility and Enrollment Vendor if you do not receive this statement within two weeks of your employment Termination Date or if you would like to make any changes to your coverage. See the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for more information.

If you are eligible for Post-Employment Benefits, your coverage will begin on the first day of the month following your employment Termination Date, subject to the payment of any required contributions. For example, if you terminate employment on June 15, the effective date for Post-Employment Benefits is July 1. See the “When Coverage Ends” section for more information.

There is a separate SPD for your post-employment coverage Program benefits. You will receive a copy of your post-employment SPD either electronically or by mail. You can also access a copy of your SPD at the Eligibility and Enrollment Vendor’s website.

<b>Steps You Must Take to Ensure Coverage Continuation</b>	
Within two weeks of your termination of employment	Look for information from the Eligibility and Enrollment Vendor.
Within 31 days of receipt of information from the Eligibility and Enrollment Vendor	Enroll for Post-Employment Benefits available to Eligible Former Employees, if applicable.
Within 31 days of enrollment for Post-Employment Benefits available to Eligible Former Employees	Submit payment for any required contributions.
Within 65 days of your active Program coverage end date or receipt of COBRA Enrollment Notice, whichever is later	Elect COBRA coverage, if applicable.
Within 45 days of receipt of a bill for COBRA coverage from the Eligibility and Enrollment Vendor	Submit payment for COBRA coverage.
Ongoing	<ul style="list-style-type: none"> <li>• Submit payments to the Eligibility and Enrollment Vendor by the payment due date.</li> <li>• Promptly report your address change by calling the Pension Service Center. If you are not eligible to receive a pension plan benefit or have already received your entire pension plan benefit in a lump sum and are not eligible for a retiree death benefit from your pension plan, report your address change to the Eligibility and Enrollment Vendor.</li> <li>• Promptly report any Change-in-Status Events to the Eligibility and Enrollment Vendor.</li> <li>• See the “Contact Information” section for contact information.</li> </ul>

**Dependent Coverage**

If you are eligible for Post-Employment Benefits, you may cover your Eligible Dependents who were enrolled in active Program coverage at the time you terminated employment, subject to dependent eligibility requirements and payment of any required contributions. If you acquire a new dependent after you terminate employment, contact the Eligibility and Enrollment Vendor to find out if your new dependent is eligible for coverage. The Eligibility and Enrollment Vendor will advise you of the steps you must take to enroll your new dependent, if eligible, and any additional cost you must pay for coverage of your new Eligible Dependent.

### **Annual Deductible Credit**

If the medical option you were covered under as an Active Employee does not change when you terminate employment and begin your Post-Employment Benefits, you will receive credit for any amounts applied to your Annual Deductible as an Active Employee for the remainder of the calendar year in which you retire. Your Annual Deductible will begin anew on Jan. 1 of the following year.

If the post-employment medical option you are covered under is different than the medical option you were covered under as an Active Employee, you will not receive any Annual Deductible credit. You will be subject to the full Annual Deductible amount that applies to your Post-Employment Benefits.

### **Enrollment in Medicare**

Eligibility for Medicare may affect your Benefits under the Program. Once you or your covered dependent is Medicare Eligible or will become eligible soon, it is important to understand how the Program works with Medicare and to notify the Eligibility and Enrollment Vendor. See the “If You, Your Spouse or Your Dependent is Eligible for Medicare” section for details.

## **COBRA Coverage in Lieu of Post-Employment Benefits**

Upon your termination of employment from the Company, you will receive a COBRA enrollment notice from the Eligibility and Enrollment Vendor. As an alternative to Post-Employment Benefits for Eligible Former Employees, you may choose to continue your active Program coverage by electing COBRA coverage, as provided by federal law. Eligibility for COBRA coverage does not affect your eligibility for Post-Employment Benefits for Eligible Former Employees. However, if you elect COBRA coverage, you may not commence your Post-Employment Benefits for Eligible Former Employees until such time as COBRA coverage ends. Once COBRA coverage ends, you may enroll in Post-Employment Benefits for Eligible Former Employees. See the “Extension of Coverage – COBRA” section for more information.

## **Extension of Benefits**

When coverage ends, the Program generally pays no further Benefits, unless a Covered Person is in the Hospital at that time. In that case, the hospitalized individual will continue to receive Medical Benefits only for the current Hospital services and only for the specific condition being treated at the time coverage terminated. This extension of Medical Benefits is provided subject to all applicable provisions of the Program. After the extension, all Medical Benefits cease, unless you are eligible for post-employment or COBRA continuation coverage.

## **PLAN ADMINISTRATION**

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### **KEY POINTS**

- *This section contains important information about how the Plan, including this component Program, is administered.*
- *The Plan is administered by the Plan Administrator, who has full authority and discretion to administer, interpret and enforce the terms of the Plan, and who may delegate that authority and discretion to other entities or individuals.*
- *General information about the Plan and its administrators can be found here.*

- *The Plan Sponsor has the right to amend or terminate the Plan at any time.*
- *You must exhaust your Claim and Appeal rights under the Program before bringing a court action for Benefits.*
- *There are time limits for filing an action for Benefits under the Program.*
- *It is very important that you keep the Plan informed of any changes in your mailing address, contact information and family status changes.*

## **Plan Administrator**

The Plan Administrator is the named fiduciary of the Plan, including all component programs, and has the power and duty to do all things necessary to carry out the terms of the Plan. The Plan Administrator has the sole and absolute discretion to interpret the provisions of the Plan, to resolve any ambiguity in the terms of the Plan, to make findings of fact, to determine the rights and status of you and others under the Plan, to decide and resolve disputes under the Plan and to delegate all or a part of this discretion to third parties. To the extent permitted by law, such interpretations, findings, determinations and decisions are final, conclusive and binding on all persons for all purposes of the Plan.

If the Plan Administrator fails to strictly enforce any provision of the Plan in a given instance, it will not be construed as a waiver of that provision in any later case. The Plan Administrator reserves the right to strictly enforce each and every Plan provision at any time without regard to its prior actions and decisions, the similarity of the circumstances or the number of occurrences.

The Plan Administrator has the authority and discretion to settle or compromise any Claim against the Plan based on the likelihood of a successful outcome as compared with the cost of contesting such Claim. The Plan Administrator also has the authority and discretion to pursue, relinquish or settle any Claim of the Plan against any person. No person may rely on the actions of the Plan Administrator regarding Claims by or against the Plan in connection with any subsequent matter.

Coverage under the Program will be determined solely according to the terms of the Program and the applicable facts. Only the duly authorized acts of the Plan Administrator are valid under the Program. You may not rely on any oral statement of any person regarding the Program and may not rely on any written statement of any person unless that person is authorized to provide the statement by the Plan Administrator and **one** of the following applies:

- The statement is an official decision of the Plan Administrator to an individual whose eligibility for enrollment, participation or payment of Benefits under the Program is in dispute.
- The statement constitutes a duly authorized interpretation of an ambiguous or doubtful term of the Program.
- The statement constitutes the issuance of a rule, regulation or policy under the Program and applies to all participants.
- The statement communicates an amendment to the Program and applies to all participants.

## Administration

The Plan Administrator has contracted with third parties for certain functions including, but not limited to, the processing of Benefits and Claims related thereto. In carrying out these functions, these third-party administrators have been delegated responsibility and discretion for interpreting the provisions of the Program, making findings of fact, determining the rights and status of you and others under the Program and deciding disputes under the Program. The *Plan Information* table indicates the functions performed by a third-party contractor, as well as the name, address and telephone number of each contractor.

## Nondiscrimination in Benefits

The federal tax and other laws prohibit discrimination in favor of highly compensated participants or key Employees with regard to some of the Benefits offered under the Program. The Plan Administrator may restrict the amount of nontaxable Benefits provided to key Employees or highly compensated participants and their covered dependents so that these nondiscrimination requirements are satisfied.

Benefits provided under the Program will not discriminate in any of the following ways:

- On the basis of any health factor, including evidence of insurability.
- As to eligibility for Benefits on the basis of a health factor.
- On the basis of premiums, contributions or benefits for similarly situated individuals.

## Amendment or Termination of the Plan or Program

AT&T Inc. intends to continue the Program described within this SPD, but reserves the right to amend or terminate the Program and eliminate Benefits under the Program at any time.

In addition, your Participating Company (or the Participating Company from which you terminated employment) reserves the right to terminate its participation in the Program. In any such event, you and other Program participants may not be eligible to receive Benefits as described in this SPD and you may lose Benefits coverage. However, no amendment or termination of the Program will diminish or eliminate any Claim for any Benefits to which you may have become entitled prior to the termination or amendment, unless the termination or amendment is necessary for the Program to comply with the law.

Although no Program amendment or termination will affect your right to any Benefits to which you are already entitled, this does not mean that you or any other Active or Eligible Former Employee will acquire a lifetime right to any Benefits under the Program, or to eligibility for coverage under the Program or to the continuation of the Program merely by reason of the fact that the Program was in effect during your employment or at the time you received Benefits under the Program or at any time thereafter.

## Limitation of Rights

Participation in the Program does not give you a right to remain employed with your Participating Company or any other AT&T-affiliated Company.

## Legal Action Against the Plan

If you wish to bring any legal action concerning your right to participate in the Plan or your right to receive any Benefits under the Plan, you must first go through the claims and appeal process described in this SPD. You may not bring any legal action against the Plan for any denied Claim until you have completed the claims and appeal process, except as provided in the "Claims and Appeal" section of this SPD. Legal action involving a denied Claim for Benefits under the Plan must be filed directly against the Plan. The Plan Administrator is the Plan's agent for receipt of legal process in legal actions for Benefits under the Plan, as provided in the *Plan Information* table below. In order to bring an action against the Plan for Benefits, you must bring the action no later than five years following the date your Claim was denied.

## You Must Notify Us of Address Changes, Dependent Status Changes and Disability Status Changes

In order to protect your rights under the Program and those of your family members, it is vitally important that you keep the Plan Administrator informed of any changes in your mailing address and those of any covered family members who do not live with you. While you are an Active Employee, your address in the system of the Eligibility and Enrollment Vendor will be used to send important Program information to you and your covered dependents, including COBRA notices, should your coverage end because of a Qualifying Event such as termination of employment or reduction of hours. See the *Active Employee Address and Telephone Number Changes* table in the "Information Changes and Other Common Resources" section for information on how to keep your address current while you are an Active Employee.

Also, for all participants, if your marital status changes, you must promptly report the change to the Eligibility and Enrollment Vendor. If you have any changes in your dependents, such as the birth or death of a Child a covered Child ceases to be eligible under the Program terms because of reaching the maximum age limit under the Program, or if a Child is placed with you for adoption, you must report these changes to the Program's Eligibility and Enrollment Vendor.

Where eligibility of a dependent is lost through divorce or other loss of eligibility, you, your Spouse/Partner or dependent must promptly notify the Eligibility and Enrollment Vendor to remove that dependent from your coverage and provide the appropriate mailing address for mailing the affected dependent's COBRA notice. Such notification is necessary to protect COBRA rights for your Spouse/Partner or dependent Child who is affected by the loss of coverage. Failure to keep the Eligibility and Enrollment Vendor advised of changes in your marital status, dependents, mailing address and contact information may result in the permanent loss of significant Benefits rights.

**EXAMPLE:** Joseph Employee lives at 123 Main Street, Our Town, USA, and is covered under the Program. Employee moves to 456 Broadway, Our Town, USA, but does not notify the Plan Administrator of his new address. Three months later, Employee quits to seek other employment. The Program's COBRA Administrator sends Employee's COBRA notice and election materials to his last known address at 123 Main Street, Our Town, USA. Employee does not receive the COBRA materials and does not elect COBRA continuation coverage. Six months later, Employee has a serious health condition and incurs substantial medical expenses. Employee inquires with the Plan Administrator about COBRA continuation coverage. Employee has no COBRA rights because the COBRA Administrator sent his COBRA notice and election form to the last known address in its files, and Employee did not elect COBRA continuation coverage within 60 days. Employee's COBRA rights have extinguished, and he cannot obtain health coverage through the Program.

## Plan Information

This section provides you with important information about the Plan. The following *Other Plan Information* table provides you important administrative details including:

- **Plan Administrative Information.** The Plan can be identified by a specific name and identification number that is on file with the U.S. Department of Labor. The *Other Plan Information* table provides this official Plan name, the name of the Program addressed in this SPD, the Plan identification number, Plan Year and certain details on Plan records.
- **Important Entities and Addresses.** Situations may occur that require you to contact (in writing or by telephone) a specific administrative entity related to the Plan. Details throughout this SPD explain instances when the entities identified in the *Other Plan Information* table are important to a process related to the Plan.
- **Plan Funding.** In most instances, the Plan shares in the Cost of Coverage under the Program. The *Other Plan Information* table provides details on how the Plan funds the Cost of Coverage.
- **External Review Process.** The external review process is available for review of certain Adverse Benefit Determinations and Rescissions of Coverage. This process utilizes an Independent Review Organization (IRO). Information regarding the availability of the external review process and arrangements with IROs is provided in this table.
- **Collective Bargaining Procedures (if applicable).** Certain Programs contain provisions maintained pursuant to a collective bargaining agreement. The *Other Plan Information* table provides information on how to obtain copies of the collective bargaining agreement.

The text immediately after the table provides information regarding the arrangements by the Plan Administrator with various third parties to provide Services to the Plan, including Benefits Administration and eligibility and enrollment functions. Please see the applicable *Benefits Administrator* table in the "Contact Information" section for contact information for these third parties.

<b>Other Plan Information</b>	
Plan Name	AT&T Umbrella Benefit Plan No. 3
Program Name	AT&T Mobility Medical Program
Plan Number	603
Plan Sponsor/Employer Identification Number (EIN)	AT&T Inc. P.O. Box 132160 Dallas, TX 75313-2160 <b>210-351-3333</b> EIN 43-1301883
Plan Administrator	AT&T Services, Inc. P.O. Box 132160 Dallas, TX 75313-2160 <b>210-351-3333</b>
Name and Address of Employer	Affiliates of AT&T Inc. P.O. Box 132160 Dallas, TX 75313-2160 <b>210-351-3333</b>
Type of Administration	<p>Plan administration is retained by the Plan Administrator. However, the Plan Administrator has contracted with third parties for certain functions associated with the Program as follows</p> <p>The Plan Administrator administers Claims and Appeals for Benefits under the Program on a contract basis with the Benefits Administrator, see the "Contact Information" section for more information. The Benefits Administrator has full discretionary authority to interpret Plan provisions as they apply to entitlement for benefit.</p> <p>The Plan Administrator administers enrollment, eligibility, monthly contribution and COBRA under the Program provisions, including the determination of initial Claims for eligibility, on a contract basis with the Eligibility and Enrollment Vendor, see the "Contact Information" section for more information.</p> <p>The AT&amp;T Eligibility and Enrollment Appeals Committee (EEAC) determines final Appeals from the denial of eligibility. The EEAC has full discretionary authority to interpret Plan provisions as they apply to eligibility for benefits. See the "Contact Information" section for the address to write to.</p>
Agent for Service of Legal Process	<p>Process in legal actions in which the Plan is a party should be served on the Plan at the following Address</p> <p>CT Corporation System 1999 Bryan Street, Suite 900 Dallas, TX 75201-3136</p> <p>Service of legal process also may be made upon a Trustee.</p>
Type of Plan	The Plan is an employee health and welfare benefit plan.
Plan Year	Jan. 1 through Dec. 31

<b>Other Plan Information</b>	
Trustee	AT&T Voluntary Employee Beneficiary Association Trust Frost National Bank 100 W. Houston Street San Antonio, TX 78299
Plan Funding and Contributions	Participating Companies and covered Employees and Eligible Former Employees share in the cost of providing coverage under the Program. Certain costs of the Program may be paid through a trust, established exclusively for purposes of providing Benefits through the Program. Program Benefits are not paid for by insurance, except for Benefits under a Fully-Insured Managed Care Option, when coverage under such option has been elected by the participant.
External Review	The Benefits Administrator has engaged at least three Independent Review Organizations (IROs) for the purpose of providing external review of Adverse Benefit Determinations and final Adverse Benefit Determinations under the Program's External Review Process policy. External review is available with respect to Claims for Eligibility involving rescission of coverage and Claims for Benefits involving medical judgment. When you request external review under the Program's external review procedure, you will be provided with the name and contact information for the IRO which has been assigned to review your Claim. A copy of the Program's External Review Process policy will be provided to you by the Benefits Administrator upon request at no cost to you.
Plan Records	All Program records are kept on a calendar year basis beginning on Jan. 1 and ending on Dec. 31.
Collectively Bargained Plan	With respect to certain Eligible Employees, the Program is maintained pursuant to one or more collective bargaining agreements. A copy of the collective bargaining agreement may be obtained by participants and beneficiaries whose rights are governed by such collective bargaining agreement upon written request to the Plan Administrator and also is available for examination by participants and beneficiaries as specified under Department of Labor Regulations Section 2520.104b-30.
Insurance	As an alternative to Program Benefits, participants in certain geographic areas may be permitted to enroll in and receive medical Benefits through a Fully-Insured Managed Care Option (such as an HMO). All questions regarding Benefits, including but not limited to, benefit levels, coverage, policies, benefit summaries, Claims determination and Claims Appeals will be provided to you by the Fully-Insured Managed Care Option administrator.

### ***Type of Administration and Payment of Benefits***

Plan administration is retained by the Plan Administrator. However, the Plan Administrator has contracted with third parties for certain functions associated with this Program, as described below. Benefits under the Company Self-Funded Option(s) are paid by AT&T Participating Companies directly or through funds made available for this purpose through the trusts identified in the "Plan Funding" row in the *Other Plan Information* table above. The Benefits Administrators below do not insure Benefits provided under the Program.

### **Medical Benefits Administrator**

The Plan Administrator administers claims and appeals for medical Benefits under the Company Self-Funded Option(s) on a contract basis with UnitedHealthcare. The Plan Administrator has

discretionary authority to interpret the provisions of the Company Self-Funded Option(s) and to determine entitlement to medical Benefits.

*Mental Health/Substance Abuse (MH/SA) Benefits Administrator*

The Plan Administrator administers claims and appeals for Mental Health/Substance Abuse Benefits (MH/SA) under the Company Self-Funded Option(s) on a contract basis with Beacon Health Options. The Plan Administrator has discretionary authority to interpret the provisions of the Company Self-Funded Option(s) and to determine entitlement to MH/SA Benefits.

*Prescription Drug Benefits Administrator*

The Plan Administrator administers claims and appeals for Prescription Drug Benefits under the Company Self-Funded Option(s) on a contract basis with CVS Caremark Inc. The Plan Administrator has discretionary authority to interpret the provisions of the Company Self-Funded Option(s) and to determine entitlement to Prescription Drug Benefits.

*Eligibility and Enrollment Vendor*

The Plan Administrator administers enrollment, eligibility, monthly contributions and COBRA under the Program provisions, including the determination of initial Claims for Eligibility, on a contract basis with Aon Hewitt (AT&T Benefits Center). The AT&T Eligibility and Enrollment Appeals Committee (EEAC) determines final Appeals from the denial of a Claim for Eligibility. The EEAC has full discretionary authority to interpret the provisions of the Program and to determine eligibility for Program Benefits and monthly contribution amounts.

*Note: Contact information for the above Benefits Administrators and the Eligibility and Enrollment Vendor is located in the "Contact Information" section.*

## **WHAT HAPPENS WHEN BENEFITS ADMINISTRATORS CHANGE**

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Certain administrative procedures and medical policies may change when a Benefits Administrator for the Company Self-Funded Option changes. If a new Benefits Administrator denies coverage for a Service that was determined to be eligible for coverage under the Company Self-Funded Option by the former Benefits Administrator, unless the decision by the prior Benefits Administrator is determined to have been a mistake, the Company Self-Funded Option will cover such Service for such Covered Person for a period of 12 months from the date the new Benefits Administrator assumed its responsibilities. However, this is the case only as long as the facts applicable to the Covered Person or relevant Program provisions have not materially changed since the prior Benefits Administrator made its determination. For purposes of this provision, *materially changed* means a change in the Service or supply, or terms of the Company Self-Funded Option such that the new Benefits Administrator determines, in its sole discretion, that as a result of the change, the Service would not be covered under the Company Self-Funded Option.

If you believe you have been denied coverage for a Service by a new Benefits Administrator that was approved by the prior Benefits Administrator and there has not been a material change as described above, contact the new Benefits Administrator and let them know that you may have a situation that is covered by this transition provision and ask them to please review your Claim accordingly.

## RIGHT OF RECOVERY AND SUBROGATION

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### KEY POINTS

- *In this section, the term “you” includes your covered family members or dependents and also includes any trust or special needs trust established to receive monies recovered on account of your Injury.*
- *The Program will pay Benefits for you, but will have the right to recover those Benefit payments from the party who caused the Injury or from an insurance policy.*
- *You have an obligation to cooperate with the Program’s exercise of its rights under this section.*
- *If the Program pays Benefits that should have been paid by another or pays excessive Benefits, the Program will have a right to recover the excess payment.*

This section applies if you or your covered family members are injured, suffer an illness or are disabled as a result of the negligent or wrongful act or omission of another.

### Summary of the Program’s Right of Recovery

If you recover any amount for your Injury, illness or disability by way of a settlement or a judgment in or out of a court of law, the Program must be reimbursed out of the recovery for the amounts paid by the Program, up to the full amount you have recovered, without any reduction for legal fees or costs and without regard to whether you have been made whole by the recovery. The Program’s right of reimbursement shall have the status of an equitable lien against your recovery.

It is the intent of this Program that you should recover only one payment for any cost that is covered under the Program. If you suffer an Injury, illness or disability for which another may be responsible or may have a financial or insurance obligation, the Program will be reimbursed from any recovery you may obtain, to the extent of the Benefits paid by the Program. For example, if you are injured by another person and obtain a recovery from the other person’s insurance or from your own uninsured or underinsured motorist coverage, then you must reimburse the Program for the medical expenses the Program paid for that Injury.

Under this section, the term “recovery” means any and all sums of money and/or any promise to pay money in the future, received by you from the person who caused the Injury or illness, or from any other source (such as your or their other insurance coverage, uninsured, underinsured, homeowners or umbrella insurance policies). Recovery includes payments no matter how characterized, including but not limited to sums paid or promised as compensation for actual medical expenses, pain and suffering, aggravation, wrongful death, loss of consortium, punitive or exemplary damages, attorneys’ fees, costs, expenses or any other compensatory damages. “Recovery” may be obtained by way of judgment, settlement, arbitration, mediation or otherwise. The Program shall have an equitable lien on any recovery, and the Program’s right to recovery shall not be reduced, even if you receive less in recovery than the full amount of damages claimed or suffered by you, unless the Program agrees to a reduction. The amount of money to be recovered by the Program shall not be reduced by any legal fees or costs that you incur in connection with obtaining a recovery unless the Program agrees to such reduction.

If you decline to pursue a recovery, the Program is “subrogated” to your rights and shall succeed to all rights of recovery from any or all third parties, under any legal theory of any type, for

100 percent of any Services and Benefits the Plan pays on your behalf relating to any Illness, Injury or disability caused by any third party. This means the Program can step into your shoes and possess your right to pursue a recovery to the extent of the Benefits paid (and to be paid) for the Injury. The Program has the option to bring suit against or otherwise make a claim to collect directly from the person or entity that may be responsible for the Injury or Illness, with or without your consent. If the Program exercises this option, you must cooperate in pursuing such recovery, including assisting the Program's attorneys in preparing or pursuing the case, including attendance at hearings, depositions and trial. In the event the Program obtains any recovery, the Program will apply the monies received first to the Program as reimbursement for Benefits, second to the Program or its attorneys for costs, expenses and attorneys' fees incurred in connection with the recovery, and third, any remaining balances to you. The Plan Administrator, however, may, in its sole discretion, apportion the recovery in some other manner if it chooses to do so.

You are required to cooperate fully with the Program, the Benefits Administrator or their agents in the exercise of these rights of subrogation and recovery, including:

- You must sign all necessary forms requested by the Program or the Benefits Administrator, including, without limitation, an acknowledgement of the Program's rights to reimbursement or subrogation and an assignment of your Claims or causes of action against the other party.
- You must provide the Program or the Benefits Administrator with all reasonably necessary information as requested.
- You may not take any action after your Illness, Injury or disability that could prejudice the Program's rights as described in this section, or the Program's ability to obtain reimbursement or subrogation.
- You must promptly notify the Program of any recovery obtained from the responsible person or entity, or their or your insurer, whether by judgment, settlement, arbitration or otherwise.

### **Right of Recovery of Overpayments**

The Program or the Benefits Administrator may pay Benefits that should have been paid by another plan or program, organization or person, or may pay Benefits in excess of what should have been paid under this Program. In such event, the Program may recover the excess amount from the other plan, organization or person, or from you, including by reducing future Benefits otherwise payable under this Program, if necessary.

## **ERISA RIGHTS OF PARTICIPANTS AND BENEFICIARIES**

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### **KEY POINTS**

- *ERISA is a federal law that provides certain rights and protections to all participants.*
- *The persons who are responsible for the operation of the Plan have a duty to act prudently and in the interest of the Plan and their beneficiaries.*
- *No one may fire or discriminate against you for exercising your rights under ERISA.*

## Your ERISA Rights

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all participants are entitled to:

- Receive information about your Plan and Benefits.
- Examine, without charge, at the Plan Administrator's office and at other specified locations such as worksites and union halls, all documents governing the Plan, including collective bargaining agreements, insurance contracts and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the EBSA.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated SPD. The Plan Administrator may make a reasonable charge for the copies. Your written request must be directed to:

AT&T Services, Inc.  
Attn: Plan Documents  
P.O. Box 132160  
Dallas, TX 75313-2160

- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report (SAR).
- Continue group health plan coverage in certain situations.

You may have the right to continue health care coverage for yourself, Spouse/Partner or dependents if there is a loss of coverage under the Plan as a result of a Qualifying Event (see the "Extension of Coverage – COBRA" section). You, your Spouse/Partner or your covered dependents may have to pay for such coverage. Review this SPD and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.

- Reduction or elimination of exclusionary periods of coverage for pre-existing conditions under the Plan.

If you had creditable coverage from another group health plan or health insurance issuer before you became a participant in this Plan, you should be provided a certificate of creditable coverage, free of charge, from the other plan when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage or when your COBRA continuation coverage ceases, if you request it before losing coverage or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a pre-existing condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage under this Plan.

## Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants

and beneficiaries. No one, including the Company, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

## Enforce Your Rights

If your Claim for Benefits under the Plan is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a Claim for Benefits that is denied or ignored, in whole or in part, and you have exhausted all applicable administrative remedies under the Plan, you may file suit in state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your Claim is frivolous.

## Assistance With Your Questions

If you have questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## OTHER PROGRAM INFORMATION

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### KEY POINTS

- *This section describes various laws that may impact your right to Program Benefits.*
- *Some laws provide specific Program eligibility rights.*
- *Other laws provide specific Program coverage rights, such as coverage for mastectomy, childbirth and Mental Health/Substance Abuse Services.*
- *Certain laws protect the privacy and security of your protected health information.*

## **Mental Health Parity and Addiction Equity Act**

The Mental Health Parity and Addiction Equity Act (MHPAEA) is a federal law that requires a group health benefits plan to provide parity between Mental Health/Substance Abuse (MH/SA) benefits and medical and surgical benefits.

Wherever the Program provides MH/SA Services, coverage will generally be provided to the same extent as medical and surgical Services. This means the Program:

- May not apply more restrictive financial or treatment limitations on Benefits for MH/SA Services when compared to Benefits for medical and surgical Services.
- May not apply more restrictive annual or lifetime maximum dollar limits on MH/SA Services than are applied to medical and surgical Services.
- Must cover Non-Network Benefits for MH/SA Services to the same extent as Non-Network Benefits for medical and surgical Services.

However, the Program may apply cost-containment methods as long as those methods are consistent with parity requirements under federal law. Common cost-containment methods for MH/SA Services may include the following:

- Cost sharing: Co-payments, Coinsurance and Annual Deductibles
- Limitations on the number of office visits or inpatient/outpatient days
- The terms and conditions of the amount, duration or scope of Benefits

Federal guidelines for MH/SA Services as required under the MHPAEA are continually evolving, however, the Program and its Benefits Administrators are making a good faith effort to comply with current guidelines as we understand them.

If you have any questions with respect to MHPAEA or MH/SA Services, please see the applicable *Benefits Administrator* table in the "Contact Information" section for contact information.

## **Patient Protection and Affordable Care Act**

The Patient Protection and Affordable Care Act (PPACA), as amended, is a federal law intended to extend health care benefits and coverage to most Americans by 2014.

The PPACA, sometimes referred to as Health Care Reform or the Affordable Care Act (ACA), imposes new mandates on both insurers and employers who provide group health benefits to their employees and their dependents. These mandates have been gradually phased in since 2010, will continue to evolve through 2018 and include the following:

- Coverage of adult children up to age 26
- Coverage of certain preventive health services
- External review of adverse Claim for Eligibility determinations relating to rescission and Claims for Benefits involving medical judgment
- Enhanced benefits communication materials
- Regulation of annual limits on essential benefits and prohibition of pre-existing condition requirements for certain participants

- Provision of certain coverage to participants in clinical trials
- A prohibition on the use of health factors, medical condition or history, Claim experience, genetic information, disability or evidence of insurability in eligibility rules

Federal guidelines for certain health care benefits and coverage as required under the PPACA are continually evolving, however, the Program and its Benefits Administrators are making a good faith effort to comply with current guidelines as we understand them.

If you have any questions with respect to PPACA or mandated health care benefits and coverage, please see the applicable *Benefits Administrator* table in the “Contact Information” section for contact information.

## Qualified Medical Child Support Orders

The Program extends Benefits to an Employee's noncustodial Child, as required by a Qualified Medical Child Support Order (QMCSO). A QMCSO is a court or agency order that does both of the following:

- Meets all applicable legal requirements for qualification.
- Creates, recognizes or assigns to a Child of an Employee (alternative recipient) the right to receive health benefit coverage under the Program.

An alternative recipient is any Child of a participant who is recognized by a medical child support order as having a right to enrollment under a participant's program for group health benefits.

A medical child support order has to satisfy certain specific conditions to be qualified. The Eligibility and Enrollment Vendor will notify you if the Company receives a medical child support order that applies to you and will provide you a copy of the Program's procedures used for determining whether the medical child support order is qualified. A medical child support order will generally not be considered to be qualified if it requires the Program to provide certain benefits or options that are not otherwise provided by the Program. Participants and beneficiaries can obtain, free of charge, a copy of such procedures from the Eligibility and Enrollment Vendor.

If the Eligibility and Enrollment Vendor determines the order to be qualified, your Child named in the order will be eligible for coverage as required by the order. You must then enroll the Child in the Program and pay any applicable contributions for coverage of the Child. If a QMCSO is issued for your Child and you are eligible but not participating in the Program at that time, you must enroll yourself and your Child in the Program and pay any applicable contributions.

Federal guidelines for medical child support orders as required under ERISA are continually evolving, however, the Program and its Eligibility and Enrollment Vendor are making a good faith effort to comply with current guidelines as we understand them.

If you have any questions with respect to a QMCSO, please see the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

## Your Conversion Rights

Conversion to an individual coverage policy may be available to you and your Eligible Dependents whose coverage under the Program ends. Coverage under the Program ends when either of the following occurs:

- Your coverage ends due to a termination of employment.
- Your coverage under the Program ends at the end of the maximum COBRA continuation coverage period of 18 or 36 months, as applicable to your specific situation.

You and your Eligible Dependent(s) must have been enrolled in the Program for a minimum of three months to be eligible for conversion coverage.

There are important differences between conversion coverage and coverage under the Program including the cost, coverage and benefits offered under a conversion policy. Conversion coverage is subject to the terms and conditions in effect at the time you apply. Premium Rates are often the same as individual policy rates and often significantly greater than group policy rates.

There is no physical examination requirement for conversion coverage.

You must apply for and pay the premium amount for conversion coverage within 31 days of the end of your coverage under the Program. If you fail to meet the 31-day deadline, you may lose your right to conversion coverage. Please note: you are responsible for any conversion fee associated with your conversion coverage.

Conversion coverage may not be available in all states. If conversion coverage is not available to you and your Eligible Dependents, you may be eligible for state-sponsored "risk pool" coverage.

To determine the availability of conversion coverage under the Program, contact your medical Benefits Administrator. See the *Benefits Administrator* table in the "Contact Information" section for contact information.

## IMPORTANT NOTICES ABOUT YOUR BENEFITS

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### Genetic Information Nondiscrimination Act (GINA)

The Genetic Information Nondiscrimination Act (GINA) is a federal law prohibiting discrimination against an Employee, dependent or Spouse on the basis of an individual's genetic information. Genetic information is defined as information about an individual's genetics based on genetic tests of an individual's family members or information about the manifestation of a disease or disorder within an individual's family. Genetic information includes any request for or receipt of genetic services (including genetic testing, counseling or education), or participation in clinical research that includes such services, by the individual or family member.

Federal guidelines related to GINA are constantly evolving, however, the Program is making a good faith effort to comply with current guidelines as we understand them.

If you have any questions with respect to the use of your genetic information or GINA, please see the *Benefits Administrator* table in the "Contact Information" section for contact information.

## Women's Health and Cancer Rights Act of 1998 (WHCRA)

An individual who is receiving mastectomy-related Benefits under this Program and who elects breast reconstruction in connection with the mastectomy will receive coverage for reconstruction of the breast on which the mastectomy was performed, surgery and reconstruction of the other breast to give a symmetrical appearance, any needed prostheses and coverage for treatment of physical complications of all stages of the mastectomy, including lymphedema. This coverage is subject to any annual deductible, co-payment or coinsurance percentage levels applicable to other medical and surgical Benefits provided under the Program.

If you have any questions with respect to WHCRA or mastectomy-related Benefits, please see the *Benefits Administrator* table in the "Contact Information" section for contact information.

## The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)

### *Medicaid and the Children's Health Insurance Program (CHIP) Offer Free or Low-Cost Health Coverage to Children and Families*

If you are eligible for health coverage under the Program, but are unable to afford the premiums, some states have premium-assistance programs that can help pay for coverage. These states use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

- If you or your dependents are already enrolled in Medicaid or CHIP and you live in a state that participates in CHIP, you can contact your state Medicaid or CHIP office to find out if premium assistance is available.
- If you or your dependents are **not** currently enrolled in Medicaid or CHIP and you think you or any of your dependents might be eligible for either of these programs, you can contact your state Medicaid or CHIP office or dial **877-KIDS NOW (877-543-7669)** or **insurekidsnow.gov** to find out how to apply.
- If you qualify, you can ask the state if it has a Medicaid or CHIP program that might help you pay the contributions for health coverage under the Program.
- If you or your dependents are not eligible for Medicaid or CHIP, you will not be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit **www.healthcare.gov**.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, the Program is required to permit you and your dependents to enroll in the Program — as long as you and your dependents are eligible, but not already enrolled in the Program. This is called a "special enrollment" opportunity in the Program, but you must request coverage within 60 days of being determined eligible for premium assistance.

Alternatively, if you and your dependents are eligible, but not enrolled in the Program, and you lose your eligibility for premium assistance under Medicaid or CHIP, you are entitled to a "special enrollment" opportunity in the Program, but you must request coverage within 60 days of losing eligibility for premium assistance.

Federal guidelines related to premium assistance are constantly evolving; however, the Program is making a good faith effort to comply with current guidelines as we understand them.

If you have any questions with respect to premium assistance, please see the *Eligibility and Enrollment Vendor* table in the “Contact Information” section for contact information.

For information on which states have a premium assistance program or for more information on special enrollment rights, you can contact either:

U.S. Department of Labor Employee Benefits Security Administration <b>dol.gov/ebsa</b> <b>866-444-EBSA (866-444-3272)</b>	U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services <b>cms.hhs.gov</b> <b>877-267-2323 (choose option 4), ext. 61565</b>
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## HIPAA Privacy Rights

The privacy provisions of the Health Insurance Portability and Accountability Act (HIPAA) went into effect April 14, 2003, and require that we send you updated notices regarding the privacy of your health information. You have received a summary of those rights from the Plan. If you are an Active Employee, you may also view or print a copy of this notice through the Benefits section of **OneStop** (from work). If you are a former Employee or an Active Employee, you may view or print a copy of this notice through the AT&T secure Internet site at **access.att.com** (from home). See the “Information Changes and Other Common Resources” section for information.

## Protecting the Privacy of Your Protected Health Information – Notice of HIPAA Privacy Rights

HIPAA provides you with certain rights in connection with the privacy of your health information. The Program will not use or disclose your protected health information (PHI) for purposes other than treatment, payment or Program administrative functions without your written authorization as required by federal law. The Program routinely discloses PHI to insurance companies, Benefits Administrators and other contracted health operations services such as those who verify Benefits or conduct audits. All PHI used, requested or disclosed is limited to the minimum amount necessary to accomplish the intended purpose of the Program and its administration.

You have the right to inspect and copy, request amendment or correction, restrict the use or disclosure and request an accounting of the uses and disclosures of your PHI. The Plan maintains a Notice of Privacy Practices that provides information to individuals whose PHI will be used or maintained by the Plan.

You may request a free copy of this information at any time upon request by contacting the Benefits Administrator as identified in the “Contact Information” section.

You may also view or print a copy of this Notice through the Benefits section of **OneStop** (from work) or the AT&T secure Internet site at **access.att.com** (from home).

## Newborns’ and Mothers’ Health Protection Act

To the extent this Program provides Benefits for Hospital lengths of stay in connection with childbirth, the Program will cover the minimum length of stay required for deliveries (i.e., a 48-hour Hospital stay after a vaginal delivery or a 96-hour stay following a delivery by cesarean section). The mother’s or newborn’s attending physician, after consulting with the mother, may discharge the mother or her newborn earlier than the minimum length of stay otherwise required by federal law. No Provider authorization is required from the Program or any Benefits

Administrator for prescribing a length of stay less than 48 or 96 hours. This coverage is subject to any applicable annual deductible, co-payment or coinsurance percentage levels.

Federal guidelines for minimum Hospital stays related to childbirth as required under Newborns’ and Mothers’ Health Protection Act (NMHPA) are continually evolving, however, the Program and its Benefits Administrators are making a good faith effort to comply with current guidelines as we understand them.

If you have any questions with respect to NMHPA or Hospital stays related to childbirth, please see the *Benefits Administrator* table in the “Contact Information” section for contact information.

## CONTACT INFORMATION

Contact Information	
<b>Benefits Administrator</b>	
Name	UnitedHealthcare
Type	Medical
Services Provided	Medical Benefits Administration
<b>Benefits Administrator Contact Numbers</b>	
Contact Numbers Information	To reach a Customer Care Professional
Domestic Telephone Number	<b>877-506-7221</b>
International Telephone Number	<b>866-802-8572</b>
Hearing Impaired Telephone Number	<b>877-218-7138</b>
<b>Benefits Administrator Hours of Operation</b>	
Hours of Operation	<p><b>Service Center:</b> The customer service center is available Monday through Friday from 7 a.m. to 7 p.m. Central time, except some holidays. For medical services requiring Notification or Preauthorization, the customer service center is available Monday through Friday from 8 a.m. to 5 p.m. Central time, except some holidays.</p> <p><b>Interactive voice response (IVR) system:</b> The IVR and Optum NurseLine are available 24 hours a day, seven days a week.</p>
<b>Benefits Administrator Website</b>	
Website Access Information	<b>IMPORTANT:</b> When you access the website for the first time, you will be asked to register. To register, log in using the subscriber and group numbers printed on your ID card. Select a username and password, and you will have immediate access to the website.
Website	<b>myuhc.com</b>

<b>Contact Information</b>	
<b>Benefits Administrator Mailing Address</b>	
<b>General Mailing Address</b>	
Domestic	UnitedHealthcare P.O. Box 30557 Salt Lake City, UT 84130-0557
International	UnitedHealthcare P.O. Box 30557 Salt Lake City, UT 84130-0557
<b>Claims</b>	
Claims Regular	UnitedHealthcare P.O. Box 30557 Salt Lake City, UT 84130-0557
Claims Overnight	UnitedHealthcare P.O. Box 30557 Salt Lake City, UT 84130-0557
Claims International	UnitedHealthcare International Claims P.O. Box 740817 Atlanta, GA 30374
<b>Appeals</b>	
Appeals Regular	UnitedHealthcare Attn: Appeals P.O. Box 740816 Atlanta, GA 30374-0816
Appeals Overnight	UnitedHealthcare Attn: Appeals P.O. Box 740816 Atlanta, GA 30374-0816
Appeals International	UnitedHealthcare Attn: Appeals P.O. Box 740816 Atlanta, GA 30374-0816
<b>Benefits Administrator Fax Number</b>	
Domestic	<b>801-567-5498</b>
International	<b>801-567-5498</b>

<b>Contact Information</b>	
<b>Benefits Administrator</b>	
Name	CVS/caremark Inc.
Type	Prescription Drugs
Services Provided	Prescription Drug Benefits Administrator
<b>Benefits Administrator Contact Numbers</b>	
Contact Numbers Information	To reach a service associate or access the interactive voice response (IVR) system
Domestic Telephone Number	<b>800-378-8851</b>
Hearing Impaired Telephone Number	<b>800-231-4403</b>
<b>Benefits Administrator Hours of Operation</b>	
Hours of Operation	<p><b>Service Center:</b> Monday through Friday from 7 a.m. to 11 p.m. and Saturday from 7 a.m. to 5 p.m. Central time, except some holidays.</p> <p><b>Interactive voice response (IVR) system:</b> The IVR is available 24 hours a day, seven days a week.</p>
<b>Benefits Administrator Website</b>	
Website Access Information	<p><b>IMPORTANT:</b> To access the member website, you must be a registered user and will need your username and password. If you're not registered, select Not Registered and follow the instructions listed. The group code is ATTRX.</p> <p>To access the IVR or to speak to a service associate, you will need the CVS Caremark ID or Social Security number of the primary member.</p>
Website	<b>caremark.com</b>
<b>Benefits Administrator Mailing Address</b>	
<b>General Mailing Address</b>	
Domestic	<p>CVS/caremark Inc.  Attn: Research Team  P.O. Box 6590  Lee's Summit, MO 64064-6590</p>
<b>Claims</b>	
Claims Information	Claim forms and/or mail-service order forms are available via the website or by phone.
Claims Regular	<p>CVS/caremark Inc.  Attn: Claims Department  P.O. Box 52196  Phoenix, AZ 85072-2196</p>

<b>Contact Information</b>	
<b>Appeals</b>	
Appeals Regular	CVS/caremark Inc. Appeals Department/AT&T MC109 P.O. Box 52084 Phoenix, AZ 85072-2084
<b>Benefits Administrator Fax Number</b>	
Domestic	<b>866-689-3092</b>

<b>Contact Information</b>	
<b>Benefits Administrator</b>	
Name	Beacon Health Options
Type	Mental Health/Substance Abuse (MH/SA)
Services Provided	Mental Health/Substance Abuse (MH/SA) Benefits Administration
<b>Benefits Administrator Contact Numbers</b>	
Contact Numbers Information	To reach a Care Manager
Domestic Telephone Number	<b>800-554-6701</b>
<b>Benefits Administrator Hours of Operation</b>	
Hours of Operation	<b>Interactive voice response (IVR) system:</b> The IVR is available 24 hours a day, seven days a week.
<b>Benefits Administrator Website</b>	
Website Access Information	<b>achievesolutions.net/att</b>
Website	<b>achievesolutions.net/att</b>
<b>Benefits Administrator Mailing Address</b>	
<b>General Mailing Address</b>	
Domestic	Beacon Health Options P.O. Box 1860 Latham, NY 12110
<b>Claims</b>	
Claims Regular	Beacon Health Options P.O. Box 1860 Latham, NY 12110

<b>Contact Information</b>	
<b>Appeals</b>	
Appeals Regular	<p><b>Appeals Regular (Administrative Appeals)</b>            Beacon Health Options (AT&amp;T Appeals)            P.O. Box 1860            Latham, NY 12110</p> <p><b>Clinical (Medical Necessity) Appeals</b>            Beacon Health Options (AT&amp;T Appeals)            P.O. Box 1860            Latham, NY 12110</p>
<b>Benefits Administrator Fax Number</b>	
Domestic	<b>877-826-8584</b>

<b>Contact Information</b>	
<b>Vendor</b>	
Name	AT&T Benefits Center
Type	Eligibility and Enrollment Vendor
Services Provided	Responsible for eligibility, enrollment, contributions, billing and COBRA processing
<b>Vendor Contact Numbers</b>	
Domestic Telephone Number	<b>877-722-0020</b>
International Telephone Number	<b>847-883-0866</b>
<b>Vendor Hours of Operation</b>	
Hours of Operation	<p><b>Service Center:</b> Monday through Friday from 7 a.m. to 7 p.m. Central time</p> <p><b>Interactive voice response (IVR) system:</b> An IVR is available 24 hours a day (except Sunday from 1 a.m. to noon Central time and periodically during the week for one hour between midnight and 5 a.m. for maintenance and updates).</p>
<b>Vendor Website</b>	
Website Access Information	To access the website, you will need your AT&T Benefits Center user ID and password. To access the AT&T Benefits Center via the telephone, you will need to provide the last four digits of your Social Security number, your date of birth and your AT&T Benefits Center password.
Website	<b><a href="http://www.att.com/benefitscenter">www.att.com/benefitscenter</a></b>

<b>Contact Information</b>	
<b>Vendor Mailing Address</b>	
<b>General Mailing Address</b>	
Mailing Address Information	AT&T Benefits Center 4 Overlook Point P.O. Box 1474 Lincolnshire, IL 60069-1474
<b>Claims</b>	
Claims Regular	AT&T Benefits Center Benefits Determination Review Team P.O. Box 1407 Lincolnshire, IL 60069-1407
<b>Appeals</b>	
Appeals Regular	AT&T Benefits Center Eligibility and Enrollment Appeals Committee P.O. Box 1407 Lincolnshire, IL 60069-1407
<b>Vendor Fax Number</b>	
Domestic	<b>847-883-8217</b> for general information <b>847-554-1397</b> for Claims and Appeals only

<b>Contact Information</b>	
<b>Benefits Administrator</b>	
Name	Fidelity Service Center
Type	Pension Service Center
Services Provided	Term of Employment (also known as Net Credited Service), Death and Survivor Benefits Administration
<b>Benefits Administrator Contact Numbers</b>	
Contact Numbers Information	Applies to all Employees and Eligible Former Employees
Domestic Telephone Number	<b>800-416-2363</b>
International Telephone Number	Dial your country's toll-free AT&T Direct Access Number, then enter <b>800-416-2363</b> .
Hearing Impaired Telephone Number	<b>888-343-0860</b>

Contact Information	
<b>Benefits Administrator Hours of Operation</b>	
Hours of Operation	<p><b>Service Center:</b> Monday through Friday from 7:30 a.m. to 11 p.m. Central time.</p> <p><b>Interactive voice response (IVR) system:</b> The IVR is available 24 hours a day, seven days a week.</p>
<b>Benefits Administrator Website</b>	
Website Access Information	<p><b>IMPORTANT:</b> Call the Fidelity Service Center to report the death of an Employee, an Eligible Former Employee and/or an Eligible Dependent. You do not need a Fidelity Service Center PIN or Social Security number/customer ID to report a death.</p>
Website	<b>netbenefits.com/att</b>
<b>Benefits Administrator Mailing Address</b>	
<b>General Mailing Address</b>	
Domestic	<p>Fidelity Service Center  P.O. Box 770003  Cincinnati, OH 45277-0065</p>

## INFORMATION CHANGES AND OTHER COMMON RESOURCES

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It's important to keep your work and home addresses current because the majority of your benefits, payroll or similar information is sent to them. In addition, your home address determines the Fully-Insured Managed Care Options available in your area. In certain cases your home ZIP code is used to determine your level of coverage. Please include any room, cubicle, apartment or suite number that will help make mail routing more efficient. Keep in mind that your home address could affect certain Benefits such as whether you reside in a Network Area or what Fully-Insured Managed Care Options are available.

## Active Employee Address and Telephone Number Changes

### For Employees with access to the Employee intranet:

#### Home and work address updates:

- Go to the OneStop website (**onestop.att.com**) and select eLink (eCORP) under Tools & Resources.
- Enter your AT&T user ID and password for the AT&T Global Logon. (If you do not know your password, please follow the instructions on the screen.)
- Once logged on, click OK.
- On the eCORP home page, click on "Employee Services."  
*Note: Please be sure the far right-hand scroll bar is all the way to the top.*
- Select Overview.
- To update your home address, select "Edit" at the top of the Permanent Residence box, make any necessary changes and click Save.
- To update your work address, select "Edit" at the top of the Work Location box, make any necessary changes and click Save.

### For Employees without access to the Employee intranet:

Contact your supervisor or eLink assistant

## Employees on a Leave of Absence or Eligible Former Employee Home Address Changes

Call the Fidelity Service Center to change your address or phone number.

#### Telephone numbers and dialing instructions:

**800-416-2363**

**888-343-0860** (hearing-impaired)

Dial your country's toll-free AT&T Direct Access Number and then enter **800-416-2363** (international)

#### Hours of operation:

Monday through Friday from 7:30 a.m. to 11 p.m. Central Time

You will need to establish a user name and password, if you haven't already, and you will need it when you call to speak to a service associate.

**IMPORTANT:** These instructions are for recipients of long-term disability benefits, Employees on a leave of absence (LOA), as well as COBRA participants, alternate payees and survivors who have a pension benefit (including a retiree death benefit) or savings plan benefit that has yet to be paid to you.

If you are not eligible to receive a pension or savings plan benefit or have already received your entire pension and savings plan benefits in a lump sum and are not eligible for a retiree death benefit from your pension plan, call the AT&T Benefits Center at **877-722-0020** to update your home address.

AT&T Benefits Intranet and Internet Access
<p><b>Your Health Matters section of OneStop (Active Employees only)</b></p> <p>Go to the Your Health Matters section of <b>OneStop</b> at <b>onestop.att.com</b>.</p>
<p><b>Your Health Matters section of access.att.com (Active Employees from home)</b></p> <p>Go to the Your Health Matters section of <b>access.att.com</b> (AT&amp;T's secure Internet site) for benefits information at home.</p>

## DEFINITIONS

**Active Employee.** An Employee who is on a Participating Company's active payroll, regardless of whether such Employee is currently receiving pay.

**Actively at Work.** A time when an Employee is actually working for the Company on a regular basis at the Employee's customary place of employment, receiving short-term disability benefits under a Company-sponsored disability plan, or is on a leave of absence (LOA) that provides for continued coverage, but only for the period of continued coverage while on the LOA.

**Admission.** The period of time between an entry as a registered bed-patient into a Hospital or Skilled Nursing Facility and the time the patient leaves or is discharged from the Hospital or Skilled Nursing Facility.

**Adverse Benefit Determination.** A denial, reduction or termination of, or a failure to provide or make payment (in whole or in part) for a Program Benefit, including any such denial, reduction, termination of, or failure to provide or make a payment that is based on a determination of a Covered Person's eligibility to participate in the Program.

**Age and Service Based Eligibility.** Eligibility for post-employment coverage determined based on a combination of age and Term of Employment at the time you terminate employment. See the "Eligible Former Employees" section for information on the requirements for age and service based Post-Employment Benefit eligibility.

**Allowable Amount or Allowable Charge.** The dollar amount which is the basis on which Benefits for Eligible Expenses are calculated as determined by the applicable Benefits Administrator for a Covered Health Service. The Program will not pay Benefits toward any amount above the Allowable Charge for a Covered Health Service. See the "Allowable Charges for Eligible Expenses" section for additional information.

**Alternate Care.** Care provided under the terms of an Alternate Care Plan developed by the Benefits Administrator in lieu of or to avoid a potentially more costly alternative. Alternate Care does not extend or create coverage for Services that are otherwise specifically excluded. See the "Alternate Care" subsection of the "What Is Covered" section for additional information.

**Alternate Care Plan.** A Course of Treatment developed by a Benefits Administrator that meets the definition of Alternate Care. See the "What Is Covered" section for more information.

**Alternative Facility.** A health care facility that is not a Hospital and that provides Covered Health Services on an outpatient basis, as permitted by law. The facility must be duly licensed by the appropriate state and local authority to provide such Services.

**Ambulance Services.** A transportation vehicle (air or ground) designed and equipped to be capable of transporting individuals with Emergency Medical Conditions. The vehicle must comply with state or local laws governing the licensing and certification of an emergency medical transportation vehicle.

**Ambulatory Surgical Center.** A permanent facility, other than the private office of a Physician that meets all of the following criteria:

- The facility is recognized by an accrediting organization, such as the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), American Association of Ambulatory Health Care (AAAH) or by the Health Care Financing Administration (HCFA) under Title XVIII of the Social Security Act.
- The facility is established and operated to provide an environment for the performance of minor surgical procedures on an outpatient basis and has equipment and supplies not normally found in the office of a Physician, including supplies of blood, drugs and equipment adequate for the surgeries performed and for emergencies that may occur in connection with such surgeries.
- The facility maintains appropriate equipment including fully equipped operating rooms, monitoring equipment and post-anesthesia recovery rooms. Furthermore, the facility maintains an appropriately organized medical staff including supervisory Physicians, anesthesiologists and registered graduate nurses trained in operating room and recovery room techniques.
- The facility has a written agreement with at least one licensed acute care general Hospital within a reasonable distance providing for the immediate transfer and acceptance of patients requiring post-operative Hospital confinement (such agreement will provide for the transmittal of complete patient information at the time of transfer and the Hospital will have the right to review care rendered in the Ambulatory Surgical Center).
- Each patient is admitted by authority of the medical staff of the facility and supervised by a member of that staff. Complete medical records are maintained for each patient and will include admitting diagnosis, physical examination report, medical history, laboratory and X-ray reports, operative reports, anesthesia record and discharge summary. The facility, furthermore, has an active utilization review program.

Members of the medical staff of the facility are also members of the medical staff of an acute care general Hospital in the community.

**Annual Deductible.** The amount of money you must first pay out of pocket each calendar year for Covered Health Services before the Program begins to pay Benefits that are subject to a Deductible. See the "Cost Sharing" subsection of the "Medical Benefits" and "Prescription Drug Coverage" sections for information.

**Annual Enrollment.** The period specified by the Company during which Eligible Employees, Eligible Former Employees and COBRA participants may make changes to their coverage (including coverage options and enrolled dependents) under the Program. See the "Annual Enrollment" section for additional information.

**Annual Maximum.** The maximum dollar amount the Program will reimburse in a calendar year for certain nonessential health Benefits.

**Annual Out-of-Pocket Maximum.** The maximum amount of the Allowable Charges for Eligible Expenses that you will pay out of pocket for Covered Health Services each calendar year that account toward the applicable Annual Out-of-Pocket Maximum. See the “Cost Sharing” subsection of the “Medical Benefits” and “Prescription Drug Coverage” sections for information.

**Appeal.** A written request for the review of an Adverse Benefit Determination or a denial of a Claim for Eligibility under the formal process outlined in the Program for a Claim for Eligibility or Claim for Benefits, as applicable. See the “Claims Procedure” section for more information.

**Applicable Premium Rate.** The premium charged for a specified level of coverage such as “Individual” or “Family” for coverage under a Fully-Insured Managed Care Option.

**AT&T Controlled Group.** AT&T Controlled Group includes any of the following:

- Corporation that is a member of a controlled group of corporations within the meaning of section 414(b) of the Code of which the Company is a member.
- Trade or business (whether or not incorporated) that the Company is under common control (as defined in section 414(c) of the Code).
- Organization (whether or not incorporated) that is a member of an affiliated service group (as defined by section 414(m) of the Code) that includes the Company.
- Other entity required to be aggregated with the Company and treated as a single employer under section 414(o) of the Code.

**AT&T Controlled Group Member.** Each entity in the AT&T Controlled Group.

**AT&T Inc.** AT&T Inc. or its successor. Sometimes referred to as “Company.”

**Bargained Employee.** Either: (1) an Employee whose job title and classification is included in a collective bargaining agreement between a Participating Company and a union, or (2) an Employee whose job title and classification have been excluded from a collective bargaining agreement but for whom the Company provides the same Benefits provided to Employees included in a collective bargaining agreement between the union and the Participating Company.

**Benefit Maximum.** See the “Benefits at a Glance” and “What Is Covered” sections for Benefit information, including any Benefit Maximums and other Benefit limitations.

**Benefits.** Payments for Covered Health Services that are available under the Program. The availability of Benefits is subject to the terms, conditions, limitations and exclusions of the Program.

**Benefits Administrator.** Any third party, insurance company or other organization or individual to which the Company or the Plan Administrator has delegated the duty to process and/or review Claims for Benefits under the Program.

**Brand-Name Drug.** Medication sold by a pharmaceutical company under a trademark-protected name. Brand-name medications can only be produced and sold by the company that holds the patent for the drug.

**Calculation Year.** The calendar year immediately preceding the Plan Year the Program Premium Equivalent Rate will be in effect.

**Change-in-Status Event.** Certain life events such as marriage, birth of a Child, loss of benefits under another employer's medical plan, or going on an LOA that under the terms of the Program trigger the ability to change your enrollment under the Program. See the "Enrollment and Changes to Your Coverage" section for information.

**Child(ren).** See the "Eligible Dependents" section for the definition of Child(ren).

**Claim.** A Claim for Benefits or a Claim for Eligibility.

**Claim for Benefits.** A request for Benefits from the Plan that is made by the claimant or their representative in accordance with the Plan's established procedures for filing a Claim for Benefits and includes both Pre-Service and Post-Service Claims.

**Claim for Eligibility.** A written request for eligibility or enrollment sent to the address specified by the Eligibility and Enrollment Vendor following a denial of enrollment that has not been resolved informally.

**Claims Administrator.** See the definition of Benefits Administrator.

**COBRA.** The Consolidated Omnibus Budget Reconciliation Act (P.L. 99-272) as enacted April 7, 1986, and as subsequently amended from time to time. Any reference to COBRA shall be deemed to include any applicable regulations and rulings. See the "Extension of Coverage – COBRA" section for information.

**Code.** The Internal Revenue Code of 1986, as amended from time to time. Any reference to any section of the Code shall be deemed to include any applicable regulations and rulings.

**Coinsurance.** The percentage of the Allowable Charge that you pay for Covered Health Services. Other cost-sharing requirements may apply. See the "Cost Sharing" subsection for more information.

**Common Law Marriage.** A marriage occurring in a state recognizing common-law marriages and satisfying the specific minimum state requirements to be considered married under common law.

**Company.** Company means any or all of AT&T Inc., AT&T Services, Inc., or a Participating Company as indicated by the context, or the successor(s) to such entity(ies), or any successor or successors thereof.

**Company Extended Coverage or CEC.** Continued coverage under the Program that may be available to you or your dependents in limited circumstances. For more information, see the "When Coverage Ends" section.

**Company Self-Funded Option.** A coverage option under the Program, the Benefits under which are not funded through insurance.

**Complications of Pregnancy.** Conditions due to pregnancy, labor and delivery that require medical care to prevent serious harm to the health of the mother or the fetus. Morning sickness and a non-emergency caesarean section are not complications of pregnancy.

**Congenital Anomaly.** A condition or conditions that is present at birth regardless of causation. Such conditions may be hereditary or due to some influence during gestation.

**Coordination of Benefits (COB).** The method of determining which health plan pays a plan participant's Claims first (primary), which pays second (secondary) and, in some cases, which pays third (tertiary), when the participant has coverage under more than one health plan. See the "Coordination of Benefits" section and the "If You Have Other Group Health Insurance" subsection

of the "If You, Your Spouse or Your Dependent is Eligible for Medicare" section for more information.

**Co-pay (Co-payment).** The specific fixed dollar amount (for example \$35) you pay for certain Covered Health Services under the Program, after you have satisfied the Annual Deductible. See the "Benefits at a Glance" subsection of the "What Is Covered" and "Prescription Drug Coverage" sections for cost-sharing information.

**Cost-effective.** In connection with Durable Medical Equipment and prosthetic devices, the least expensive equipment that performs the necessary function.

**Cost of Coverage.** The total cost to the Plan to provide Benefits under the Program. With respect to the Fully-Insured Managed Care Option, the Cost of Coverage is the Applicable Premium Rate. With respect to the Company Self-Funded Options, it is the Company Self-Funded Premium Equivalent Rate. See these specific definitions for more information.

**Counseling.** A therapeutic clinical process based on face-to-face interaction between a Covered Person and/or a Covered Person's family and a Practitioner and/or other persons with similar clinical conditions for the purpose of identifying the Covered Person's problems and needs, setting goals and interventions, resolving problems and promoting new behaviors.

**Course of Treatment.** The continuous treatment of a person for a condition.

**Coverage Plan.** See the "Coordination of Benefits" section.

**Covered Health Services.** Services, supplies (including Durable Medical Equipment) and Prescription Drugs provided for the purpose of preventing, diagnosing or treating an Illness or Injury, Mental Illness, substance abuse or their symptoms that are determined by the Benefits Administrator to be Medically Necessary and included in the "What Is Covered" section and not excluded under the "Exclusions and Limitations" section. To be considered a Covered Health Service, it must be provided:

- When the Program is in effect;
- Prior to the effective date of any of the individual termination conditions set forth in this SPD; and
- Only when the person who receives Services is a Covered Person and meets all eligibility requirements specified in the Program.

**Covered Person.** Either the Eligible Employee, Eligible Former Employee or an Eligible Dependent if, and only if, the individual is enrolled under the Program. References to "you" and "your" throughout this SPD, except with respect to eligibility and enrollment, are references to a Covered Person. See the "Eligibility and Participation" section for eligibility provisions.

**Custodial Care.** Services that:

- Are non-health related Services, such as assistance in activities of daily living (including but not limited to feeding, dressing, bathing, transferring and ambulating).
- Are health-related Services that do not seek to cure or that are provided during periods when the medical condition of the patient who requires the Service is not changing.
- Do not require continued administration by trained medical personnel to be delivered safely and effectively.

**Daily Charge.** The charges for Room and Board from a facility such as a Hospital.

**Designated Network Provider.** A Provider, including a facility, chosen by the medical Benefits Administrator as a preferred Provider for certain specialized Services. These may include, for example, organ transplants, cancer treatment, congenital heart disease, kidney treatment and neonatal care. See the "What Is Covered" section for more information on Designated Network Providers and limitations available under the Program.

**Diabetic Supplies.** Equipment and supplies for the treatment of insulin-dependent diabetes, insulin-using diabetes, gestational diabetes and non-insulin diabetes prescribed by a Prescriber. Examples of equipment and supplies include lancets, test strips (blood or urine), insulin syringes and glucometers for all categories of diabetes listed.

**Diagnostic Services.** Professional Services rendered for the diagnosis of your symptoms and that are directed toward evaluation or progress of a condition, disease or Injury.

**Disabled Child(ren).** Your Child who is over the age of 26 and meets the requirements to be eligible for Program coverage due to disability. See the "Eligible Dependents" section for more information.

**Domestic Partner.** Your partner of the same gender:

- Who resides in the same household as you;
- Who is at least 18 years old, mentally competent to enter into a valid contract, unrelated to you and not legally married to anyone;
- With whom you have a close and committed personal relationship and there is no other such relationship with any other person; and
- With whom you share responsibility for each other's welfare and financial obligations.

**Dual Enrollment.** See the "Dual Enrollment" section for more information.

**Durable Medical Equipment (DME).** Medical equipment that:

- Is ordered by a Physician.
- Can withstand repeated use.
- Is not disposable.
- Is used to serve a medical purpose for treatment of an Illness, Injury or their symptoms.
- Is generally not useful to a person in the absence of an Illness, Injury or their symptoms.
- Is appropriate for use in the home.

**East Region.** The states of Connecticut, Massachusetts and Rhode Island.

**Educational or Developmental.** A Service is Educational or Developmental if the primary purpose of a Service is to provide the Covered Person with any of the following: training in the activities of daily living; instruction in scholastic skills such as reading and writing; preparation for an occupation; or treatment for learning disabilities, or the Service is being provided to promote development beyond any level of function or development previously demonstrated by the participant. "Training in the activities of daily living" does not include training directly related to treatment of an Illness or Injury that resulted in the loss of a previously demonstrated ability to

perform those activities. In the case of a Hospital stay, the length of the stay and the Hospital Services are not covered to the extent that they are determined to be allocated to the scholastic education or vocational training of the patient.

**Eligibility and Enrollment Appeals Committee (EEAC).** The committee appointed by the Company to make the final determination on eligibility and enrollment Appeals.

**Eligibility and Enrollment Vendor.** The Eligibility and Enrollment Vendor, referred to as the AT&T Benefits Center, is the third-party vendor to which the Plan Administrator has delegated responsibility under the Program for initial eligibility determinations, enrollment administration, Cost of Coverage information, billing, COBRA administration and Change-in-Status Event administration.

**Eligible Dependent.** An individual who is eligible to participate in the Program as described in the "Eligible Dependents" section.

**Eligible Employee.** An Employee of a Participating Company who satisfies the conditions for eligibility to participate in the Program set forth in the "Eligibility and Participation" section.

**Eligible Expenses.** The expenses for Covered Health Services that are eligible for consideration for payment of Benefits under the Program. Benefits paid under the Program are based on the Allowable Amount of Eligible Expenses determined by the Benefits Administrator.

**Eligible Former Disabled Employee.** An Employee who has terminated employment with a Participating Company or former Participating Company and who meets the eligibility requirements for Program coverage described in the "Eligible Former Disabled Employees" section.

**Eligible Former Employee.** An Employee who has terminated employment with a Participating Company or former Participating Company and who meets the eligibility requirements for Program coverage described in the "Eligible Former Employees" section.

**Emergency Facility.** The emergency department of a Hospital, an acute care facility, or any other medical facility capable of providing Emergency Services, or treatment to Stabilize a patient with an Emergency Medical Condition.

**Emergency Medical Condition.** A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that a prudent layperson, with an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to (i) place the health of the individual (or, in the case of a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; (ii) result in the serious impairment to bodily functions; or (iii) lead to serious failure of any bodily organ or part to function properly.

**Emergency Services.** With respect to an Emergency Medical Condition, Emergency Services include:

- A medical screening examination that is within the capability of the emergency department of a Hospital, including related Services routinely available to the emergency department to evaluate the condition, and
- Further medical examination and treatment that is within the capabilities of the staff and facilities available at the Hospital, as are required to Stabilize the patient.

**Employee.** Any individual, other than a leased employee or Nonresident Alien Employed Outside the United States, who is carried on the payroll records of a Participating Company as a common law employee and who receives a regular and stated compensation, other than a pension or retainer, from that Participating Company, in exchange for services rendered to that AT&T Participating Company.

- For purposes of the preceding sentence, the term "leased employee" refers to any individual who is a leased employee within the meaning of Section 414(n)(2) of the Code; and
- The term "Employee" does not include any individual:
  - Who is rendering services to an AT&T Participating Company pursuant to a contract, arrangement or understanding either purportedly (i) as an independent contractor, or (ii) as an employee of an agency, leasing organization or any other such company that is outside of the AT&T Controlled Group and is providing services to an AT&T Participating Company; or
  - Who is treated by an agency, leasing organization or any other such company that is outside of the AT&T Controlled Group as an employee of such agency, leasing organization or other such company while rendering services to an AT&T Participating Company, even if such individual is later determined (by judicial action or otherwise) to have been a common-law employee of an AT&T Participating Company rather than an independent contractor or an employee of such agency, leasing organization or other such company.
- For purposes of this definition, a "Nonresident Alien Employed Outside the United States" is any individual who receives no earned income (within the meaning of Section 11(d)(2) of the Code) from any AT&T Participating Company that constitutes income from sources within the United States (within the meaning of Section 861(a)(3) of the Code). Notwithstanding the preceding sentence, any individual who is classified by an AT&T Participating Company as a global manager will not be considered a Nonresident Alien Employed Outside the United States.

**Employer.** The AT&T Controlled Group Member that issues your paycheck/that pays you.

**ERISA.** The Employee Retirement Income Security Act of 1974, as amended from time to time. Any reference to any section of ERISA shall be deemed to include any applicable regulations and rulings.

**Essential Health Benefits.** Health benefits determined pursuant to the Patient Protection and Affordable Care Act to be "Essential". Generally Services under the following categories are considered to be Essential Health Benefits under the Patient Protection and Affordable Care Act: Ambulatory patient Services; Emergency Services, hospitalization; maternity and newborn care, mental health and substance abuse Services; Prescription Drugs; rehabilitative and habilitative Services and devices; laboratory Services; preventive and wellness Services and chronic disease management; and pediatric Services, including oral and vision care.

**Evidence-based Medical Guidelines.** Guidelines the United States Task Force on Preventive Care provides with respect to determination of covered Preventive Care Services under the Patient Protection and Affordable Care Act.

**Expense Incurred.** The actual billed cost for a Service or procedure; except when the Provider has contracted directly or indirectly or negotiated with the Benefits Administrator for a different amount.

**Experimental or Investigational Services.** Medical, surgical, diagnostic, psychiatric, substance abuse or other health care Services, technologies, supplies, treatments, procedures, drug therapies, medications or devices that, at the time a determination is made regarding coverage in a particular case, are determined to be any of the following:

- Not approved by the U.S. Food and Drug Administration (FDA) to be lawfully marketed for the proposed use and not identified in the American Hospital Formulary Service or the United States Pharmacopoeia Dispensing Information as appropriate for the proposed use.
- Subject to review and approval by any institutional review board for the proposed use. (Devices that are FDA approved under the Humanitarian Use Device exemption are not considered to be Experimental or Investigational.)
- The subject of an ongoing clinical trial that meets the definition of a Phase 1, 2 or 3 clinical trial set forth in the FDA regulations, regardless of whether the trial is actually subject to FDA oversight.

If you have a life-threatening illness or condition (one that is likely to cause death within one year of the request for treatment), the Benefits Administrator may, in its discretion, determine that an Experimental or Investigational Service meets the definition of a Covered Health Service for that illness or condition. For this to take place, the Benefits Administrator must determine that the procedure or treatment is promising, but unproven, and that the Service uses a specific research protocol that meets standards equivalent to those defined by the National Institutes of Health.

**Explanation of Benefits (EOB).** A statement you receive after a Benefits Administrator has processed your Claim for Benefits. The EOB shows the expenses submitted for payment, the Allowable Charge for Eligible Expenses, the amount of Benefits payable and any amounts you must pay.

**Extended Care Facility.** An institution, other than a Hospital, that is accredited by the Joint Commission on the Accreditation of Healthcare Organizations or approved by Medicare and is licensed to provide medical Services in a state. To be covered under the Program, the Extended Care Facility must provide direct medical treatment, have a professional nursing staff and operate under the supervision of a Physician. In addition, the facility must not be primarily a place for rest, the aged, Custodial Care or for the treatment of a mental health or substance abuse condition. An Extended Care Facility may operate under other names, such as a Skilled Nursing Facility, convalescent facility, intermediate care facility, subacute care facility or rehabilitation facility.

**Family Coverage.** Coverage for a Covered Person and more than one dependent as described in the "Levels of Coverage" section.

**FDA.** The U.S. Food and Drug Administration (FDA). A federal regulatory agency that collects and analyzes data about medications to determine if they are safe for manufacture and sale to consumers.

**Fill.** The dispensing of a prescription medication.

**FMLA.** The Family Medical Leave Act of 1993, as amended from time to time.

**Fully-Insured Managed Care Option.** An option that provides benefits under an insured arrangement and not through a Company Self-Funded arrangement.

**Generic Drug.** A drug that is equivalent to a Brand-Name Drug in that it uses the same active ingredients as a Brand-Name Drug and works the same way in the body. Generic Drugs are developed when the patent of a brand-name medicine expires permitting other drug manufacturers to make and sell the same medicine. This medicine is sold under its chemical or "generic" name. Generic equivalent drugs use the same active ingredients as Brand-Name Drugs and work the same way in the body. The FDA requires that Generic Drugs must be as high quality, strong, pure and stable as brand-name medicines.

**Health Care Network (HCN).** The group of Providers of health care Services that have an agreement in effect with the medical Benefits Administrator or an affiliate (directly or through one or more other organizations) who have agreed to participate in the HCN that the Benefits Administrator makes available for use by the Program. The term Health Care Network was previously referred to as the Point-of-Service Network.

**Health Care Network (HCN) Coverage.** The coverage option available under the Program that generally provides a different level of Benefits for Services performed by Network and Non-Network Providers. See the definition of Health Care Network (HCN).

**HIPAA.** The Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended from time to time including any applicable regulations and rulings.

**Home Health Care.** Treatment prescribed in writing by a Physician for the care of a Covered Person's Injury or Illness in the person's home.

**Home Health Care Agency.** A public or private agency that specializes in giving nursing and other therapeutic Services in the Covered Person's home, including skilled nursing care, therapist, home visits, nutrition therapy and medical supplies prescribed by a Physician. An approved Home Health Care Agency must be licensed by a state department or agency having authority over home health care agencies.

**Home Health Care Plan.** A plan of Home Health Care treatment established and approved in writing by a Physician. The Physician must certify that Services of the patient receiving Home Health Care is Medically Necessary.

**Hospice.** An organization licensed according to state laws to provide care to terminally ill patients. A Hospice may be either an agency that performs Services in a patient's home or a hospice facility the patient is admitted.

**Hospice Care Program.** A Hospice Care Program is:

- A coordinated, interdisciplinary program to meet the physical, psychological, spiritual and social needs of dying persons and their families.
- A program that provides palliative and supportive medical, nursing and other health Services through home or inpatient care during the Illness.
- A program for persons who have a terminal Illness and for the families of those persons.

**Hospital.** A facility that is:

- Licensed as a general acute care hospital by the state in which it is located, accredited by the Joint Commission on Accreditation of Healthcare Organization (JCAHO) and Medicare-certified.
- Provides 24-hour nursing Services by registered nurses (RNs) on duty or on call.

- Provides Services under the supervision of a staff of one or more Physicians to diagnose and treat ill or injured patients hospitalized for surgical, medical, or MH/SA conditions. A Hospital is not primarily a place for rest, Custodial Care or care of the aged and is not a nursing home, convalescent home or similar institution.

**Illness.** A disorder of the body or mind, and pregnancy. Pregnancy shall include normal delivery, cesarean section, miscarriage, abortion, or any complications resulting from Pregnancy.

**Injury.** Bodily damage from trauma other than Sickness, including all related conditions and recurrent symptoms.

**Legal Guardian.** A legally declared guardianship under applicable state law between you and/or your Spouse/Partner and a Child, if a court of competent jurisdiction has issued a guardianship order assigning to you and/or your Spouse/Partner sole and exclusive care, custody and control of the Child, as well as exclusive financial and legal responsibility for the Child.

**Legal Guardianship.** The relationship between a Legal Guardian and his/her ward. Demonstration of a Legal Guardianship is only valid for as long as the particular condition as outlined in Legal Guardian definition continues. See the "Eligible Dependent Exceptions" section for grandfathered exceptions to the definition of Legal Guardian.

**Legally Recognized Partner (LRP).** Any individual:

- Who is a Registered Domestic Partner (RDP), or
- With whom an Eligible Employee or Eligible Former Employee has entered into a same-gender relationship pursuant to and in accordance with state or local law, such as a civil union or other legally recognized arrangement that provides similar legal benefits, protections and responsibilities under state law to those afforded to a Spouse.

**Mail Order Prescription Drug Service.** The purchase of Prescription Drugs using the Prescription Drug Benefits Administrator's mail order processing program according to the terms of the Program.

**Maintenance Drug.** A drug that is generally prescribed for chronic or long-term medical conditions, including but not limited to, diabetes or high cholesterol. The designation of a Maintenance Drug is determined by your Prescription Drug Benefits Administrator.

**Medicaid.** The program providing health care benefits under Title XIX of the Social Security Act of 1965, as amended.

**Medical Benefits.** Amounts paid for:

- The diagnosis, cure, mitigation, treatment, or prevention of disease, or amounts paid for the purpose of affecting any structure or function of the body,
- Amounts paid for transportation primarily for and essential to medical care referred to in the first bullet.

**Medical Necessity.** See the definition of Medically Necessary.

**Medically Necessary.** See the "Medically Necessary" section for a definition and details regarding how the Benefits Administrator determines Medically Necessary Covered Health Services, including examples of what is Medically Necessary and what is not considered Medically Necessary.

**Medicare.** The insurance program established by Title XVIII, United States Social Security Act, as amended by 42 U.S.C. Sections 1394, et seq., and as later amended.

**Medicare Advantage.** Coverage under Medicare Part C.

**Medicare Allowable (MA).** The amount Medicare will consider eligible for determining Medicare benefits.

**Medicare Eligible.** When you are eligible for Medicare as your primary coverage over the Program if you were to enroll in Medicare. See the “If You, Your Spouse or Your Dependent Are Eligible for Medicare” section for information.

**Medicare Part D.** The Part D (Voluntary Prescription Drug Benefit) of the insurance program established by Title XVIII of the United States Social Security Act, as amended, 42 U.S.C. Sections 1394, et seq.

**Mental Health Services.** Outpatient and inpatient Services to diagnose and treat mental disorders listed in the current Diagnostic and Statistical Manual of the American Psychiatric Association (Manual); however the fact that a condition is listed in the Manual does not mean that treatment for the condition is a Covered Health Service under the Program.

**Mental Illness.** A condition that meets either of the following two requirements:

- It is classified as a mental illness in the latest edition of the International Classification of Disease of the United States Department of Health and Human Services; or
- It is a condition generally accepted by the health care professionals in the United States as one that requires psychiatric treatment and responds to such treatment.

**MH/SA.** The abbreviation for Mental Health/Substance Abuse.

**MHPAEA.** The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008.

**Modified Rule of 75.** A post-employment eligibility provision under the Program. See the “Eligible Former Employees” section for information.

**Negotiated Rate.** The agreed-upon payment for a Covered Health Service between the applicable Benefits Administrator and the Provider.

**Network.** The group of Providers of health care Services that have an agreement in effect with the applicable Benefits Administrator or an affiliate (directly or through one or more other organizations) which the Benefits Administrator makes available for use by the Program.

**Network Area.** The area determined by the medical Benefits Administrator to meet the requirements for availability of Network Providers. See the “How Network Areas are Determined” section for more information.

**Network Benefits.** Benefits for Covered Health Services that are provided by a Network Provider. See the “Network Benefits” subsection in the “Network Coverage” section for medical and MH/SA information.

**Network Provider.** A Provider who has contracted to participate in the applicable Benefits Administrator’s Network available under the Program. Also referred to as In-Network Provider or preferred Provider.

**Network Retail Cost.** The cost to the Program of a Prescription Drug, including the Co-payment, if the medication was purchased by a Covered Person, using the Covered Person's Prescription Drug card, at a Network Retail Pharmacy.

**Network Retail Pharmacy.** A Retail Pharmacy that is in the Prescription Drug Benefits Administrator's Network of participating Retail Pharmacies and has a participating agreement in effect with your Prescription Drug Benefits Administrator.

**Non-Network Provider.** A Provider who has not contracted to participate in the applicable Benefits Administrator's Network available under the Program.

**Non-Network Benefits.** Benefits for Covered Health Services that are provided by a Non-Network Provider. See the "Non-Network Coverage" section for a description of Non-Network Benefits provided under the Program.

**Non-Network Retail Pharmacy.** A Retail Pharmacy that is not in the Prescription Drug Benefits Administrator's Network of participating retail Pharmacies available under the Program.

**Non-Preferred Brand Drug.** A Brand-Name Drug that is not on or has an alternative on the Prescription Drug Benefits Administrator's Preferred Drug Benefit Guide. There may or may not be a Generic Drug equivalent.

**Notification.** A written or oral notice provided by you, your Provider or your representative to the applicable Benefits Administrator using the procedure specified by the Benefits Administrator. See the "Notification and Preauthorization Requirements" section for information and a list of Covered Health Services that require Notification.

**Nurse-Midwife.** A person certified to practice as a Nurse-Midwife, who is licensed as a registered nurse by a board of nursing and has completed a state-approved program for the preparation of Nurse-Midwives.

**Occupational Therapy.** Constructive therapeutic activity designed and adapted to promote the restoration of useful physical function. Occupational Therapy does not include Educational training or Services designed and adapted to develop a physical function.

**Out-of-Pocket Maximum.** See the definition of Annual Out-of-Pocket Maximum.

**Outpatient Care.** Health Services provided to a Covered Person who is not admitted to a facility as an inpatient (overnight). These Services may be provided in a variety of settings, including a Physician's office, clinic, the patient's home or Hospital outpatient department. Outpatient Care is often Hospital treatment that does not necessitate an overnight stay (for example, one-day surgicenters).

**Outside Network Area or ONA.** The geographic area outside of the Network Area for the Program. See the "Outside Network Area (ONA) Coverage" section for information.

**Participating Company.** Any AT&T Company that has elected to participate in the Program subject to approval by the Plan Sponsor.

**Partner.** Your Legally Recognized Partner (LRP) or, if eligible and enrolled in the Program, your Domestic Partner. See the definitions of Legally Recognized Partner and Domestic Partner for information.

**Pharmacist.** A person licensed to dispense Prescription Drugs under the laws of the state in which he or she practices.

**Pharmacy.** An establishment licensed by the state it is located in to dispense Prescription Drugs prescribed by an authorized licensed provider.

**Physical Therapy.** The treatment of a disease, Injury or condition by physical means by a Physician or a registered professional physical therapist under the supervision of a Physician and which is designed and adapted to promote the restoration of a useful physical function. Physical Therapy does not include Educational training or Services designed and adapted to develop a physical.

**Physician.** A doctor of medicine (M.D.) or a doctor of osteopathy (D.O.) licensed to practice medicine in all its branches, prescribe and dispense all drugs and perform all surgery under applicable laws of the place where treatment is rendered.

**Plan.** The AT&T Umbrella Benefit Plan No. 3.

**Plan Administrator.** AT&T Services, Inc.

**Plan Year.** The calendar year beginning Jan. 1 and ending Dec. 31.

**Post-Employment Benefits.** Program coverage (excluding COBRA) made available to a former Employee who meets eligibility requirements for continued Program coverage after the Employee terminates employment. See the "What Happens When You Leave The Company" section for information.

**PPACA.** The Patient Protection and Affordable Care Act, as amended, including any applicable regulations and rulings. See the "Patient Protection and Affordable Care Act" section for information.

**Practitioner.** An individual who meets all of the following:

- The Practitioner is one of the following:
  - Podiatrist
  - Chiropractor
  - Psychologist or clinical psychologist with Ph.D. degree
  - Dentist
  - Optometrist
  - Nurse-Midwife
- The Practitioner is qualified and duly licensed or certified to practice in the state in which care is provided
- Operating within the scope of that Practitioner's license
- In addition, if the individual meets the above, a Practitioner may include an individual from the following list, but only when, in addition to meeting the above requirements of this definition, the patient has been referred to the Practitioner by a Physician or by the Benefits Administrator:
  - Registered physical therapist
  - Clinical social worker with master's degree (MSW)

- Marriage, family and child counselor
- Substance Abuse counselor
- Speech pathologist
- Audiologist
- Occupational therapist
- Dispensing optician
- Nurse practitioner
- Physician assistant
- An individual who holds a Master of Science in Nursing, a clinical nurse specialist or an individual certified in psychology and credentialed by the Benefits Administrator, but only when the patient has been referred to the Practitioner by the Benefits Administrator.

**Preauthorization.** Written or oral approval of a Covered Health Service received from the applicable Benefits Administrator before the Covered Health Service is delivered. See the “Notification and Preauthorization Requirements” section for information and a list of Covered Health Services requiring Preauthorization.

**Preferred Brand Drug.** A Brand-Name Drug that is included on the Prescription Drug Program Benefits Administrator’s Preferred Drug Benefit Guide.

**Preferred Drug Benefit Guide.** A guide that identifies the U.S. Food and Drug Administration-approved drugs that the Prescription Drug Benefits Administrator’s panel of doctors and pharmacists has determined to be as safe and effective and generally more cost-effective than Non-Preferred Brand Drugs. The Preferred Drug Benefit Guide is generally revised on a quarterly basis and may change throughout the Plan Year.

**Pregnancy.** The condition of and complications arising from a woman having a fertilized ovum, embryo or fetus in her body, usually, but not always in the uterus, and lasting from the time of conception to the time of childbirth, abortion, miscarriage or other termination.

**Pregnancy Care.** All of the following:

- Prenatal care
- Postnatal care
- Childbirth
- Any complications associated with Pregnancy

**Premium Equivalent Rate.** The projected average cost of a Company Self-Funded Option for a specified level of coverage, such as “Individual” or “Family.”

**Premium Rate.** See the definition of Applicable Premium Rate.

**Prescriber.** A health care Practitioner licensed or authorized by law to issue an order for a Prescription Drug.

**Prescription Drug.** A drug or medicine approved by the United States Food and Drug Administration for general use by the public, requiring a prescription by a licensed Pharmacist or Physician.

**Prescription Drug Benefit.** Payments for outpatient Prescription Drugs that are available under the Program.

**Preventive Care Drugs.** Medications that are required under the Patient Protection and Affordable Care Act (PPACA) and associated regulations and guidance to be covered as preventive care as determined by the Prescription Drug Benefits Administrator. See the "Preventive Care Drugs" section for more information.

**Preventive Care Services.** Services that are determined by the Benefits Administrator to provide preventive care and are identified as preventive care in the Benefits Administrator's preventive care policy, including at a minimum Services required to be covered as preventive care under the Patient Protection and Affordable Care Act (PPACA) and associated regulations and guidance. See the "Preventive Care Services" section for more information.

**Primary Subscriber.** An Active Employee, Eligible Former Employee, or surviving Spouse/Partner/dependent who is eligible and enrolled for coverage. A Primary Subscriber is not an Active Employee, Eligible Former Employee, or surviving Spouse/Partner/dependent who is covered as a dependent on another Active Employee's, Eligible Former Employee's, or surviving Spouse/Partner/dependent's coverage.

**Prior Authorization.** A process by which the Benefits Administrator reviews requests for Covered Health Services before the Service is provided.

**Program.** The component part of the Plan providing Benefits for Covered Health Services to enrolled eligible individuals under the specified terms and conditions. See the "Using this Summary Plan Description" section for information.

**Provider.** Any health care institution or Physician or Practitioner licensed to render health care Services and practicing within the scope of that license.

**Qualified Beneficiary.** A Covered Person losing coverage under the Program who is eligible to elect COBRA continuation coverage. See the "Extension of Coverage – COBRA" section for more information.

**Qualified Medical Child Support Order (QMCSO).** See the "Qualified Medical Child Support Order" section for a definition and requirements.

**Qualifying Event.** An event such as loss of your job, reduction of your hours, death of a covered Employee or former Employee, divorce, or loss of eligibility as a Dependent, that results in the loss of coverage under the Program and gives rise to a right to elect COBRA continuation coverage. See the "Extension of Coverage – COBRA" section for more information.

**Reasonable and Customary (R&C).** The amount of charges that the Program will consider eligible for Allowable Charges, based on information obtained by the Benefits Administrator. The Benefits Administrator has the discretion to determine R&C based on several factors including the geographic area, prevailing rates, the Provider's experience, credentials, and expertise, and specific circumstances regarding the Services provided. See the "Allowable Charges for Eligible Expenses" section for more information.

**Registered Domestic Partner (RDP).** Any individual with whom an Employee or Eligible Former Employee has entered into a domestic partnership that has been registered with a governmental body pursuant to state or local law authorizing such registration and such relationship has not terminated. You may be asked to provide a copy of the domestic partner registration and other evidence that you continue to meet the requirements of the applicable registry and that the registered domestic partnership has not ended. See the “Dependent Eligibility Verification” section for information for dependent enrollment and verification of dependent eligibility.

**Retail Pharmacy.** A place where Prescription Drugs are dispensed and provided to the Covered Person at point of sale.

**Retail Prescription Drug Service.** A Service administered by the Prescription Drug Benefits Administrator that provides up to a 30-day supply for all Covered Persons (except CSNET and up to a 31-day supply for CSNET) and is used for short-term, immediate-use medications.

**Semi-private Room.** A room with two or more beds.

**Service or Services.** Any of the following: medical, surgical, diagnostic, psychiatric, substance abuse or other health care services, technologies, supplies, treatments, procedures, drug therapies, medications or devices (including Durable Medical Equipment) and Prescription Drugs.

**Skilled Nursing Facility.** An institution licensed under state and local laws and regulations to operate as a Skilled Nursing Facility. Services include room and board in semi-private accommodations. Nursing Services must be supported by an approved treatment plan that leads to rehabilitation and an increased ability to function.

**Specialty Pharmacy.** A Pharmacy designated by the Prescription Drug Benefits Administrator for filling prescriptions for Specialty Prescription Drugs and providing associated Pharmacy management Services.

**Specialty Prescription Drug Service.** A Service administered by the Prescription Drug Benefits Administrator that provides Specialty Prescription Drugs.

**Specialty Prescription Drugs.** Drugs used in the management of certain chronic diseases, are often injectable or infused, treat complex and typically less common conditions, require complex Pharmacy management and frequently require coordination of Services.

**Speech Therapist.** An individual licensed to evaluate and treat speech impairments.

**Speech Therapy.** The treatment for the correction of a speech impairment resulting from disease, trauma, congenital anomalies or previous therapeutic processes and that is designed and adapted to promote the restoration of a useful physical function. Speech Therapy does not include Educational training or Services designed and adapted to develop a physical function unless otherwise specifically provided for under the Program.

**Spinal Treatment.** The detection or correction (by manual or mechanical means) of subluxation(s) in the body to remove nerve interference or its effects. The interference must be the result of, or related to distortion, misalignment or subluxation of or in the vertebral column.

**Spouse.** The person to whom you are legally married, including through Common Law Marriage.

**Stabilize.** (A) The term “stabilized” refers to: (i) with respect to an Emergency Medical Condition other than a pregnant woman having contractions, that no material deterioration of the condition is likely, within reasonable medical probability, to result from or occur during the transfer of the individual from a facility, or, (ii) with respect to a pregnant woman having contractions, that the woman has delivered (including the placenta). (B) The term “to stabilize” refers to medical

treatment of the condition as may be necessary to assure that the individual's condition is stabilized.

**Substance Abuse Services.** Services for the diagnosis and treatment of alcoholism and substance abuse disorders that are listed in the current Diagnostic and Statistical Manual of the American Psychiatric Association.

**Summary Plan Description (SPD).** Each of the Program descriptions that are required by Section 102 of ERISA that provide a summary of the medical and prescription drug Benefits under the Program.

**Temporary Employee.** An individual who is classified as a "Temporary Employee" by a Participating Company.

**Term of Employment.** A period of employment of an Employee in the service of one or more members of the AT&T Controlled Group, as determined in accordance with the pension benefit plan the Employee participates in as of termination of employment.

**Termination Date.** The day immediately following an Employee's last day on active payroll.

**Transition Group Employee – Cingular Wireless.** A classification given to certain Employees who were contributed directly to Cingular Wireless, LLC by SBC Communications, Inc. and BellSouth Corporation on or before Dec. 31, 2001. See the "Eligible Former Employees" section for more information.

**Unproven Service.** Services that are not consistent with conclusions of prevailing medical research that demonstrate that the health Service has a beneficial effect on health outcomes and that are not based on trials that meet either of the following designs:

- Well-conducted randomized controlled trials. (Two or more treatments are compared with each other and the patient is not allowed to choose which treatment is received.)
- Well-conducted cohort studies. (Patients who receive study treatment are compared with a group of patients who receive standard therapy. The comparison group must be nearly identical to the study treatment group.) Decisions about whether to cover new technologies, procedures and treatments will be consistent with conclusions of prevailing medical research based on well-conducted randomized trials or cohort studies, as described.

If you have a life-threatening illness or condition (one that is likely to cause death within one year of the request for treatment), the Benefits Administrator may, in its discretion, determine that an Unproven Service meets the definition of a Covered Health Service for that illness or condition. For this to take place, the Benefits Administrator must determine that the procedure or treatment is promising, but unproven, and that the Service uses a specific research protocol that meets standards equivalent to those defined by the National Institutes of Health.

**Urgent Care Claim.** Claim for treatment where a delay could seriously jeopardize the life or health of the patient or the ability to regain maximum function. Such a Claim is also one involving a condition that would, in the opinion of a Physician, Provider or Practitioner with knowledge of the condition subject the patient to severe pain that cannot be adequately managed without the care or treatment that is related to the Claim.

**Urgent Care Facility.** A facility, other than a Hospital, that provides Covered Health Services that are required to prevent serious deterioration of your health, and that are required as a result of an unforeseen illness, injury, or the onset of acute or severe symptoms.

## APPENDIX A: PARTICIPATING COMPANIES

This appendix lists the Companies that participate in the Program and provides general information about groups of Employees that may be eligible to participate. Within this table, you will see various combinations of Company name, Employee groups and bargaining units, if applicable. If you are a Management or Nonmanagement Nonunion Employee, an "N/A" will be in the bargaining unit column. In addition, the Company acronym for this combination of Company name, Employee group and bargaining unit is listed in the first column.

This appendix is intended to provide information regarding Participating Companies and the Employee groups eligible to participate in the Program, not an individual's eligibility. Do not use this appendix to determine if you personally are eligible to participate in the Program. See the "Eligibility and Participation" section for specific information on eligibility.

	<b>Participating Company Name and Acronym</b>	<b>Employee Group</b>	<b>Bargaining Unit</b>
<b>Population Abbreviation</b>			
CINW - CWA District 3	AT&T Mobility Services LLC CINW	Bargained	AT&T Mobility Services LLC - CWA District 3 (Black Contract)
CINW - CWA District 6	AT&T Mobility Services LLC CINW	Bargained	AT&T Mobility Services LLC - CWA District 6 (Purple Contract)
CINW - CWA Districts 1, 2-13, 4, 7, 9	AT&T Mobility Services LLC CINW	Bargained	AT&T Mobility Services LLC - CWA Districts 1, 2-13, 4, 7, 9 (Orange Contract)

## APPENDIX B: CHANGE-IN-STATUS EVENTS

### Change-in-Status Events

The following provides further clarification on the Change-in-Status Events and actions you are able to take during those Change-in-Status Events.

#### ***Change in Legal Marital or Partnership Status***

You may change your enrollment if you experience a marriage, partnership, divorce, death of Spouse/Partner, termination of partnership, legal separation or legal annulment. Marriage will generally trigger a HIPAA special enrollment right in addition to your right to a change in enrollment.

For specific information about dependent eligibility, see the “Eligible Dependent” subsection in the “Eligibility and Participation” section.

<b>Change in Legal Marital or Partnership Status</b>	<b>Changes Permitted</b>	<b>Notes</b>
Marriage or Partnership	AD, AS, C, DD, E, W	E, AD, AS: For newly eligible Spouse/Partner and any dependent Child(ren) of Employee or new Spouse/Partner.  DD, W: Only if coverage is effective under new Spouse/Partner’s medical plan.
Death of Spouse/Partner*	AD, C, DD, DS, E	E, AD: Only if you lose coverage under your Spouse/Partner’s medical plan.  DD: Only if other dependent loses coverage under your Spouse/Partner’s medical plan.
Divorce, Legal Separation, Legal Annulment or Dissolution of Partnership	AD, C, DD, DS, E	E, AD: Only if you or your dependent loses coverage under your Spouse/Partner’s medical plan.  DD: Only if dependent loses coverage under your Spouse/Partner’s medical plan.

#### ***Change in Number of Dependents or Dependent Eligibility***

You may change your enrollment if your dependent experiences a gain or loss of dependent status including birth, adoption, placement for adoption and death. Gaining a dependent will also trigger HIPAA special enrollment rights in addition to a change in enrollment.

<b>Change in Number of Child Dependent(s)</b>	<b>Changes Permitted</b>	<b>Notes</b>
Birth, Adoption or Placement for Adoption	AD, AS, C, E, W, DD, DS	W: Only if medical coverage is effective under your Spouse/Partner’s medical plan.
Death of Child Dependent*	DD	You may only drop the deceased dependent.

*\*If a Dependent Dies*

If your dependent dies, you must notify the Fidelity Service Center at **800-416-2363**. Although you are not required to notify the Fidelity Service Center within a specified period of time after the death of your dependent, please contact the Center as soon as possible to initiate the appropriate changes to your Program coverage.

*Dependent Satisfies or Ceases to Satisfy Dependent Eligibility Requirements*

In addition to birth and adoption, there are other Change-in-Status Events that may affect your dependent's eligibility under the Program and permit you to enroll the dependent. This applies to both your Spouse and Child dependents. There are many events that affect a dependent's eligibility under the Program including circumstances where a dependent:

- Reaches the maximum age for adult dependent Child coverage under the Program.
- Loses eligibility as a Spouse or dependent Child under the terms of the Program.
- Becomes your legal dependent.
- Becomes your certified disabled dependent Child.

<b>Change in Dependent Status</b>	<b>Changes Permitted</b>	<b>Notes</b>
Gain of Dependent Status	AD, AS, C, E, W	E, AD, AS: For the dependent only. W: Only if there is a gain of coverage under another health plan.
Loss of Dependent Status	DD, DS	May only drop coverage for the newly ineligible dependent.

***Change in Employee's Employment Status***

You may change your enrollment if you experience a change in employment that affects your eligibility under the Program including: termination of employment, commencement of employment, strike or lockout, commencement of an unpaid LOA, termination of an unpaid LOA and change in worksite that constitutes a change in employment status.

**IMPORTANT:**

(1) A change in employment status generally does not apply unless Benefit eligibility under the Program is affected as a result of the event.

(2) A change in financial circumstance (for example, a pay reduction) is not considered a change in employment status unless it affects eligibility under the Program.

<b>Change in Employee's Employment Status</b>	<b>Changes Permitted</b>	<b>Notes</b>
Gain of Eligibility Due to a Change in Employee's Work Schedule or Employment Status	AD, AS, E	Only if eligibility for medical coverage option is gained.

<b>Change in Employee's Employment Status</b>	<b>Changes Permitted</b>	<b>Notes</b>
Loss of Eligibility Due to a Change in Employee's Work Schedule or Employment Status	W	
Employee Commences Strike or Lockout Resulting in a Change in Benefit Eligibility	W	Participants must lose eligibility and coverage.
Employee Returns From Strike or Lockout Resulting in a Change in Benefit Eligibility	AD, AS, E, W	
Employee Rehires Within 30 Days of Termination	Reinstate prior enrollment	No change permitted unless there is another permissible status change within that 30 day period.
Employee Rehires After 30 Days Following Termination	AD, AS, E	You may enroll and make new enrollment choices.

### ***Change in Spouse's/Partner's or Dependent's Employment Status***

You may change your enrollment if your Spouse/Partner or dependent experiences a gain or loss of eligibility for medical coverage under another employer's plan as a result of a change in their employment status. Your change in enrollment for that individual under the Program must correspond with their specific Change-in-Status Event.

For example, if your dependent loses eligibility under his employer's medical plan due to a reduction of hours, you could change your enrollment to add him to your Program coverage. However, you could not change your election to drop all coverage under the Program.

<b>Change in Spouse's/Partner's or Dependent's Employment Status</b>	<b>Changes Permitted</b>	<b>Notes</b>
Gain of Employment	DD, DS, W	Enrollment changes under the Program are only permitted for you, your Spouse/Partner or dependent who gain coverage under another employer's medical plan.
Loss of Employment Spouse	AD, AS, C, E	AD, AS, E: Only with respect to you, your Spouse/Partner or dependent who lose coverage under another employer's medical plan.
Change in Work Schedule that Triggers a Loss of Eligibility Under their Employer's Medical Plan	AD, AS, C, E	AD, AS, E: Only with respect to the individual who lost coverage under another employer's plan.
Change in Work Schedule that Triggers a Gain of Eligibility under their Employer's Medical Plan	DD, DS, W, C	Only with respect to the individual who gains coverage under another employer's plan.
Spouse/Partner or Dependent Commences a Strike or Lockout	AD, AS, C*, E	<i>*Only if there is a loss in coverage consistent with the event.</i>
Spouse/Partner or Dependent Returns from a Strike or Lockout	C*, DD, DS, W	<i>*Only if there is a loss in coverage consistent with the event.</i>

### ***Change in Residence***

If you experience a change of residence that affects eligibility under the Program, you are permitted to make an enrollment change. For example, you may change your option enrollment if, as a result of a move, you are no longer eligible for the medical benefit option under the Program.

<b>Change in Residence</b>	<b>Changes Permitted</b>	<b>Notes</b>
Relocation Triggers Gain in Eligibility	AD, AS, E	
Relocation Triggers Gain in Medical Benefit Option Availability	AD, AS, E, C	Only if eligibility for coverage option is gained.
Relocation Triggers Loss in Eligibility	C, W, DD, DS	
Relocation Triggers a Loss of Medical Benefit Option Availability	C, W, DD, DS	Only if eligibility for coverage option is lost.

### ***Change in Benefit Coverage Under Another Employer's Plan***

You may change your enrollment to add or drop medical coverage for you, your Spouse/Partner or dependent if any of you gain or lose coverage under another employer's medical plan.

<b>Change in Benefit Coverage</b>	<b>Changes Permitted</b>	<b>Notes</b>
Gain of Medical Coverage under Another Employer's Plan	DD, DS, C, W	
Loss of Medical Coverage under Another Employer's Medical Plan	AD, AS, C, E	AD, AS: Only with respect to the Spouse/Partner or dependent who lost coverage under another employer's medical plan.
Spouse/Partner or Dependent's Annual Enrollment Does Not Correspond with the Program's Annual Enrollment Period	AD, AS, C*, DD, DS, E, W <i>*Only if there is a loss of coverage</i>	AD, AS, DD, DS, E, W: Changes are permitted that reflect corresponding changes in non-AT&T Spouse/Partner or dependent's medical plan.
You Gain Eligibility Under Another Employer's Medical Benefit Plan(s)	DD, DS, W	If Employee, Spouse/Partner and/or dependent coverage under other employer's medical plan is effective.
You Lose Eligibility Under Another Employer's Medical Benefit Plan(s)	AD, AS, C, E	

### ***Loss of Coverage Under a Government or Educational Institution***

You may change your enrollment if you experience a loss of group health coverage sponsored by an educational or governmental institution (for example: student health coverage provided by a university, coverage due to military service or certain Indian tribal programs, etc.).

**IMPORTANT:** There is no change in enrollment permitted for a gain of coverage from a government or educational institution. However, there are special rules for a gain or loss of Medicaid or state sponsored Children’s Health Insurance Program (CHIP) coverage. See the “Change in Medicaid and CHIP Coverage” section below.

<b>Loss of Educational or Governmental Institutional Coverage</b>	<b>Changes Permitted</b>	<b>Notes</b>
Your Loss of Other Government or Educational Institution Coverage (for example state risk pool coverage, student coverage under a university health plan, tribal coverage, etc.)	AD, AS, C, E	Note: Loss of coverage under state Medicaid or CHIP programs will permit you a 60 day enrollment period.
Spouse/Partner or Dependent’s Loss of Other Government or Educational Institution Coverage (for example state risk pool coverage, student coverage under a university health plan, tribal coverage, etc.)	AD, AS, C, E	Note: Loss of coverage under state Medicaid or CHIP programs will permit you a 60 day enrollment period.

***Gain or Loss of Medicaid Coverage and CHIP Premium Assistance***

You may change your enrollment if you experience a gain or loss of Medicaid coverage or premium assistance provided under a state-sponsored CHIP program.

*Note: This Change-in-Status Event permits an extended enrollment period of **60 days** from the date of the event.*

<b>Gain or Loss of Medicaid Coverage and CHIP Premium Assistance</b>	<b>Changes Permitted</b>	<b>Notes</b>
Your Gain of Medicaid Coverage or CHIP Premium Assistance	W, C, E, AD, AS	
Your Spouse/Partner or Dependent’s Gain of Medicaid Coverage or CHIP Premium Assistance	DD, DS, C, W	
Your Loss of Medicaid Coverage or CHIP Premium Assistance	AD, AS, C, E, W, DD, DS	
Your Spouse/Partner or Dependent’s Loss of Medicaid Coverage or CHIP Premium Assistance	AD, AS, C, E, W, DD, DS	

***Change in Cost***

You may change your enrollment if you experience a significant increase or decrease in your portion of the cost of your medical option under the Program during a period of coverage.

You may also change your enrollment if your Spouse/Partner or dependent experiences a significant increase or decrease in the cost of another employer's medical plan.

Enrollment changes may include revoking existing coverage and enrollment in a similar alternative coverage or waiving coverage altogether.

If the cost of a medical option significantly decreases, eligible individuals who have not enrolled in the Program may enroll. Those already enrolled in the Program may change their current medical option to the option with the lower cost.

The Eligibility and Enrollment Vendor generally will notify you of increases or decreases in the cost of medical coverage.

If there is an insignificant increase or decrease in the cost of your current medical option, the Eligibility and Enrollment Vendor may automatically adjust your enrollment contributions to reflect the minor change in cost and you will not be permitted to change your medical coverage.

<b>Change in Cost</b>	<b>Changes Permitted</b>	<b>Notes</b>
Significant Increase in Cost of Your Medical Benefit Option	AS, AD, C*, DD, DS, E, W  <i>*Only if Company contributions cease</i>	May change enrollment to match cost increase  OR  W and AD, AS, E: Another medical benefit option providing similar coverage  OR  W, DD, DS: If no other medical benefit option provides similar coverage
Significant Decrease in Cost of Your Medical Benefit Option	AS, AD, DD, DS, E, W	May change enrollment to match the cost decrease  OR  W, DD, DS: Current option and AD, AS, E: Drop other medical benefit option and add the medical benefit option with decreased cost
Increase in Cost Under Spouse/Partner or Dependent's Employer's Benefit Plan	AD, AS, C*, E	<i>*Only if Company contributions cease</i>
Decrease in Cost Under Spouse/Partner or Dependent's Employer's Benefit Plan	DD, DS, W	
You, your Spouse/Partner or Dependent Experience a Complete Loss of Medical Plan Subsidy from Another Employer	C, E, AD, AS	

***Change in Coverage Under Another Employer's Plan***

You may make an enrollment change if you experience a change under another employer's plan (including a plan of your Spouse's/Partner's or Dependent's employer) if the enrollment change is on account of and corresponds with the change and the other plan permits its participants to make an enrollment change.

<b>Change in Enrollment Under Another Employer's Plan</b>	<b>Changes Permitted</b>	<b>Notes</b>
Increase in Coverage Under Spouse/Partner or Dependent's Employer's Benefit Plan	DD, DS, W	If coverage under other employer's plan is effective.
Decrease in Coverage Under Spouse/Partner or Dependent's Employer's Benefit Plan	AD, AS, C*, E	AD, AS, E: If coverage under another employer's plan is decreased or dropped. *Only if Company contributions cease

### ***Addition or Significant Improvement of Benefit Plan Option***

You may change your enrollment if the Program adds a new medical benefit option or significantly improves an existing medical benefit option; the Plan Administrator may permit you to enroll in the new or improved medical benefit option.

If a medical option is added or significantly improves, eligible individuals who have not enrolled in the Program may enroll.

If an addition or significant improvement is made under your Spouse's/Partner's or dependent's medical plan, you may change your enrollment under the Program consistent with those changes.

<b>Addition or Significant Improvement of Benefit Plan Option</b>	<b>Changes Permitted</b>	<b>Notes</b>
Addition or Significant Improvement of a Program Medical Benefit Option	AD, AS, DD, DS, E, W	DD, DS, W then AD, AS, E: May drop current medical benefit option and elect the new or significantly improved medical benefit option. AD, AS: If previously enrolled in a medical benefit option, you may elect the new or significantly improved medical benefit option.
Addition or Significant Improvement of Medical Benefit Option to Spouse/Partner or Dependent's Employer's Benefit Plan	DD, DS, W	Only if coverage under another employer's plan is effective.

### ***Significant Curtailment of Coverage (With or Without Loss of Coverage)***

You may change your enrollment if you experience a significant curtailment of coverage under the Program during a period of coverage. In this case, you may change your enrollment for an existing medical benefit option even if there is no loss of coverage. An enrollment may be changed to a different medical benefit option or, in some cases, drop coverage if no similar coverage option is available under the Program.

Coverage is "significantly curtailed" only if there is an overall reduction in coverage provided under the Program that reduces coverage generally.

<b>Significant Curtailment of Coverage</b>	<b>Changes Permitted</b>	<b>Notes</b>
Significant Curtailment or Termination of Coverage With or Without a Loss of Coverage	C, DD, DS, W	
Significant Curtailment or Termination of Spouse/Partner or Dependent Coverage under Another Employer's Medical Benefit Plan	AD, AS, C, E	You may only change your election if there is a loss of coverage and no similar coverage is available under another employer's plan.

### **Medicare or Medicaid**

If you, your Spouse/Partner, or dependent becomes entitled to (i.e., becomes enrolled in) Medicare or Medicaid, then you may reduce or cancel that person's accident or health coverage under the Program. Similarly, if you, your Spouse/Partner or your dependent who has been entitled to Medicare or Medicaid loses eligibility for such coverage, then you may elect to enroll or increase that person's coverage under the Program.

<b>Change Due to Medicare or Medicaid</b>	<b>Changes Permitted</b>	<b>Notes</b>
You Gain Medicare or Medicaid Coverage	C, W	
You Lose Medicare or Medicaid Coverage	AD, AS, C, E	
Spouse/Partner Gains Medicare or Medicaid Coverage	DD, DS	If Spouse/Partner or dependent enrolls in Medicare or Medicaid coverage.
Spouse/Partner Loses Medicare or Medicaid Coverage	C, E, AD, AS	AD, AS, E: If Spouse/Partner or dependent loses Medicare or Medicaid coverage.

### **Public Marketplace Exchange**

You may change your enrollment if you enroll or return from participation in the Public Marketplace Exchange.

<b>Change Due to Public Marketplace Exchange</b>	<b>Changes Permitted</b>	<b>Notes</b>
Employee gains eligibility in Public Marketplace Exchange due to reduction in expected hours of service from more than 30 hours per week to less than 30 hours per week	W	W – only if Employee enrolls self and individuals losing coverage in minimum essential coverage under another plan by the first day of the second month following the month in which coverage is revoked
Employee gains eligibility in Public Marketplace Exchange due to Special or Annual Enrollment period	W	W – only if Employee enrolls self and individuals losing coverage in Public Marketplace Exchange effective no later than the day immediately following the last day of the prior coverage that was revoked

### **Leave of Absence (LOA)**

You may change your enrollment if you, your Spouse/Partner or dependent begin or return from an LOA.

Common LOAs that trigger the right to a change in enrollment are: federal Family and Medical Leave Act (FMLA), state family and medical leave, federal military leave under the Uniformed Services Employment and Reemployment Rights Act (USERRA), unpaid personal leave, etc.

<b>Change Due to LOA</b>	<b>Changes Permitted</b>	<b>Notes</b>
You begin an LOA	DD, DS, W	Whether paid or unpaid whether FMLA or non-FMLA.
You return from an LOA	AD, AS, E	Whether paid or unpaid whether FMLA or non-FMLA.
Spouse/Partner or Dependent Begin an Unpaid LOA (including a FMLA leave) Resulting in a Loss of Eligibility under Another Employer's Medical benefit plan	AD, AS, C, E	AD, AS, E: Only with respect to Employee, Spouse/Partner who lost coverage under another employer's plan.
Spouse/Partner or Dependent Returns from an Unpaid LOA (including a FMLA leave) Resulting in a Gain of Eligibility Under Another Employer's Medical Benefit Plan	DD, DS, W	Only with respect to you, your Spouse/Partner who gains coverage under another employer's plan.
Spouse/Partner or Dependent Starts an Unpaid LOA (Non-FMLA) Without a Change in Eligibility under Another Employer's Plan	AD, AS, E	Only with respect to you, your Spouse/Partner who loses coverage under another employer's plan.
Spouse/Partner or Dependent Returns from an Unpaid LOA (Non-FMLA) Without Change in Eligibility Under Another Employer's Plan	DD, DS, W	Only with respect to you, your Spouse/Partner who gain you, your Spouse/Partner's coverage under another employer's plan.

### **Judgments, Orders and Decrees**

If a judgment, court order or judicial decree resulting from a divorce, legal separation, annulment or change in legal custody requires medical coverage for your Spouse/Partner or dependent, you (or in some cases, the Program) may make a change to your enrollment to meet the legal obligation. While the judgment order or decree will cause you to be able to make the change in enrollment, it will not cause a Spouse/Partner or dependent to be eligible for coverage.

In addition, coverage may be dropped for the dependent if another person (e.g. your former Spouse) is required to cover the dependent.

*Note: This enrollment change does not apply to voluntary changes in responsibility for medical coverage of a dependent between ex-Spouses.*

<b>Change in Coverage Under a Judgment, Order or Decree</b>	<b>Changes Permitted</b>	<b>Notes</b>
QMCSO or Court Order Requiring You to Cover a Dependent	AD, C	
QMCSO or Court Order Requiring Another Individual to Cover Your Dependent	DD	
Expiration or Termination of a QMCSO or Court Order	W, DD, C	

### ***Change in COBRA Continuation Coverage***

<b>Change in COBRA Continuation Coverage</b>	<b>Changes Permitted</b>	<b>Notes</b>
Mid-Year Expiration of Maximum Coverage Period of COBRA Continuation Coverage Under Another Employer's Group Health Plan	AD, AS, C *Only if there is a loss in coverage consistent with the event.	You must exhaust the maximum COBRA coverage period available to you in order to make this change in enrollment.  In general, you will not be permitted to make this change if your COBRA continuation coverage is terminated by you or your COBRA continuation coverage Provider before the maximum period of coverage.

### ***Status Change Codes:***

E	Enroll yourself and/or your Eligible Dependent under the Program
AS	Add your Spouse/Partner to medical coverage under the Program
DS	Drop medical coverage for your Spouse/Partner under the Program
AD	Add your Eligible Dependent(s) to medical coverage under the Program
DD	Drop medical coverage for your dependent under the Program
W	Waive or terminate your medical coverage enrollment under the Program
C	Change medical coverage options under the Program

## APPENDIX C: SPECIAL MEDICAL BENEFITS ADMINISTRATOR OFFERINGS

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The medical Benefits Administrator offers special programs that may help reduce your out-of-pocket costs. These programs are unique to the medical Benefits Administrator and similar programs may or may not be available through different Benefits Administrators. The following medical Benefits Administrator offerings may be available to you:

- UnitedHealthcare Shared Savings Program. Even if the Program does not provide Network Benefits or you do not utilize a Network Provider for your care, you may be able to pay less out-of-pocket if you utilize a Provider associated with an independent Network which has arrangements with UnitedHealthcare.
- Congenital Heart Disease Resource Services Program. Utilize special coverage and support through Congenital Heart Disease (CHD) Services, including special coverage provisions and assistance with transportation and lodging.
- Organ and Tissue Transplant Services Program. Access facility Services (including evaluation for transplant, organ procurement and donor searches) for transplantation procedures.

This section includes detailed information about the Special Medical Benefits Administrator Offerings. Special offerings and coverage through these Programs depends on your particular situation at the time you utilize the Program. If you have questions with respect to how the Programs work, see the applicable *Benefits Administrator* table in the “Contact Information” section for contact information. To the extent any Service described in this Appendix is also a Covered Health Service under the Program, Benefits will be provided under the terms and conditions applicable to Covered Health Services. See the “Medical and Mental Health/Substance Abuse Coverage” section for more information on what is covered.

### UnitedHealthcare Shared Savings Program

The Shared Savings Program (SSP) provides the opportunity for Covered Persons to lower their out-of-pocket costs through the use of Providers who participate in independent networks with arrangements with the Benefits Administrator (SSP Vendor Network Provider). This savings is available only in association with Services for which the Program is the primary Coverage. These Independent networks are made up of Physicians, facilities and Hospitals that are not part of the Benefits Administrator’s Network. However, the Benefits Administrator has an agreement with the independent Network to receive pre-negotiated discount when a Program participant uses an SSP Vendor Network Provider.

As described in the “Cost Sharing” subsection, the resulting discounted fee is the Allowable Charge for Covered Health Services received by a participant. This results in a lower out-of-pocket cost to the participant. In addition, under the Shared Savings Program, Providers in the Independent Network have agreed to accept the negotiated fee as payment in full. Consequently, you are not responsible for (and should not be balance billed by the Provider) for amounts above your cost-sharing requirement such as Coinsurance and/or Annual Deductible, as applicable. These Providers will generally submit your Claim to UHC for you. When you use an independent Network Provider, the health statement will reference the SSP vendor discount or one of the other SSP independent network vendors. If you believe you have been incorrectly balance billed by an SSP Provider, contact the medical Benefits Administrator to request a review of the situation to determine the appropriate billing.

The MultiPlan or FirstHealth logos will appear on the back of the participant's ID card depending upon where the participant resides.

In situations when no pre-negotiated discount is readily available, the Benefits Administrator may attempt to negotiate a discount from a Non-Network Provider on the Program and participant's behalf. These are time sensitive situations which frequently, but not always obtain additional savings for participants. These Claims specific negotiations also keep the participant from being balance billed beyond any applicable Coinsurance and Annual Deductibles.

Because the Providers are not part of the Benefits Administrator's Network, there may be situations in which a Claim for charges billed by a SSP Vendor Provider is not paid under this program but instead is paid like a Claim for Services by Providers not in the UHC Network. For example, this might occur if the negotiated discounted rate for the SSP Vendor Provider is higher than Eligible Expenses or if paying the Claim through the Program would create a risk of a delay that will cause a violation of a state law requirement concerning the timing of Claim payments. In such cases, your out-of-pocket cost will be the same as if the Providers were not contracted with UHC or SSP wrap network vendors. In these cases, you will be responsible for the amount above Eligible Expenses.

**IMPORTANT:** The benefit of the Shared Savings Program is that the arrangements between UHC and the applicable Providers generally result in lower charges for the Services provided, which translates to lower out-of-pocket expense for you. The provisions of the Program still apply, including Notification requirements, Annual Deductibles and Coinsurance.

No action is required to take advantage of this feature, other than deciding whether you want to use the SSP Vendor Network Providers each time you need care. You may access a list of these Providers directly through [myuhc.com](http://myuhc.com). Click on the **Non-Network Savings** link under **Physicians & Facilities**, or request a list from a customer care professional at UHC. See the medical *Benefits Administrator* table in the "Contact Information" section for contact information.

## Congenital Heart Disease Resource Services Program

Special coverage provisions apply for Congenital Heart Disease (CHD) Services ordered by a Physician and obtained through the medical Benefits Administrator's CHD Resource Services Program. Benefits are available for the CHD Services when the Services meet the definition of a Covered Health Service and are not Experimental or Investigational Services.

Medical Benefits Administrator notification is required for all CHD Services, including outpatient diagnostic testing, in utero Services and evaluations such as:

- CHD surgical interventions
- Interventional cardiac catheterizations
- Fetal echocardiograms
- Approved fetal interventions

CHD Services other than those listed above are excluded from coverage unless determined by the medical Benefits Administrator to be a proven procedure for the involved diagnoses.

You must notify the medical Benefits Administrator as soon as CHD is suspected or diagnosed (in utero detection, at birth, or as determined and before the time an evaluation for CHD is performed). See the "Notification and Preauthorization Requirements" section for information.

### ***Transportation and Lodging***

United Resource Networks or Personal Health Support will assist the patient and family with travel and lodging arrangements. For travel and lodging Services to be covered, the patient must be receiving Services at a Designated Network Provider through United Resource Networks. Expenses for travel and lodging for the recipient of CHD Services, provided the Program is the recipient's primary Coverage and a companion are available under the Program are available as follows:

- Transportation of the patient and one companion who is traveling on the same day(s) to and/or from the site for the purposes of an evaluation, the procedure or necessary post-discharge follow-up.
- Eligible Expenses for lodging and meals for the patient (while not confined) and one companion. Benefits are paid at a per diem rate of up to \$50 for one person or up to \$100 for two people.
- If the patient is an enrolled dependent minor Child, the transportation expenses of two companions will be covered and lodging and meal expenses will be reimbursed up to the \$100 per diem rate.

Travel and lodging expenses are only available if the CHD recipient resides more than 50 miles from the CHD Resource Services facility. UnitedHealthcare must receive valid receipts for such charges before you will be reimbursed. Examples of travel expenses may include:

- Airfare at coach rate
- Taxi or ground transportation
- Mileage reimbursement at the Internal Revenue Service (IRS) rate for the most direct route between the patient's home and the Designated Network Provider

There is a combined overall lifetime maximum Benefit of \$10,000 per Covered Person for all transportation and lodging expenses incurred by the CHD recipient and companion(s) and reimbursed under this Program in connection with all CHD procedures.

## **Organ and Tissue Transplant Services**

Inpatient Facility Services (including evaluation for transplant, organ procurement and donor searches) for transplantation procedures must be ordered by a Provider. Benefits are available to the donor and the recipient when the recipient is covered under this Program. The transplant must meet the definition of a Covered Health Service and cannot be Experimental or Investigational Services. Examples of transplants for which Benefits are available include but are not limited to:

- Heart.
- Heart/lung.
- Lung.
- Kidney.

- Kidney/pancreas.
- Liver.
- Liver/kidney.
- Liver/intestinal.
- Pancreas.
- Intestinal.
- Bone marrow (either from you or from a compatible donor) and peripheral stem cell transplants, with or without high dose chemotherapy. Not all bone marrow transplants meet the definition of a Covered Health Service.

Benefits are also available for cornea transplants. You are not required to notify United Resource Networks or Personal Health Support of a cornea transplant nor is the cornea transplant required to be performed at a Designated Network Provider.

Organ or tissue transplants or multiple organ transplants other than those listed above are excluded from coverage, unless determined by the Benefits Administrator to be a proven procedure for the involved diagnoses.

There are specific guidelines regarding Benefits for transplant Services. You can contact the medical Benefits Administrator at the telephone number on your ID card for more information about these guidelines.

Donor costs that are directly related to organ removal are Covered Health Services for which Benefits are payable through the organ recipient's coverage under the Program.

*Note: The Services described under Transportation and Lodging below are Covered Health Services only in connection with organ and tissue transplants when Services are received at a Designated United Resources Network Facility or other Provider chosen by the medical Benefits Administrator.*

### **Transportation and Lodging**

The medical Benefits Administrator will assist the patient and family with travel and lodging arrangements for the following expenses for those who have to travel more than 50 miles for transplant Services received at a Designated Network Provider, provided he or she is not covered by Medicare.

- Transportation of the patient and one companion who travels on the same day(s) to and from the site where evaluation, treatment or follow-up care is provided.
- Eligible Expenses for lodging for the patient (while not confined) and one companion. Benefits are paid at a per diem rate of up to \$50 for one person or up to \$100 for two people.
- If the patient is an enrolled dependent minor Child, the transportation expenses of two companions will be covered and lodging and meal expenses will be reimbursed up to the \$100 per diem rate.

UnitedHealthcare must receive valid receipts for such charges before you will be reimbursed. Examples of travel expenses may include:

- Airfare at coach rate
- Taxi or ground transportation
- Mileage reimbursement at the Internal Revenue Service (IRS) rate for the most direct route between the patient's home and the Designated Network Provider

There is a combined overall lifetime maximum Benefit of \$10,000 per Covered Person for all transportation and lodging expenses incurred by the transplant recipient and companion(s) and reimbursed under this Program in connection with all transplant Services.