



**Eugene Public Schools
District 4J
Certified Substitute Employees
Medical Plan No. P602
Effective Date: October 1, 2003**



ODS Health Plans' products provided by ODS Health Plan, Inc.

EMPLOYEE PLAN DESCRIPTION

**ODS HEALTH PLANS
P.O. Box 40384
Portland, Oregon 97240**

Telephone Numbers

1-800-420-7758	Medical Customer Service Department
1-800-433-2320	Cascade Centers, Inc.
1-800-592-8283	Case Management Department

ODS Health Plans reserves the right to monitor telephone conversations and e-mail communications between its employees and its customers for legitimate business purposes as determined by ODS Health Plans. The monitoring is to ensure the quality and accuracy of the service provided by employees of ODS Health Plans to their customers.

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Welcome

We are pleased that you have chosen Eugene District 4J ODS Health Plans as your Preferred Provider Organization (PPO) plan. This Member Handbook is designed to provide you with important information about your plan's benefits, limitations and procedures.

By using the services offered by the PPO panel, you will receive quality health care and will have a higher level of benefits.

We hope that you find this Member Handbook helpful. If you have any questions about the handbook please call the ODS Medical Customer Service Department at 1-800-420-7758. You may also visit our website at www.odshealthplans.com/4j.

Thanks for choosing us as your health care plan.

Please note: This handbook may be changed or replaced at any time, by the group or ODS, without the consent of any employee. All benefits are governed by the provisions of the company's agreement with ODS. Any provisions or terms of the policy not listed in this plan description still apply.

Summary of Benefits

This section summarizes your medical plan benefits. The details of the actual benefits and the conditions, limitations and exclusions of the Plan are contained in the sections that follow. PPO Benefits are those delivered by participating physicians and providers; Non-PPO Benefits are those delivered by non-participating physicians and providers.

	<u>PPO Benefits</u>	<u>Non-PPO Benefits</u>
Annual Deductible per enrollee	\$1,500	\$1,500
Maximum Annual Family Aggregate Deductible	\$4,500	\$4,500
Per Person Out-of-Pocket Maximum (does not include deductible)	\$5,000	No Maximum
Non-PPO lifetime maximum		\$250,000
Lifetime Maximum for all Benefits (includes PPO benefits and \$250,000 Non-PPO maximum lifetime benefits)	\$1,500,000	

BENEFITS

COPAYMENT (Amount You Pay)

	PPO	Non-PPO
Hospital - Inpatient Care		
Acute Care	25%, deductible applies	50%, deductible applies
Inpatient Rehabilitation Care	25%, deductible applies	50%, deductible applies
Routine Nursery Care (<i>includes one in-nursery physician's visit while mother is confined</i>)	25%, deductible waived	50%, deductible applies
Birth Center	25%, deductible applies	50%, deductible applies
Skilled Nursing Facility Care (<i>maximum 100 days per calendar year</i>)	25%, deductible applies	50%, deductible applies
Ambulatory Services		
Outpatient Surgery and Invasive Diagnostic procedures (Facility Charges) <i>These services require a service authorization</i>	25%, deductible applies	50%, deductible applies
Laboratory Tests	25%, deductible applies	50%, deductible applies
Diagnostic X-ray	25%, deductible applies	50%, deductible applies
Therapeutic X-ray, Chemo Therapy, and Dialysis	25%, deductible applies	50%, deductible applies
Imaging Procedures (MRI's, CT scans, etc.)	25%, deductible applies	50%, deductible applies
Emergency Services (<i>medically necessary</i>)	25%, deductible applies	50%, deductible applies
Urgent Care Center	25%, deductible applies	50%, deductible applies

BENEFITS

**COPAYMENT
(Amount You Pay)**

	PPO	Non-PPO
Professional Services		
Preventive Health Care		
Periodic Health Exams	25%, deductible applies	Not Covered
Routine X-ray & Lab	25%, deductible applies	Not Covered
Immunizations	No copay, deductible waived	Not Covered
Annual Women's Exam & Mammogram	25%, deductible waived	50%, deductible waived
Outpatient Diabetic Instruction	No copay, deductible waived	No copay, deductible waived
Office and Home Visits	25%, deductible applies	50%, deductible applies
Therapeutic Injections	25%, deductible applies	50%, deductible applies
Physician Hospital Visits	25%, deductible applies	50%, deductible applies
Surgeon and Anesthesiologist	25%, deductible applies	50%, deductible applies
Circumcision	25%, deductible applies	50%, deductible applies
Outpatient Rehabilitation Care <i>(30 days per calendar year per condition)</i>	25%, deductible applies	50%, deductible applies
Radiation Therapy	25%, deductible applies	50%, deductible applies
Other Services		
Ambulance Transportation	25%, deductible applies	25%, deductible applies
Home Health Care	25%, deductible applies	50%, deductible applies
Outpatient Durable Medical Equipment <i>(medical necessity must be established)</i>	25%, deductible applies	50%, deductible applies
Supplies and Appliances	25%, deductible applies	50%, deductible applies
Disposable Supplies (provided in a physicians office)	25%, deductible applies	50%, deductible applies
Radiation Therapy	25%, deductible applies	50%, deductible applies
TMJ <i>(Covered for medical reasons only. All TMJ services must be authorized)</i>	25%, deductible applies	50%, deductible applies
Family Planning		
Prescription Drugs (Includes oral contraceptives, Depo Provera & prescriptable diaphragms. <i>(Does NOT include Norplant or IUD's.)</i>)	Covered under RX program	Not covered
Vasectomy	25%, deductible applies	50%, deductible applies
Tubal ligation	25%, deductible applies	50%, deductible applies
Voluntary Pregnancy Interruption	25%, deductible applies	50%, deductible applies
Prescription Drugs		
Participating Pharmacy	\$20 per prescription or 50%, whichever is greater	Not Covered
Mail Order Pharmacy	\$40 per prescription or 50%, whichever is greater	Not Covered
Mental Health & Chemical Dependency**		
Inpatient	25%, deductible applies	50%, deductible applies
Residential/Partial Hospitalization	25%, deductible applies	50%, deductible applies
Outpatient	25%, deductible applies	50%, deductible applies

**Subject to State mandated limits

BENEFITS

**COPAYMENT
(Amount You Pay)**

	PPO	Non-PPO
Benefits Outside the Service Area		
Child/Student Dependents	Paid same as other in-network services	Paid same as other in-network services
Retirees, Employees and Family Members <i>(other than child/student)</i>	25% up to maximum plan allowance, deductible applies	25% up to maximum plan allowance, deductible applies
Traveling, Emergency Care <i>(Use of the emergency room for non-emergency care is not covered)</i>	25% up to maximum plan allowance, deductible applies	25% up to maximum plan allowance, deductible applies
Traveling, Non-Emergency Care	50% up to maximum plan allowance, deductible applies	50% up to maximum plan allowance, deductible applies

COVERED EXPENSES INCLUDE

A. Hospital - Inpatient Care

- Daily hospital room allowance will not exceed the average daily semi-private rate of the hospital.
- Other medically necessary hospital services.

Type of Care	Maximum Number of Days Per Calendar Year
Medical/Surgical	Unlimited
Rehabilitative	Unlimited
Intensive Care Unit	Unlimited

B. Hospital - Outpatient Care

- Emergency room treatment
- Outpatient surgery
- Pre-admission testing

C. Skilled Nursing Facility

Daily room allowance, but not more than the semi-private room rate nor more than 100 days per calendar year, plus other medically necessary services.

D. Ambulatory Services

Facility charges for outpatient surgery, x-ray and lab, therapeutic x-ray, and specified imaging (such as MRI, CT, CAT and PET scans).

E. Physicians and Professional Providers

Medically necessary services of a physician or professional provider who meets the definitions in this Plan.

F. Maternity

Services and supplies.

G. Ambulance

To the nearest facility that has the capability to provide the necessary treatment.

H. Supplies, Appliances and Medications

Medically necessary items which relate directly to the treatment of an illness or injury.

I. Transplants

Transplant services and supplies, including complications resulting from a transplant, are subject to a \$500,000 lifetime maximum benefit. These services are also included in computing the Plan's \$1,500,000 lifetime maximum benefit. If you go to a non-PPO physician or provider, benefits will be subject to the Plan's \$250,000 non-PPO lifetime maximum.

DEDUCTIBLES

This Plan has a calendar year deductible. The deductible is the amount of Covered Expenses which are paid by the employee before benefits are payable under the Plan. The amount of the deductible is shown in the Summary of Benefits. The deductible applies separately to each insured person, but no family will be required to satisfy more than the total family deductible as shown in the Summary of Benefits, no matter how many insured people are in the family. Benefits are paid after the deductible has been satisfied.

If covered expenses are incurred in the last three months of a calendar year and applied toward the deductible for that year, they will be carried forward and applied toward the deductible for the following year.

If this Plan replaces a group policy of the employer, any deductible amount satisfied under the prior policy, during the claim period, will be credited under this Plan.

ANNUAL MAXIMUM OUT-OF-POCKET COST

Except as noted below, your out-of-pocket costs for services performed by a PPO physician or provider accumulate to the annual out-of-pocket maximum. After you have met a \$5,000 per person out-of-pocket maximum in a calendar year, the Plan will pay 100% of covered services performed by a PPO physician or provider for the remainder of the calendar year. For non-PPO physicians or providers, the plan will continue to pay 50%.

The following costs paid by you do not accrue toward your out-of-pocket maximum:

- Deductibles;
- Fixed dollar copayments;
- Out-of-pocket expenses for prescription drugs;
- Out-of-pocket expenses for transplants performed at non-participating transplant facilities;
- Service authorization cost containment penalties;
- Disallowed charges; and
- Services performed by non-PPO physicians or providers.

MAXIMUM LIFETIME BENEFIT

Benefits for covered expenses of PPO and non-PPO physicians and providers accrue toward an aggregate \$1,500,000 lifetime maximum benefit for each enrollee. An enrollee's aggregate lifetime maximum accrues under all ODS medical plans regardless of when or under which plan the claims were paid. Benefits for covered expenses of non-PPO physicians and providers are also subject to a lifetime maximum benefit of \$250,000.

PAYMENT

Expenses allowed by ODS are based upon the Contracted Fees for services rendered by ODS preferred physicians and providers and the maximum plan allowance for services of non-PPO physicians and providers. The maximum plan allowance is established, reviewed, and updated by a national database. Please see the Summary of Benefits on page 2 for further details.

Except for copayment, deductibles, and policy contractual limits, participating physicians and providers agree to look solely to ODS, if it is the paying Insurer, for compensation of covered services provided to members and their dependents. Nothing in this paragraph shall prohibit a physician or provider and a member from entering into an agreement for payment by a participant for medical services which are not covered by the Health Benefit Plan.

RESTORATION

If you or one of your insured dependents receive benefits from this Plan during the year, the amount paid, up to \$5,000 will automatically be restored January 1 to your lifetime maximum benefit.

HOW WE COORDINATE BENEFITS WITH MEDICARE

This plan coordinates benefits with Medicare Parts A and B as allowed under federal government rules and regulations (see also page 63).

EMERGENCY CARE

You and your insured dependents are covered for emergency services worldwide. If you believe you have a medical emergency you should call 9-1-1 or seek care from the nearest appropriate physician or provider, such as a physician's office or clinic, urgent care facility or emergency room. See the Definitions section for the definition of emergency on page 12.

COVERAGE OUTSIDE THE SERVICE AREA FOR DEPENDENT CHILDREN

When an insured dependent child under age 25 resides outside the service area, we will extend Plan benefits for treatment of an illness or injury, preventive health care (including routine physicals and immunizations) and maternity services, as if the care were rendered by participating physicians or providers, subject to the following limitations:

- All non-emergency hospital confinements must be authorized;
- Services will be paid at the PPO benefit level if provided within a 30-mile radius of the dependent child's residence or at the closest appropriate facility;
- Services will be paid at the Non-PPO benefit level if such services are provided outside the 30-mile radius of the dependent child's residence;
- Fees charged by out-of-area physicians and providers of care will be reimbursed at the maximum plan allowance for those services; and
- Out-of-pocket expenses for services performed by physicians and providers outside the service area will not accrue toward the annual out-of-pocket maximum.

OUT OF AREA DEPENDENTS & RETIREES – ACTIVE PLANS

1. Eligible child/student dependents who reside outside of the ODS Health Plans preferred provider statewide service area will receive PPO benefits subject to the maximum plan allowance for services in the area.
2. Retirees, employees, and eligible family members/domestic partners (other than child/student) who reside outside the ODS Health Plans preferred provider statewide service area will receive 75 percent coverage up to the maximum plan allowance for services, after any applicable annual deductibles. Members are responsible for charges above maximum plan allowance.

**THE FOLLOWING EXAMPLE ILLUSTRATES
HOW THE PPO PLAN WORKS**

Total Charge	\$3,267.00
PPO Physician or Provider Benefits paid at	75%
Non-PPO Physician or Provider Benefits paid at	50%

Please note: payments on specific claims will be based on the individual agreement between ODS and the physician or provider.

EXAMPLE

ODS PPO Physician or Provider	
PPO Physician or Provider Total Charge	\$3,267.00
ODS PPO Physician and Provider fee Schedule; the amount negotiated between ODS and the PPO Physician or Provider	\$2,236.00
Plan pays 75% of ODS PPO Physician and Provider fee Schedule (assuming deductible paid)	\$1,677.00
You pay 25% of ODS PPO Physician and Provider fee Schedule (assuming deductible paid)	\$559.00
TOTAL AMOUNT YOU WOULD PAY	\$559.00

Non-PPO Physician or Provider	
Non-PPO Physician or Provider total charges	\$3,267.00
Maximum plan allowance	\$2,963.00
Plan pays 50% of maximum plan allowance (assuming deductible paid)	\$1,481.50
You pay 50% of maximum plan allowance (assuming deductible paid)	\$1,481.50
You pay the difference between total charges and the maximum plan allowance	\$304.00
TOTAL AMOUNT YOU WOULD PAY	\$1,785.50

Difference between PPO Physician or Provider and a Non-PPO Physician or Provider	
Your additional responsibility for using a Non-PPO Physician or Provider is	\$1,226.50

Cost Containment Provisions

This Plan contains special cost containment provisions which may affect how benefits are paid. Please refer to the following pages for an explanation of these special provisions.

SERVICE AUTHORIZATION REQUIREMENTS

The following services require service authorization:

- All inpatient hospital admissions;
- Skilled nursery facility admissions;
- Home health care services;
- Hospice care;
- TMJ treatment; and
- Non-emergency outpatient surgeries.

A. Hospital Pre-admission Authorization

All non-emergency hospital confinements must be authorized in order for maximum plan benefits to be payable. By non-emergency, we mean any confinement which can be scheduled in advance. ODS will authorize a normal length of stay, based upon the medical condition. Additional hospital days are covered only upon medical evidence of need.

In the case of an emergency admission to the hospital, service authorization must be obtained by calling ODS within 48 hours of the emergency hospital admission (or as soon as reasonably possible).

Pre-admission service authorization involves the following steps:

- When your physician suggests that you be admitted to the hospital or have a non-emergency surgery, ask that he/she contact ODS for service authorization.
- Your physician or his or her office staff either calls ODS or submits a service authorization form.
- ODS will either approve the admission, ask for additional information and/or request that you get a second opinion. ODS may also specify that you receive care on an outpatient basis only.
- If admission is approved, ODS will assign the expected length of stay and an appropriate time of admission (such as the morning of, or the night before a scheduled surgery.)
- The hospital, physician and patient are notified of the outcome of the service authorization process by letter.

To obtain Pre-admission Authorization by phone, contact ODS at 1-800-420-7758.

Your physician is ultimately responsible for service authorization. ODS will contact the physician when service authorization does not occur. **For non-PPO benefits, you are responsible for service authorization. Benefits will be reduced to 37.5%, in addition to an extra \$250 deductible, which will not count towards the calendar year deductible or the out-of-pocket maximum.**

B. Ambulatory Surgery

Certain diagnostic and therapeutic procedures can be performed without an inpatient admission or overnight stay in a hospital. Service authorization must be obtained if you are planning an inpatient admission or overnight stay for a service that is commonly performed in an outpatient setting. **Covered expenses will be limited to the cost of the most appropriate setting for the procedure.**

C. Mental Health and Alcohol/Drug Treatment

Cascade Centers, Inc. provides specialty management services for Mental Health and Alcohol/Drug treatment. Call the Cascade Centers, Inc. Program Coordinator at 1-800-433-2320.

ALTERNATIVE SERVICES

ODS shall have the right to pay benefits for alternative services not otherwise covered by the Plan if the following three conditions are met:

- Alternative services are medically appropriate;
- Major continuing claims expense is anticipated; and
- The attending physician and ODS's medical director approve the use of alternative services.

Payment of benefits for alternative services shall be at the sole discretion of ODS based on our evaluation of the individual case. The fact that we have paid benefits for alternative services for an insured person shall not obligate us to pay such benefits for any other insured person, nor shall it obligate us to pay benefits for continued or additional alternative services for the same insured person. All amounts ODS pays for alternative services under this provision shall be covered services for all purposes of this Plan.

Definitions

The following are definitions of some important terms used in this Description. Some other terms are defined where they are used.

Alternative services means coverage for services or supplies which are not otherwise benefits of the Plan, but which we believe to be medically necessary and cost effective.

Ambulatory care means medical care provided on an outpatient basis. Ambulatory care is given to persons who are not confined to a hospital.

Ancillary means support services provided to a patient in the course of care. They include such services as laboratory and radiology.

Authorization or **Authorized services** refers to obtaining approval by ODS prior to the date of service for services that have been ordered by the attending physician.

Authorized services means services or supplies that have been approved by us.

Cascade Centers, Inc. provides specialty management services for Mental Health and Alcohol/Drug treatment (see page 29).

Chemical dependency (including alcoholism and mental illness) is defined in the Treatment for Chemical Dependency and Mental Illness section (see page 29).

Copayment means the fixed dollar amounts or percentages of covered expenses to be paid by the eligible person.

Covered service is a service or supply that is specifically described as a benefit of this Plan.

Creditable coverage means prior health care coverage as defined in 42 U.S.C. 300 gg as amended and in effect on July 1, 1997, and includes coverage remaining in force at the time the enrollee obtains new coverage. The term creditable coverage means, with respect to an individual, coverage of the individual under any of the following:

- A group health plan;
- Individual Insurance coverage including student health plans;
- Medicare Part A and B;
- Medicaid, other than benefits consisting solely of benefits under Section 1928 (pediatric vaccines);
- CHAMPUS;
- A medical care program of the Indian Health Service or of a tribal organization;
- A State high risk pool;
- Federal Employees Health Benefit Plan (FEHBP);
- A public health plan (as defined in regulations); or
- A health benefits plan under section 5(e) of the Peace Corps Act (22 U.S.C. 2504(e)).

Some plans that provide medical care coverage do not qualify as creditable coverage. Such plans are called excepted benefits. The following plans are excepted benefits:

- Coverage only for accident, or disability income insurance, or any combination thereof.
- Coverage issued as a supplement to liability insurance.

- Liability insurance, including general liability insurance and automobile liability insurance.
- Worker's Compensation or similar insurance.
- Automobile medical payment insurance.
- Credit-only insurance.
- Coverage for on-site medical clinics.
- Other similar insurance coverage, specified in regulations, under which benefits for medical care are secondary or incidental to other insurance.

Custodial care means care that helps a person conduct activities of daily living such as bathing, eating, dressing or getting in and out of bed. It is care that can be provided by people without medical or paramedical skills. Custodial care also includes care that is primarily for the purpose of separating a patient from others, or for preventing a patient from harming himself or herself.

Dental care means services or supplies provided to prevent, diagnose, or treat diseases of the teeth and supporting tissues or structures, including services or supplies rendered to repair defects which have developed because of tooth loss and services or supplies rendered to restore the ability to chew.

Durable medical equipment is defined in the Supplies, Appliances and Durable Medical Equipment section (see page 25).

Emergency medical condition means a medical condition that manifests itself by symptoms of sufficient severity that a prudent layperson possessing an average knowledge of health and medicine would reasonably expect that failure to receive immediate medical attention would place the health of a person, or a fetus in the case of a pregnant woman, in serious jeopardy.

Emergency medical screening examination means the medical history, examination, ancillary tests and medical determinations required to ascertain the nature and extent of an emergency medical condition.

Emergency services means those health care items and services furnished in an emergency department and all ancillary services routinely available to an emergency department to the extent they are required for the stabilization of the patient.

Enrollee means an employee, dependent of the employee or an individual otherwise eligible for a group, individual or portability health benefit plan who has enrolled for coverage under the terms of the plan.

Enrollment date means, for new hires and others who enroll when first eligible, the date coverage begins or, if earlier, the first day of the waiting period. For late enrollees and special enrollees, the enrollment date is the date the plan coverage actually begins.

Exclusion period means a period during which specified treatments or services are excluded from coverage. See 24-Month Exclusion Period under Transplantation section on page 33.

The **Group** is the organization whose employees are covered by this Plan.

Group eligibility waiting period means the period of employment or membership with the group that a prospective enrollee must complete before coverage begins.

Health benefit plan means any hospital expense, medical expense or hospital and medical expense policy or certificate, health care service contractor or health maintenance organization subscriber contract, any plan provided by a multiple employer welfare arrangement, or another benefit arrangement defined in the federal Employee Retirement Income Security Act of 1974, as amended.

Hospice Care is defined in the Hospice section of the Covered Benefits (see page 24).

Illness means a disease or bodily disorder which results in a covered expense

Injury means a personal bodily injury to you or your insured dependent caused solely by external, violent and accidental means and results directly and independently of all other causes in a covered expense.

Insured dependent means an eligible dependent of an insured employee of the Group, whose application has been accepted by ODS and who is insured by this Plan.

Insured employee means an employee of the Group, who is insured by this Plan following acceptance by ODS of that person's application.

Late enrollee means an individual who enrolls subsequent to the initial enrollment period during which the individual was eligible for coverage but declined to enroll. If you decline coverage for yourself and/or your dependents when initially eligible, you will not be allowed to enroll yourself and or your dependents until the next open enrollment period. (See page 48 for complete details.)

An individual will not be considered a late enrollee if:

- The individual qualifies for special enrollment as explained under “Special Enrollment” on page 48;
- The individual applies for coverage during an open enrollment period;
- A court has ordered that coverage be provided for a spouse or minor child under a covered employee’s health benefit plan and request for enrollment is made within 30 days after issuance of the court order;
- The individual is employed by an employer who offers multiple health benefit plans and the individual elects a different health benefit plan during an open enrollment period; or
- The individual's coverage under Medicaid, Medicare, CHAMPUS, Indian Health Service or a publicly sponsored or subsidized health plan, including but not limited to the Oregon Health Plan, has been involuntarily terminated within 63 days of applying for coverage in a group health benefit plan.

Maximum Plan Allowance is the maximum amount on which ODS will base its reimbursement to physicians and providers. For a participating physician/provider, the maximum amount is the contracted fee. For non-participating physicians/providers, the maximum amount is no less than the seventy-fifth (75th) percentile of fees commonly charged for a given procedure in a given area, based on the Ingenix MDR System, a national database. If this database does not contain a fee for a particular procedure in a particular area, the claim is referred to our Medical Consultant who determines a comparable code to the one billed. ODS will use the Maximum Plan Allowance for the comparable code to price the claim.

Medically necessary means those services and supplies that are required for diagnosis or treatment of illness or injury and which, in the judgment of ODS, are:

- Appropriate and consistent with the symptoms or diagnosis of your condition or that of your dependent;
- Appropriate with regard to standards of good medical practice in the area in which they are provided;
- Not primarily for the convenience of you, your dependents or a physician or provider of services or supplies; and

- The least costly of the alternative supplies or levels of service which can be safely provided to the enrollee. This means, for example, that care rendered in a hospital inpatient setting is not medically necessary if it could have been provided in a less expensive setting, such as a skilled nursing facility or by a nurse in the patient's home without harm to the patient.

Medically necessary care does not include care that is primarily custodial in nature. See the definition of Custodial Care on page 11.

Please Note:

The fact that a physician or provider may prescribe, order, recommend, or approve a service or supply does not, of itself, make the charge a covered expense. Refer to the "General Exclusions" section starting on page 35 for further information regarding medical necessity. Also see "Transplantation" on page 31.

Medical Services Contract means a contract (1) between an insurer and an independent practice association, (2) between an insurer and a provider, (3) between an independent practice association and a provider or organization of providers, (4) between medical or mental health clinics, and (5) between a medical or mental health clinic and a provider to provide medical or mental health services. Medical services contract does not include a contract of employment or a contract creating legal entities and ownership thereof that are authorized under ORS chapter 58, 60 or 70, or other similar professional organizations permitted by statute.

Mental illness is a psychological disorder that results in pain or distress and substantial impairment of basic or normal functioning.

Mental Incapacity, for the purposes of this policy, means intellectual competence usually characterized by an IQ of less than 70.

Non-participating and Non-PPO refers to hospitals, physicians, providers, professionals, and facilities that have not contracted with us to provide benefits to persons covered under this Plan. They will be reimbursed at the maximum plan allowance for the service provided.

ODS Network including Providence Preferred Providers is the Preferred Provider Organization (PPO) selected by your employer. ODS Network including Providence Preferred Providers are physicians, hospitals and medical suppliers who contract to provide health care to you and your covered dependents. By using a Participating Physician or Provider, your covered medical expenses will be paid at a higher rate (see page 2).

Outpatient Surgery means surgery that does not require an inpatient admission or overnight stay.

Participating and PPO refers to hospitals, physicians, providers, professionals, and facilities that have contracted with us to provide benefits to persons covered under this Plan.

Physical Incapacity, for the purposes of this policy, means the inability to pursue an occupation or education because of a physical impairment.

Physician means a doctor of medicine or osteopathy.

The **Plan** is the agreement between the Group and ODS Health Plans which contains all the conditions of the Plan. The Employee Plan Description is a part of the Plan.

Policyholder means the group or employer for whose members or employees medical benefits are being provided.

Professional Provider means any of the following, who provide medically necessary services that are within the scope of their license. In all cases, the services must be covered under this plan to be eligible for benefits.

- A certified nurse practitioner;
- A podiatrist;
- A dentist (doctor of medical dentistry or doctor of dental surgery), but only for treatment of accidental injury to natural teeth, or for surgery that does not involve repair, removal or replacement of teeth, gums, or supporting tissue;
- A registered psychologist;
- A State-licensed physician assistant;
- A State-licensed clinical social worker, but only for services provided upon the written referral of a doctor of medicine, osteopathy or a registered psychologist;
- A registered physical, occupational, speech or audiological therapist, but only for rehabilitative services provided upon the written referral of a doctor of medicine or osteopathy;
- A registered nurse or licensed practical nurse, but only for services provided upon the written referral of a doctor of medicine or osteopathy, and only for those services for which nurses customarily bill patients; or
- An optometrist.

The term "professional provider" does not include a chiropractor, a naturopath, an acupuncturist, a Christian Science Practitioner, or any other class of provider not named above, and no benefits of the Plan will be paid for their services.

The Plan's **service area** is the geographical area where the participating physicians and providers provide their services.

Service authorization refers to obtaining approval by ODS prior to the date of service for services that have been ordered by the attending physician.

Urgent Care means the provision of immediate, short-term medical care for minor but urgent medical conditions that do not pose a significant threat to life or health at the time the services are rendered.

Waiting period means the period that must pass before the individual is eligible to be covered for benefits under the terms of the plan.

Benefit Description

This section describes the covered expenses of this Plan. The plan covers services and supplies listed when medically necessary for diagnosis and/or treatment of an illness or injury. Covered expenses are always limited to the maximum plan allowance for the physician or professional provider.

MEMBERSHIP CARD

After enrolling, you and your insured dependents will receive identification cards which will include your group and identification numbers. Please keep these cards in a safe place since you will need to present your card each time you receive services.

Please notify us if you lose an identification card and we will issue a replacement. The phone number is 1-800-420-7758.

WHEN BENEFITS ARE AVAILABLE

This Plan only pays benefits for expenses related to covered services incurred when a person's coverage is in effect. Coverage is in effect when the insured:

- Is eligible to be covered according to the eligibility provisions of this Plan;
- Has applied for coverage and has been accepted ; and
- Has had his or her premium for the current month paid by the group on a timely basis.

The expense of a service is incurred on the day the service is rendered and the expense of a supply is incurred on the day the supply is delivered to the insured.

Exception: when an insured person is an inpatient in the hospital on the day the coverage ends, we will continue to pay towards the covered services for that hospitalization until discharged from the hospital or until the insured person's benefits have been exhausted, whichever comes first. This exception does not apply to other types of facilities.

HOSPITAL CARE (In patient stays require service authorization)

A "hospital" is a facility that provides diagnostic and treatment facilities for inpatient surgical and medical care of persons who are acutely ill, and is licensed as an acute care General Hospital. Its services must be under the supervision of a staff of physicians and must include 24-hour-a-day nursing service by registered nurses. Facilities that are primarily rest, old age or convalescent homes are not considered to be hospitals.

Facilities operated by agencies of the federal government are not considered hospitals. However, the plan will benefit covered expenses incurred in facilities operated by the federal government where benefit payment is mandated by law. The plan will also benefit any covered service rendered at any hospital owned or operated by the State of Oregon.

Hospitalization must be authorized by a physician and must be medically necessary for acute care and treatment of illness or injury.

A. Hospital Benefits

Covered expenses consist of the following:

- The charge for a **semi-private room**, but not more than the actual bill. The covered amount cannot exceed the hospital's most common rate for a 2-bed room;
- The charge for **isolation care**, when we agree it is necessary to protect other patients from contagion or to protect you or your insured dependent from contracting the illness of another person;
- The charge for an **intensive care unit**. We use the criteria of the Joint Commission on Accreditation of Hospitals as a guide to decide the definition of an intensive care unit, but we reserve the right to decide whether a unit in a particular hospital qualifies for coverage;
- The **facility charges** for surgery performed in a hospital outpatient department;
- Charges for **other hospital services and supplies** that are necessary for treatment and are ordinarily furnished by a hospital. These include, but are not limited to, operating and recovery room, and traction equipment; and
- Charges for **routine nursery care** of well-newborn infant, including one in-nursery physician's visit, while the mother is confined in the hospital and receiving maternity benefits under this Plan. For services provided by PPO physicians and providers, the plan deductible will be waived.

Coverage for take-home prescription drugs following a period of hospitalization will be limited to a three-day supply at a benefit level that is consistent with the benefit for hospitalization.

All inpatient stays require service authorization. Please contact the Cascade Centers, Inc. Program Coordinator at 1-800-433-2320 for hospitalization related to chemical dependency or mental illness.

B. Inpatient Days Covered

We will allow benefits for an unlimited number of days for acute hospital care.

C. Inpatient Rehabilitative Hospital Care

We will allow benefits for an unlimited number of days for rehabilitative care as an inpatient in a hospital that has a specialized department for providing such care. These benefits will continue only as long as you or your insured dependent require the full rehabilitative team approach and services can be provided only on an inpatient basis.

In order to be a covered expense, rehabilitative services must begin within one year of the onset of the condition and must be part of a physician's formal written program to improve and restore lost function following illness or injury. The services must be consistent with the condition that is being treated.

D. Emergency Room Care

Hospital emergency room services will be covered at the regular Plan benefits.

E. Pre-admission Testing

Necessary preadmission testing is covered when ordered by the physician.

SKILLED NURSING FACILITY CARE

A Skilled Nursing Facility is a facility licensed under applicable laws to provide inpatient care under the supervision of a medical staff or a medical director. It must provide continuous 24-hour-a-day nursing service supervised by registered nurses.

Skilled Nursing Facility Benefits

Up to 14 days of care in a skilled nursing facility are covered by this Plan per stay. We may authorize care beyond 14 days when the attending physician reports that additional skilled nursing care is necessary for treatment of an illness or injury. However, the Plan covers a maximum of 100 skilled nursing facility days per calendar year.

Covered expenses are limited to the daily service rate, up to a maximum amount we would pay if the patient were in a semi-private hospital room. The patient's attending physician must give us acceptable proof of medical necessity, showing that the patient would require hospitalization if care in a skilled nursing facility were not possible.

Covered expenses do not include an admission to a skilled nursing facility that began before the person was insured under the Plan or for a stay where care is provided principally for:

- Senile deterioration;
- Alzheimer's disease;
- Mental deficiency or retardation; or
- Mental illness.

Expenses for routine nursing care, non-medical self-help or training, personal hygiene or custodial care are not covered under this Plan.

AMBULATORY SERVICES

Many ambulatory services require service authorization. For a complete list, visit our website at www.odshealthplans.com/4j.

A. Outpatient Surgery

The Plan covers operating rooms and recovery rooms, surgical supplies and other services ordinarily provided by a hospital or surgical center. Outpatient surgery requires service authorization.

Certain surgical procedures are covered only when performed as outpatient surgery. Please ask your participating physician or professional provider if this applies to your surgery, or contact our Medical Customer Service Department at 1-800-420-7758.

B. Diagnostic X-rays and Laboratory Tests

The Plan covers medically necessary diagnostic x-rays and laboratory tests related to treatment of an illness or injury.

C. Radium, Radioisotopic, X-ray Therapy, and Kidney Dialysis

Covered expenses include:

- Treatment planning and simulation;
- Professional services for administration and supervision; and
- Treatments, including the therapist, facility and equipment charges.

D. Specified Imaging Procedures

The Plan covers only the following imaging services when medically necessary and related to treatment of an illness or injury:

- Magnetic resonance imaging (MRI);
- Computerized axial tomography (CT or CAT);

- Positron emission tomography (PET); and
- Single photon emission computed tomography (SPECT).

PET and SPECT scans require service authorization.

PHYSICIAN AND PROFESSIONAL PROVIDER SERVICES

Services of physicians and professional providers are covered under this Plan.

A. Preventive Health Care

The Plan covers the following preventive health care benefits when performed by a PPO physician or provider, unless noted otherwise:

- 1. Periodic Health Exams.** The Plan covers periodic health exams limited to the following schedule:
 - Newborn: One hospital visit.
 - Infants: Six well-baby visits to a physician's office during the first year of life.
 - Children:
 - Age 1: Two exams during the year.
 - Age 2-6: One exam every year.
 - Age 7-18: One exam every two years.
 - Adults:
 - Age 19-34: One exam every four years.
 - Age 35-59: One exam every two years.
 - Age 60 and above: One exam every year.

Exams for licensing or employment purposes do not constitute periodic health exams and are not covered. An exam to rule out a diagnosis of illness based on family history is eligible for benefits as a periodic health exam based on the above schedule.

Routine x-ray and lab work related to a periodic health exam are also covered and are subject to the applicable deductible and standard coinsurance.

Please Note:
Periodic health exams are calculated from the date of the previous health exam.

- 2. Immunizations.** The Plan covers routine immunizations for both adults and children when administered by your physician. Covered immunizations will be limited to those that are considered the "standard of care" by the local medical community. However, immunizations for the sole purpose of travel or to prevent illness which may be caused by your work environment are not covered.

Hepatitis A and/or B immunizations for individuals over the age of 17 must be authorized and are covered only for high-risk individuals who meet our criteria.

- 3. Mammograms/Pap Tests.** The Plan will cover one breast and pelvic exam and one pap test every year. These services are covered when performed by a PPO or non-PPO physician or provider.

Mammograms are covered as follows:

- Age 35 through 39 1 mammogram
- Age 40 and older..... 1 mammogram per year

Mammograms for the purpose of diagnosis in symptomatic or designated high risk women are covered when deemed necessary by your physician.

Pelvic Exam/Pap Smears are covered annually for women of all ages, and at any time upon referral of the woman's health care provider.

- 4. Routine Prostate Rectal Exam & Prostate Specific Antigen (PSA) Test.** For men age 50 and over, the Plan covers one rectal examination and one PSA test every calendar year.
- 5. Sigmoidoscopy.** The Plan covers one flexible sigmoidoscopy every 5 years for men and women age 50 and over.

B. Family Planning

We will cover voluntary family planning services. These services include vasectomy, tubal ligation, voluntary pregnancy interruption, oral contraceptives, Depo-Provera, and diaphragms which are prescribed by the physician. The Plan does not cover Norplant or IUD's.

Admission to the hospital or outpatient surgical center for any family planning services must be authorized.

C. Infertility

Office visit and diagnostic procedures to determine the presence of infertility are covered services. Treatment of infertility is not a covered benefit. Procedures performed in the process of treatment of infertility, that may or may not have a direct impact on infertility (i.e. adhesion removal) are subject to medical necessity.

D. Home, Office or Hospital Visits

A "visit" means the patient is actually examined by a physician or professional provider. Covered expenses include physician consultations with written reports as well as second opinion surgery consultations.

E. Diabetes Self-Management Programs

The plan will cover diabetes self-management programs associated with the treatment of insulin-dependent diabetes, insulin-using diabetes, gestational diabetes and noninsulin-using diabetes, when prescribed by a health care professional legally authorized to prescribe such programs. The Plan will cover one diabetes self-management program of assessment and training after diagnosis. Upon a material change of condition, medication or treatment, the Plan will also cover up to three hours per year of assessment and training if:

- Provided through an education program credentialed or accredited by a state or national entity accrediting such programs; or
- Provided by a physician, a registered nurse, a nurse practitioner, a certified diabetes educator or a licensed dietitian with demonstrated expertise in diabetes.

F. Therapeutic Injections

Administrative services for therapeutic injections, such as allergy shots, are covered when given in a physician or professional provider's office. When comparable results can be obtained safely with home self-care, or through oral use of a prescription drug, administrative services for therapeutic injections are not covered.

Vitamin and mineral injections are not covered unless medically necessary for treatment of a specific medical condition.

G. Surgery

Surgery (operative and cutting procedures), including treatment of fractures, dislocations and burns, is covered. We will pay for:

- The primary surgeon;
- The assistant surgeon;
- The anesthesiologist or certified anesthetist; and
- Surgical supplies such as sutures and sterile set-ups when surgery is performed in the physician's office.

The services listed above are paid at the surgery coinsurance level.

Covered expenses, as defined earlier, for bilateral procedures or procedures performed during the same operative session will be paid as follows:

Procedure	Percent of Allowed Amount
First	100%
Second	50%
Additional procedures	25%

Eligible surgery performed in a physician's office is covered.

H. Circumcision

Circumcision for a newborn is covered when performed within three (3) months of birth and may be performed without service authorization. A circumcision beyond age three months must be medically necessary and requires service authorization.

I. Reconstructive Surgery Following A Mastectomy

The Plan covers reconstructive surgery following a mastectomy relating to cancer for:

- Reconstruction of the breast on which the mastectomy has been performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prostheses and physical complications for all stages of mastectomy, including lymphedemas.

Your physician must contact ODS to receive authorization in advance.

J. Cochlear Implants

Cochlear implants are covered when determined medically necessary and authorized.

K. Cosmetic and Reconstructive Surgery

Cosmetic surgery is surgery that improves or changes appearance without restoring impaired body function. Reconstructive surgery is surgery performed on abnormal structures of the body, caused by congenital defects, developmental abnormalities, trauma, infection, tumors, or disease. It is usually performed to improve function, but may also be performed to approximate a normal appearance.

Cosmetic surgery is not covered. Reconstructive procedures that are partially cosmetic in nature may be covered if the ODS medical director finds the procedure to be medically necessary. All reconstructive procedures must be medically necessary and authorized or benefits will not be paid.

Treatment for complications related to a surgery performed to correct a functional disorder will be covered when determined medically necessary. Treatment for complications related to a surgery that does not correct a functional disorder will be excluded.

When deemed cosmetic surgery by our medical director, nasal rhinoplasty is not covered.

Surgery for breast augmentation, achieving breast asymmetry, and replacing breast implants (prosthetics) to accomplish an alteration in breast contour or size are not covered. (Exception: see Coverage for Reconstructive Surgery Following a Mastectomy.)

Surgery performed to reduce breast size is covered only when medically necessary and authorized.

Coverage is also available for the following services if authorized and medically necessary:

- Surgical repair of congenital deformities;
- Hormone related conditions; and
- Acne surgery, including cryotherapy, dermabrasion, and excision of acne scarring.

L. Inborn Errors of Metabolism

We will provide coverage, subject to Plan benefits and limitations, for treatment of inborn errors of metabolism that involve amino acid, carbohydrate and fat metabolism and for which medically standard methods of diagnosis, treatment and monitoring exist. Coverage includes diagnosing, monitoring and controlling the disorders by nutritional and medical assessment, including but not limited to clinical visits, biochemical analysis and medical foods used in the treatment of such disorders.

M. Special Dental Care

Dental services are not covered by this Plan, except for treatment of accidental injury to natural teeth. Natural teeth are teeth which grew/developed in the mouth. All of the following are required to qualify for coverage:

- The accidental injury must have been caused by a foreign object or was caused by acute trauma (e.g., a broken tooth resulting from biting and/or chewing is not an accidental injury); and
- Treatment is medically necessary and is provided by a physician or dentist while you are insured under this Plan.

This Plan only covers treatment within 12 months of the date of injury.

If you choose to have tooth implant placement, the allowed amount will be limited to that which would have been allowed for a crown, bridge or partial. Removal of tooth implants or attachments to tooth implants are not covered.

N. Maxillofacial Prosthetic Services

The Plan will cover maxillofacial prosthetic services considered necessary for adjunctive treatment, which means restoration and management of head and facial structures that cannot be replaced with living tissue and that are defective because of disease, trauma or birth and developmental deformities when such restoration and management are performed for the purpose of:

- Controlling or eliminating infection;

- Controlling or eliminating pain; or
- Restoring facial configuration or functions such as speech, swallowing or chewing but not including cosmetic procedures rendered to improve on the normal range of conditions.

O. Temporomandibular Joint Syndrome

The Plan covers expense for treatment of temporomandibular joint syndrome (TMJ) for medical reasons only. All TMJ related services, including but not limited to diagnostic and surgical procedures, must be authorized, and will be covered only when medically necessary as established by a history of advanced pathologic process (arthritic degeneration) documented in a physician's medical record, or in cases involving severe acute trauma. Benefits for TMJ are limited to a \$3,000 lifetime maximum. Treatment of dental diseases or injuries is excluded.

MATERNITY CARE

Pregnancy care, childbirth and related conditions are covered under this Plan. This benefit includes voluntary abortions.

Special Right Upon Childbirth. Group health plans and health insurance issuers offering group insurance coverage generally may not, under Federal Law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a normal vaginal delivery, or less than 96 hours following a cesarean section.

However, Federal law does not prohibit the mother's or newborn's attending physician or provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours following a vaginal delivery, or 96 hours following a cesarean section. We do not require a physician or provider to obtain authorization for a length of stay up to 48 hours (or 96 hours for a c-section) following childbirth.

EMERGENCY CARE

You are covered for treatment of emergency medical conditions worldwide. Emergency services rendered by non-PPO physicians and providers will be reimbursed at the rate we reimburse PPO physicians and providers. However, benefits are subject to our contracted rates for PPO physicians and providers and the maximum plan allowance for non-PPO physicians and providers. You are responsible for emergency room copayments in effect at that time along with any other copayments that may apply to the type of services received. If a covered hospitalization immediately follows emergency services, we will waive emergency room copayments. All other applicable copayments remain in effect.

Service authorization is not required for emergency medical screening exams or treatment to stabilize an emergency medical condition. Service authorization is also not required for emergency services provided by a non-PPO physician or provider when a prudent layperson possessing an average knowledge of health and medicine would reasonably believe that the time required to go to a PPO physician or provider would place the health of the person, or a fetus in the case of a pregnant woman, in serious jeopardy.

If the patient's condition requires hospitalization in a non-PPO facility, the attending physician and our medical director will monitor your condition and determine when the transfer to a PPO facility can be made. The Plan does not provide PPO-level benefits for care beyond the date the attending physician and our medical director determine the patient can be safely transferred.

PPO-level benefits will not be available if you go to a non-PPO provider for care other than emergency medical care. The following are not emergency medical conditions and are not eligible for PPO-level benefits (this list is not inclusive of all such services):

- Routine adult physical examinations, women's examinations, well-baby and child care, immunizations or eye examinations;
- Diagnostic work-ups for chronic conditions; and
- Elective surgery and/or hospitalization unless authorized as services not readily accessible from PPO providers.

AMBULANCE TRANSPORTATION

Local ground transportation by state certified ambulance is covered for medically necessary transport to the nearest facility that has the capability to provide the necessary treatment. Benefits will be paid to you and the provider or directly to the provider.

Certified air ambulance transportation is covered when medically necessary. The maximum benefit for air ambulance transportation is limited to the amount the Plan would have paid for a ground ambulance. If air ambulance crosses water, the benefit is limited to the reimbursement rate of a ground ambulance for the miles traveled.

Services provided by a stretcher car, wheelchair car or other similar methods are considered custodial and are not covered benefits under this Plan.

SPECIAL TRANSPORTATION

Transportation within the United States or Canada by railroad or scheduled commercial airline to but not from a hospital equipped to furnish special treatment for the injury or illness. Special treatment would be limited to a covered service, which could not be performed at a participating hospital. ODS Health Plan service authorization would be required.

HOSPICE CARE

Definitions:

Approved hospice means a private or public hospice agency or organization approved by Medicare or accredited by the Oregon Hospice Association (or the equivalent agency if services are provided outside of Oregon).

Home health aide means an employee of an approved hospice who provides intermittent, custodial care under the supervision of a registered nurse, physical therapist, occupational therapist or speech therapist.

Hospice treatment plan means a written plan of care established and periodically reviewed by the patient's attending physician. The physician must certify in the plan that the enrollee is terminally ill and the plan must describe the services and supplies for medically necessary or palliative care to be provided by the approved hospice.

We will provide benefits for the services and supplies listed below when they are included in a hospice treatment plan. Charges must be provided and billed by an approved hospice agency to an enrollee who is terminally ill and homebound.

A. Hospice Home Care

We will pay 75 percent of the maximum plan allowance, after the deductible, up to a lifetime maximum of \$5,000, for home care visits by any of the following:

- A registered or licensed practical nurse;
- A physical, occupational or speech therapist;
- A home health aide;
- A licensed social worker.

A visit must be for intermittent medically necessary or palliative care.

B. Hospice Inpatient Care

We will pay 75 percent of the maximum plan allowance (50 percent for services rendered out-of-network), after the deductible, for short-term hospice inpatient services and supplies for up to 12 days during the period of covered hospice care.

C. Respite Care

Respite care means care of a hospice patient for a period of time to relieve persons residing with and caring for the patient from their duties. Providing care to allow a caregiver to return to work does not qualify as respite care.

We will pay 75 percent of the maximum plan allowance (50 percent for services rendered out-of-network), after the deductible, for respite care provided to an enrollee who requires continuous attendance when arranged by the attending physician and authorized by ODS. Benefits are limited to 120 hours of care per three-month period of covered hospice care for services provided in what we determine is the most appropriate setting.

The services and charges of a non-professional provider may be covered for respite care if approval is given by us in advance.

D. Exclusions

In addition to exclusions listed in the Exclusion section, the following are not covered:

- Hospice services provided to other than the terminally ill enrollee, including bereavement counseling for family members;
- Services and supplies not included in the hospice treatment plan or not specifically set forth as a hospice benefit; and
- Services and supplies in excess of the stated limitations.

OTHER SERVICES

A. Home Health Care

Home health care services and supplies are covered when provided by a home health care agency for a patient who is homebound. "Homebound" means that the condition of the patient creates a general inability to leave home. If the patient does leave home, the absences must be infrequent, of short duration, and mainly for receiving medical treatment. A home health care agency is a licensed public or private agency that specializes in providing skilled nursing and other therapeutic services, such as physical therapy, in the patient's home.

The home health care benefit consists of medically necessary home health care visits. A visit must be for intermittent care of not more than two hours in duration. Home health care services must be ordered by a physician and be provided by and require the training and skills of one of the following professional providers:

- a registered or licensed practical nurse;
- a physical, occupational, speech, or respiratory therapist; or
- a licensed social worker.

Home health aides do not qualify as a home health service provider under the Plan.

This benefit does not include home health care, home care services, and supplies provided as part of a hospice treatment plan. These are covered under other parts of the Plan.

Maximum Visits

There is a two-visit maximum allowed in any one day for the services of a registered or licensed practical nurse. All other home health care providers are limited to one visit per day.

Service authorization

Home health care requires service authorization. Contact our Medical Customer Service Department at 1-800-420-7758 before receiving such care.

B. Outpatient Rehabilitation

The Plan will cover up to 30 days each calendar year, per condition, for rehabilitative services provided by a professional provider to a patient who is not confined in a hospital. Rehabilitative services are physical, occupational, speech or audiological therapy services necessary to restore or improve lost function caused by illness or injury.

For rehabilitative therapy to be covered, it must be a part of a written plan of treatment prescribed and supervised by a physician. Only a single session of any one kind of rehabilitation is covered per day. A session is one visit. This benefit does not cover recreational or educational therapy, non-medical self-help or training, or treatment of psychotic or psychoneurotic conditions.

C. Supplies, Appliances, and Durable Medical Equipment

Outpatient supplies, appliances and durable medical equipment are covered. If you receive these services from non-participating physicians or providers, the service will be reimbursed at the non-PPO rate.

Covered supplies include the following:

- medical supplies used in a physician or provider's office;
- application of a cast;
- supplies related to a colostomy or mastectomy; and
- pumps and meters for diabetes including syringes, needles, and sugar test tape.

The first extremity prosthesis after loss of a body part is covered, including artificial eyes and post-mastectomy bra and prosthetic. An additional prosthesis may be authorized if the attending physician provides documentation to us that a new prosthetic device is medically necessary because of changing fit or poor function. Testicular prostheses are not covered.

The Plan will cover one intraocular lens or one contact lens or eyeglasses for each eye operated on following cataract surgery.

An appliance is an item used for performing or facilitating the performance of a particular bodily function. Appliances, including orthopedic braces, are covered expenses. However, the following are not covered: dental appliances and braces, supporting devices such as corsets or elastic stockings (except jobst stockings when medically necessary for varicose veins), hearing aids, eye glasses and contact lenses (see above for the cataract surgery exception).

Orthopedic shoes are covered if they are an integral part of a leg brace or if a physician has ordered that orthopedic shoes be individually designed for correction or support of a deformity. If such correction or support is accomplished by modification of a mass-produced shoe, then the covered expense will be limited to the cost of the modification. The covered expense will not include the original cost of the shoe.

Durable medical equipment is equipment and related supplies which we determine are used primarily to serve a medical purpose, are not generally useful to a person in the absence of illness, injury or disease, are appropriate for use in the patient's home and are designed to withstand repeated use. Examples of durable medical equipment include a wheelchair, a hospital-type bed, and oxygen.

The Plan will cover the rental charge (not to exceed the purchase price) for durable medical equipment. Upon request, you must authorize any supplier furnishing durable medical equipment to provide us with information related to the equipment order and any other records we need to approve a claim payment.

In order to obtain reimbursement for replacement or repair of appliances, including prosthetic devices, equipment or durable medical equipment, you must establish, to the satisfaction of ODS, that the foregoing were not abused, were not used beyond their specifications and not used in a manner to void applicable warranties.

In addition to the exclusions listed in the General Exclusions section, the Plan will not cover the following appliances and equipment, even if they relate to a condition which is otherwise covered by the Plan:

- Those used primarily for comfort, convenience, or cosmetic purposes;
- Wigs and toupees;
- Those used for education or environmental control, such as ramps, hand rails, bath benches, telephones, humidifiers, air filters, air conditioners, heat lamps, tanning lights, whirlpool or hot tubs;
- Therapeutic devices, except for transcutaneous nerve stimulators; and
- Incontinence supplies.

ODS is not liable for any claim or damages connected with illness or injuries arising out of the use of any durable medical equipment.

D. Infusion Therapy

The Plan covers infusion therapy services and supplies as described here, when medically necessary, authorized, and ordered by a physician as a part of an infusion therapy regimen.

Home infusion therapy must be provided by an accredited home infusion therapy agency. In addition to the above requirements, the patient receiving the services must qualify as being 'homebound' (as defined in the Home Health section on page 25.)

Infusion therapy benefits are limited to the following:

- aerosolized pentamidine;
- intravenous drug therapy;
- total parenteral nutrition;
- hydration therapy;
- intravenous/subcutaneous pain management;
- terbutaline infusion therapy;
- SynchroMed pump management;
- IV bolus/push drugs; and
- Blood product administration.

In addition, covered expenses include only the following medically necessary services and supplies:

- solutions, medications, and pharmaceutical additives;
- pharmacy compounding and dispensing services;
- durable medical equipment for the infusion therapy;
- ancillary medical supplies;
- nursing services associated with:
 - patient and/or alternative care giver training;
 - visits necessary to monitor Intravenous therapy regimen;
 - emergency services;
 - administration of therapy; and
- collection, analysis, and reporting of the results of laboratory testing services required to monitor response to therapy.

Service authorization

Infusion therapy requires service authorization. Contact our Medical Customer Service Department at 1-800-420-7758 before receiving such care.

E. Nonprescription Enteral Formula For Home Use

The Plan will cover nonprescription elemental enteral formula for home use. The formula must be medically necessary and ordered by the doctor for the treatment of severe intestinal malabsorption and must comprise the sole source, or an essential source, of nutrition.

F. Injectable Medication

Medications that are given by injection (e.g., allergens) are covered as a supply. If the pharmaceutical is available in an oral dosage form, the Plan will not cover it in the form of an injectable medication unless we agree that it is medically necessary that the enrollee use the injectable form. The following self-injectable medications are covered under the Prescription Medications section of your plan and not covered as a supply (refer to page 41):

Ana-guard	Aranesp	Avonex	Betaseron
Copaxone	Enbrel	Epipen	Epogen
Fragmin	Imitrex	Infergen	Innohep
Insulin	Intron A	Kineret	Lovenox
Neulasta	Neumega	Neupogen	Peg-Intron
Procrit	Rebetol	Rebetron	Roferon A
Glucagon Emergency Kits			

Medications given intravenously are not considered to be injections. Any new drug approved by the FDA after the date this policy goes into effect is not covered until approved by ODS.

General Limitations

Notwithstanding any other provisions of this Plan, there are limitations on the benefits available under this Plan for the treatment of certain conditions and the use of certain procedures. These limitations are described below.

TREATMENT FOR CHEMICAL DEPENDENCY AND/OR MENTAL ILLNESS

A. Definitions

In addition to the definitions in the Definition section, the following apply to the Mental Health and Chemical Dependency section.

Chemical dependency means the addictive relationship a person has with any drug or alcohol characterized by either a physical or psychological relationship, or both, that interferes with the individual's social, psychological or physical adjustment to common problems on a recurring basis. For purposes of this plan, chemical dependency does not include addiction to, or dependency on, tobacco, tobacco products or foods.

Dual diagnosis means a condition involving both a mental illness and chemical dependency which requires treatment of the simultaneous conditions and is such that one condition could not be treated independent of the other.

Health facility means a facility licensed to provide full-day or part-day acute treatment for chemical dependency or mental illness, and to admit persons requiring 24-hour nursing care.

Mental illness is an Axis I diagnosis listed in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

Outpatient service means a program or service providing treatment by appointment. Such a program or service shall be licensed, approved, established, maintained, contracted with or operated by the Office of Alcohol and Drug Abuse Programs or the Mental Health and Developmental Disability Services Division, or is provided by one of the following:

- a physician;
- a licensed clinical psychologist;
- a nurse practitioner; or
- a licensed clinical social worker.

Residential facility or day or partial hospitalization program means a program or facility providing an organized full-day or part-day program of treatment. Such a program or facility shall be licensed, approved, established, maintained, contracted with or operated by the Office of Alcohol and Drug Abuse Programs or the Mental Health and Developmental Disability Services Division.

B. Treatment Settings

Covered expenses for treatment of mental illness and/or chemical dependency are limited to services which are provided in the least costly treatment setting that is medically appropriate for the individual patient's condition. The following criteria will be used to determine the appropriate setting for the treatment of mental illness and/or chemical dependency:

- Expenses for inpatient health facility care will be covered only when the medical records reflect that the patient's medical circumstances require 24-hour skilled nursing supervision and physician assessment not readily available in a less costly setting.
- Expenses for residential care will be covered only when the facility records reflect that the patient required non-medical supervision, protection, assistance and treatment for at least 4 hours per day and 4 days per week. In determining the patient's need for residential care, the following factors will be taken into consideration:
 - The patient's existing social, occupational and living situations which would adversely affect treatment provided on an outpatient basis;
 - Potential life-threatening risk to the patient or others; and
 - The patient's readiness and/or willingness to participate consistently in treatment.
- Expenses for outpatient services will be covered when treatment is justified considering the patient's history and current medical, occupational, social and psychological situation and overall prognosis.

If services are provided in a treatment setting that is inappropriate based on the above criteria, benefits will be limited to the amount that would have been paid if those services had been provided in the least costly treatment setting appropriate to provide that care.

Note:

Cascade Centers, Inc. provides specialty management services for Mental Health and Alcohol/Drug treatment. Call the Cascade Centers, Inc. Program Coordinator at 1-800-433-2320.

C. Benefits for Chemical Dependency

For services received as an inpatient in a health facility, benefits are limited to 19 days in a 24 consecutive month period for enrollees 17 years of age or younger, and to 14 days in a 24-consecutive-month period for enrollees over the age of 17.

For services received in a residential program or facility or in a day or partial hospitalization program, benefits are limited to 24 days in a 24-consecutive-month period for enrollees 17 years of age or younger, and to 19 days in a 24-consecutive-month period for enrollees over the age of 17. For purposes of calculating days used, a full day or partial day service is counted as one day.

Benefits for outpatient services are limited to 42 visits in a 24-consecutive-month period for enrollees 17 years of age or younger, and to 32 visits in a 24-consecutive-month period for enrollees over the age of 17.

D. Benefits for Mental Illness

During any 24-consecutive-month period, benefits for services received as an inpatient in a health facility are limited to 16 days for enrollees 17 years of age or younger, and to 14 days for enrollees 18 years of age or older.

For services received during a 24-consecutive-month period in a residential program or facility, or in a day or partial hospitalization program, benefits are limited to 24 days for enrollees 17 years of age or younger, and to 31 days for enrollees over the age of 17. For purposes of calculating days used, a full day or partial day service is counted as one day.

For outpatient services, benefits are limited to 35 visits in a 24-consecutive-month period for enrollees of all ages.

Please note: For purposes of calculating the number of outpatient services used, each session of therapy is counted as one visit. For example, if an individual receives individual therapy and group therapy on the same day, the individual will have utilized two outpatient visits, regardless if the services are performed by the same provider.

E. Benefits for Combined Chemical Dependency and Mental Illness Diagnosis

If an enrollee receives covered services and supplies for a combined diagnosis of both chemical dependency and mental illness, benefits will be calculated on the basis that such services and supplies were for the treatment of mental illness alone. Benefits in a 24-month period for both mental illness and a combined diagnosis of chemical dependency and mental illness will not exceed the maximum days or visits for mental illness alone.

Note: A single 24-consecutive-month benefit period begins with the first date of treatment for a mental health and/or chemical dependency condition. When the 24-month period expires, the member will be eligible for a new 24-month benefit period.

F. Mental Health and/or Chemical Dependency Treatment Review

All treatment for Mental Health and/or Chemical Dependency treatment must be pre-certified and referred by the Cascade Centers, Inc. Program Coordinator. This includes inpatient treatment, residential/day care and outpatient treatment. If an emergency admission must take place when the office is closed, please contact the coordinator immediately at the earliest opportunity during regular business hours. If you do not choose to use an in-network provider, benefits will be paid at the non-PPO benefit level.

Please remember that in order to receive any benefit for mental health and/or chemical dependency services, you MUST contact the Cascade Centers, Inc. Program Coordinator at 1-800-433-2320 before seeking treatment.

G. Exclusions

In addition to exclusions listed in the Exclusion section, services, supplies, and treatment related to the following are not covered:

- Behavior Modification. Psychological enrichment or self-help programs for mentally healthy individuals. Such behavior modification programs include assertiveness training, image therapy, sensory movement groups, marathon group therapy, and sensitivity training;
- Counseling or treatment in the absence of illness, including individual or family counseling or treatment for marital, social, behavioral, family, occupational or religious problems, or treatment of "normal" transitional response to stress;
- Level I educational programs related to DUI;
- Voluntary mutual support groups, such as Alcoholics Anonymous;
- Family education or support groups;
- Sexual disorders; and
- Personality Disorders. Services and supplies for the treatment of a well-established pattern of behavior causing significant impairment in social or occupational functioning.

TRANSPLANTS

We will pay benefits for medically necessary and appropriate transplant procedures which in our judgment conform to accepted medical practice and are not experimental or investigational. (See "Experimental or Investigational Procedures" in General Exclusions section which begins on page 35).

Benefits for covered transplant services are limited to an aggregate lifetime maximum benefit of \$500,000. If you go to a non-PPO physician or provider, benefits will be subject to the Plan's \$250,000 non-PPO lifetime maximum.

A. Definitions

Participating Transplant Facility means a health care facility with which ODS has contracted or arranged to provide facility transplant services for the group's enrollees.

Contracting Amount means the amount the Participating Transplant Facility has agreed to accept as payment in full for facility transplant services for a specific type of transplant.

Transplant means:

- A procedure or a series of procedures by which tissue (e.g., solid organ, marrow, stem cells) is removed from the body of one person (donor) and implanted in the body of another person (recipient); and/or
- A procedure or series of procedures by which tissue is removed from one's body and later re-introduced back into the body of the same person.

Transplant does not include:

- The collection of and/or transfusion of blood or blood products.
- Corneal transplants.

B. Covered Benefits

Benefits for transplantation are limited as follows:

- Benefits for the hospital charges are paid at regular plan benefits. Covered expenses are paid based on the contracted hospital rate. Out-of-pocket expenses paid for services rendered by non-PPO physicians and providers do not accrue toward the annual out-of-pocket maximum;
- Benefits for the surgeon are paid at regular plan benefits. Out-of-pocket expenses paid for services rendered by non-PPO physicians and providers do not accrue toward the annual out-of-pocket maximum;
- If the Recipient or Self-Donor is enrolled under this Plan, we will pay 75 percent for PPO physicians and providers and 50 percent for non-PPO physicians and providers, after deductible, up to a maximum of \$5,000 per Covered Transplant for Donor Costs. "Donor costs" means the covered expense of removing the tissue from the donor's body and preserving or transporting it to the site where the transplantation is performed as well as any other charges pertaining to locating and procuring the organ. If the donor is insured under this Plan and the recipient is not, we will not pay any benefits toward donor costs. Expenses incurred by an enrolled donor which result from complications and unforeseen effects of the donation will be covered as any other sickness. Out-of-pocket expenses paid for services rendered by non-PPO physicians and providers do not accrue toward the annual out-of-pocket maximum;
- Covered Transplants are medically necessary and appropriate transplants of one of the following organs or tissues only and no others:
 - Heart;
 - Heart/lung or lung
 - Liver;

- Kidney;
- Kidney and pancreas when transplanted together in the same operative session;
- Autologous bone marrow, but only if required in the treatment of:
 - non-Hodgkin's lymphoma;
 - Hodgkin's disease after first or subsequent relapse;
 - neuroblastoma;
 - acute leukemia;
 - germ cell tumors of the testes, ovaries, mediastinum and retroperitoneum.
- Homogenic/allogenic bone marrow, but only if required in the treatment of:
 - aplastic anemia;
 - acute leukemia;
 - severe combined immunodeficiency;
 - infantile malignant osteoporosis;
 - chronic myelogenous leukemia;
 - lymphoma - Wiskott-Aldrich syndrome.
- We will pay for physician and professional provider transplant services according to the benefits for physicians and professional providers under the Plan;
- We will pay for anti-rejection drugs following the covered transplant, we will pay according to the benefits for prescription drugs, if any, under the Plan.

Please Note:

All transplant procedures must be authorized and be medically necessary and appropriate according to criteria established by ODS. To receive maximum Plan benefits, the transplant procedure must be performed at a participating transplant facility.

C. Service Authorization Requirement

The service authorization requirement relates only to the administration of benefits under the Plan. The outcome of a service authorization request does not constitute a treatment recommendation or requirement. It relates solely to whether the procedure will be covered under the Plan. The actual course of medical treatment the enrollee chooses remains strictly a matter between the enrollee and his or her physician.

Service Authorization Procedures. To request service authorization, the enrollee's physician must contact the Medical Intake Unit of ODS prior to the transplant admission. Service authorization should be obtained as soon as possible after an enrollee has been identified as a possible transplant candidate.

Mail: Medical Intake Unit
 ODS Health Plans
 P.O. Box 40384
 Portland, Oregon 97240

Telephone: 1-800-420-7758

To be valid, service authorization approval must be in writing from ODS.

D. 24-Month Exclusion Period

Transplants will not be covered during the first 24 months an individual is enrolled under this Plan except as follows:

- The 24-month exclusion period will not apply if the enrollee has been continuously enrolled under this Plan since birth;
- The 24-month exclusion period will not apply if the enrollee was continuously insured under this Plan together with the Group's prior plan (but only if the prior plan included transplant coverage and would have covered the same services) at least 24 months prior to incurring transplant related expenses. If the recipient had applicable transplant coverage under a prior health benefit plan, every month of creditable coverage the recipient had under that prior health benefit plan will reduce the 24-month exclusion period by one month.

An individual has the right to demonstrate the existence of prior creditable coverage by providing us with a certificate of creditable coverage from a prior plan. You may request a certificate of creditable coverage from a prior plan or insurer within 24 months of coverage termination. If you have been insured by more than one prior plan, submit all certificates of creditable coverage, as aggregate periods of creditable coverage can be used to reduce the exclusion period.

E. Exclusions

In addition to the exclusions listed in the GENERAL EXCLUSIONS Section, we will not pay for the following:

- Donation related services or supplies provided to a Donor who is an enrollee under this Plan if the Recipient is not enrolled under this Plan and eligible for transplant benefits;
- Services or supplies for any Transplant not specifically named as covered including the Transplant of animal organs or artificial organs; and
- Chemotherapy with autologous or homogenic/allogenic bone marrow transplant for treatment of any type of cancer not specifically named as covered above.

BIOFEEDBACK THERAPY

Covered expenses for biofeedback therapy services are limited to treatment of tension or migraine headaches. The Plan will pay for no more than 10 visits during the enrollee's lifetime.

PODIATRY SERVICES

Services of podiatrists are covered for the diagnosis and treatment of a specific current problem. We will not cover the following services:

- Paring or cutting of benign hyperkeratotic lesion (e.g., corn or callus);
- Trimming of dystrophic and non-dystrophic nails; and
- Debridement of nail(s) by any method(s).

General Exclusions

In addition to the limitations and exclusions described elsewhere in this Plan, the following services, procedures and conditions are not covered by your Plan, even if otherwise medically necessary, if they relate to a condition that is otherwise covered by the Plan, or if recommended, referred, or provided by a participating physician or provider.

Acupuncture

Behavior Modification

Psychological enrichment or self-help programs for mentally healthy individuals are excluded. This includes assertiveness training, image therapy, sensory movement groups, marathon group therapy, and sensitivity training.

Benefits Not Stated

Services and supplies not specifically described in this Member Handbook as covered expenses under this Plan are excluded.

Charges Over the Maximum Plan Allowance

Any charge over the maximum plan allowance for services or supplies will be excluded.

Chiropractic Treatment

Unless explicitly covered by the Plan.

Cosmetic/Reconstructive Surgery

Cosmetic procedures (any procedure that is requested for the purpose of improving or changing appearance without restoring impaired body function) are excluded under this plan. Complications of reconstructive surgeries will be covered if medically necessary and not specifically excluded under this plan. Breast augmentation, lipectomy, liposuction, and hair removal (including electrolysis and laser) are excluded.

Counseling or Treatment in the Absence of Illness

This includes individual or family counseling or treatment for marital, behavioral, family, occupational or religious problems, or treatment of "normal" transitional response to stress.

Custodial Care

Routine care and hospitalization for assistance with activities of daily living, including, but not limited to, bathing, dressing, feeding, and administration of medications.

Dental Examinations and Treatment; Orthodontia

Except as specifically provided for under the "Special Dental Care" provision located in the "Benefit Description" section beginning on page 23, dental examination and treatment and orthodontia are not covered.

Experimental or Investigational Procedures

Services and supplies are excluded that, in our judgment:

- Are not rendered by an accredited institution, physician or provider within the United States or by one that has not demonstrated medical proficiency in the rendering of the service or supplies;
- Are not recognized by the medical community in the service area in which they are received;

- Involve a treatment for which the approval of one or more government agencies is required, but has not been obtained at the time the services and supplies are rendered or are to be rendered;
- Involve a treatment for which scientific or medical assessment has not been completed, or the effectiveness of the treatment has not been generally established; and
- Are available in the United States only as part of clinical trial or research program for the illness or condition being treated.

Additionally, this Plan does not provide coverage for any expenses incidental to or incurred as a direct consequence of experimental or investigational procedures.

Eye Examinations

Routine eye examinations, except as provided under the plan, including the fitting, provision, or replacement of eyeglasses or contact lenses, and any charges for orthoptics, vitamin therapy, low vision therapy, eye exercises, or fundus photography, are not covered.

Faith Healing

Family Planning

Services and supplies for family planning (except sterilization or services covered under the Family Planning benefit); surgery to reverse voluntary sterilization procedures (vasectomy or tubal ligation).

Financial Counseling Services

Food Services

“Meals on Wheels,” and similar programs are not covered.

Guest Meals in a Hospital or Skilled Nursing Facility

Hearing Aids

The fitting, provision, or replacement of hearing aids (internal and external) are excluded. Implantable hearing aids, and the surgical procedure to implant them are also excluded.

Homemaker or Housekeeping Services

Homeopathy

Hospice Services

The following hospice services are excluded:

- Hospice services provided to other than the terminally ill enrollee, including bereavement counseling for family members;
- Services and supplies not included in the hospice treatment plan or not specifically set forth as a hospice benefit; and
- Services and supplies in excess of the stated limitations.

Immunizations

Immunizations for the sole purpose of travel or to prevent illness which may be caused by a work environment are not covered.

Infertility

Services for the treatment of infertility are excluded under the Plan. This includes artificial insemination procedures, including, but not limited to, in-vitro fertilization (IVF), Gamete Intrafallopian Transfer (GIFT), Zygote Intrafallopian Transplant (ZIFT), and Tubal Embryo Transplant (TET).

Inmates

Services and supplies you or your dependent receives while in the custody of any state or federal law enforcement authorities or while in jail or prison are not covered.

Legal Counseling**Massage or Massage Therapy**

Even if related to a condition which is otherwise covered by the Plan, massage and massage therapy are not covered.

Mental Examination and Psychological Testing and Evaluations

This Plan does not cover mental examinations for the purpose of adjudication of legal rights, administrative awards or benefits, corrections or social service placement, employment, or any use except as a diagnostic tool for the treatment of mental health illness.

Mental Retardation/Learning Disabilities

Treatment related to mental retardation and learning disabilities is not covered. Services or supplies provided by an institution for the mentally retarded are not covered.

Missed Appointments**Naturopathy****Necessities of Living**

These include, but are not limited to, food, clothing, and household supplies.

Orthopedic Shoes

These are not covered, except as provided under "Supplies, Appliances and Durable Medical Equipment" on page 25.

Orthognathic Surgery

This includes services and supplies associated with orthognathic surgery.

Pastoral and Spiritual Counseling**Personality Disorders**

This includes services and supplies for the treatment of a pattern of behavior causing significant impairment in social or occupational functioning.

Physical Examinations

Routine physical examinations for employment, licensing, or insurance coverage, or due to a family history of an illness are excluded under the Plan.

Physical Exercise Programs

Even if prescribed for a specific condition that is otherwise covered by the Plan, physical exercise programs are not covered.

Private Nursing Services

Even if they relate to a condition that is otherwise covered by the Plan, private nursing services are not covered.

Rehabilitation Services

Rehabilitation services are not covered, except as provided in the Rehabilitation section on pages 17 and 22.

Reports and Records

This Plan does not cover charges for the completion of reports or claim forms and the cost of records.

Routine Foot Care

We will not cover the following services:

- Paring or cutting of benign hyperkeratotic lesion (e.g., corn or callus);
- Trimming of dystrophic and non-dystrophic nails; and
- Debridement of nail(s) by any method(s).

Services Otherwise Available

This exclusion includes:

- services and supplies for which payment could be obtained in whole or in part if you or your dependent had applied for payment under any city, county, state, or federal law, except for Medicaid coverage;
- charges for services and supplies for which you or your dependents cannot be held liable because of an agreement between the physician or provider rendering the service and another third party payer which has paid or is obligated to pay for such service or supply;
- services and supplies for which no charge is made, or for which no charge is normally made in the absence of insurance; and
- services or supplies you could have received in a hospital or program operated by a government agency or authority. This exclusion does not apply to:
 - covered services rendered at any hospital owned or operated by the State of Oregon or any state approved community mental health and developmental disabilities program; or
 - if you are a veteran of the armed forces, in which case covered services and supplies furnished by the Veterans' Administration of the United States and which are not service-related are eligible for payment according to the terms of this Plan.

Services Provided By a Member of Your Immediate Family

Services are not covered if provided by any family member who lives in your home, or by the spouse, child, brother, sister, or parent of you or your spouse.

Services Provided By Volunteer Workers**Service Related Conditions**

This Plan does not cover treatment of any condition caused by or arising out of your service in the armed forces of any country or from an insurrection or war.

Services and Supplies Provided for Obesity or Weight Reduction

Services and supplies provided for the treatment of obesity or weight reduction, even if morbid obesity is present, are specifically excluded from this plan. This includes, but is not limited to:

- Gastric restrictive procedures with or without gastric bypass, or the revision of the same.

- Weight management services such as weight loss programs, exercise programs, counseling, hypnosis, biofeedback, neurolinguistic programming, guided imagery, relaxation training and subliminal suggestion used to modify eating behaviors.
- Any drug or formula related to or resulting from the treatment of weight loss or obesity even if prescribed by your physician.

We will cover services and supplies that are necessary for the treatment of established medical conditions that may be caused by or made worse by obesity, but we will not cover services and supplies that do so by treating the obesity directly.

Sexual Disorders

This Plan does not cover services or supplies for the treatment of sexual dysfunction or related to sex change procedures and complications resulting from sex change procedures.

Support Education

This includes the following:

- Level I educational programs related to a DUI;
- Voluntary mutual support groups, such as Alcoholics Anonymous; and
- Family education or support groups.

Supportive Environmental Materials

These include, but are not limited to, hand rails, ramps, bath benches, humidifiers, air filters, air conditioners, heat lamps, tanning lights, whirlpools, hot tubs, and telephones, even if they relate to a condition otherwise covered by the Plan.

Surgery to Alter Refractive Character of the Eye

This Plan does not cover refractive surgery, laser vision correction, and any other procedure that alters the refractive character of the eye, the purpose of which is to cure or reduce myopia, hyperopia, or astigmatism. This exclusion includes, but is not limited to, radial keratotomy, corneal rings, LASIK, PRK, any procedure using the Excimer Laser or the Holmium: YAG laser, and other procedures of the refractive keratoplasty type. Reversals or revisions of any procedures which alter the refractive character of the eye and any complications of these procedures are excluded.

Surrogate Mothers

All services related to surrogate parenting, including infertility testing and treatment, are not covered.

Telephone Visits or Consultations, and Telephone Psychotherapy

Telephones and Televisions in a Hospital or Skilled Nursing Facility

Tobacco Addiction

Services and supplies related to the treatment of addiction to tobacco, tobacco products or nicotine substitutes are not covered. This includes smoking cessation programs.

Transportation

Separate charges for transportation, except medically necessary ambulance transport, are excluded.

Treatment After Coverage Terminates

This Plan does not cover services or supplies that you or your insured dependent receive after coverage ends. The only exception is if you are hospitalized at the time of termination. See "When Benefits Are Available" on page 16.

Treatment for Admissions Prior to Coverage

This Plan does not cover services and supplies for an admission to a hospital, skilled nursing facility or special facility that began before the patient's insurance under this Plan began. Reimbursement for such admission will be the responsibility of the plan under which the individual was covered immediately preceding and extending up to the effective date of this ODS Plan. If no such plan was in effect, ODS will provide coverage only for those covered expenses incurred on or after the individual's effective date under this Plan.

Treatment Not Medically Necessary

This Plan does not cover:

- Services or supplies that are not medically necessary for the treatment or diagnosis of a condition otherwise covered under this Plan;
- Services or supplies that are either inappropriate or inconsistent with the symptoms or diagnosis of your condition;
- Services or supplies that are inappropriate with regard to standards of good medical practice in the service area;
- Services or supplies that are primarily rendered for the convenience of you or your dependents or a physician or provider of services or supplies; and/or
- Services that are not the least costly of the alternative supplies or levels of service which can be safely provided to you. For example, coverage would not be allowed for an inpatient hospital stay when an appropriate level of treatment could be delivered in an outpatient setting such as an ambulatory surgery facility.

Please Note:

The fact that a physician may prescribe, order, recommend, or approve a service or supply does not, of itself, make the charge a covered expense.

Treatment Prior to Enrollment

This Plan does not cover services or supplies that you or your insured dependent received before you were insured by this Plan.

Wigs, Toupees, Hair Transplants

These services and supplies are not covered even if they relate to a condition that is otherwise covered by the Plan.

Work-Related Conditions

This Plan does not cover services or supplies for treatment of illness or injury arising out of or in the course of employment or self-employment for wages or profit so long as the insured patient is not exempt from state and federal workers' compensation law. This exclusion applies whether or not the expense for the service or supply is paid under workers' compensation. .

Prescription Drug Expense Benefit

Prescription Drug Expense benefits provide payment for eligible prescription drug charges. The Plan will pay 100% of covered expense after a \$20 or 50% copayment, whichever is greater, per prescription.

GENERIC DRUGS

Unless your doctor requires the use of a brand name drug, your prescription will be filled with a generic when available and permissible by Oregon law.

COVERED EXPENSES

A **covered expense** is a charge that meets all of the following tests:

- It is for a covered drug supply that is prescribed for a covered person;
- The expense is incurred while the covered person is eligible for the Prescription Drug Expense Benefit; and
- The prescribed drug is not excluded under the Plan.

COVERED DRUG SUPPLY

A **covered drug supply**:

- Is a supply of a drug or medicine that is medically necessary for the treatment of an illness or injury that cannot legally be dispensed without a prescription, and that by law must bear the legend "Caution -- Federal law prohibits dispensing without prescription";
- Includes insulin (up to a maximum of 100 insulin syringes per 30 days and a maximum of 200 disposable needles per 30 days), insulin pens for premeasured insulin cartridges (up to 4 per year), insulin cartridges for pens, blood glucose test strips, glucose tablets, and ketone test strips for urinalysis (separate copays are applied to a supply of insulin and to diabetic supplies);
- Is limited to a 34-day supply of medication (90-day supply for mail order);
- Includes the following self-injectable medications:

Ana-guard	Aranesp	Avonex	Betaseron
Copaxone	Enbrel	Epipen	Epogen
Fragmin	Imitrex	Infergen	Innohep
Insulin	Intron A	Kineret	Lovenox
Neulasta	Neumega	Neupogen	Peg-Intron
Procrit	Rebetol	Rebetron	Roferon A
Glucagon Emergency Kits			

Medications given intravenously are not considered to be injections. Any new drug approved by the FDA after the date this policy goes into effect is not covered until approved by ODS.

- Includes Retin A for insured patients under 18. For patients 18 and over, Retin A is only covered if there is a letter of medical necessity received and approved by the Plan;

- Includes Depo-Provera, prescription diaphragms, and oral contraceptive drugs taken for medical reasons and birth control but only if they cannot legally be dispensed without a prescription, and by law must bear the legend “Caution – Federal law prohibits dispensing without prescription” ; and
- Certain prescription drugs or medicines, including most self-injectables and infusion drugs (e.g., Enbrel, Copaxone, Avonex, Celebrex, Temodar), must be purchased through our Specialty Pharmacy Provider to be a covered benefit. In addition, these drugs may require prior authorization by ODS (visit our website at www.odshealthplans.com for more information). Your pharmacist, physician and other medical providers will advise you if your prescription requires a prior authorization or requires delivery by our Specialty Pharmacy Provider.

EXCLUSIONS

No Prescription Drug Expense Benefit will be paid for any charge excluded by the General Limitations or General Exclusions sections of the medical insurance program or for any:

- Devices, including, but not limited to Norplant, IUD’s, therapeutic devices and appliances, hypodermic needles and syringes (however, hypodermic needles and syringes for use with insulin will be a covered benefit up to a maximum of 100 insulin syringes per 30 days and a maximum of 200 disposable needles per 30 days);
- Charge for administration or injection of a drug or medicine;
- Drug that is determined by ODS to be experimental or investigational or that is labeled: "Caution -- Limited by federal law to investigational use";
- Any drug or medicine that is used for an experimental or investigational purpose, even if it is otherwise approved by the federal government or recognized as neither experimental or investigative for other uses or health conditions (e.g., progesterone suppositories);
- Hair growth legend drugs;
- Drug or medicine that is to be taken by or administered to a covered person in whole or in part while the covered person is a patient in a hospital, a sanitarium, a rest home, a skilled nursing facility, an extended care facility, a nursing home, or a similar institution;
- Prescription refills or quantities of medications that are in excess of the number prescribed by the physician or the number established by the Plan;
- Drug or medicine that is dispensed more than one year after the order of a physician;
- Biological sera, blood, blood products, or immunization agents other than allergy sera;
- Drug or medicine to treat an addiction to or dependence on a drug or chemical (e.g., Nicorette);
- Viagra;
- Medication that by law must bear the legend “Caution – Federal law prohibits dispensing without prescription” if a dosage form of equal or greater strength of the medication is available without a prescription under federal law;
- Drug prescribed or used for cosmetic purposes;
- Drug prescribed for or used for non-FDA approved indications, unless approved by the Health Resources Commission;
- Drug or device prescribed or used to treat sexual dysfunction;
- Drug prescribed to treat a medical condition that is not covered under this Plan;
- Drug prescribed for purposes other than treating disease;
- Charge in excess of the maximum plan allowance for a covered drug;
- Drug prescribed for preventive purposes, unless such preventive services are specifically covered by this Plan; or
- Drug that is covered under another ODS benefit (i.e. hospice, home health, medical, etc.).

CLAIMS PROCEDURES

Participating Pharmacy refers to a pharmacy that has contracted with us to provide prescription drug benefits to persons covered under this Plan. Non-participating Pharmacy refers to a pharmacy that has not contracted with us to provide prescription drug benefits to persons covered under this Plan.

A charge is considered to be incurred at the time the drug or medicine is furnished to the member.

Certain prescription drugs and/or quantities of prescription drugs may require prior authorization by ODS.

Any new drug approved by the FDA after the date this policy goes into effect is not covered until approved by ODS.

If you go to a Participating Pharmacy:

- Present your ODS Health Plans ID card;
- Sign the claim form required by the Pharmacy; and
- Pay the prescription copayment as required by the Plan.

If you should go to a Non-Participating Pharmacy, the prescription will not be covered by the Plan.

Please Note:
Claims questions should be addressed to:

**ODS Pharmacy Network
P.O. Box 40168
Portland, Oregon 97240-0168

1-800-420-7758**

MAIL ORDER PHARMACY

You also have the option of obtaining prescriptions for covered drugs and medicines through the Mail Order Pharmacy. If you use the Mail Order Pharmacy, we will pay 100% of the covered expense after a \$40 or 50% copayment, whichever is greater, for each brand name or generic prescription. Note, however, that the brand name drugs will be covered as described on page 41 when a generic drug is available. To use the Mail Order Pharmacy, obtain a mail order pharmacy form from your employer or ODS.

Each mail order prescription is limited to a 90-day supply per prescription.

Please Note:
Unless your doctor requires the use of a brand name drug, your prescription will be filled with a generic when available and permissible by Oregon law.

Vision Care Benefits

This Plan pays for vision examinations for you and your insured dependents, and corrective lenses and frames when prescribed by a licensed ophthalmologist or licensed optometrist. The Plan allows you to choose any licensed ophthalmologist, optician, or optometrist.

The Plan pays 100% of the allowed charge. Allowed charge means the maximum plan allowance or the provider's contracted fee, whichever is less.

SERVICES AND SUPPLIES

Eye Examination

One complete eye exam, including refraction.

Lenses

When lenses are first acquired or when required by a change in prescription.

Types of Lenses	Benefit
• Single Vision (per pair)	100% allowed charge
• Bifocal (per pair)	100% allowed charge
• Trifocal (per pair)	100% allowed charge
• Contacts* (per pair)	100% allowed charge
• Frames	100% allowed charge

* Contacts are covered at the single vision lens and frames allowance unless required for cataract surgery or to correct vision to 20/70 or better.

LIMITATIONS

Eye Examinations and Eye Refractions We will cover one eye examination and one eye refraction every 12-month period for members under age 17 and over age 45. Every 24-month period for members age 17 through 45.

Lenses We will cover two eyeglass lenses or one set of contacts every 12-month period for members under age 17 and over age 45. Every 24-month period for members age 17 through 45.

Frames We will cover one set of frames every 24-month period regardless of age.

These time periods begin with the date of the examination for the examination allowance and from the date of purchase for lenses and frames or contact lenses.

EXCEPTIONS

We will not pay for:

- Any of the following services and supplies:
 - Visual field charting;
 - Orthoptics or vision training;

- Lenticular lenses;
- Contact lenses, except as shown in the Schedule
- Subnormal vision aids;
- Aniseikonic lenses;
- Tinted lenses, except no. 1 and no. 2 pink;
- Nonprescription lenses; or
- More than the allowance for a standard prescription when multi-focal hard resin lenses, coated lenses or no-line bifocals (blended type) are chosen;
- Medical or surgical treatment of the eyes;
- Services and supplies which are payable under a workers' compensation or occupational disease law;
- Any expense which results from an act of declared or undeclared war or armed aggression;
- Any expense which is in excess of the maximum plan allowance or the contracted fee, whichever is less;
- Replacement of lost, stolen, or broken lenses;
- Duplication or spare eyeglasses, or any lenses or frames;
- Any expense which you or your dependent do not have to pay;
- Any eye examination required as a condition of employment; and
- Any expense paid in whole or in part by any other provision of the Group Health Insurance Plan provided by the Policyholder.

Eligibility

This section describes who is eligible to enroll under the Plan. Please be aware that the date you become eligible may be different than the date insurance begins. See "When Insurance Begins" for more specific information. This is located in the "Enrollment" section beginning on page 48.

EMPLOYEES

You are eligible under the Plan if you work the required number of hours as determined by your employer on a regular basis for the employer providing this coverage and you have satisfied any required waiting period. You are also eligible if you are on an approved leave of absence under the Family and Medical Leave Act of 1993.

DEPENDENTS

Your legal spouse or eligible domestic partner is eligible for insurance. Your unmarried dependent children are eligible until their 25th birthday. A child is also eligible until his or her 25th birthday if a court or administrative order requires you to provide health insurance.

For purposes of determining eligibility, the following are considered "children":

- Your natural child;
- Your spouse's child, foster or adopted child;
- Children placed for adoption with you;
- Children of your eligible domestic partner;
- A newborn child of a covered dependent for the first 31 days of the newborn's life, but only if you are financially responsible for both the newborn and the covered dependent; and
- Children related to you by blood or marriage for whom you are the legal guardian. You will need to provide a court order showing legal guardianship.

If you have a child who has sustained a disability rendering him/her physically or mentally incapable of self-support, that child may be eligible for insurance even though he or she is over 25 years old. To be eligible, the child must be unmarried and principally dependent on you for support. The incapacity must have arisen before the child's 25th birthday. You must provide us with a written physician's statement that confirms that these conditions existed continuously prior to the child's 25th birthday. Documentation of the child's medical condition must be reviewed by the ODS medical consultant. Periodic review by the medical consultant will also be required on an ongoing basis.

Dependents on active military status are not eligible.

Qualified Medical Child Support Order (QMCSO)

This Plan will cover individuals deemed to be alternative recipients under a qualified medical child support order (QMCSO). A QMCSO is a court judgment, decree, or order, or a state administrative order that has the force and effect of law, that is typically issued as part of a divorce or as part of a state child support order proceeding, and that requires health plan coverage for an alternative recipient. An alternative recipient is a child of a participant who is recognized under a medical child support order as having a right to enrollment under a group health plan with respect to such participant.

The effective date of coverage for a child added to the plan under a QMCSO is the date specified in the court order, or if none, the date of the court order.

The Plan has detailed procedures for determining whether an order qualifies as a QMCSO. You may obtain a copy of such procedures from the Plan Administrator without charge.

NEWLY ACQUIRED DEPENDENTS

If you marry while you are insured under this Plan, your spouse and his or her children are eligible to enroll as of the date of the marriage. A completed application must be submitted within 31 days of the date of the marriage, and the effective date of the insurance will be the first of the month following receipt of the application. All children must meet eligibility requirements.

Your newborn child or your covered dependent's newborn child will automatically be insured for 31 days after birth. To continue insurance, the insured employee must submit a new application within those 31 days listing the new child as a dependent. If we do not receive the application, insurance for the child will end 31 days following birth. Proof of legal guardianship will be required for coverage of a grandchild beyond the first 31 days from birth.

Adopted children are automatically insured for the first 31 days from the date of the adoption decree. If a child is placed with you pending the completion of adoption proceedings, that child will be insured for the first 31 days from the date of placement. To extend insurance beyond the first 31 days, the insured employee must submit a new application listing the child as a dependent.

Placement for adoption means you have assumed and retained a legal obligation for full or partial support of the child in anticipation of adoption.

Note: A new dependent may cause a premium increase. Premiums will be adjusted accordingly. Such adjustments will apply during the first 31 days of coverage for newborn or adopted children.

Enrollment

This section explains how to enroll under the Plan.

WHEN YOU FIRST BECOME ELIGIBLE

You must file an application for yourself and any dependents you want insured within 31 days of when you become eligible to apply for insurance. You become eligible to apply on the day you are hired or the end of any required waiting period. File the application with the Eugene Public Schools District 4J employee benefit office.

If you do not enroll yourself or any dependents you want insured within the 31-day eligibility period, you will automatically be enrolled retroactively to the appropriate effective date, however, claims will not be processed until you have submitted a completed enrollment application to the 4J employee benefit office.

ENROLLING NEW DEPENDENTS

You may obtain insurance for newly acquired or newly eligible dependents by submitting a completed application within 31 days of their eligibility. To continue insurance for newborn children, you must submit a new dependent application before the child is 31 days old. To continue insurance for an adopted child or a child placed for adoption, you must submit a new dependent application within 31 days of adoption or placement.

The 4J employee benefit office must be notified if family members are added or dropped from coverage.

OPEN ENROLLMENT

If you are declining enrollment for yourself or your dependent(s) (including your spouse) because of other health coverage, you must complete a wavier form stating coverage was offered to you, but was declined. If the other health coverage ends, you may in the future be able to enroll yourself or your dependent(s) in this plan provided that you request enrollment within 30 days after your other coverage ends.

SPECIAL ENROLLMENT RIGHTS

A. Loss Of Other Coverage

If you decline coverage for yourself or your dependent(s) when initially eligible because of other health coverage, you may enroll yourself or your dependent(s) in this plan outside of the open enrollment period, but only if you satisfy the following criteria:

- The employee or dependent was covered under a group health plan or had health insurance coverage at the time coverage was previously offered to the employee or individual;
- The employee stated in writing at such time that coverage under a group health plan or health insurance coverage was the reason enrollment was declined;

- The employee's or dependent's prior coverage was:
 - under COBRA continuation provision and the coverage under such provision was exhausted; or
 - terminated as a result of loss of eligibility for the coverage (e.g., legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment) or employer contributions toward such coverage were terminated; and
- The employee requests such enrollment not later than 31 days after the previous coverage ended.

This special enrollment right, as described above, applies:

- To an employee who loses other coverage;
- To an enrolled employee's dependent who loses coverage under the other plan;
- To both the employee and the dependent if neither is enrolled under the Plan, and either loses coverage under the other plan.

B. New Dependents

When an enrollee gains a new dependent through birth, marriage, adoption or placement for adoption, special enrollment rights will allow for enrollment outside the open enrollment period, but only if special enrollment is requested within thirty-one (31) days after the event (e.g., marriage, birth, adoption, or placement for adoption) that caused the enrollee to gain a new dependent. When such special enrollment rights are triggered, the following individuals are eligible to enroll in the plan:

- An employee who is eligible but not enrolled;
- The spouse of such employee; and
- The new dependent.

Note that when the employee, spouse and new dependent have special enrollment rights, other existing dependents do not.

When the new dependent results from marriage, coverage is effective on the first day of the month following the date the plan received the completed request for enrollment. When the new dependent results from birth, coverage is effective on the date of birth. When the dependent results from an adoption or placement for adoption, coverage is effective on the date of the adoption or placement.

WHEN INSURANCE BEGINS

Insurance coverage begins for you and any enrolled dependents on your date of hire or on your first day of active work. There are three exceptions: newborn children are eligible to begin coverage on the date of their birth, adopted children or children placed for adoption are eligible to begin coverage on the date of adoption or placement, and court ordered coverage is effective on the date specified by the court order. The necessary premiums for your coverage must also be paid for insurance to become effective.

If you apply for insurance as a late enrollee, insurance will begin for you and/or your dependents on the date we specify with the acceptance of your application. All other Plan provisions will apply.

WHEN INSURANCE ENDS

There are a variety of circumstances in which insurance for you and/or your insured dependents will end. These are described in the following paragraphs.

A. Group Plan Termination

If the Plan is terminated, insurance ends for you and your insured dependents on the date the Plan ends. There is one exception to this rule. If the group terminates this Plan and an insured is hospitalized on the day the Plan ends, coverage under this Plan (including all terms, limitations, and conditions) shall continue until the hospital confinement ends or hospital benefits under the Plan are exhausted, whichever is earlier.

If the Group has not paid the premium by the premium due date, ODS will issue a notice to the Group advising that if the premium is not received by the end of the grace period, the policy will be terminated. The notice will be issued at least 10 days prior to the end of the grace period, and will explain eligible employees' rights to continuation or portability coverage under federal and/or state law. If the policy is subsequently terminated due to nonpayment of premium, it is the duty of the Group to send the eligible employee notice of termination.

In the event the Group Policy is terminated for a reason other than nonpayment of premium and the Group does not replace the insurance, we will mail a notice of termination to the Group Policyholder. Group plan termination includes termination of an employer's participation in or termination of a multiple employer trust policy. Our notice will be mailed within 10 working days of the date of termination. The notice will explain your rights under federal and state law regarding portability, conversion and continuation of coverage. It is the responsibility of the group policyholder to send you the information contained in the notice.

If we do not give notice as required by this provision, we will continue the group health insurance policy of the group policyholder in full force from the date notice should have been provided until the date the notice is received by the policyholder, and we will waive the premiums owing for this period. In this case, the period during which you or your insured dependents have to apply for continuation or portability coverage will begin on the date the group receives the notice.

B. Termination By Insured Employee

You may terminate your insurance, or insurance for any insured dependent, by giving us written notice through the Eugene Public Schools 4J employee benefit office. Insurance will end on the last day of the monthly period through which premiums are paid. If you terminate your own insurance, insurance for your dependents also ends.

C. Death

If you die while in active employee status and are covered under the district's insurance plan, insurance for your insured dependents ends on the last day of the monthly period in which your death occurs. However, your insured dependents may extend their insurance for up to 3 years if they meet the requirements which are listed in the "Health Insurance Continuation" section of this Plan Description on page 71. The Group must notify us if the insured dependents want to do this and the appropriate premiums must be paid along with the Group's regular monthly payment. For the first 24 months the insurance premium is waived. After 24 months, the survivor(s) must self-pay the full premium amount to continue coverage.

D. Loss of Eligibility

If your employment terminates, your insurance will end for you and your insured dependents on the last day of the month in which termination occurred, unless you choose to continue coverage through "COBRA" (see page 71 for details).

E. Family and Medical Leave

If your group grants you a leave of absence under the Family and Medical Leave Act of 1993 (FMLA), the following rules will apply:

- You and your enrolled dependents will remain eligible for coverage during your FMLA leave.
- If you and/or your enrolled dependents elect not to remain enrolled during FMLA leave, you (and/or your enrolled dependents) will be eligible to reenroll under the Plan on the date you return from leave. To reenroll, you must submit a new application within 60 days of your return to work. All of the terms and conditions of the contract will resume at the time of reenrollment as if there had been no lapse in coverage. You will receive credit for any exclusion period served prior to the FMLA leave and you will not have to re-serve any group eligibility-waiting period under the Plan. However, you will receive no exclusion period credits for the period of the leave.
- Your rights under FMLA will be governed by that statute and its regulations.

F. Leave of Absence

If you are granted a non-FMLA leave of absence by your group, you may continue coverage for up to three months. Premiums must be paid through the group in order to maintain coverage during a leave of absence.

A leave of absence is a period off work granted by your employer at your request during which you are still considered to be employed and are carried on the employment records of the group. A leave can be granted for any reason acceptable to the group, including disability and maternity.

G. Strike or Lockout

If you are employed under a collective bargaining agreement and involved in a work stoppage because of a strike or lockout, you may continue your insurance for up to six months. You must pay the full premium, including any part usually paid by the Group, directly to the union or trust that represents you, and the union or trust must continue to pay us the premiums when due.

Continuation of insurance during a strike or lockout will not occur if:

- Fewer than 75 percent of those normally enrolled choose to continue their insurance;
- You accept full-time employment with another employer; or
- You otherwise lose eligibility under the Plan.

H. Termination of Employment

If your employment terminates, your insurance will end for you and all insured dependents on the last day of the month in which termination occurs. At the time when your employment terminates, insurance may be continued for you and all insured dependents including your eligible domestic partner and his or her dependents through Health Insurance Continuation (COBRA). (See "Health Insurance Continuation" starting on page 71 for details.) However, your domestic partner and his or her dependents are not considered as "Qualified Beneficiaries" and may not elect continuation coverage independently. When your continuation coverage terminates for any reason including death, your domestic partner and his or her dependents will also lose their continuation coverage.

If you are rehired by your employer and return to active work within six months of being laid off, you and any previously insured dependents may re-enroll under the Group Plan on the date you are rehired. Your coverage will begin on the date of rehire. Your Group must notify us that you are being rehired following a lay-off and the necessary premiums for your insurance must be paid.

All contract provisions will resume at the time you re-enroll whether or not there was a lapse in your insurance. Any exclusion period for pre-existing conditions that you did not complete at the time you were laid off must be satisfied. However, the period of your layoff will be counted toward the exclusion period. At the time you are rehired, you do not have to re-serve any waiting period required by the Plan.

I. Loss of Eligibility by Dependent

A covered child will lose eligibility when he or she marries, reaches age 25, is no longer dependent on the eligible employee, or when the eligible employee is no longer legally required to provide insurance for the child. Coverage will end on the last day of the month in which the child's eligibility ends, unless the child continues coverage as provided under this Plan (see page 71).

Insurance ends for an insured spouse on the last day of the month in which a decree of divorce or annulment is entered (regardless of any appeal), unless the divorced spouse continues coverage as provided under this Plan (see page 71).

J. Retiree Coverage

Eligible retirees may stay on this Plan as a retiree until age 65.

K. Coverage For Spouses Over Age 55

If a spouse is age 55 or older and his or her eligibility for insurance ends due to legal separation, termination of marriage or your death, the spouse will be entitled to continue his or her coverage (including coverage for dependent children) under this Plan. Continuation under this section is not available for any dependent electing coverage under the Continuation of Coverage section beginning on page 71.

In order to be eligible for continued coverage under this section, the spouse must give written notice of the legal separation, termination of marriage or your death to the Plan Administrator within:

- Thirty days of the date of your death;
- Sixty days of the date of legal separation; or
- Sixty days of the date of entry of the divorce decree.

Within 14 days of receipt of the above notice, the Plan Administrator shall notify the spouse that coverage can be continued, and provide an election form to the spouse. The spouse must return the election form within 60 days after the Plan Administrator mails it. Failure of the spouse to exercise the election within 60 days of the notification shall terminate the right to continued benefits under this section.

If the Plan Administrator fails to notify the spouse within the required 14 days, premiums shall be waived until the date notice is received by the spouse.

The monthly premium rate for continued coverage will be the monthly rate that would have been charged if the spouse was an Individual under this Plan plus the premium for coverage of dependent children, if any. Each monthly premium (except the initial premium) must be paid by the spouse to the Plan Administrator within 30 days of the premium due date. The initial premium must be paid by the spouse to the Plan Administrator within 45 days of the date the election to continue coverage is made.

Coverage will be continued until the earliest of:

- The date the spouse becomes covered under any other group health plan;
- The date the spouse becomes eligible for federal Medicare coverage;

- The last day of the month for which premiums were paid to us if coverage terminates due to non-payment of premiums; or
- The date the Plan terminates or the date the employer terminates participation under this Plan.

L. Uniformed Services Employment And Reemployment Rights Act (USERRA)

Coverage will terminate if an employee is called to active duty by any of the armed forces of the United States of America. However, coverage can be continued for up to 18 months or the period of uniformed service leave, whichever is shortest, if the employee requests to continue coverage and pays any required contributions toward the cost of the coverage during the leave. If the leave is less than 30 days, the contribution rate will be the same as for active employees. If the leave is longer than 30 days, the required contribution will not exceed 102% of the cost of coverage.

If an employee does not elect continuation coverage under the Uniformed Services Employment and Reemployment Rights Act or if the continuation coverage is terminated or exhausted, coverage will be reinstated on the first day he or she returns to active employment with the group if released under honorable conditions, but only if he or she returns to active employment:

- On the first full business day following completion of his or her military service for a leave of 30 days or less;
- Within 14 days of completing military service for a leave of 31 to 180 days; or
- Within 90 days of completing military service for a leave of more than 180 days.

Regardless of the length of the leave, a reasonable amount of travel time or recovery time for an illness or injury determined by the VA to be service connected will be allowed.

When coverage under this Plan is reinstated, all provisions and limitations of this Plan will apply to the extent that they would have applied if the employee had not taken military leave and coverage had been continuous under this Plan. There will be no additional eligibility-waiting period and the pre-existing condition limitation will be credited as if the employee had been continuously covered under this Plan from the original effective date. (This waiver of limitations does not provide coverage for any illness or injury caused or aggravated by military service, as determined by the VA. For complete information regarding rights under the Uniformed Services Employment and Reemployment Rights Act, contact the employer).

M. Certificates of Creditable Coverage

Certificates of Creditable coverage will be issued when coverage ends, when COBRA coverage ends, and when an individual requests a certificate within two years of losing coverage.

N. Other

See "Health Insurance Continuation" section starting on page 71. See also "Individual Portability Plan" which begins on page 75.

Claims Administration & Payment

The following section explains how we treat various matters having to do with administering your claims.

SUBMISSION AND PAYMENT OF CLAIMS

A claim must be submitted to our office within 90 days after the date of loss. Failure to furnish a claim within the time required shall not invalidate or reduce any claim if it was not reasonably possible to submit the claim within 90 days, provided it is submitted as soon as reasonably possible. In no event, except in the absence of legal capacity, can a claim be valid if submitted later than one year from the date submission is otherwise required.

A. Hospital Claims

If you or an insured dependent are hospitalized, all you need to do is present your ODS identification card to the admitting office. In most cases, the hospital will bill us directly for the entire cost of the hospital stay. We will pay the hospital and send you copies of our payment record. The hospital will then bill you for any of the charges that were not covered by your Plan.

Sometimes, however, the hospital will ask you, at the time of discharge to pay amounts that might not be covered by your benefits. If this happens, you must pay these amounts yourself. We will, of course, reimburse you if any of the charges you pay are covered by this Plan.

You may be billed by the hospital directly. In order to claim your benefits for these charges, send a copy of the bill to us, and be sure it includes all of the following information:

- The name of the insured person who was treated;
- Your name and group and identification numbers;
- A description of the diagnosis or symptoms treated; and
- A description of the services and the dates on which they were given.

The same procedure should be followed with bills for hospital, physician or professional provider care you receive outside the United States.

B. Physician and Professional Provider Claims

Your physician or professional provider may bill charges directly to us. If not, please send physician and professional provider bills directly to us. Be sure the physician or professional provider uses his or her billing form and that the following are shown on the bill:

- The patient's name and the group and identification numbers;
- The date of treatment;
- The diagnosis; and
- An itemized description of services and charges.

If the treatment is for an accidental injury, include a statement explaining the date, time, place, and circumstances of the accident when you send us the physician or professional provider's bill.

C. Ambulance Claims

Bills for ambulance service must show where the patient was picked up and where the patient was taken. They should also show the date of service, the patient's name, group and identification numbers.

D. Explanation of Benefits (EOB)

Bills for ambulance service must show where the patient was picked up and where the patient was taken. It should also show the date of service, and the patient's name, group and identification numbers.

E. Claim Inquiries

If you have any questions about how to file a claim, a claim in process, or our action taken on a claim, please call us at 1-800-420-7758 or write to our Medical Customer Service Department. We will respond to your inquiry within 30 days of receipt.

GRIEVANCE AND APPEALS

A. Grievance

Complaint means an expression of dissatisfaction that is about a specific problem encountered by an enrollee or about a decision by an insurer or an agent acting on behalf of ODS and that includes a request for action to resolve the problem or change the decision. A complaint does not include an inquiry.

Grievance means a written complaint submitted by or on behalf of an enrollee regarding the following:

- Availability, delivery, or quality of health care services, including a complaint regarding an adverse determination made pursuant to a utilization review;
- Claims payment, handling, or reimbursement for health care services; or
- Matters pertaining to the contractual relationship between an enrollee and ODS.

Inquiry means a written request for information or clarification about any subject matter related to the enrollee's health benefit plan. An inquiry does not in itself constitute a complaint.

Note:

The timelines addressed in the paragraphs below do not apply when:

- The time period is too long to accommodate the clinical urgency of the situation;
- The enrollee does not reasonably cooperate; or
- Circumstances beyond the control of either party prevents that party from complying with the standards set but only if the party who is unable to comply gives notice of the specific circumstances to the other party when the circumstances arise.

If you have a **grievance**, you may submit it in writing to ODS and ask for a review. If you need assistance on filing a grievance, contact ODS Medical Customer Service at 1-800-420-7758 and ask for assistance. We will acknowledge receipt of the written grievance within seven (7) days of receipt and conduct an investigation. We will inform you of the results of the investigation and any action we intend to take within 30 days of receiving the grievance. If more time is needed, we will issue a notice of delay, and complete the investigation within an additional 15 days (i.e., 45 days from the date we receive the grievance).

Claims Grievances:

If you disagree with a decision made regarding coverage of services (denial of benefits received, or a disagreement on amount of benefits), your grievance must be filed within 60 days of the date of our action on your claim (the date on the Explanation of Benefits provided upon action/payment for the claim at issue). Claims grievances filed outside the 60-day limit will not be considered.

B. Appeals

If you disagree with our decision made in response to a grievance, you may appeal the decision. ODS has a two level formal appeal process. Your appeal must be made within 60 days of the date of our action on your initial grievance. You may also call our Medical Customer Service Department at 1-800-420-7758 to discuss the issue as it may be possible to resolve it without filing a formal appeal.

First Level Appeal If you request a First Level Appeal, you should submit your appeal in writing along with any additional relevant information you wish to submit. ODS will acknowledge receipt of a written appeal, in writing, within seven (7) days. ODS will conduct an investigation by persons who were not involved in the review of your grievance. ODS will keep you informed of the progress, including if additional time or investigation is required for a full and complete review. Within 30 days of receipt of the appeal, you will receive a written notice of the disposition of your appeal, including the basis for the decision, along with information on your right to a Second Level of Appeal.

Second Level Appeal If you are still dissatisfied after the First Level Appeal, you may request a Second Level Appeal by persons who were not involved in the review of the grievance or First Level Appeal. Your second appeal must be made within 60 days of the date of our action on your First Level Appeal. ODS will acknowledge receipt of a written appeal, in writing, within seven (7) days and conduct an investigation. ODS will keep the enrollee informed of the progress, including if additional time or investigation is required for a full and complete review. Within thirty (30) days of receipt of the appeal, ODS will notify the enrollee in writing of the action taken.

You have the right to appear before the panel in person or by conference call or other appropriate technology. ODS will allow your representative to act on your behalf in the appeal process if you choose. Your appeal will be reviewed within twenty-five (25) working days of its receipt and a written decision will be sent to you within five (5) working days after the decision is made.

If you are not satisfied with the outcome of the Second Level Appeal, and your complaint meets the specifications outlined under External Review, you may request that the complaint be reviewed by an independent review organization. You will need to exhaust the Grievance and the First and Second Levels of Appeal to proceed to the External Review, unless ODS agrees otherwise.

Appeals Involving Experimental/Investigational Treatment

In the event any enrollee appeals a determination denying a proposed course of treatment on the basis that it is experimental or investigational, the matter shall proceed immediately to a Level 2 Appeal before a committee, and a final decision of that committee will be made and provided to the enrollee within 30 days of receipt of the fully documented appeal. ODS will acknowledge receipt of a written complaint, in writing, within seven (7) days and conduct an investigation. The committee shall consist of persons qualified by training, experience, and medical expertise to evaluate the proposed treatment or service. The person or persons who made the initial decision to deny benefits or to refuse service authorization will not be part of the Grievance Review Committee. The Grievance Review Committee will send you a written decision within 30 days of receipt of the fully documented written appeal.

C. External Review

If you are not satisfied with the outcome of the Second Level Appeal, and your claim meets the criteria listed below, you may request that the claim be reviewed by an independent review organization, appointed by the Insurance Division.

1. The claim must involve a dispute relating to an adverse decision on one or more of the following:
 - whether a course or plan of treatment is medically necessary;

- whether a course or plan of treatment is experimental or investigational; or
 - whether a course or plan of treatment that a covered individual is undergoing is an active course of treatment for purposes of continuity of care under this Plan (see page 57 for additional information);
2. The enrollee must apply in writing for external review, and not later than the 180th day after receipt of ODS's final written decision following the grievance and appeal process as described in this section;
 3. The enrollee must sign a waiver granting the independent review organization access to the medical records of the enrollee;
 4. The enrollee must have exhausted the grievance and appeal process described in this section. However, ODS may waive the requirement of compliance with exhausting the process and have a dispute referred directly to the external review upon the enrollee's consent; and
 5. An enrollee who applies for external review of an adverse decision shall provide complete and accurate information to the independent review organization in a timely manner.

ODS agrees to be bound by the decision of the independent review organization with respect to whether a course or plan of treatment is medically necessary, notwithstanding the definition of medical necessity in the plan; whether a course or plan of treatment is experimental or investigational; or whether a course or plan of treatment that a covered individual is undergoing is an active course of treatment for purposes of continuity of care under this Plan (see page 57 for additional information).

D. Additional Member Rights

You have the right to file a complaint or seek other assistance from the Oregon Insurance Division. Assistance is available:

By calling: (503) 947-7984
 By writing: Oregon Insurance Division
 Consumer Protection Unit
 350 Winter Street NE, Room 440-2
 Salem, Oregon 97310

or through the Internet at <http://www.cbs.state.or.us/external/ins/>

Information included in the "Additional Member Rights" is subject to change upon notice from the Director of the Oregon Insurance Division.

CONTINUITY OF CARE

A. Continuity of Care

Continuity of care means the feature of a health benefit plan under which an enrollee who is receiving care from an individual physician or provider is entitled to continue with care with the individual physician or provider for a limited period of time after the medical services contract terminates.

ODS will provide continuity of care if a medical services contract or other contract for an individual provider's services is terminated, the provider no longer participates in the provider panel, and the Plan does not cover services when services are provided to enrollees by the individual provider or covers services at a benefit level below the benefit level specified in the plan for out-of-panel physicians or providers.

Continuity of care is conditional upon the willingness of the individual physician or provider to adhere to the medical services contract that had most recently been in effect between the physician or provider and ODS and the provider accepts the contractual reimbursement rate applicable to the time of contract termination, or if the contractual reimbursement rate was not based on a fee for service, a rate equivalent to the contractual rate.

For an enrollee to receive continuity of care, all of the following conditions must be satisfied:

1. The enrollee must request continuity of care from ODS;
2. The enrollee is undergoing an active course of treatment that is medically necessary and, by agreement of the individual provider and the enrollee, it is desirable to maintain continuity of care; and
3. The contractual relationship between the individual provider and ODS, with respect to the plan covering the enrollee has ended.

However, ODS will not be required to provide continuity of care when the contractual relationship between the individual provider and ODS ends under one of the following circumstances:

1. The contractual relationship between the individual physician or provider and ODS has ended because the individual physician or provider:
 - has retired;
 - has died;
 - no longer holds an active license;
 - has relocated out of the service area;
 - has gone on sabbatical; or
 - is prevented from continuing to care for patients because of other circumstances; or
2. The contractual relationship has terminated in accordance with provisions of the medical services contract relating to quality of care and all contractual appeal rights of the individual physician or provider have been exhausted.

ODS will not provide continuity of care if the enrollee leaves the Plan or if the policyholder discontinues the plan in which the enrollee is enrolled.

B. Length of Continuity of Care

Except in the case of pregnancy, an enrollee who is entitled to continuity of care shall receive the care until the earlier of the following dates:

- The day following the date on which the active course of treatment entitling the enrollee to continuity of care is completed; or
- The 120th day after the date of notification by ODS to the enrollee of the termination of the contractual relationship with the individual physician or provider.

An enrollee who is undergoing care for pregnancy and who becomes entitled to continuity of care after commencement of the second trimester of the pregnancy shall receive the care until the later of the following dates:

- The 45th day after the birth; or
- As long as the enrollee continues under an active course of treatment, but not later than the 120th day after the date of notification by the insurer to the enrollee of the termination of the contractual relationship with the individual physician or provider.

B. Notice Requirement

ODS will give written notice of the termination of the contractual relationship with an individual physician or provider and of the right to obtain continuity of care to those enrollees that ODS knows or reasonably should know are under the care of the individual physician or provider. The notice shall be given to the enrollees no later than the 10th day after the date on which the termination of the contractual relationship takes effect or no later than the 10th day after ODS first learns the identity of an affected enrollee after the date of termination of the contractual relationship.

If the individual physician or provider belongs to a provider group, the provider group may deliver the notice if the notice clearly provides the information that the plan is required to provide to the affected enrollee.

For purposes of notifying an enrollee of the termination of the contractual relationship between ODS and the individual physician or provider and the right to obtain continuity of care, the date of notification by ODS is the earlier of the date on which the enrollee receives the notice or the date on which ODS receives or approves the request for continuity of care.

BENEFITS AVAILABLE FROM OTHER SOURCES

Situations may arise in which your health care expenses may be the responsibility of someone other than ODS. Here are descriptions of the situations that may arise.

A. Coordination of Benefits (COB)

This provision applies to this Plan when you or your insured dependent have health care coverage under more than one plan. For a complete explanation of COB see the section, titled "Coordination of Benefits".

B. Our Right To Be Reimbursed From Third Party Recoveries

An individual covered by us may have a legal right to recover benefit or health care costs from another person, organization or entity, or an insurer, as a result of an illness or injury for which benefits or health care costs were paid by us. For example, an individual who is injured may be able to recover the benefits or health care costs from an individual or entity responsible for the injury or from an insurer, including different forms of liability insurance, or uninsured motorist coverage or under-insured motorist coverage. As another example, an individual may become sick or be injured in the course of employment, in which case the employer or a workers' compensation insurer may be responsible for health care expenses connected with the illness or injury. We are entitled to be reimbursed for any benefits paid by us that are associated with any illness or injury that are or may be recoverable from a Third Party or other source. Amounts received by us through these recoveries help reduce the cost of premiums and providing benefits.

If Benefits have been paid, or payments of Benefits is pending, we are entitled to recover the amount paid or the amount pending payment from the proceeds of any recovery made by a Covered Individual against a Third Party. This right of recovery includes the full amount of the Benefits paid, or pending payment, out of any recovery made by the Covered Individual from the Third Party, including, without limitation, any and all amounts from the first dollars paid or payable to the Covered Individual (including his or her legal representatives, estate or heirs, or any trust established for the purpose of paying for the future income, care or medical expenses of the Covered Individual), regardless of the characterization of the recovery, whether or not the Covered Individual is made whole, or whether or not any amounts are paid or payable directly by the Third Party, an insurer or another source. Our recovery rights will not be reduced due to the Covered Individual's own negligence.

Definitions:

For purposes of this Section relating to Third Party Recoveries, the following definitions apply:

1. "Covered Individual" means an individual covered by us, including a dependent of a Member/Insured. "Covered Individual" also includes the estate, heirs, guardian or conservator of the individual for whom benefits have been paid or may be paid by us, and includes any trust established for the purpose of receiving "Recovery Funds" and paying for the future income, care or medical expenses of such individual.
2. "Benefits" means any amount paid by us, or submitted to us for payment to or on behalf of the Covered Individual. Bills, statements or invoices submitted to us by a provider of services, supplies or facilities to or on behalf of a Covered Individual are considered requests for payment of "Benefits" by the Covered Individual.
3. "Third Party Claim" means any claim, settlement, award, lawsuit, verdict, judgment, arbitration decision or other action against a Third Party (or any right to assert the foregoing) by or on behalf of a Covered Individual, regardless of the characterization of the claims or damages of the Covered Individual, and regardless of the characterization of the Recovery Funds. (For example, a Covered Individual who has received payment of medical expenses from us, may file a Third Party claim against the party responsible for the Covered Individual's injuries, but only seek the recovery of non-economic damages. In that case, we are still entitled to recover Benefits as described herein.)
4. "Third Party" means any individual or entity responsible for the injury or illness, or the aggravation of an injury or illness, of the Covered Individual. "Third Party" includes any insurer of such individual or entity, including different forms of liability insurance, or any other form of insurance that may pay money to or on behalf of the Covered Individual including uninsured motorist coverage, under-insured motorist coverage and workers' compensation insurance.
5. "Recovery Funds" means any amount recovered from a Third Party.

If we have paid any benefits, we will be entitled to recover the amount we have paid from the proceeds of any recovery made by a Covered Individual against a Third Party. Upon claiming benefits or accepting payment of benefits or claiming or accepting the provision of benefits from us, the Covered Individual agrees to do whatever is necessary to fully secure and protect, and to do nothing to prejudice, our right of reimbursement or subrogation as discussed in this Section. In connection with our rights to obtain reimbursement or exercise our rights as described below, the Covered Individual shall do one or more of the following things and agrees that we may do one or more of the following things, at our discretion:

- a. If the Covered Individual seeks payment by us of any Benefits for which there may be a Third Party Claim, the Covered Individual shall notify us of the potential Third Party Claim. The Covered Individual has this responsibility even if the first request for payment of benefits is a bill or invoice submitted to us by a Provider to the Covered Individual.
- b. Upon request from us, the Covered Individual shall provide to us all information available to the Covered Individual, or any representative, or attorney representing the Covered Individual, relating to the potential Third Party Claim. The Covered Individual and his or her representatives shall have the obligation to notify us in advance of any claim (written or oral) and/or any lawsuit made against a Third Party seeking recovery of any damages from the Third Party, whether or not the Covered Individual is seeking recovery of Benefits paid by us.

- c. If the Covered Individual makes a demand upon a Third Party, enters into settlement negotiations or commences litigation, the Covered Individual must not prejudice, in any way, our recovery rights under this Section. If a suit is filed by the Covered Individual, the Covered Individual agrees that we may cause to be recorded a notice of payment of Benefits, and such notice will constitute a lien on any judgment or settlement. We may provide notice to the Third Party or its insurer. In the event of settlement, the Covered Individual must obtain our consent prior to releasing any Third Party from liability for payment of any expenses covered, paid or pending for payment by us. The Covered Individual will hold the rights of Recovery Funds in trust for our benefit, up to the amount of Benefits we have paid or which are pending payment at the time of resolution of the Third Party Claim.
- d. For any Benefits paid by us or pending payment by us, the Covered Individual shall promptly reimburse us from any Recovery Funds, the full value of any such Benefits paid, provided, or which are pending for payment.
- e. To secure our rights to reimbursement for any Benefits paid or provided, the Covered Individual, by claiming or accepting payment or the provision of Benefits by us hereby grants to us a first priority lien against the proceeds of any Third Party Claim and assigns to us any benefits the Covered Individual may have under any insurance coverages, such lien and assignment to apply only to the extent of Benefits paid, provided, or pending for payment.
- f. The Covered Individual shall cooperate with us to protect our recovery rights under this Section, and in addition, but not by way of limitation, shall:
 - i. Sign and deliver such documents as we reasonably require to protect our rights;
 - ii. Provide any information to us relevant to the application of the provisions of this Section, including medical information (including doctors' reports, chart notes, diagnostic test results, etc.), settlement correspondence, copies of pleadings or demands, and settlement agreements, releases or judgments; and
 - iii. Take such actions as we may reasonably request to assist us in enforcing our rights to be reimbursed from Third Party recoveries.
- g. We will pay our proportionate share of the expenses of obtaining Recovery Funds in a Third Party Claim, such as attorney fees and court costs, out of any part of the Recovery Funds which are reimbursed to us by the Covered Individual; otherwise, we have no obligation to pay attorney's fees or costs with respect to litigation to recover Benefits in a Third Party Claim initiated or controlled by the Covered Individual.
- h. If the Covered Individual fails to take action to pursue the recovery of damages or benefits from a Third Party, we may assert this recovery right independently from the Covered Individual. This is called a right of subrogation. In such a case, we may initiate the recovery action against the Third Party in our name, or in the name of the Covered Individual, and we shall be entitled to retain from any judgment the full value of the amount of Benefits paid or provided to the Covered Individual and any Benefits which are pending payment, together with all court costs and attorney fees. We shall have no obligation to seek damages or recovery from the Third Party in an amount greater than the Benefits we have paid or may expect to pay in the future, but if a greater amount of damages are demanded and recovered, the remainder of any recovery after we have been fully reimbursed for Benefits paid, court costs and attorney's fees, shall be paid to the Covered Individual or as the court otherwise directs. The Covered Individual agrees to cooperate with us and provide testimony at deposition and at trial or arbitration. If we choose to pursue a subrogation recovery of damages or benefits from a Third Party, we shall not be liable for any attorneys fees or costs incurred by the Covered Individual in connection with the Third Party Claim, and we shall have no obligation to reimburse the Covered Individual for such attorneys fees or costs.

- i. We have the right to seek the imposition of a constructive trust on any Recovery Funds or any proceeds received, or to be received, by or on behalf of the Covered Individual arising out of, related to, or in connection with any Third Party Claim.
- j. We have the right to intervene in any lawsuit or arbitration filed by or on behalf of a Covered Individual seeking damages from a Third Party. If we choose to intervene in the Third Party Claim, we shall not be liable for any attorney fees or costs incurred by the Covered Individual in connection with the Third Party Claim, and we shall have no obligation to reimburse the Covered Individual for such attorneys fees or costs.
- k. The Covered Individual agrees that we may seek the imposition of a constructive trust or an equitable lien, or seek restitution, with respect to any Recovery Funds or any proceeds from a Third Party which the Covered Individual has received or may receive.
- l. The Covered Individual agrees that we may notify any Third Party, or Third Party's representatives or insurers of our recovery rights set forth herein.
- m. The Covered Individual agrees that we may obtain an injunction to prevent the Covered Individual or the Covered Individual's representatives from breaching any provision of this Section or violating any of the Covered Individual's obligations hereunder and/or to require the Covered Individual to comply with the provisions of this Section.
- n. If it is reasonable to expect that the Covered Individual will incur future expenses for which Benefits might be paid by us, the Covered Individual shall seek recovery of such future expenses in any Third Party Claim.
- o. If the Covered Individual continues to receive medical treatment for an illness or injury after obtaining a settlement or recovery from a Third Party, we will continue to provide Benefits for the continuing treatment of that illness or injury only to the extent that the Covered Individual can establish that any sums that may have been recovered from the Third Party for the continuing medical treatment have been exhausted for that purpose.
- p. Without limiting the Covered Individual's obligations set forth above, we may require the Covered Individual to execute a trust agreement consistent with the provisions of this Section.
- q. By accepting Benefits, the Covered Individual instructs his/her legal representatives to comply with the provisions of this Section.
- r. If the Covered Individual or the Covered Individual's representatives fail to do any of the foregoing acts at our request, then we have the right to suspend payment of any Benefits for or on behalf of the Covered Individual related to any sickness, illness, injury or medical condition arising out of the event giving rise to, or the allegations in, the Third Party Claim. In exercising this right, we may notify medical providers seeking authorization or pre-authorization of payment of Benefits that all payments have been suspended, and may not be paid.
- s. We have the sole discretion to interpret and construe these reimbursement and subrogation provisions.
- t. Coordination of Benefits, where the Covered Individual has health care coverage under more than one Plan or health insurance policy, is not considered a Third Party Claim.

- u. If any term, provision, agreement or condition of this Section is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

C. Motor Vehicle Insurance

We will not pay benefits for health care costs to the extent that a Covered Individual including an insured dependent is covered by motor vehicle insurance. But we will pay expenses over the amount covered by the motor vehicle insurance, subject to the Third Party Recovery Section above. If we have paid benefits first, we are entitled to any reimbursement from the motor vehicle insurer, under the Third Party Recovery Section above.

You must give us information about any medical insurance payments available to the Covered Individual or the Covered Individual's insured dependents.

MEDICARE

To the extent permitted by law, this Plan will not pay benefits for any part of a covered expense to the extent the covered expense is actually paid or would have been paid under Medicare Part A or B had the eligible enrollee properly enrolled in Medicare and applied for benefits. This means that for coordination of benefits purposes, this Plan will estimate what Medicare would have paid and reduce its benefits based on the estimate. This Plan will not pay benefits toward any part of a covered expense to the extent the covered expense is covered by Medicare.

Coordination of Benefits (COB)

This provision applies to this Plan when you or your insured dependent have health care coverage under more than one Plan. 'Plan' and 'This Plan' are defined below:

DEFINITIONS

Plan means any of the following coverages, including Plan coverage which provide benefit payments or services to an insured person for hospital, medical, surgical or dental care:

- Group, blanket or franchise insurance (except student accident insurance);
- Prepayment coverage on a group basis, including HMO (Health Maintenance Organization) coverage;
- Coverage under a labor-management trusteed plan, a union welfare plan, an employer organization plan or an employee benefits plan;
- Coverage under government programs, other than Medicaid, and any other coverage required or provided by law;
- Group or individual automobile "no fault" coverage; or
- Other arrangements of insured or self-insured group coverage.

If any of the above coverages include group and group-type hospital indemnity coverage, Plan also means that amount of indemnity benefits which exceeds \$100 a day.

Each contract or other arrangement for coverage described above is a separate Plan.

Claimant means the insured person for whom the claim is made.

Claim Period means part or all of a calendar year during which the claimant is insured under the Plan.

An **Allowable Expense** means any expense which is covered by at least one Plan during a Claim Period. Where a Plan provides benefits in the form of a service rather than cash payments, the cash value of the service during a Claim Period will also be considered an Allowable Expense.

If a Plan benefit has a visit, day or dollars paid limitation (such as TMJ or mental health/chemical dependency) and the limitation has been met, services in excess of the limitation will not be considered Allowable Expenses for the purpose of this provision.

This Plan is the part of the group contract that provides benefits for health care expenses.

HOW COB WORKS

If the claimant is covered by another Plan or Plans, the benefits under this Plan and the other Plan(s) will be coordinated. This means one Plan pays its full benefits first, then the other Plan(s) pay(s).

The Primary Plan (which is the Plan that pays benefits first) pays the benefits that would be payable under its terms in the absence of this provision.

The Secondary Plan (which is the Plan that pays benefits after the Primary Plan) will limit the benefits it pays so that the sum of its benefit and all other benefits paid by the Primary Plan will not exceed the greater of:

- 100% of total Covered Expense; or
- The amount of benefits it would have paid had it been the Primary Plan.

WHICH PLAN PAYS FIRST?

When another Plan does not have a COB provision, that Plan must determine benefits first. When another Plan does have a COB provision, the first of the following rules that applies will govern:

- **Non-dependent/Dependent.** If a Plan covers the claimant as an employee, member or non-dependent, then that Plan will determine its benefits before a Plan which covers the person as a dependent.
- **Dependent Child/Parents Not Separated or Divorced.** If the claimant is a dependent child whose parents are not divorced or separated then the Plan of the parent whose birthday falls earlier in the calendar year will determine its benefits before those of the Plan of the parent whose birthday falls later in that year. If both parents' birthdays are on the same day, the benefits of the Plan which covered the parent longer are determined before those of the Plan which covered the other parent for a shorter period of time. If another Plan does not include this COB rule based on the parents' birthdays, but instead has a rule based on the gender of the parent, then that Plan's COB rule will determine the order of benefits.
- **Dependent Child/Separated or Divorced Parents.** If the claimant is a dependent child whose parents are divorced or separated, then the following rules apply:
 - When the parent who has custody of the child has not remarried, that parent's Plan will determine benefits first. When the parent who has custody of the child has remarried then benefits will be determined in this order: first the Plan of the parent with custody of the child, then the Plan of the spouse of the parent with custody of the child, and finally the Plan of the parent without custody.
 - However, if the specific terms of a court decree state that one of the parents is responsible for the health care expenses of the child, and the entity obligated to pay or provide the benefits of the plan of that parent has actual knowledge of those terms, the benefits of that plan are determined first. This paragraph does not apply with respect to any claim determination period or plan year during which any benefits are actually paid or provided before the entity has that actual knowledge.
- **Active/Inactive Employee.** The benefits of a Plan which covers a person as an employee who is neither laid off nor retired (or as that employee's dependent) are determined before those of a Plan which covers that person as a laid off or retired employee (or as that employee's dependent). If the other Plan does not have this rule, and if, as a result, the Plans do not agree on the order of the benefits, this rule is ignored.
- **Longer/Shorter Length of Coverage.** If none of the above rules determines the order of benefits, the benefits of the plan which covered an employee, member or non-dependent longer are determined before those of the plan which covered that person for the shorter time.

Where part of a Plan coordinates benefits and a part does not, each part will be treated like a separate Plan.

This COB provision will not apply to a claim when the Allowable Expense for a Claim Period is \$50 or less. However, if additional expense is incurred during the Claim Period and the total Allowable Expense exceeds \$50, then this COB provision will apply to the total amount of the claim.

CREDIT SAVINGS

Where the Plan does not have to pay its full benefits because of COB, the savings will be credited to the claimant for the Claim Period. These savings would be applied to any unpaid Allowable Expense during the Claim Period.

COB AND PLAN LIMITS

If COB reduces the benefits payable under more than one Plan provision, each benefit will be reduced proportionately. Only the reduced amount will be charged against any benefit limit in those Plan provisions.

OUR RIGHT TO COLLECT AND RELEASE NEEDED INFORMATION

In order to receive benefits, the claimant must give the insurer any information which is needed to coordinate benefits. With the claimant's consent, the insurer may release to or collect from any person or organization any needed information about the claimant.

FACILITY OF PAYMENT

If benefits which this Plan should have paid are instead paid by another Plan, this Plan may reimburse the other Plan. Amounts reimbursed are policy benefits and are treated like other policy benefits in satisfying policy liability.

RIGHT OF RECOVERY

If this Plan pays more for an Allowable Expense than is required by this provision the excess payment may be recovered from:

- The claimant;
- Any person to whom the payment was made; or
- Any insurance company, service plan or any other organization which should have made payment.

CORRECTION OF PAYMENTS

If another plan makes payments we should have made under this coordination provision, we can reimburse the other plan directly. Any such reimbursement payments will count as benefits paid under this Plan and we will be released from liability to you regarding them.

If we make payments that should have been made by another plan, we will have the right to recover them from the person to or for whom they were made, or from insurance companies or other organizations. The person involved must sign any documents that are necessary to enforce our rights under this provision.

General Plan Information

The following describes other procedures and policies that we use when processing your claims.

REQUEST FOR INFORMATION

When necessary to process claims, we may require that you submit information concerning benefits to which you or your dependent are entitled. We may also require that you authorize any physician or health care provider to provide us with information about a condition for which you claim benefits.

DISCLOSURE OF BENEFIT REDUCTION

ODS will provide notification of material reductions in covered services or benefits to the policyholder no later than 60 days after the adoption of the change.

CONFIDENTIALITY OF MEMBER INFORMATION

The confidentiality of your protected health information is of extreme importance to ODS Health Plans. Your protected health information includes, but is not limited to enrollment, claims, and medical and dental information. We use your information internally for claims payment, referrals and authorization of services, and business operations such as case management and quality management programs. We do not sell your information. For more complete detail about how ODS uses your information, please refer to the Notice of Privacy Practices. A copy of the notice is available on our website at www.odshealthplans.com or by calling ODS Health Plans at 503-243-4492.

CONSENT TO EXAMINATION OF MEDICAL RECORDS

All subscribers or enrollees, by acceptance of the benefits of the Plan, shall be deemed to have consented to the examination of medical records for purposes of utilization review, quality assurance, and peer review by the insurer or its designee.

TRANSFER OF BENEFITS

Only you and your insured dependents are entitled to benefits under this Plan. These benefits are not assignable or transferable to anyone else. Any attempted assignment or transfer will not be binding on us.

RECOVERY OF BENEFITS PAID BY MISTAKE

If we mistakenly make a payment for you or an insured dependent to which you are not entitled, or if we pay a person who is not eligible for payments at all, we have the right to recover the payment from the person we paid or anyone else who benefited from it, including a physician or provider of services. Our right to recovery includes the right to deduct the amount paid by mistake from future benefits we would provide for you or any insured dependent even if the mistaken payment was not made on that person's behalf.

CONTRACT PROVISIONS

The employer contract with ODS Health Plan, Inc. and this member handbook plus any endorsements or amendments are the entire contract between the parties. No promises, terms, conditions or obligations exist other than those contained herein. This contract plus such endorsements or amendments, if any, shall supersede all other communications, representations or agreements, either verbal or written between the parties.

REPLACING ANOTHER PLAN

If this Plan replaces an earlier ODS or other group plan, we will apply benefits and deductibles as follows:

- Except as provided for pre-existing conditions, we will apply the benefits under this Plan reduced by any benefits payable by the prior plan, subject to other provisions of this Plan relating to termination of coverage. However, this provision does not apply with respect to any individual who is excluded under this Plan because the individual is otherwise covered under another policy with similar benefits.
- In the case of pre-existing conditions, we will apply the benefits available under the prior plan reduced by any benefits actually paid or payable by the prior plan.
- In either case, this Plan shall give credit for the satisfaction or partial satisfaction for any deductibles actually paid under the prior plan for the same or overlapping benefit periods with this Plan, but the credit shall apply or be given only to the extent that the expenses are recognized under the terms of this Plan and are subject to a similar deductible provision.

RESPONSIBILITY FOR QUALITY OF MEDICAL CARE

In all cases, you or your insured dependents have the exclusive right to choose your facility, physician or professional provider. We are not responsible for the quality of medical care you receive, since all those who provide care do so as independent contractors. We cannot be held liable for any claim or damages connected with injuries you or your insured dependent suffer while receiving medical services or supplies.

WARRANTIES

All statements made by the applicant, policyholder, or an insured person, unless fraudulent, will be considered as representations and not warranties. No statement made for the purpose of effecting insurance will avoid the insurance or reduce benefits unless contained in a written form and signed by the policyholder or the insured person, a copy of which has been given to the policyholder or to the person or the beneficiary of the person.

GUARANTEED RENEWABILITY

Issuers in the group health market are required to renew coverage at the option of the Plan Sponsor. Coverage may only be discontinued or non-renewed for the following reasons:

- For nonpayment of the required premiums by the policyholder.
- For fraud or misrepresentation of the policyholder, or with respect to coverage of individual enrollees, the enrollees or their representatives.

- When the enrollees covered under the plan is less than the number or percentage of enrollees required by participation requirements.
- For non-compliance with the carrier's employer contribution requirements under the health benefit plan.
- When the carrier discontinues offering or renewing, or offering and renewing, all of its group health benefit plans in this state or in a specified service area within this state. In order to discontinue plans under this provision, the carrier:
 - Must give notice of the decision to the Director of the Department of Consumer and Business Services and to all policyholders covered by the plans;
 - May not cancel coverage under the plans for 180 days after the date of the notice required immediately above if coverage is discontinued in the entire state or, except as provided in the next subsection of this paragraph, in a specified service area;
 - May not cancel coverage under the plans for 90 days after the date of the notice required above if coverage is discontinued in a specified service area because of an inability to reach an agreement with the health care providers or organization of health care providers to provide services under the plans within the service area; and
 - Must discontinue offering or renewing, or offering and renewing, all health benefit plans issued by the carrier in the group market in this state or in the specified service area.
- When the carrier discontinues offering and renewing a group health benefit plan in a specified service area within this state because of an inability to reach an agreement with the health care providers or organization of health care providers to provide services under the plan within the service area. In order to discontinue a plan under this provision, the carrier:
 - Must give notice of the decision to the director and to all policyholders covered by the plan;
 - May not cancel coverage under the plan for 90 days after the date of the notice required immediately above; and
 - Must offer in writing to each policyholder covered by the plan, all other group health benefit plans that the carrier offers in the specified service area. The carrier shall offer the plans at least 90 days prior to discontinuation.
- When the carrier discontinues offering or renewing, or offering and renewing, a health benefit plan for all groups in this state or in a specified service area within this state, other than a plan discontinued under the paragraph immediately above. With respect to plans that are being discontinued, the carrier must:
 - Offer in writing to each policyholder covered by the plan, one or more health benefit plans that the carrier offers in the specified service area.
 - Offer the plans at least 180 days prior to discontinuation.
 - Act uniformly without regard to the claims experience of the affected policyholders of the health status of any current or prospective enrollee.
- When the director orders the carrier to discontinue coverage in accordance with procedures specified or approved by the director upon finding that the continuation of the coverage would:
 - not be in the best interest of the enrollees; or
 - impair the carrier's ability to meet contractual obligations.
- When, in the case of a group health benefit plan that delivers covered services through a specified network of health care providers, there is no longer any enrollee who lives, resides or works in the service area of the provider network.
- When, in the case of a health benefit plan that is offered in the group market only through one or more bona fide associations, the membership of an employer in the association ceases and the termination of coverage is not related to the health status of any employee.
- For misuse of a provider network provision. As used in this paragraph, 'misuse of a provider network provision' means a disruptive, unruly or abusive action taken by an enrollee that threatens the physical health or well-being of health care staff and seriously impairs the ability of the carrier or its participating providers to provide services to an enrollee. An enrollee under this paragraph retains the rights of an enrollee under ORS 743.804.

NO WAIVER

Any waiver of any provision of this contract, or any performance under this contract, must be in writing and signed by the waiving party. Any such waiver shall not operate as, or be deemed to be, a waiver of any prior or future performance or enforcement of that provision or any other provision.

GROUP IS THE AGENT

The Group is your and your enrolled dependents' agent for all purposes under this contract. The Group is not the agent of ODS Health Plans.

GOVERNING LAW

To the extent this contract is governed by state law, it shall be governed by and construed in accordance with the laws of the State of Oregon.

WHERE ANY LEGAL ACTION MUST BE FILED

Any legal action arising out of this contract must be filed in either a state or federal court in the State of Oregon.

TIME LIMIT FOR FILING A LAWSUIT

Any legal action arising out of, or related to, this contract and filed against us by you, any of your dependents, any enrollee or any third party, must be filed in court within three years of the time the claim arose. For example, a claim that benefits were not authorized or provided, and any and all damages relating thereto, would arise when the last level of administrative appeal under the contract has ended.

Health Insurance Continuation (COBRA)

EXPLANATION OF BENEFIT

IMPORTANT NOTICE

The following section on continuation of coverage (COBRA) may apply to you. Please check with your employer's benefits manager to find out whether you qualify for this coverage. Both you and your spouse should read this notice carefully.

INTRODUCTION

ODS Health Plans provides benefits to qualified beneficiaries who elect coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). On behalf of your employer, we have set forth the following summary of your rights and obligations with respect to COBRA coverage. ODS offers no greater COBRA rights than what the COBRA statute requires and this notice should be construed accordingly.

COBRA is a federal law requiring most employer-sponsored group health plans to offer qualified beneficiaries the opportunity to elect a temporary extension of health insurance coverage if coverage is lost due to a qualifying event (see below). A qualified beneficiary is someone who is covered under the Plan the day before a qualifying event and is a covered employee or the employee's spouse or dependent child.

A covered employee or the spouse may elect continuation coverage for eligible family members. However, each family member has an independent right to elect COBRA coverage. This means that a spouse or child may elect continuation coverage even if the employee does not.

If you are eligible for continuation coverage, you do not have to show that you are insurable. However, under the law, you may have to pay all of the premium for continuation coverage. You will have a grace period of at least 30 days to pay the premium. The premium rate may include a 2% add-on to cover administrative expenses.

QUALIFYING EVENTS

A. Employee

As an employee covered by the Policyholder's group health plan ("the Plan"), you may elect continuation coverage if you lose coverage because of termination of employment (other than termination for gross misconduct on your part), a reduction in hours, or, if you are a retiree, your employer files for reorganization under Chapter 11 of the bankruptcy code.

B. Spouse

If you are the spouse of an employee (or of a retiree for reason 5 below) covered by the Plan, you have the right to choose continuation coverage for yourself if you lose coverage for **any** of the following five qualifying events:

- (1) The death of your spouse;
- (2) The termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment;

- (3) Divorce or legal separation from your spouse. (Also, if an employee eliminates coverage for his or her spouse in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the later divorce or legal separation will be considered a qualifying event even though the ex-spouse lost coverage earlier. If the ex-spouse notifies the administrator within 60 days of the later divorce or legal separation and can establish that the coverage was eliminated earlier in anticipation of the divorce or legal separation, then COBRA coverage may be available for the period after the divorce or legal separation.);
- (4) Your spouse becomes entitled (that is, covered) under Medicare; or
- (5) Your spouse's employer files for Chapter 11 reorganization.

C. Children

A dependent child of an employee (or of a retiree for reason 6 below) covered by the Plan, has the right to continuation coverage if coverage under the Plan is lost for **any** of the following six qualifying events:

- (1) The death of the employee parent;
- (2) The termination of the employee parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with the Policyholder;
- (3) Parents' divorce or legal separation;
- (4) Employee parent becomes entitled (that is, covered) under Medicare;
- (5) The dependent ceases to be a "dependent child" under the Plan; or
- (6) The employee parent's employer files for Chapter 11 reorganization.

D. Domestic Partners

A covered employee who, at the time of the qualifying event was covering his or her Domestic Partner under the plan, can elect COBRA continuation coverage that includes continuing coverage for the Domestic Partner. Domestic Partners who are covered under the plan by the covered employee are not "Qualified Beneficiaries" and, therefore, are not independently able to elect COBRA continuation coverage. This also means that the Domestic Partner's coverage ceases immediately when the employee's COBRA coverage terminates (for example, due to the employee's death or because the employee becomes covered by under another plan).

OTHER COVERAGE

The right to elect continuation coverage shall be available to individuals who are entitled to Medicare at the time of the election or are covered under another group health plan at the time of the election.

NOTICE REQUIREMENTS

The Plan provides that your family member's coverage terminates as of the last day of the month in which a divorce or legal separation occurs (spouse's coverage is lost) or a child loses dependent status under the Plan (child loses coverage). Under COBRA, the employee or a family member has the responsibility to notify the Policyholder if one of these events occurs. Notice must be given no later than 60 days after the loss of coverage under the Plan. When the Policyholder receives timely notice, you, your spouse, and/or dependent child will be notified of your right to continuation coverage. If notice of the event is not timely given, continuation coverage will not be available.

You, your spouse and dependent children will be notified by the Plan Administrator of the right to elect COBRA continuation coverage if any of the following events cause a loss in coverage: the employee's termination of employment (other than for gross misconduct), reduction in hours, death of the employee, or the employee's becoming entitled to Medicare.

You or your family member must elect continuation coverage within 60 days after Plan coverage ends, or, if later, 60 days after the Policyholder sends you or your family member notice of the right to elect continuation coverage. If continuation coverage or portability coverage (discussed below) is not elected, your, your spouse's and your dependent's group health insurance coverage will end.

LENGTH OF CONTINUATION COVERAGE

If you choose continuation coverage, the Policyholder will provide the same coverage as is available to similarly situated employees or dependents under the Plan.

18-Month Continuation Period. When coverage ends due to a termination of employment (other than for gross misconduct) or a reduction in hours, the continuation period will be 18 months from the qualifying event.

29-Month Continuation Period. If a qualified beneficiary is disabled during the first 60 days of continuation coverage following termination of employment or reduction of hours, all qualified beneficiaries under the same qualifying event may continue coverage for up to 29 months from the date the 18-month period began. The 29-month period applies only if the following conditions are satisfied: (1) the Social Security Administration determines the qualified beneficiary is disabled at any time during the first 60 days of continuation coverage; and (2) the qualified beneficiary provides the Policyholder a copy of the Social Security Administration determination within the 18-month period and not later than 60 days after the Social Security Administration determination was made. The premium for COBRA coverage may increase after the 18th month of coverage to 150% of the premium.

36-Month Continuation Period.

- If you (spouse or dependent child) lost coverage because of the employee's death, divorce, legal separation or the employee's becoming entitled to Medicare, or because you (dependent child) lose your status as a dependent under the Plan, the maximum coverage period (for spouse and child) is 36 months from the date of the qualifying event.
- If during an initial 18- or 29-month continuation period, another qualifying event takes place (death of the employee, divorce, or dependent child loses status as a dependent child under the Plan), coverage may be extended to 36 months. In no case will the continuation coverage period exceed 36 months from the date of the qualifying event.
- If you (spouse or dependent child) have continuation coverage due to employee's termination or reduction in hours and if the qualifying event occurred within 18 months after the employee became entitled to Medicare, the coverage period is extended to 36 months from the date the employee became entitled to Medicare.

Note: Longer continuation coverage may be available under Oregon Law for an employee's spouse age 55 and older who loses coverage due to the employee's death, or due to legal separation or divorce. See page 52 for details.

NEWBORN OR ADOPTED CHILD

If, during continuation coverage, a child is born to or placed for adoption with the covered employee, the child is considered a qualified beneficiary. The employee may elect continuation coverage for the child provided the child satisfies the otherwise applicable Plan eligibility requirements (for example, age). The employee or a family member must notify the Policyholder within 30 days of the birth or placement to obtain continuation coverage. If the employee or family member fails to notify the Policyholder in a timely fashion, the child will not be eligible for continuation coverage.

SPECIAL ENROLLMENT AND OPEN ENROLLMENT

Under continuation coverage, qualified beneficiaries have the same rights afforded similarly-situated plan participants who are not enrolled in COBRA. A qualified beneficiary may add newborns, new spouses, and adopted children (or children placed for adoption) as covered dependents in accordance with the plan's eligibility and enrollment rules, including HIPAA special enrollment. If non-COBRA participants can change plans at open enrollment, COBRA participants may also change plans at open enrollment.

WHEN CONTINUATION COVERAGE ENDS

Continuation coverage will automatically terminate (even before the end of the continuation period) for the employee, spouse and/or dependent child when any one of the following events occurs:

- (1) The Policyholder no longer provides health coverage to any of its employees;
- (2) The premium for continuation coverage is not paid on time;
- (3) You (employee, spouse or dependent child) become covered under another group health plan that has no exclusions or limitations with respect to any preexisting condition that you have. If the other plan has applicable exclusions or limitations, your COBRA coverage will terminate after the exclusion or limitation no longer applies;
- (4) You (employee, spouse or dependent child) become entitled (that is, covered) under Medicare;
- (5) The Social Security Administration determines that a qualified beneficiary is no longer disabled; or
- (6) Coverage is terminated for cause (e.g., a participant submits a fraudulent claim).

When COBRA continuation coverage ends, you and/or your insured dependents *may* be eligible to enroll in an individual portability plan provided by ODS.

If you have any questions about COBRA, please contact the Policyholder. Please notify the Policyholder if you have changed marital status or if you or your spouse have changed addresses.

Individual Portability Insurance

The Oregon Portability program is implemented as a "State Alternative Mechanism" for guaranteed availability of coverage to eligible individuals. Eligibility for the Oregon Portability Program is extended to all individuals who qualify under Oregon or Federal law whichever is more favorable.

If you or your insured dependents lose eligibility for insurance under this Plan you may be entitled to convert to one of our two Portability Plans. The benefits contained in the Portability Plan will be different from the benefits under this Plan.

ELIGIBILITY FOR PORTABILITY COVERAGE

An individual covered under our Plan has the right to convert to one of our two Portability Plans if he/she is an "Eligible Individual." Eligible Individual means an individual who has left coverage that was continuously in effect for a period of 180 days or more under one or more Oregon group health benefit plans, or meets the eligibility requirements of the Health Insurance Portability Act of 1998. In either case, the individual must apply for portability coverage not later than the 63rd day after termination of group coverage issued by an Oregon carrier and be an Oregon resident at the time of such application.

With an exception noted below, the term "Eligible Individual" does not include an individual who remains eligible for his/her prior group coverage or would remain eligible for prior group coverage in a plan under the Federal Employee Retirement Income Security Act of 1974, as amended (ERISA), were it not for action by the plan sponsor relating to the actual or expected health condition of the individual, or who is covered under another health benefit plan or is eligible for the Federal Medicare program. However, an individual who is eligible to obtain a portability plan may obtain such a plan regardless of whether the Eligible Individual has exercised rights under federal law (COBRA) or under ORS 743.610 (continuation under state law) to continue coverage under a group health benefit plan, or whether the Eligible Individual, having exercised such rights, has received any benefits thereunder, unless he/she is an Eligible Individual who is leaving or has left an employee welfare benefit plan or multiple employer welfare arrangement that is exempt from state regulation under ERISA.

If an enrollee in a portability health benefit plan elects not to enroll an eligible dependent when the enrollee's coverage commences, that dependent is not eligible for enrollment as a dependent in the plan at any later date. For the purposes of this rule, an eligible dependent is a dependent of the enrollee that was covered by the enrollee's prior group health benefit plan, provided that such dependent meets the eligibility requirements of the portability health benefit plan. After an enrollee's coverage commences in a portability health benefit plan, we shall accept for enrollment any new dependent that is acquired by the enrollee, provided that such dependent meets the eligibility requirement of the portability health benefit plan.

PURPOSE OF PORTABILITY

Oregon law requires group health insurers to offer employees certain benefit plans when they leave employment. The purpose is to make health coverage portable, or in other words, to improve the availability and affordability of health benefit plans for individuals leaving group coverage.

ISSUANCE AND RENEWABILITY

Portability Plans must be offered on a "guarantee" issue basis, be guaranteed renewable and may be retained indefinitely subject to certain exceptions as stated below. Additionally, Portability Plans cannot contain pre-existing condition provisions, exclusion periods, waiting periods or other similar limitations on coverage.

Portability health benefit plans shall be renewable with respect to all enrollees at the option of the enrollee, except:

- For nonpayment of the required premiums by the policyholder;
- For fraud or misrepresentation by the policyholder;.
- When the carrier elects to discontinue offering all of its group health benefit plans in accordance with ORS 743.737 and 743.754; or
- When the director orders the carrier to discontinue coverage in accordance with procedures specified or approved by the director upon finding that the continuation of the coverage would:
 - Not be in the best interests of the enrollees; or
 - Impair the carrier's ability to meet its contractual obligations.

ENROLLMENT AND EFFECTIVE DATE OF COVERAGE

An explanation of portability coverage will be provided directly to an individual losing group coverage, for any reason other than group replacement of coverage, within 10 days following the date of any administrative action taken by a carrier to initiate or document the loss of coverage.

You must submit a written application and pay the first premium no later than the 63rd day after the date your coverage terminated under this plan. Coverage becomes effective on the day following termination of coverage under this plan. Eligible individuals may enroll in Portability coverage before, during, or at the end of their COBRA or state continuation coverage. Portability coverage is guaranteed renewable and may be retained indefinitely.

Please Note:

If you choose Portability rather than COBRA or State Continuation, you will not be eligible to select COBRA or State Continuation at a later date. (COBRA is for employee groups of 20 or more. State Continuation is for employee groups consisting of less than 20 employees.)

PORTABILITY OPTIONS

Portability coverage via the Oregon Medical Insurance Pool (OMIP) is extended to eligible individuals who were covered by a non-Oregon group plan while a resident of Oregon.

Portability coverage via OMIP is extended to eligible individuals who were covered by a self-funded multiple employer welfare arrangement or a self-funded group plan operated by a public entity in Oregon. However, these individuals must first complete continuation coverage offered through federal or state law, if they are eligible for such coverage.

ODS offers two options for portability coverage, Low Cost Plan and Prevailing Plan:

- The Prevailing Plan reflects benefit coverages that are prevalent in the group health insurance market; and
- The Low Cost Plan emphasizes affordability for eligible individuals.

Please contact the ODS Portability Coordinator, at (503) 219-3664 in the Portland area or toll-free 1-888-393-2940 for further information regarding the Prevailing and Low Cost Plans.

Patient Protection Act

The Patient Protection Act, also known as Senate Bill 21, was passed by the 1997 Oregon State Legislature to assure, among other things, that patients, physicians and providers are informed about their health insurance plans. To that end, ODS provides this question and answer section to outline some important terms and conditions of our plans.

1. What are an enrollee's rights and responsibilities?

Enrollees have the right to:

- Be treated with respect and recognition of their dignity and need for privacy.
- Have access to urgent and emergency services, 24 hours a day, 7 days a week.
- Know what their rights and responsibilities are. Enrollees will be given information about their health plan and how to use it. Enrollees will be given information about the physicians and providers who will care for them. This information will be provided in a way that enrollees can understand.
- Participate in decision making regarding their health care.
- Refuse care. Enrollees have the right to be advised of the medical result of their refusal.
- Receive services as described in their plan booklets.
- Have their medical and personal information remain private. Personal information will be handled in compliance with state and federal law, and will be given to third parties only as necessary to administer the plan, as required by law, or as permitted by the enrollee.
- Change to a new Primary Care Physician (PCP) up to two times in a 12-month period. (Not all plans require enrollees to choose a PCP.)
- File a complaint or appeal about any aspect of the plan. Enrollees have a right to a timely response to their complaint or appeal. Enrollees are welcome to make suggestions to the plan.
- Enrollees have the right to have a statement of wishes for treatment on file with your physician. A statement of wishes for treatment is known as an Advanced Directive. Enrollees also have the right to have a power of attorney filed. A power of attorney allows the enrollee to give someone else the right to make health care choices when the enrollee is unable to make these decisions.

Enrollees have the responsibility to:

- Read the plan booklet to make sure they understand the plan. Enrollees are advised to call Medical Customer Service with any questions.
- Select a PCP for those plans that require it.
- Treat all physicians and providers and their staff with courtesy and respect.
- Provide all the information needed for their physician or provider to provide good health care.
- Participate in making decisions about their medical care and forming a treatment plan.
- Follow instructions for care they have agreed to with their physician or provider.
- To the extent required by the plan, seek medical services only from their PCP.
- If required by the plan, obtain approval from their PCP before going to a specialist.
- Present their medical identification card when seeking medical care.
- Notify physicians and providers of any other insurance policies that may provide coverage.

- Reimburse ODS from any third party payments you may receive.
- Keep appointments and be on time. If this is not possible, enrollees must call ahead to let the physician or provider know they will be late or cannot keep their appointment.
- Seek regular health checkups and preventive services.
- Provide adequate information to the plan to properly administer benefits and resolve any issues or concerns that may arise.

If you have any questions about these rights and responsibilities, please call the ODS Medical Customer Service Department at 1-800-420-7758. The TDD/TTY number (for hearing and speech impaired) is (800) 433-6313.

2. What do I do if I have a medical emergency?

If you believe you have a medical emergency you should call 9-1-1 or seek care from the nearest appropriate physician or provider, such as a physician's office or clinic, urgent care facility or emergency room.

3. How will I know if benefits are changed or terminated?

It is the responsibility of your employer to notify you of benefit changes or termination of coverage. If your group contract terminates and your employer does not replace the coverage with another group contract, your employer is required by law to inform you in writing of the termination.

4. If I am not satisfied with my health plan, how do I file a grievance or file an appeal?

You can file a grievance or file an appeal by contacting our Medical Customer Service Department at 1-800-420-7758 or (800) 433-6313 (for hearing impaired), or by writing a letter to ODS Health Plans, (P.O. Box 40384, Portland, Oregon 97240). See the booklet section titled Grievance and Appeals for complete information.

You may also contact the Oregon Insurance Division as follows:

By calling: (503) 947-7984
 By writing: Oregon Insurance Division
 Consumer Protection Unit
 350 Winter Street NE, Room 440-2
 Salem, Oregon 97310

or through the Internet at <http://www.cbs.state.or.us/external/ins/>

5. What are your prior authorization and utilization review criteria?

Prior authorization, also known as service authorization, is the process we use to determine whether a service is covered under the plan (including whether it is medically necessary) prior to the service being rendered. Contact our medical customer service department at 1-800-420-7758 for a list of services that require service authorization. Many types of treatment may be available for certain conditions; the service authorization process helps determine which treatment is covered under the plan.

Obtaining a service authorization is your assurance that the services and supplies recommended by your physician or provider are medically necessary and covered under your health plan. Except in the case of fraud or misrepresentation, prior authorization for benefit coverage and medical necessity shall be binding if obtained no more than 30 days prior to the date the service is provided, and prior authorization for enrollee eligibility shall be binding if obtained no more than five business days prior to the date the service is provided.

Utilization review is the process of reviewing services after they are rendered to ensure that they were medically necessary and appropriate with regard to widely accepted standards of good medical practice. For further explanation, see the definition of “medically necessary.”

For a written summary of information that may be included in our utilization review of a particular condition or disease, call the medical customer service at 1-800-420-7758 or (800) 433-6313 (for hearing impaired).

6. How are important documents, such as my medical records, kept confidential?

ODS protects your information in several ways:

- We have a written policy to protect the confidentiality of health information.
- Only employees who need to access your information in order to perform their job functions are allowed to do so.
- Disclosure outside the company is permitted only when necessary to perform functions related to providing your coverage and/or when otherwise allowed by law.
- Most documentation is stored securely in electronic files with designated access.

7. How can I participate in the development of your corporate policies and practices?

Your feedback is very important to us. If you have suggestions for improvements about your plan or our services, we would like to hear from you.

We have formed advisory committees – including the Group Advisory Committee for employers, and the Quality Council for health care professionals – to allow participation in the development of corporate policies and to provide feedback. The committees generally meet two times per year. Please note that committee membership is limited. For more information, contact us at:

Physical Address:
ODS Health Plans
601 S.W. Second Avenue
Portland, Oregon 97204

Internet Address:
www.odshealthplans.com/4j

Please note the size of the committees may not allow us to include all those who indicate an interest in and are eligible to participate.

8. My neighbor has a question about the policy he has with ODS, but he doesn't speak English very well. Can you help?

Call our medical customer service department at 1-800-420-7758 or (800) 433-6313 (for hearing impaired). One of our representatives will coordinate the services of an interpreter over the phone.

9. What additional information can I get upon request?

The following documents are available by calling a medical customer service representative:

1. A copy of our annual report on complaints and appeals.
2. A description of our efforts to monitor and improve the quality of health services.
3. Information about procedures for credentialing network physicians and providers and how to obtain the names, qualifications, and titles of the physicians or providers responsible for an enrollee's care.
4. Information about our prior authorization and utilization review procedures.

10. What information can I get about your company from the Oregon Insurance Division?

The following information regarding the health benefit plans of ODS is available from the Oregon Insurance Division:

1. The results of all publicly available accreditation surveys.
2. A summary of our health promotion and disease prevention activities.
3. An annual summary of grievances and appeals.
4. An annual summary of utilization review policies.
5. An annual summary of quality assessment activities.
6. An annual summary of scope of network and accessibility of services.

Contact:

Oregon Insurance Division
Consumer Protection Unit
350 Winter Street NE, Room 440-2
Salem, Oregon 97310
(503) 947-7984
<http://www.cbs.state.or.us/external/ins/>
dcbs.inmail@state.or.us

ODS Health Plans Notice of Privacy Practices

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

At ODS Health Plans, we respect the privacy of your protected health information and will maintain its confidentiality in a responsible and professional manner. Protected health information includes any information regarding your health care that can identify you as the recipient of the health care services. We are required by law to provide you with this notice and abide by its terms.

This notice explains how we gather and use information about you and when we can share information with others. It also describes your rights as our valued customer and how you can exercise these rights.

HOW WE COLLECT AND PROTECT INFORMATION

We collect information from enrollment or application forms. Examples of information gathered are: Member name, address and Social Security number, general health status information, employment and other information relevant to coverage. We also collect information from insurance transactions with ODS and our affiliates. This includes information such as claims, service authorization requests, deductibles and co-payments. While most information we collect is in writing, we may also gather information in person, by telephone or electronically.

We ensure the security of your information through physical, technical and procedural safeguards. All information collected is treated in a confidential and secure manner whether you are a prospective, current or former customer.

HOW WE USE OR SHARE INFORMATION

We use protected health information and may share it with others to assist in your treatment, payment for your treatment, and our business operations.

- We will use the information to pay your health care bills that have been submitted to us by dentists, doctors, hospitals and others.
- We may share your information with healthcare professionals to help them provide medical and dental care to you. For example, we may send medical information about you to a specialist as part of a referral.
- We may use or share your information with others to help manage your health care. For example, we may talk to your doctor to suggest a disease management or wellness program that could help improve your health.

In addition, we may use information about you:

- To give you information about alternative medical treatments and programs or about health related products and services you may be interested in. For example, we sometimes send out newsletters to let you know about “healthy living” alternatives such as smoking cessation or weight loss programs.
- For underwriting or other activities relating to the issuance of a contract for health insurance.

We may share your information:

- With a family member or friend to the extent necessary to help with your health care or with payment for your health care when you are unable to provide authorization due to, for example, a medical emergency.
- With authorized private or public entities to assist in disaster relief efforts.
- With other individuals or companies who perform business functions on our behalf, for example, a company that does data entry on our behalf.
- With the plan sponsor, agent or consultant of the employee benefit plan through which you receive health benefits to permit the sponsor to perform plan administration functions.

We will not use or disclose your protected health information unless we are allowed or required by law to do so. The following are additional types of disclosures we may make:

- To state and federal agencies who regulate us. (For example, the US Department of Health and Human Services and the State Insurance Department).
- To authorized public health agencies. For instance, we may report concerns to the Food and Drug Administration regarding prescription drug and medical device problems.
- To appropriate authorities if we believe you are a victim of child abuse or neglect, domestic violence or other crimes.
- To the appropriate agencies if we believe there is a serious health or safety threat to you or others.
- To health oversight agencies for activities authorized by law including audits, criminal investigations, licensure or disciplinary actions.
- To law enforcement agencies for identification and location of a suspect, fugitive, material witness, crime victim or missing person.
- To a court or administrative agency in response to a search warrant, subpoena or other lawful process.
- To coroners, medical examiners and organ procurement entities and for research in limited cases.
- To military authorities and authorized federal officials for intelligence, counterintelligence, and other national security activities.
- To the extent necessary to comply with laws relating to worker's compensation or other similar programs.

Your authorization is required for uses and disclosures other than those allowed or required by law. If you provide authorization for the use and disclosure of your information and later change your mind, you may revoke the authorization.

YOUR RIGHTS

1. **You have the right to request that we not use or disclose your protected health information** for treatment, payment, or health care operations or to persons involved in your care except when specifically authorized by you, when required by law, or in an emergency. The request must be made in writing. While we will consider your request for restrictions, we are not required to agree to these restrictions.
2. **You have the right to request that your protected health information be communicated to you in a confidential manner** such as sending mail to an address other than your home. The request must be made in writing. We will accommodate reasonable requests.

3. In most cases, **you have the right to inspect and obtain a copy** of protected health information records that we use to make decisions about your care. Your request must be made in writing. We may charge a reasonable fee for copying and postage.
4. If you believe that the protected health information in your record is incorrect or if important information is missing, **you have the right to request that we amend the records.** Your request must be in writing and include the basis for your request. We may deny your request if the information was not created by us, if it is not maintained by us, or if we determine that the record is accurate.
5. **You have the right to receive an accounting** of certain disclosures of your information made by us during the six years prior to your request. The accounting will not include disclosures:
 - for treatment, payment, and health care operations purposes;
 - made to you;
 - incident to a use or disclosure otherwise permitted;
 - made pursuant to your authorization;
 - to persons involved in your care
 - for national security or intelligence purposes;
 - to correctional institutions or law enforcement agencies
 - made as part of a limited data set for research, public health, or health care operations purposes; and
 - made prior to April 14, 2003.

We will provide at no charge one accounting upon request every 12 months. We may charge a fee for an additional accounting within 12 months. We will inform you in advance of the fee and allow you to withdraw or modify your request.

EXERCISING YOUR RIGHTS

- **You have a right to receive a paper copy of this notice upon request at any time.** You can also access this notice on our web site at: www.odshealthplans.com.
- If you have any questions about this notice or about how we use or disclose information, please contact the ODS Privacy Office at 503-243-4492 or 800-852-5195 extension 4492. The office is open Monday through Friday from 8:30 a.m. to 4:30 p.m.
- If you believe your privacy rights have been violated, you may send a complaint to ODS Health Plans, Privacy Office, 601 SW 2nd Avenue, Portland OR 97204.
- You may also file a written complaint with the Department of Health and Human Services (DHHS), Office of Civil Rights. The contact information can be located at www.hhs.gov/ocr. You may also contact our office for more specific information.
- We will not take any action against you for filing a complaint.

CHANGES TO OUR NOTICE

This notice is effective on April 14, 2003. We reserve the right to change the terms of this notice and to make the new notice effective for all protected health information we maintain. Once revised, we will notify you that a change has been made through your member newsletter and post the notice on our web site at www.odshealthplans.com



P. O. Box 40384
Portland, OR 97240
1-800-420-7758
www.odshealthplans.com/4j

ODS Health Plans' products provided by ODS Health Plan, Inc.

Form No. P602-2-03
Revised 10/2003