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# Introduction

**BENEFITS ADMINISTRATORS AND OTHERS CHOSEN BY YOUR EMPLOYER WHO MAY ASSIST WITH INSURANCE ENROLLMENT AND ADJUSTMENTS, RETIREMENT OR TERMINATION AND RELATED ACTIVITIES ARE NOT AGENTS OF THE EMPLOYEE INSURANCE PROGRAM AND ARE NOT AUTHORIZED TO BIND THE EMPLOYEE INSURANCE PROGRAM.**

**THIS BOOKLET CONTAINS AN ABBREVIATED DESCRIPTION OF INSURANCE BENEFITS. THE *PLAN OF BENEFITS DOCUMENTS* CONTAIN COMPLETE DESCRIPTIONS OF THE HEALTH AND DENTAL PLANS. THEIR TERMS AND CONDITIONS GOVERN ALL HEALTH BENEFITS OFFERED BY THE STATE. IF YOU WOULD LIKE TO REVIEW THESE DOCUMENTS, CONTACT YOUR BENEFITS ADMINISTRATOR OR THE EMPLOYEE INSURANCE PROGRAM.**

**THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE AN EMPLOYMENT CONTRACT BETWEEN THE EMPLOYEE AND THE AGENCY. THIS DOCUMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS. THE AGENCY RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT, IN WHOLE OR IN PART. NO PROMISES OR ASSURANCES, WHETHER WRITTEN OR ORAL, WHICH ARE CONTRARY TO OR INCONSISTENT WITH THE TERMS OF THIS PARAGRAPH CREATE ANY CONTRACT OF EMPLOYMENT.**

# Introduction

We know that your benefits are important to you and to your family. We also know that you lead busy lives and don't often have a chance to read about your insurance until there is a need to use it. For that reason, we continually try to make the *Insurance Benefits Guide* (IBG) easier to understand and use.

In the section "What's New for 2007?" we highlight major changes in our insurance programs. There also are some changes in this book:

- Terms that may be unfamiliar to you are italicized and defined in the text. However, if you have questions, ask your benefits administrator; the third-party administrator, such as BlueCross BlueShield of South Carolina or FBMC; or EIP. Turn to the index for help in finding information about specific topics.
- The Employee Insurance Program conveys information and conducts business using the Internet. On page 20, you will find a brief explanation of what is offered through our Web site, www.eip.sc.gov.
- In the "Health Maintenance Organizations" chapter, the sections on BlueChoice HealthPlan and MUSC Options have been expanded.
- The "State Health Plan" chapter has been expanded, particularly the section on "Managing Your Medical Care."
- The name of the "Retirees" chapter has been changed to "Retirees/Disability Retirees" to show it includes information that also applies to those who retire because of a disability.

As always, this guide includes explanations of benefits, premiums and contact information and an overview of the health plans and other programs offered through EIP.

Remember, only information concerning those programs for which you are eligible and in which you are enrolled applies to you. The word "you," as used in this book, means anyone insured through EIP, you and/or your covered dependents.

We encourage you to review each chapter that applies to you and to discuss your benefits with your family. Charts are included to assist you in comparing plans. Pay close attention to copayments, deductibles, pre-authorization requirements and services that may be limited or not covered.

**To make changes in your coverage**, contact your benefits administrator.

**For a more detailed explanation of your benefits**, check the appropriate chapter in the IBG. If you still have questions, call your benefits administrator or EIP.

**For information about processing and payment of claims**, contact the third-party administrator or carrier listed on the inside cover of the IBG.

**To make the best use of your insurance benefits, please remember:**

- You are responsible for understanding your benefits. Ask questions if you do not understand them.
- Coverage and changes are not automatic.
- Make changes within 31 days of a qualifying event, such as birth, marriage or involuntary loss of other coverage.

# Confidentiality Policies

The South Carolina Budget and Control Board Employee Insurance Program (EIP) is committed to protecting the privacy of your health information. EIP strives continually to ensure its compliance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996, which mandates security and privacy of health information by setting standards for access and distribution of that information.

EIP provides a Notice of Privacy Practices directly to all persons covered under the state insurance program. This brochure outlines the situations in which EIP uses and discloses health information. It also outlines your rights with regard to the information and disclosure. A copy of EIP's Notice of Privacy Practices is on page 215 and on the EIP Web site, www.eip.sc.gov. In addition, the Web site contains links to forms mentioned in the Notice of Privacy Practices.

If you have any questions about HIPAA, please contact:

Privacy Officer
South Carolina Budget and Control Board
1201 Main Street, Suite 300
Columbia, S.C. 29201
Phone: 803-734-0600
Fax: 803-737-0825
E-mail: privacyofficer@cio.sc.gov.

# What's New for 2007?

# What's New for 2007?

**Here are some of the changes in the insurance programs offered through the Employee Insurance Program (EIP):**

## General Information

- Beginning January 1, 2007, new Benefits ID Number will be used for communication between EIP and subscribers and their dependents.
  **For details, see page 15.**

## State Health Plan

- As part of the Well Child Care program, a human papillomavirus (HPV) immunization is now offered for eligible covered dependents.
  **For details, see page 44.**

- The State Health Plan is now offering some new wellness programs, including a weight management program, a medical cost estimator and a provider report card.
  **For details, see page 34.**

## Health Maintenance Organizations

- MUSC Options no longer covers obesity surgery. There have also been changes in some copayments, the out-of-network deductible has been increased and a prescription drug deductible has been added.
  **For details, see page 73.**

## MoneyPlu$

- The EZ REIMBURSE® Card may now be used at any pharmacy that accepts MasterCard®. However, the card cannot be used at pharmacies located in general merchandise and grocery stores.
  **For details, see page 153.**

- The EZ REIMBURSE® Card may also be used to purchase eligible over-the-counter medicines and to purchase prescriptions through the mail-order pharmacies for the State Health Plan, BlueChoice HealthPlan, CIGNA HMO and MUSC Options.
  **For details, see page 153.**

# General Information

# General Information
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# Your Insurance Benefits: Help When You Need It Most



Your insurance, offered through the Employee Insurance Program, provides a financial safety net when you are ill or injured. Several health plans are available.

Through the **State Health Plan**, you may enroll in the Standard Plan, the Savings Plan or, if you are a retiree and eligible for Medicare, the Medicare Supplemental Plan.

Three **Health Maintenance Organizations** are offered:

- BlueChoice HealthPlan is available statewide.
- CIGNA is available in all counties **except** Abbeville, Aiken, Barnwell, Edgefield, Greenwood, Laurens, McCormick and Saluda.
- MUSC Options is available only in Berkeley, Charleston, Colleton and Dorchester counties.

**For a list of retiree health insurance options, including the Medicare Supplemental Plan, refer to the Retirees/Disability Retirees chapter, which begins on page 161.**

The **TRICARE Supplement** is available to those enrolled in TRICARE, the U.S. Department of Defense's health insurance program for the military. For eligibility requirements, see page 89.

Eligible employees also may enroll in the State Dental Plan and in Dental Plus. Dental Plus pays a higher amount for the same services covered by the State Dental Plan except orthodontia, which Dental Plus does not cover.

Active employees who enroll in a health plan receive Basic Life Insurance and Basic Long Term Disability Insurance at no charge.

## ENROLLING IN A HEALTH OR DENTAL PLAN

### Enrollment

If you are an eligible employee or retiree of a *participating group* in South Carolina, you can enroll in a health plan and the dental plan within 31 days of the date you are hired or the date you retire. A *participating group* is a state agency, public school district, county, municipality or other group that is authorized by statute to participate in, and is participating in, the state insurance plan.

To enroll in a health or dental plan, you complete the required forms, including a *Notice of Election (NOE)*. An *NOE* is the application used to: enroll in benefits; add or delete dependents; or change a subscriber's coverage level, beneficiary, name or address. Coverage is not automatic. You can also enroll your eligible dependents.

To enroll in Dental Plus, you must be enrolled in the State Dental Plan. You must cover the same family members under both plans.

After you enroll, please check your payroll stub to make sure the correct premiums are being deducted. Your health and dental coverage will continue from one year to the next as long as you are a full-time, permanent employee or an eligible retiree. Your coverage begins on the first day of the month if you are *actively at work* on the first working day of the month.

You are considered *actively at work* on your employer's scheduled workday if you are performing the regular duties of your occupation. You may be working at your usual work place or at another place, if you are required to travel. An employee is considered actively at work on a paid vacation day or on his employer's normal holidays only if he was actively at work on the last day before the vacation day or holiday.

If you are not actively at work on the first working day of the month, your coverage starts on the first day of the next month. Your enrolled dependents' coverage begins on the same day your coverage begins.

Every October, you may make changes in your **health coverage** without regard to special eligibility situations.

- During *annual enrollment,* eligible employees, retirees, survivors and COBRA subscribers may change health plans only. This includes changing to or from the TRICARE Supplement and to or from the Medicare Supplemental Plan.
- During *open enrollment*, which occurs in odd-numbered years, eligible subscribers may enroll in or drop their own health coverage and add or drop eligible dependents. You may also change your **dental coverage**.

Other changes you may make in your insurance coverage are explained in *The Insurance Advantage,* which you receive each September. Changes made during open or annual enrollment become effective the following January 1.

## Your Right to Continue Health Insurance Coverage

The Health Insurance Portability and Accountability Act (HIPAA) established rules under which a worker can continue health insurance coverage when he changes jobs.

When you enroll in the plan, proof of *creditable coverage* from your previous insurance company may be used to reduce a *pre-existing condition* limitation, if there was no *significant break in coverage* (any break in coverage did not exceed 62 days).

*Creditable coverage* is prior coverage under a group health plan or insurance coverage or health benefits provided by state and federal statutes, as described or defined in HIPAA of 1996 and regulations. A creditable coverage letter that includes dates of coverage, names of all individuals covered and types of coverage must be presented to document creditable coverage. Please also state the reason for the loss of coverage.

A *pre-existing condition* is any medical condition, regardless of the cause of the condition, for which medical advice, diagnosis, care or treatment was recommended by or received from a licensed healthcare provider or practitioner in the six months preceding the covered person's enrollment date under the plan. Benefits for a pre-existing condition are payable only for treatment rendered 12 months after the enrollment date of a covered person, or 18 months after the enrollment date for a late entrant; provided, however, that creditable coverage without a break in coverage of greater than 62 days prior to the enrollment date is applied toward the waiting period for services related to a pre-existing condition to be payable. Pregnancy does not constitute a pre-existing condition.

For purposes of applying the pre-existing condition limitation, a *significant break in coverage* is a period of 63 consecutive days during which the individual does not have any creditable coverage, except that neither a waiting period, nor an affiliation period, is taken into account in determining a significant break in coverage.

## Eligibility

An eligible active employee:

- Is employed by the state, a school district or a participating *local subdivision* and
- Works in a permanent, full-time position as defined in the plan and
- Receives compensation from the state, a school district or a participating local subdivision.

**Retirement eligibility is explained in the Retirees/Disability Retirees chapter on page 163.**

Eligible employees also include clerical and administrative employees of the S.C. General Assembly and judges in the state courts. S.C. General Assembly members and elected members of the councils of participating counties or municipalities, who also participate in the S.C. Retirement Systems (SCRS), are considered employees

for insurance purposes. Members of other governing boards are not eligible for coverage. If you work for more than one *participating group*, please contact your benefits administrator for further information. Permanent, part-time teachers may be eligible for state health, dental, Dental Plus, MoneyPlu$ and vision care benefits.

A *local subdivision* is any *participating group* other than a state agency or a public school district. Examples of local subdivisions include: counties, councils on aging, commissions on alcohol and other drug abuse, special purpose districts, community action agencies, disabilities and special needs boards, municipalities, recreation districts, hospital districts and councils of government. Since 1985, the General Assembly has passed legislation extending voluntary participation in the state insurance benefits program to certain local subdivisions. For a local subdivision to be eligible to participate in the state insurance benefits program, it must fall within one of the categories established by statute (Section 1-11-720 of the 1976 S.C. Code of Laws, as amended).



### Transfers

As an active employee, you are considered a transfer if you change employment from one participating group to another with no more than a 15 calendar-day break in employment or in insurance coverage.

As an **academic employee**, you are considered a transfer if you complete a school term and move to another participating academic employer at the beginning of the next school term. Your insurance coverage must remain in effect during the summer. If you do not transfer to another participating academic employer, your coverage ends the last day of the month in which you were actively at work.

A transfer is not considered a new hire for insurance purposes. When you transfer, you must remain enrolled in all of the same insurance programs in which you were enrolled at your former employer.

When you leave your job, tell your current benefits administrator that you are transferring to another participating group. Check with your benefits administrator at your new employer to ensure that your existing benefits have been transferred.

### Late Entrant

If you and/or your dependents do not enroll within 31 days of the date you begin employment, a special eligibility situation, or retirement, you cannot enroll yourself and/or your dependents until the next open enrollment period. Open enrollment is held in October of odd-numbered years, and your coverage takes effect the following January 1.

A late entrant is subject to the pre-existing condition exclusion limitation for 18 months after coverage begins. Proof of creditable coverage may be used to reduce a pre-existing limitation period, if any break in coverage did not exceed 62 days. A creditable coverage letter on company letterhead that includes dates of coverage, names of all individuals covered, types of coverage and reason for loss of coverage must be presented to document creditable coverage.

## SPECIAL ELIGIBILITY SITUATIONS

A *special eligibility situation* is an event that allows eligible employees, to enroll themselves and/or their eligible dependents in a health and/or dental plan. Examples include marriage, birth, adoption or placement for adoption. Involuntary loss of other coverage is a special eligibility situation only for those who lost coverage. You have 31 days from the date of the event to complete an NOE requesting a change in coverage. A salary increase is not a special eligibility situation.

### Changing Plans or Coverage

You can change to or from the Savings Plan, the Standard Plan, a health maintenance organization (HMO), the TRICARE Supplement or the Medicare Supplemental Plan only during October enrollment periods. There may be exceptions to this rule. Contact your benefits administrator for details if you are an active employee or if you

are a retiree, a survivor or COBRA subscriber of a local subdivision. Retirees, survivors and COBRA subscribers of other employers should contact EIP.

Retirees and survivors and their eligible dependents who are enrolled in a health plan may change to the Medicare Supplemental Plan within 31 days of Medicare eligibility or during annual or open enrollment.

If you are enrolled in Medicare, you may not enroll in the Savings Plan or the TRICARE Supplement. Active employees of any age and retired employees who are not eligible for Medicare can enroll in the Savings Plan.

You can change your dental coverage only within 31 days of a special eligibility situation or during open enrollment, which is in October of odd-numbered years.

You will find detailed information about each year's enrollment options in *The Insurance Advantage*, which you receive in September.

## Marriage

If you, as a covered employee, wish to add a dependent spouse and/or child because you marry, you can do so by completing a Notice of Election (NOE) form within 31 days of the date of your marriage. Coverage becomes effective with the date of marriage. You cannot cover your spouse as a dependent if he is eligible, or becomes eligible, for coverage as an employee or as a retiree of a participating group. Exceptions may apply. If you do not add your spouse within 31 days of the date of marriage, you cannot add him until the next open enrollment period or within 31 days of a special eligibility situation.

## Divorce

If you, as a covered employee, divorce, you must drop your spouse from your coverage by completing an NOE form within 31 days of the date the divorce decree is signed. Your divorced spouse's coverage ends the last day of the month in which the divorce decree is signed.

**However, you may continue to provide health, dental and Dependent Life coverage for your former spouse and/or your eligible children who no longer live with you if the Family Court requires that you do so.** A complete copy of the Family Court decree, along with an NOE, must be provided to your benefits administrator, who will send both to EIP. Retirees of state agencies, schools and institutions of higher education, survivors and COBRA subscribers should contact EIP. Retirees of local subdivisions should contact their benefits administrator.

You also can continue to cover your eligible dependent children if they live with you and you are financially responsible for them. A court order to cover a dependent child and/or ex-spouse does not create a special eligibility situation for the employee, if the employee is not already enrolled. In these cases, the employee will need to wait until the next open enrollment period or until a special eligibility situation occurs to enroll himself and the dependent child and/or ex-spouse.

If you remarry, you can cover your divorced spouse or your current spouse, but you cannot cover both under any EIP program. Dependents who lose coverage due to a qualifying event may be eligible to continue coverage under COBRA. For more information, you must contact your benefits administrator or EIP as soon as possible, but **no later than** within 60 days of the event or from when coverage would have been lost due to the event, whichever is later.

## Adding Children

Eligible children may be added by completing an NOE **within 31 days** of the date of birth, gaining legal custody, adoption or placement for adoption. Children must be listed on your NOE to be covered, even if you already have family coverage. Notification to Medi-Call of the delivery of your baby does not add the baby to your health insurance. To add adopted children to your policy, you must also submit a court order or documentation from an authorized placement agency, along with any EIP-required forms. To verify custody, you must submit

a court order or an affidavit relinquishing custody to the subscriber, and also a form establishing custody. If you and your spouse are both covered employees, only one of you can cover your children.



## Full-time Students

You may cover your dependent children, ages 19-24, who are full-time students. They must meet these requirements:

- Students must be enrolled in and attending an accredited high school, vocational/trade school or college/university **full-time**, as defined by the institution they attend.
- While summer school is not required for maintaining student status, dependents who enroll in summer school full-time may become eligible. However, they will lose eligibility if they do not re-enroll full-time the next semester/quarter.
- Enrollment in adult education night classes and correspondence courses is not considered full-time attendance.

If you are an active employee, EIP will send a Student Certification letter to your benefits administrator approximately 90 days before your dependent's 19th birthday. To continue coverage, this letter must be completed and returned to EIP within 31 days of the child's 19th birthday. You must also include a statement on letterhead from the educational institution he is attending that confirms that he is a full-time student and gives his dates of enrollment. Evidence of pre-registration is not adequate. If the child's 19th birthday occurs during the summer, return the Student Certification letter to EIP with the "Pending Student Certification" block marked. You must submit the letter from the institution by September 30 verifying that your child is a full-time student.

If your dependent, age 19-24, graduates from a community or technical college, a four-year college or a university and will return to school when the fall term begins, his insurance may be continued over the summer. To arrange this, you must provide EIP with a letter of acceptance from the school he will be attending. You must submit a Student Certification letter and statement on letterhead from the educational institution he is attending by September 30 that confirms that he is a full-time student and gives his dates of enrollment.

If your dependent, age 19-24, goes back to school full-time, you may again add him to your health coverage. To do so, within 31 days of eligibility, submit a Notice of Election (NOE) form and a statement on letterhead from the educational institution verifying that your dependent is a full-time student and giving his dates of enrollment. In this case, that would be the date he is again a full-time student.

If your 19-year-old is certified as a full-time student **while he is in high school,** you must notify your benefits administrator or EIP within 31 days of the date he leaves high school.

**The TRICARE Supplement has its own requirements for coverage of dependents age 19 and older. Please refer to page 89 for more information.**

When your child is covered as a full-time student, his eligibility for coverage ends the last day of the month in which he graduates, is no longer a full-time student, marries or the last day of the month in which he turns age 25, unless he is covered as an incapacitated dependent. It will be your responsibility to notify your benefits office that the child is no longer a full-time student and submit an NOE form dropping him from your coverage. If notification is received within 60 days of when coverage would have been lost due to the event, continuation of insurance under COBRA will be offered. Otherwise, it will not be offered.

EIP conducts periodic reviews of the eligibility of covered dependents ages 19-24. If your child is found to be ineligible, his coverage will be cancelled, and EIP may seek repayment of any benefits paid for him while he was ineligible.

If your child is **not** a full-time student, his eligibility for coverage ends the last day of the month in which he turns 19, unless he is covered as an incapacitated dependent. Your dependent child's eligibility for coverage also ends if he gets married.

## Incapacitated Child

You can continue to cover your child, who is age 19 or older, if he is incapacitated and you are financially responsible for him. To cover your dependent child who is incapacitated, he must meet these requirements:

- The child must have been covered by health insurance continuously from the time of incapacitation.
- The child must be unmarried and must remain unmarried to continue eligibility.
- The child must be incapable of self-sustaining employment because of mental illness, retardation or physical disability and must remain principally dependent (more than 50 percent) on the covered employee, retiree, survivor or COBRA subscriber for support and maintenance.

Incapacitation must be established within 31 days of the child's 19th birthday or within 31 days of the date he is no longer covered as an eligible full-time student. The child must have been continuously covered by a health insurance plan from the time of incapacitation. An Incapacitated Child Certification Form must be completed by the subscriber and the child's physician and then sent to EIP for review. EIP may require additional medical documentation from the child's physician.

## Gaining Other Coverage

If you or your dependents gain other group coverage, you have 31 days to change your coverage by completing an NOE and returning it to your benefits office with proof of the other coverage. To document that you have gained coverage, you must present a letter on company letterhead that includes dates of coverage, names of all individuals covered and types of coverage.

If you fail to make a coverage change within 31 days, you must wait until the next open enrollment period. For more details, contact your benefits administrator or EIP.

## Involuntary Loss of Other Coverage

If you or your dependents are covered under another health or dental plan and you lose that coverage involuntarily because it was discontinued or the covered employee left his job, you have 31 days from the last day of coverage to enroll in coverage offered through the EIP. To enroll, you must complete an NOE and return it to your benefits office with proof that the insurance was discontinued. To document that you have lost coverage, you must present a creditable coverage letter or a letter on company letterhead that includes dates of coverage, names of all individuals who lost coverage, the types of coverage and the reason for the loss. Dependents must be listed on the NOE in order to be covered. Only family members who actually lost coverage may enroll. If you fail to enroll within the 31 days, you must wait to enroll until the next open enrollment, which occurs in October of odd-numbered years, or within 31 days of a special eligibility situation.

## Leave Without Pay

If you are an active employee, you can continue your coverage for up to 12 months if you are on leave without pay, as long as you pay the required premiums. Leave must be approved by your employer. *(For information on Family and Medical Leave or military leave, contact your benefits administrator.)*

## Medicare Before Age 65

If you or your covered dependent becomes eligible for Medicare before age 65 due to disability or end-stage renal disease (ESRD), the Social Security Administration will notify you. **You must notify EIP within 31 days of Medicare eligibility.** When you notify EIP, please submit proof of your Medicare eligibility, such as a copy of your Medicare card.

If Medicare is your primary insurance, **you should enroll in Medicare Part B,** which helps cover doctors' services and outpatient hospital care. EIP will pay your claims as if you were signed up for Part B.

**If you do not notify EIP of your Medicare eligibility, and EIP continues to pay benefits as if it were your primary insurance,** when EIP discovers you are eligible for Medicare, EIP:

- Will immediately begin paying benefits as if you were enrolled in Medicare
- May seek reimbursement for overpaid claims back to the date you or your dependent(s) became eligible for Medicare.



## Medicare at 65

The Social Security Administration should notify you or your dependents of your Medicare eligibility approximately 90 days before you turn 65 or you become eligible due to a disability. If you are not notified, contact your local Social Security office. If you are already receiving Social Security benefits when you turn 65, Medicare Part A starts automatically, and do not turn down Part B. If you are not receiving Social Security, you should sign up for Medicare before your 65th birthday, even if you are not ready to retire.

**You should not sign up for Medicare Part D, the prescription drug program. Your drug expenses will continue to be covered under the health insurance plan that you have through EIP.**

**IMPORTANT MEDICARE NOTE:**

If you or one of your dependents become eligible for Medicare, you must notify EIP within 31 days of Medicare eligibility. **If you do not notify EIP of your Medicare eligibility, and EIP continues to pay benefits as if it were your primary insurance,** when EIP discovers you are eligible for Medicare, EIP will:

- **Immediately begin paying benefits as if you were enrolled in Medicare**
- **Seek reimbursement for overpaid claims back to the date you or your dependent(s) became eligible for Medicare.**

## If You Are an Active Employee When You Turn 65

If you are actively working and/or covered under a state health plan for active employees when you turn 65, you may delay enrollment in Part B because your insurance as an active employee remains primary. However, if you are planning to retire within three months of age 65, you should contact Social Security to learn about your Medicare enrollment options. When you do retire, you should sign up for Part B within 31 days of retirement.

Medicare will then be your primary coverage, and you need Part A and Part B for full coverage. Do not turn down Medicare Part B coverage because EIP will begin paying benefits as if you were enrolled in Part B.

**Most Medicare recipients covered by health insurance plans offered through EIP should not sign up for Medicare Part D, the prescription drug program. Your drug expenses will continue to be covered under your health insurance.**

## BENEFITS ID NUMBER

On January 1, 2007, the Employee Insurance Program began using a new Benefits ID Number (BIN) for each subscriber. This unique number replaces the Social Security Number (SSN) formerly used in e-mails and other written communication between EIP and you and your dependents. It is designed to make your personal information more secure.

When you contact EIP, you may give your SSN or your BIN, and the Customer Service staff will be able to assist you.

Your BIN will be used on your Dental Plus card, if you are enrolled. The third-party administrators, such as BlueCross BlueShield of South Carolina, BlueChoice HealthPlan and CIGNA, will use your BIN or another secure number.

## WHEN YOUR COVERAGE ENDS

Your coverage will end:

- The last day of the month in which you were actively at work, unless you are transferring to another participating group
- The last day of the month you enter a class of employees not eligible for coverage (for example, your working hours are reduced from full-time to part-time)
- The day after your death
- The date the coverage ends for all employees or
- If you do not pay a required premium when it is due. (For example, if you are on leave without pay or on COBRA and are paying the full cost, you must make a monthly payment.)

Dependent coverage will end:

- The date your coverage ends
- The date dependent coverage is no longer offered or
- The last day of the month in which your dependent is eligible for coverage.

If your coverage or your dependent's coverage ends, you may be eligible for continuation of coverage as a retiree, as a survivor or under COBRA. If you are dropping a dependent from your coverage, you must complete an NOE within 31 days of the date the dependent is no longer eligible for coverage.

## COBRA

COBRA is short for the Consolidated Omnibus Budget Reconciliation Act. It requires that continuation of group health and/or dental insurance coverage be offered to you and/or your covered dependents if you are no longer eligible for coverage due to a qualifying event. Qualifying events include:

- The covered employee's working hours are reduced from full-time to part-time
- The covered employee voluntarily quits work, retires, is laid off or is fired (unless the firing is due to gross misconduct)
- The covered employee is separated or divorced from his spouse
- A covered child no longer qualifies as a dependent
- The covered employee or the parent of an eligible dependent child becomes eligible for Medicare.

To extend coverage under COBRA, the subscriber must notify his benefits office within 60 days of the qualifying event or the date coverage would have been lost due to the qualifying event, whichever is later. Otherwise, the individual will lose his rights to COBRA coverage.

To begin coverage under COBRA, a COBRA Notice of Election and premiums must be submitted. The premiums must be paid within 45 days from the date coverage was elected. Your first premium payment must include premiums for the month following the date you lost coverage, the month your elected coverage and the first full month of COBRA coverage.

For example: You lost coverage on June 30 and then elected coverage on August 15. You would be required to pay three premiums: one for the month following the date you lost coverage; one for the month in which you elected coverage; and one for the first full month after you elected coverage.

If you are enrolled in the TRICARE Supplement, continuation of health coverage is offered through Humana Military Healthcare Services, Inc. Please call 800-444-5445 for information. Dental coverage can be covered under EIP's COBRA plan if timely notification is made.

COBRA coverage becomes effective when the first premium is paid and remains in effect only as long as the premiums are kept up-to-date. If you need more information about COBRA, contact your benefits office or EIP.

## Conversion: When COBRA Benefits Run Out

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) guarantees that persons, who have exhausted COBRA benefits and are not eligible for coverage under another group health plan, have access to health insurance coverage without being subject to a pre-existing condition exclusion period. However, certain conditions must be met. In South Carolina, the South Carolina Health Insurance Pool provides this guarantee of health insurance coverage. For information, call 800-868-2500, ext. 42757, or 803-788-0500, ext. 42757, in Columbia.

## Death of an Employee or a Retiree

If an active employee or a retiree of a local subdivision dies, a family member should contact the deceased's employer to report the death, to discontinue the employee's health and dental coverage and start survivor coverage for any covered dependents. If a state agency or school district retiree dies, a family member should contact EIP.

## Survivors

Spouses or children who are covered as dependents under the State Health Plan or an HMO are classified as "survivors," upon the death of the covered employee or funded retiree. As survivors, covered dependents are eligible for a one-year waiver of health insurance premiums.

Participating local subdivisions may elect to, but are not required to, waive the premiums of survivors of retirees, but a survivor may continue coverage, at the full rate, for as long as he is eligible. Retirees of a participating local subdivision should check with their benefits administrator to see whether the waiver would apply.

After the first year, a survivor must pay the full premium to continue coverage. If you and your spouse are both covered employees or retirees at the time of death, your surviving spouse is not eligible for the premium waiver.

If you are a covered spouse or dependent child of a covered employee who was killed in the line of duty while working for a participating group, your premium will be waived for the first year after the employee's death. You must submit verification of death in the line of duty. After the one-year waiver, you may continue coverage, *at the employer-funded rate*, as long as you are eligible. Participating local subdivisions may elect to, but are not required to, contribute to your insurance coverage, but you may continue coverage, at the full rate, for as long as you are eligible.

**State Dental Plan and Dental Plus premiums are not waived. However, survivors can continue dental coverage by paying the full premium.**

As a surviving spouse, you can continue coverage until you remarry. If you are a dependent child, you can continue coverage until you are no longer eligible as a dependent. If you are no longer eligible for coverage as a survivor, you may be eligible to continue coverage under COBRA. Contact EIP for details.

## Workers' Compensation

Insurance offered through EIP is not meant to replace Workers' Compensation and does not affect any requirement for coverage for Workers' Compensation insurance. It is not intended to provide or duplicate benefits for work-related injuries that are within the Workers' Compensation Act. If you need more information, please contact your benefits office or EIP.

## Coordination of Benefits

Some families are eligible to enroll in two health plans. While the additional coverage may mean that more of your medical expenses are paid by insurance, you probably will pay premiums for both plans. Weigh the advantages and disadvantages carefully before you purchase extra coverage.

Most health plans have a system to determine how claims are handled when a person is covered under more than one insurance plan. This is called "coordination of benefits" (COB). When a subscriber has coverage under more than one plan, he can file a claim for reimbursement from each plan. Third-party administrators, such as BlueCross BlueShield of South Carolina or your HMO, coordinate benefits so that you get the maximum reimbursement allowed. That amount will never be more than 100 percent of your covered medical, dental or prescription drug expenses.

There are rules that determine the order in which the plans pay benefits. The plan that pays first is the *primary* plan. The *secondary* plan pays after the primary plan. Here are some examples of how that works:

- The plan that covers a person as an employee is primary to the plan that covers the person as a dependent.
- When both parents cover a dependent child, the plan of the parent whose birthday comes earlier in the year is primary.
- If you are eligible for Medicare and are covered as an active employee, your State Health Plan or HMO coverage is primary over Medicare. Exceptions may apply in the case of Medicare coverage due to kidney disease. Contact your local Social Security office for details.

For more information about how coordination of benefits works, see the appropriate sections.

## PREVENTION PARTNERS

Prevention Partners, a unit of the Employee Insurance Program, is designed to help you and your family lead healthier lives. Its activities, programs and services promote good health through disease prevention, early detection of disease and chronic disease education.

A major initiative of Prevention Partners is the Preventive Worksite Screening. This comprehensive health screening measures cholesterol levels, blood pressure, triglyceride levels, kidney function and red and white blood cell counts. These measurements indicate if an employee is at risk for developing hypertension, diabetes and anemia.

This benefit is available for $15 to active and retired employees whose primary insurance coverage is the Standard Plan, the Savings Plan, BlueChoice HealthPlan, CIGNA HMO or MUSC Options.

The cost of the Preventive Worksite Screening does not contribute toward your annual deductible or out-of-pocket maximum.

Chronic Disease Workshops, another major program, give subscribers and their dependents information they need to help them take better care of themselves. Workshops include: Caregivers, Diabetes, Heath Disease, Asthma, Kidney Evaluation, Women's Reproductive Health, Weight Management, Medications, Men's Health, Cholesterol/Lipids and Gastrointestinal Ailments.

In 2002, the Budget and Control Board's Office of Research and Statistics compared 196 State Health Plan subscribers who attended a Diabetes Management Workshop between 1995 and 1999 with a group of subscribers who did not. During a two-year period, the medical and drug claims of the group that attended the workshop were $2,123.99 per person less than those who did not. The study indicates participants in the workshop were doing a better job controlling the risks of complications of their disease.

Other Prevention Partners programs include:

- Spring Wellness Walk
- Lifestyle change workshops on lowering risk factors, weight loss and exercise
- Worksite program consultation
- Volunteer Worksite Prevention Partners coordinator network and conferences
- Prevention Partners training workshops
- Preventive Worksite Immunization (influenza).

For more information on Prevention Partners, contact your benefits office, your Prevention Partners coordinator or call 803-737-3820 (Greater Columbia area) or 888-260-9430 (toll-free outside the Columbia area). You also can go to the EIP Web site at www.eip.sc.gov. Then click on "Prevention Partners," which is on the left side of your screen.



## THE VISION CARE PROGRAM

This program offers you discounted vision care services. Participating ophthalmologists and optometrists throughout the state have agreed to charge no more than $60[1] for a routine, comprehensive eye examination. If you are fitted for contact lenses, you may pay more because that can require additional services. Participating providers, who include opticians, have agreed to give a 20-percent[1] discount on all eyewear except disposable contact lenses.

[1]*These amounts can change yearly. Contact your benefits office, provider or EIP for the current amounts.*

If you are covered by more than one vision care program, you can have the discounts offered under this program or through your other coverage, but not both.

The eye examination should include at least these tests and services:

- Complete eye and medical history review
- Visual acuity far and near, with and without glasses
- Tonometry
- Screening visual fields
- Refraction
- External motility, biomicroscopic and dilated
- Ophthalmoscopic examinations
- Initiation of diagnostic and treatment programs as necessary, including prescription of lenses, medication and other therapy, arranging for special diagnostics or treatment services, consultations, laboratory procedures or radiological services as may be indicated.

Treatment must be within the scope of the license of the provider. Consult your eye care provider for details on any of these services.

You may participate in this program if you are a full-time or part-time employee, retiree, survivor or COBRA participant. Your dependents also are eligible. You do not have to be enrolled in the State Health Plan or a health maintenance organization. It is your responsibility to show your provider some type of employment-related identification to prove you are eligible for the Vision Care Program. If you do not, you may not receive the discount.

### Providers Are Available Statewide

To see the list of participating providers, go to the Employee Insurance Program's Web page, www.eip.sc.gov. Click on "Choose Your Category" and then select your category (Active Subscribers, Retirees etc.). Next, choose "Online Directories" and then select "Vision Care." You can search for providers by county or by state. **This is the most up-to-date list.**

If your provider is not listed, you may wish to ask if he gives discounts through the state's Vision Care Program. If your provider would like to be part of the program, he should call the Employee Insurance Program. Although EIP lists providers who participate in the program, the state does not recommend any specific eye care provider.

If you do not have access to the Internet, ask your benefits administrator to print a copy of the list for you. You can also request one by writing to EIP at P.O. Box 11661, Columbia, SC 29211, or by calling 803-734-0678 (Greater Columbia area) or 888-260-9430 (toll-free outside the Columbia area).

## No Claims to File

The Vision Care Program is a discount program. You do not file claims and will not receive reimbursement for routine eye examinations or eyewear, including contacts. If you have a MoneyPlu$ Medical Spending Account, you can file a reimbursement claim with MoneyPlu$ for your vision care expenses.

If you have questions about this program, please contact your benefits office or EIP.

## EIP ON THE INTERNET: EASY ACCESS TO YOUR INSURANCE INFORMATION

Like many organizations, the Employee Insurance Program offers helpful information through the Internet. Two places to find it are *EIP Direct* and the EIP Web site.

***EIP Direct*** is a bimonthly newsletter sent to your benefits administrator, who may send you the information or the newsletter itself. The newsletter gives you information about changes in benefits, answers questions about benefits and tells you about programs that may be of interest to you, such as Prevention Partners chronic disease workshops. Copies are available on the EIP Web site, www.eip.sc.gov. Choose "News & Updates" and then "Newsletters."

The Web site is also the place to find other ideas about how to make the best use of your insurance, as well as links to the Web sites of EIP's third-party administrators. When you go to www.eip.sc.gov, you will see a bar across the top of the home page. It has several tabs, including:

- FAQ (general information, as well as questions about the Savings Plan and HSAs)
- News and Updates (includes a tab that takes you to "Newsletters," such as *EIP Direct* and *Avenues*)
- Links (direct access to companies that administer EIP programs).

When you select "Choose Your Category," which is on the left, you will see a list of the types of subscribers served by EIP. Most of you are "Active Subscribers," or employees. When you click on your category, you will receive a list of choices. They include "Eligibility," "Forms," "On-line Directories" (lists of providers that are part of the health plan networks), and "Rates." Click on "Publications" to see a list that includes this benefits guide. You can use the "binoculars" search feature to help you find specific topics in the guide.

"Prevention Partners" is one of the choices listed on the left side of our home page. Click on it for ways to improve your health. Under "Early Detection," for example, you will find a list of the regional Worksite Screenings.

"Insurance Managers" provides direct links to the Web sites of the third-party administrators. These sites give you access to your account information, including claim status, verification of authorization for inpatient and outpatient visits and Explanations of Benefits.

If you need assistance or, additional information or would like to make a suggestion, click on "Need Customer Service?" to send EIP an e-mail.

# State Health Plan

# State Health Plan
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# Your State Health Plan in 2007



The State Health Plan, which includes the **Standard Plan**, the **Savings Plan** and the **Medicare Supplemental Plan**, provides you and your family with valuable medical coverage when you are sick or injured. With the plan, you have extensive coverage when you need it most.

The State Health Plan is self-insured. This means the Employee Insurance Program (EIP) determines the plan's coverage and benefits. EIP does not pay premiums to an insurance company. Your monthly premium, the amount you pay for insurance coverage, is combined with premiums paid by all other subscribers and your employer's contributions. Then these funds are placed in a trust account maintained by the state to pay claims and administrative costs. Any interest earned on this trust account is used to help fund the plan.

In 2007, the State Health Plan is expected to pay more than one billion dollars in claims for its subscribers. EIP contracts with companies, such as BlueCross BlueShield of South Carolina, to process medical claims; APS Healthcare, Inc., to process mental health and substance abuse claims; and Medco, to process prescription drug claims. About four percent of EIP's budget goes to pay these claims processors.

To learn about enrollment, eligibility and other features that are common to this health program and others offered by EIP, see the General Information chapter beginning on page 7. This chapter will help you understand the different requirements and benefits of the Standard Plan and the Savings Plan. It also discusses the features they share. Check the Premiums chapter on page 195 to learn about the rates for each plan.

The *Plan of Benefits* document contains a complete description of the plan. Its terms and conditions govern all health benefits offered by the state. If you would like to review this document, contact your benefits administrator or EIP.

## Your State Health Plan at a Glance

The State Health Plan offers two choices: the **Standard Plan** and the **Savings Plan**. Regardless of which plan you choose, it is important that you understand how your plan works.

The **Standard Plan** has higher premiums but lower deductibles than the Savings Plan. When one family member meets his deductible, the Standard Plan will begin to pay benefits for him, even if the family deductible has not been met. Under the Standard Plan, when you buy a prescription drug you make a copayment, rather than pay the allowable charge (The *allowable charge* is the maximum amount a health plan will pay for a covered service or product, such as a drug. Network providers have agreed to accept the allowable charge.) You do not have to meet your deductible to receive the prescription drug benefit.

As a **Savings Plan** subscriber you take greater responsibility for your healthcare costs and accept a higher annual deductible. As a result, you save money on premiums. Because it is a tax-qualified, high deductible health plan, eligible subscribers who enroll in the Savings Plan and who have *no other health coverage, including Medicare,* unless it is another high deductible health plan, may establish a Health Savings Account. Funds in this account may be used to pay qualified medical expenses now and in the future.

## How SHP Benefits are Paid

State Health Plan subscribers share the cost of their covered benefits by paying deductibles and coinsurance for medical and behavioral health services. Standard Plan subscribers pay copayments for prescription drugs.

# Benefits at a Glance

**This brief overview of your medical plan is for comparison purposes only. The *Plan of Benefits* document governs all health benefits offered by the state.**

| | Standard Plan | Savings Plan |
|---|---|---|
| **Annual Deductible** | $350 Individual<br>$700 Family | $3,000 Individual<br>$6,000 Family<br>(If more than one family member is covered, no family member will receive benefits, other than preventive, until the $6,000 annual family deductible is met.) |
| **Per-occurrence Deductibles:** | | |
| Emergency Care[1] | $125 | None |
| Outpatient Hospital[2] | $75 | None |
| Outpatient Office Visit[3] | $10 | None |
| **Coinsurance:**<br>Network | 20% You Pay<br>80% State Pays | 20% You Pay<br>80% State Pays |
| Out-of-network[4] | 40% You Pay<br>60% State Pays | 40% You Pay<br>60% State Pays |
| **Coinsurance maximum:**<br>Network | $2,000 Individual<br>$4,000 Family | $2,000 Individual<br>$4,000 Family |
| Out-of-network[4] | $4,000 Individual<br>$8,000 Family | $4,000 Individual<br>$8,000 Family |
| **Lifetime Maximum** | $1,000,000 | $1,000,000 |
| **Prescription Drug Deductible per Year[4]** | No Annual Deductible | **Prescription Drugs**<br>You pay the full allowable charge for prescription drugs, and the cost is applied to your annual deductible.<br><br>After you reach your deductible, you continue to pay the full allowable charge for prescription drugs. However, the plan will reimburse you for 80% of the allowable charge of your prescription. You pay the remaining 20% as coinsurance.<br><br>You must use participating pharmacies. Drug costs are applied to your plan's in-network coinsurance maximum: $2,000 - individual; $4,000 - family. After the co-insurance maximum is met, the plan pays 100% of allowable charges. |
| **Retail Copayments for up to a 31-day supply** (Participating pharmacies only)[4] | $10 Generic<br>$25 Preferred Brand<br>$40 Non-preferred Brand | |
| **Mail Order and Retail Maintenance Network Copayments for up to a 90-day supply[4]** | $25 Generic<br>$62 Preferred Brand<br>$100 Non-preferred Brand | |
| **Prescription Drug Copayment Maximum[4]** | $2,500 per person (applies to prescription drugs only) | |
| **Tax-favored Medical Accounts** | Medical Spending Account | Health Savings Account<br>Limited-use Medical Spending Account |

[1] *Waived if admitted.*
[2] *Waived for dialysis, routine mammograms, routine pap tests, clinic visits, ER, oncology, electro-convulsive therapy, psychiatric medication management and physical therapy visits.*
[3] *Waived for routine Pap smear, routine mammograms and Well Child Care.*
[4] *There are no out-of-network benefits for mental health and substance abuse services or prescription drugs.*

# HOW THE STANDARD PLAN WORKS



## Annual Deductible

The annual deductible is the amount of covered medical expenses (including mental health and substance abuse expenses) you must pay each year before the plan begins to pay benefits.
The annual deductibles are:

- $350 for individual coverage
- $700 for family coverage.

If you have the Standard Plan individual coverage, once you meet the $350 deductible, the Standard Plan will begin to pay a percentage of your covered medical expenses.

Under the Standard Plan, the family deductible is the same, regardless of how many family members are covered. The $700 family deductible may be met by any combination of two or more family members' individual covered medical expenses, as long as they total $700. For example, if five people each have $140 in covered expenses, the family deductible has been met, even if no one person has met the $350 individual deductible. Once any one person has paid the $350 individual deductible, he will begin receiving benefits. No one family member may pay more than $350 toward the family deductible.

If the employee and his spouse, who is also covered as an employee or retiree, wish to share the same plan family deductible, both spouses must select the same health plan.

If you are covered under the Standard Plan, you pay copayments for drugs, up to a maximum of $2,500 per covered family member. Your drug costs do not apply to your deductible.

## Per-occurrence Deductible

A per-occurrence deductible is the amount you must pay before the Standard Plan begins to pay benefits each time you receive services in a professional provider's office, visit an emergency room or receive outpatient hospital services. It does not apply to your annual deductible or to your coinsurance maximum.

The deductible for each visit to a professional provider's office is $10. This deductible is waived for routine Pap tests, routine mammograms and well child care visits. Here is an example of how it works:

- If the SHP Standard Plan allowed $49 for a physician's visit, you would first pay the $10 per-occurrence deductible. Then, if you have not met your annual deductible, the remaining $39 would apply toward your annual deductible. (You owe $49.)

- If you have met your annual deductible, the Standard Plan would pay 80 percent of the $39, or $31.20, and you would be responsible for the remaining $7.80, as well as for your $10 per occurrence deductible. (You owe $17.80.)

The deductible for each emergency room visit is $125. This deductible is waived if you are admitted to the hospital. The deductible for each outpatient hospital service is $75. This deductible is waived for dialysis, routine mammograms, routine Pap tests, clinic visits (an office visit at an outpatient facility), and emergency room, oncology, electro-convulsive therapy, psychiatric medication management and physical therapy visits.

## Coinsurance

After your annual deductible has been met, the Standard Plan pays 80 percent of your covered medical, mental health and substance abuse expenses if you use network providers. You pay the remaining 20 percent as coinsurance. If you use non-network providers, the plan pays 60 percent of your covered expenses. You pay the remaining 40 percent as coinsurance. This is applied to your coinsurance maximum. Even after you meet your annual deductible under the Standard Plan, you must continue to pay per-occurrence deductibles, and they do not apply

to your coinsurance maximum. Mental health and substance abuse benefits are paid only if you use network providers.

If you use a provider outside the SHP network, you must pay any amount above the plan's allowable charge for a covered medical expense. You also will have to pay an additional 20 percent in coinsurance. See page 31 to learn more about this "out-of-network differential." Prescription drugs and mental health and substance abuse benefits will be paid **only** if you use a network provider.

A different coinsurance rate applies for infertility treatments and prescription drugs associated with infertility, see page 39.

**What does it mean when a provider does not participate in the network?**

**For information on providers who do not participate in the network and the "out-of-network differential," see page 31.**

### Coinsurance Maximum (Out-of-pocket Limitation)

The maximum amount in coinsurance you must pay for covered services each year under the Standard Plan is $2,000 for individual coverage or $4,000 for family coverage for network services and $4,000 for individual coverage and $8,000 for family coverage for non-network services. The State Health Plan will then pay 100 percent of the allowable charges. Your payments for non-covered services, prescription drugs, per-occurrence and annual deductibles, or penalties for not calling Medi-Call or APS Healthcare do not count toward your coinsurance maximum.

Before the plan will begin paying 100 percent of a person's covered prescription drug expenses, the person must pay $2,500 in prescription drug copayments.

## HOW THE SAVINGS PLAN WORKS

### Annual Deductible

The annual deductible is the amount of covered medical expenses (including medical, prescription drugs and mental health and substance abuse) you must pay each year before the Savings Plan begins to pay a percentage of your covered medical expenses. The annual deductibles are:

- $3,000 for individual coverage
- $6,000 for family coverage.

**There is no individual deductible if more than one family member is covered. The family deductible is not considered met for any covered individual until total covered expenses exceed $6,000.** For example, even if one family member has $3,001 in covered medical expenses, he will not begin receiving benefits until his family has $6,000 in covered expenses. However, if the subscriber has $1,000 in expenses, the spouse has $3,001 in expenses and another child has $2,000 in expenses, all family members will begin to receive benefits.

If you are covered under the Savings Plan, you pay the full allowable charge for covered prescription drugs, and the amount is applied to your deductible. After your deductible has been met, you receive reimbursement for 80 percent of your allowable charges. After your coinsurance maximum has been met, you receive reimbursement for 100 percent of your allowable charges.

There are **no** per-occurrence deductibles under the Savings Plan. You pay the full allowable charge for services, and it is applied to your annual deductible.

### Coinsurance

After your annual deductible has been met, the Savings Plan pays 80 percent of your covered medical, prescription drug, mental health and substance abuse expenses if you use network providers. You pay the remaining 20 percent as coinsurance. The amount you pay to network providers contributes to your coinsurance maximum. If you use non-network providers, the plan pays 60 percent of your covered expenses. You pay the remaining 40 percent as coinsurance.

If you use a non-network provider, any charge above the plan's allowable charge for a covered medical expense is your responsibility. You will also have to pay the additional 20 percent in coinsurance, a total of 40 percent. See page 31 to learn more about this "out-of-network differential." Prescription drug and mental health and substance abuse benefits will be paid **only** if you use a network provider.

A different coinsurance rate applies for infertility treatments and prescription drugs associated with infertility, see page 39.

### Coinsurance Maximum (Out-of-pocket Limitation)

The maximum amount in coinsurance you must pay for covered services each year under the Savings Plan is $2,000 for individual coverage or $4,000 for family coverage for network services and $4,000 for individual coverage and $8,000 for family coverage for non-network services. The State Health Plan will then pay 100 percent of the allowable charges. Your payments for non-covered services, prescription drugs, per-occurrence and annual deductibles, or penalties for not calling Medi-Call or APS Healthcare do not count toward your coinsurance maximum.



## LIFETIME MAXIMUM

The maximum amount the State Health Plan will pay for each person for all benefits is $1,000,000. This lifetime maximum includes all payments made for a person while covered under any State Health Plan option, including the Savings, Standard and Medicare Supplemental plans and the Economy Plan, which is no longer offered. It applies regardless of any break in coverage or whether the person is enrolled in one of the plans as a dependent, an employee or a retiree.

## COORDINATION OF BENEFITS

All State Health Plan benefits, including prescription drug and mental health benefits, are subject to coordination of benefits (COB). COB is a system to make sure a person covered under more than one insurance plan is not reimbursed more than once for the same expenses.

For more information about COB, including how third-party administrators determine which plan pays first, see page 17.

Here are some specific features of coordination of benefits under the Standard Plan and the Savings Plan:

On your Notice of Election form, you are asked if you are covered by more than one group insurance plan. Your response is recorded and is placed in your file. However, the third-party administrator, BlueCross BlueShield of South Carolina, may ask you this question every year, by sending you a questionnaire. Please complete this form and return it to BCBSSC in a timely manner, since claims may be will be held for final disposition until your information is received.

This is how the SHP works when it is secondary insurance:

- The SHP will pay the lesser of: 1) what it would pay if it were the primary payer; or 2) the part of the covered charge not paid by the primary payer.
- The SHP's limit on balance billing does not apply. This means if the provider charges more than the plan's allowable charge, you will be responsible for the extra cost. You will also be responsible for your copayments and for your deductible, if it has not been satisfied.
- For a medical claim, you or your provider must file the Explanation of Benefits from your primary plan directly with BlueCross BlueShield of South Carolina.
- For mental health and substance abuse benefits, you must file the Explanations of Benefits from your primary plan directly with APS Healthcare, Inc.
- For prescription drug benefits, you must present your card for your primary coverage first. Otherwise, the

claim will be rejected because the pharmacist's electronic system will indicate that the SHP is secondary coverage. After the pharmacy processes the claim with your primary coverage, you must file a paper claim through Medco for any secondary benefits to be paid. Prescription drug claim forms are available on the EIP Web site at www.eip.sc.gov. Choose your category, and then click on "Forms." You may also ask your benefits administrator for a copy of the form.

*Please remember:* The SHP is not responsible for filing or processing claims for a subscriber through another health insurance plan. That is your responsibility.



# SUBROGATION

To the extent provided by South Carolina law, the State Health Plan has the right to recover damages in full for benefits provided to a covered person under the terms of the Plan when the injury or illness occurs through the act or omission of another person, firm, corporation, or organization. If, however, a covered person receives payment for such medical expenses from another who allegedly caused the injury or illness, the covered person agrees to reimburse the Plan in full for any medical expenses paid by the Plan.

# USING SHP PROVIDER NETWORKS

The choice is yours. When you are ill or injured, you decide where to go for your care. The SHP is a *preferred provider organization (PPO)*. It has arrangements with physicians, hospitals, ambulatory surgical centers and mammography testing centers that have agreed, as part of our networks, to accept the plan's allowable charges for covered medical services as payment in full and will not balance bill you. Network providers will charge you for your deductibles and coinsurance.

If your physician sends your laboratory tests to an out-of-network provider, you may be subject to additional expenses.

This applies to your medical benefits only. Prescription drug and mental health and substance abuse benefits are only paid if you use a network provider.

## How to Find a Medical Network Provider

A link to the most up-to-date SHP provider directory is on EIP's Web site, www.eip.sc.gov. Choose your category and then select "Online Directories." Choose "State Health Plan Doctors/Hospital Finder." At the BlueCross BlueShield site, select "South Carolina" under "Find a Doctor." Then choose the kind of provider you need and "State Health Plan." Network providers include these specialties:

- Allergy
- Anesthesiology
- Cardiology (heart and blood vessels)
- Chiropractic
- CNM (Certified Nurse Midwife)
- CRNA (nurse anesthetist)
- Dermatology (skin )
- Endocrinology (hormones, glands)
- Family Practice
- General Practice
- General Surgery
- Geriatrics (the elderly)
- Gynecology (women's reproductive health)
- Internal Medicine (non-surgical diseases in adults)
- Laboratory
- Nephrology (kidney disease)
- OB/GYN (women's reproductive health and child bearing)
- Obstetric (child bearing)
- Oncology (cancer)
- Ophthalmology (eye diseases)
- Optometry (measuring and treating vision problems)
- Oral Surgery (mouth surgery)
- Orthopedic Surgery (bone surgery)
- Otolaryngology (ear, nose and throat)
- Pathology (examination of body tissue and fluids)
- Pediatrics (treatment of children)
- Plastic Surgery (reconstruction of tissue and bone)
- Podiatry (feet)
- Proctology (rectum)
- Pulmonary Disease (lungs)
- Radiology (X-ray)

- Neurological Surgery (nervous system and brain surgery)
- Neurology (nervous system)
- Nurse Practitioner
- Rheumatology (joints and muscles)
- Thoracic Surgery (chest)
- Urology (bladder, kidney and urinary tract)

A *provider* is a physician, extended role nurse, behavioral health provider or hospital as those terms are defined in the *Plan of Benefits,* which is available from your benefits administrator or EIP.

Please note: Network providers are allowed to charge you for your deductibles and coinsurance.

Printed copies of the provider directories are available from your benefits office or, if you are a retiree, survivor or COBRA participant, from EIP.



## BLUECARD WORLDWIDE®

When you need medical care **outside South Carolina**, you have access to doctors and hospitals throughout the United States and around the world through the BlueCard Program and BlueCross BlueShield provider networks. If you need mental health or substance abuse care outside South Carolina, please call APS Healthcare at 800-221-8699.

**Are you looking for a provider that participates in your network?**

**Log onto the EIP Web site at www.eip.sc.gov, choose your category and click on "Online Directories." From the "Online Directories" page, you can check provider lists for the State Health Plan, Dental Plus and the HMOs. Pharmacy and mental health networks also are included.**

### Inside the U.S.

With the BlueCard program you can choose the doctors and hospitals that best suit you and your family. Follow these steps for health coverage when you are away from home but within the United States:

1. Always carry your SHP ID card.
2. In an emergency, go directly to the nearest hospital.
3. To find the names and addresses of nearby doctors and hospitals, visit the BlueCard Doctor and Hospital Finder Web site (www.BCBS.com) or call BlueCard *Access* at 800-810-2583.
4. Call Medi-Call for pre-authorization within 48 hours of receiving emergency care. The toll-free number is on your SHP ID card.
5. When you arrive at the participating doctor's office or hospital, show your SHP ID card. As a BlueCard program member, the doctor will recognize the logo, which will ensure that you will get the highest level of benefits with no balance billing.

After you receive care, you should not have to complete any claim forms, nor should you have to pay up front for medical services other than the usual out-of-pocket expenses (deductibles, copayments, coinsurance and non-covered services). You will be mailed an explanation of benefits by BlueCross BlueShield of South Carolina.

### Outside the U.S.

Through the BlueCard Worldwide® program, your State Health Plan ID card gives you access to doctors and hospitals in more than 200 countries and territories around the world and to a broad range of medical assistance services.

To take advantage of the BlueCard Worldwide® program, please follow these steps:

1. Always carry your current SHP ID card.
2. In an emergency, go directly to the nearest hospital.
3. Before your trip:
   - If you have questions, call the phone number on the back of your ID card to check your State Health Plan benefits and for pre-authorization, if necessary. (Your healthcare benefits may be different outside the U.S.)

- Call the BlueCard Worldwide® Service Center toll-free at 800-810-2583 or collect at 804-673-1177 to find providers in the area where you will be traveling.

4. During your trip:

   - If you need to locate a doctor or hospital or need medical assistance, call the BlueCard Worldwide® Service Center toll-free at 800-810-2583 or collect at 804-673-1177 (24 hours a day, seven days a week).
   - If you are admitted to the hospital, call the BlueCard Worldwide® Service Center toll-free at 800-810-2583 or collect at 804-673-1177.
   - The BlueCard Worldwide® Service Center will work with the State Health Plan to arrange direct billing with the hospital for your inpatient stay.
   - When direct billing is arranged, you are responsible for the out-of-pocket expenses (non-covered services, deductible, copayment, and coinsurance) you normally pay. The hospital will submit your claim on your behalf.
   - Note: If direct billing is not arranged between the hospital and your plan, you will need to pay the bill up front and file a claim.
5. For outpatient care and doctor visits, you will need to pay the provider at the time you receive care and file a claim.
6. To file a claim for services you paid for when you received care or paid to providers that are not part of the BlueCard Worldwide® network, complete a BlueCard Worldwide® international claim form and send it with the bill(s) to the BlueCard Worldwide® Service Center. The claim form is available online at www.BCBS.com, or by calling the BlueCard Worldwide® Service Center toll-free at 800-810-2583 or collect at 804-673-1177 or through EIP's Web site. The address of the service center is on the claim form. BlueCard Worldwide® will arrange billing to BCBSSC.

## Prescription Drug and Mental Health/Substance Abuse Provider Networks

Since the SHP offers no out-of-network coverage for prescription drugs or mental health/substance abuse care, it is important that you find a participating network provider for these services. The most up-to-date lists of network providers are on Web sites sponsored by Medco Health Solutions, Inc., the prescription drug benefit manager, and APS Healthcare, Inc., the mental health and substance abuse manager. These sites are accessible through the EIP Web site, www.eip.sc.gov. Choose your category and then select "Online Directories." You will see a list of links to provider directories. You can also go there directly:

- To see the list of network pharmacies, go to: www.medco.com.
- Mental health and substance abuse providers include: psychiatrists, clinical psychologists, masters-level therapists and nurse practitioners. To see the list, go to the APS Healthcare, Inc., Web site at www.apshealthcare.com. Click on "Members Learn More" at the top of the page. Then select "State of South Carolina" from the drop-down list under "Employers." Then click on "Online Provider Locator." The access code is "statesc." Finally, click on "Submit." You also may call APS Healthcare toll-free at 800-221-8699 to be directed to a network provider and to receive the required pre-authorization.

For more information on your prescription drug benefits, see page 45. For more information on your mental health and substance abuse benefits, see page 49.

If you do not have access to the Internet, paper copies of the provider directories are available from your benefits office or, if you are a retiree, survivor or COBRA participant, from EIP.

## Out-of-network Benefits for Medical Care

Remember, there is no out-of-network coverage for **prescription drugs**. For **mental health and substance abuse care**, there is no coverage if you use an out-of-network provider or if you fail to have services pre-authorized.

You can use providers who are not part of the network and still receive some coverage for medical care. However, before the State Health Plan will pay 100 percent of allowed charges:

- **Standard Plan** subscribers have to pay $4,000 for individual coverage and $8,000 for family coverage.

- **Savings Plan** subscribers have to pay $4,000 for individual coverage and $8,000 for employee/spouse, employee/children and full-family coverage.

Subscribers to both plans will also have to fill out claim forms.

### Balance Billing

If you use a non-network provider, you may be subject to "balance billing." When the State Health Plan is your primary coverage, network providers are prohibited from billing you for covered services except for copayments, coinsurance, and deductibles. However, a non-network provider may choose to bill you for more than the plan's allowable charge for the covered service. The difference between what the non-network provider charges and the allowable charge is called the "balance bill." The balance bill does not contribute to your coinsurance maximum.



## OUT-OF-NETWORK DIFFERENTIAL

In addition to balance billing, if you choose a provider that does not participate in the State Health Plan or BlueCard network, you will pay 40 percent, instead of the usual 20 percent, in coinsurance.

These example shows how it would have cost you more money to use a non-network provider:

You have employee-only coverage under the SHP and you have not met your deductible. The non-network provider charges $5,000 for the covered services you receive, but the SHP maximum allowance is $4,000.

### Standard Plan

Your out-of-pocket costs for services from a **network provider** would have been $1,080.

**However, if you had used a non-network provider for the same services:**

You pay the $350 Standard Plan deductible. Then $3,650 remains of the Standard Plan responsibility. The plan pays 60 percent of that, $2,190. The remaining $1,460 coinsurance and the $1,000 "balance billing" from the non-network provider are your responsibility. Therefore, $1,460 is applied toward your $4,000 out-of-network coinsurance maximum.

| | | | |
|---|---|---|---|
| $4,000 | SHP allowance | $3,650 | Standard Plan responsibility |
| - 350 | Standard Plan deductible for 2007 | -2,190 | Standard Plan pays |
| $3,650 | Standard Plan responsibility | 1,460 | You pay as coinsurance |
| x 60% | Standard Plan coinsurance | 1,000 | Your balance bill from provider |
| $2,190 | Standard Plan pays | + 350 | Your Standard Plan deductible |
| | | $2,810 | Your out-of-pocket costs for the services of a non-network provider. |

Standard Plan subscribers also pay any per-occurrence deductibles (which do not apply toward your annual deductible) both in-network and out-of-network. They are not included in this example.

### Savings Plan

Your out-of-pocket costs for the services of a **network provider** would have been $3,200.

**However, if you had used a non-network provider for the same services:**

You pay the $3,000 Savings Plan deductible. Then $1,000 remains of the Savings Plan responsibility. The plan pays 60 percent of that, or $600. The remaining $400 coinsurance, as well as the $1,000 "balance billing" from the non-network provider, is your responsibility. The $400 in coinsurance is applied to your $4,000 out-of-network coinsurance maximum.

| | |
|---|---|
| $4,000 | SHP allowance |
| - 3,000 | Savings Plan deductible for 2007 |
| $1,000 | Savings Plan responsibility |
| x 60% | Savings Plan coinsurance |
| $ 600 | Savings Plan pays |

| | |
|---|---|
| $1,000 | Savings Plan responsibility |
| - 600 | Savings Plan pays |
| 400 | You pay as coinsurance |
| 1,000 | Your balance bill from provider |
| +3,000 | Your Savings Plan deductible |
| $4,400 | Your out-of-pocket costs for the services of a non-network provider. |



# MANAGING YOUR MEDICAL CARE

## MEDI-CALL

Some services provided under the State Health Plan require pre-authorization before you receive them as a covered benefit. A phone call gets things started. While your healthcare provider may make the call for you, it is your responsibility to call for authorization.

You can reach Medi-Call by phone from 8:30 a.m. to 5 p.m. Monday through Friday except holidays. You may fax information to Medi-Call 24 hours a day. However, Medi-Call will not respond until the next business day. If you do fax information to Medi-Call, provide, at a minimum, this information so the review can begin:

- Subscriber's name
- Patient's name
- Subscriber's Benefits ID Number or Social Security Number
- Information about the service requested
- A telephone number where you can be reached during business hours.

**Medi-Call numbers are:**

- 800-925-9724 (South Carolina, nationwide, Canada)
- 803-699-3337 (Greater Columbia area)
- 803-264-0183 (fax).

Medi-Call promotes high-quality, economical care for you and your covered family members through reviews that assess, plan, implement, coordinate, monitor and evaluate health care options and services required to meet an individual's needs. **Participation in Medi-Call is mandatory whether you are enrolled in the Standard Plan or in the Savings Plan.** You must contact Medi-Call at least 48 hours or two working days, whichever is greater, before receiving any of these medical services at any hospital in the United States or Canada:

- You need inpatient care in a hospital[1]
- Your pre-authorized outpatient services result in a hospital admission (You must call again for the hospital admission.)
- You need outpatient surgery for a septoplasty
- You need outpatient or inpatient surgery for a hysterectomy
- You need a sclerotherapy performed in an inpatient, outpatient or office setting
- You need a MRA, MRI, PET Scan or CT Scan
- You will be receiving a new course of chemotherapy or radiation therapy (one-time notification per course)
- You are admitted to a hospital in an emergency (Your admission must be reported within 48 hours or the next working day after a weekend or holiday admission.)[1]
- You are pregnant (You must call within the first three months of your pregnancy.)
- You have an emergency admission during pregnancy[2]
- Your baby is born[2]
- Your baby has complications at birth

- You are to be, or have been, admitted to a long-term acute care facility, skilled nursing facility, need home healthcare, hospice care or an alternative treatment plan
- You need durable medical equipment
- You or your covered spouse decides to undergo in vitro fertilization or any other infertility procedure
- You or your covered family member needs to be evaluated for a transplant
- You need inpatient rehabilitative services and related outpatient physical, speech or occupational therapy.

A pre-authorization request for any procedure that may potentially be considered cosmetic in nature must be received in writing by Medi-Call seven days before surgery. (Procedures in this category include: blepharoplasty, reduction mammoplasty, augmentation mammoplasty, mastopexy,TMJ or other jaw surgery, panniculectomy, abdominoplasy, rhinoplasty or other nose surgery, etc.) Your physician should include photographs if appropriate.

*[1]For mental health or substance abuse services, you must call APS Healthcare at 800-221-8699 for pre-authorization before a non-emergency admission or within 24 hours of an emergency admission.*
*[2]Contacting Medi-Call for the delivery of your baby does not add the baby to your health insurance. You must add your child by filing an NOE within 31 days of birth for benefits to be payable.*

A determination by Medi-Call that a proposed treatment is within generally recognized medical standards and procedures does not guarantee claim payment. Other conditions, including eligibility requirements, other limitations or exclusions, payment of deductibles and other provisions of the plan must be satisfied before BCBSSC makes payment.

### Are There Penalties for Not Calling?

Yes. If you do not call Medi-Call in the required situations, you will pay a $200 penalty for each hospital or skilled nursing facility **admission.** In addition, the coinsurance maximum will not apply. In other words, you will continue to pay your coinsurance, no matter how much you pay out-of-pocket. If you do not obtain pre-authorization from APS HealthCare, no mental health or substance abuse benefits will be paid.

## MATERNITY MANAGEMENT

Regular prenatal care and following your doctor's recommendations can help protect your health and your baby's health. If you are a mother-to-be, **you must participate in the Maternity Management Program**. Medi-Call administers EIP's comprehensive maternity management program, "Coming Attractions." The program monitors expectant mothers throughout pregnancy and manages NICU infants or other babies with special needs until they are one year old. You must call Medi-Call during the first trimester (three months) of your pregnancy to pre-authorize your pregnancy benefits. If you do not call Medi-Call during the first trimester, or if you refuse to participate in the Maternity Management Program, you will pay a $200 penalty for each maternity-related hospital or skilled nursing facility admission. This penalty will be in addition to the Medi-Call pre-authorization penalty, and the $2,000 coinsurance maximum will not apply.

You are automatically enrolled in "Coming Attractions" when you call Medi-Call to pre-authorize your pregnancy. As a participant in the program, you will receive a phone call from a Medi-Call nurse, a welcome letter from Medi-Call and a packet of information to which to refer during your pregnancy.

A Medi-Call maternity nurse will complete a Maternity Health Assessment form when you enroll. This assessment is used to identify potential high-risk factors during your first trimester. If high-risk factors are identified, you will be scheduled for follow-up calls. If no risks are identified, you should call with any changes in your condition. Otherwise, your Medi-Call nurse will send you a reminder card with benefit information during your third trimester, and she will call you after your baby is born.

Also, you can call Medi-Call anytime you have questions. A maternity case management nurse will be there to help you throughout your pregnancy.

## MANAGING FOR TOMORROW®

If you have a chronic condition, such as diabetes, asthma, coronary artery disease, chronic obstructive pulmonary disease, congestive heart failure, hyperlipidemia or hypertension, taking care of yourself is a 24-hour-a-day, seven-day-a-week job. Managing your healthcare starts with understanding your condition and your doctor's plan for your treatment.

Managing for Tomorrow® can help. It is available to active employees, retirees who are not eligible for Medicare, spouses and dependents covered by the Standard Plan and the Savings Plan. You may receive a letter or phone call about this disease-management program, which is sponsored by BlueCross BlueShield of South Carolina in cooperation with Prevention Partners.

The program is designed to help you learn more about your condition and how to improve your health. Often the daily choices made by a person with a chronic disease can improve his health better or make it worse. The program is voluntary and free. You will not be asked to purchase anything, your benefits will not be affected and your premiums or copayments will not increase whether or not you participate in Managing for Tomorrow.®

The program starts with an invitation to participate in a confidential survey. The survey helps determine which programs and services are right for you. You will receive a special Personal Identification Number (PIN). This PIN will allow you to complete the survey by calling an automated phone line or by logging on to a secure Web site. Paper surveys also are available. The survey is designed to determine how the program can help you. You will receive a personalized response to your survey, health guides, home management or testing kits, seasonal newsletters and individual counseling calls.

A disease management program can assist you in managing your symptoms by helping you understand your conditions and treatment plan. Disease management nurses may talk with you on the phone or in person to provide the information and support you need to help control symptoms and complications of chronic conditions. They can also help you make lifestyle changes that enable you to be as healthy as possible.

Everyone who receives an invitation is encouraged to take part in the program. If you think you qualify but have not been invited to participate, call Medi-Call, 699-3337 in the Greater Columbia area, and 800-925-9724 in South Carolina, the U.S. and Canada. Follow the prompts. As a "Member," press *2*. Then press *2*, the number for "all other inquiries." When you reach an operator, ask to speak with a coordinator in the "Managing for Tomorrow" program.

## WELLNESS MANAGEMENT

### Personal Health Assessment (PHA)

An online Personal Health Assessment (PHA) is available to State Health Plan subscribers who are 18 years and older through the BlueCross BlueShield of South Carolina Web site, www.SouthCarolinaBlues.com. Log on the "Member My Insurance Manager" and then click on the "My HealthCenter" link, which is under the "Access Online Programs and Added Values" heading. Select your name from the drop-down menu on the next page and then click on "Continue." Then click on "Personal Health Assessment" to take the survey.

The survey asks questions in nine categories and then provides a wellness score based on the responses. It enables you to evaluate your health and get suggestions for lifestyle changes.

You can print your PHA results and recommendations, and you will continue to have access to them online. The program is on a secure Web link, and all assessments remain confidential. You can retake the survey each year to measure your progress toward your health goals.

### Weight Management Program

The BlueCross Weight Management program, new in 2007, is designed to help you lose weight. Program candidates are identified through claims analysis, authorizations, doctor referral or self-referral.

If you think you qualify but have not received an invitation to participate, call Medi-Call, 699-3337 (Greater Columbia area) or 800-925-9724 (South Carolina, the U.S. and Canada.) Follow the prompts. As a "Member," press 2. Then press 2, the number for "all other inquiries." When you reach an operator, ask to speak with a coordinator in the Weight Management Program.

### Medical Cost Estimator

The cost estimator is available on the BlueCross BlueShield of South Carolina Web site, www.SouthCarolinaBlues.com. It can help you determine how much a medical service or procedure will cost. This can be useful in budgeting for medical expenses and planning for the cost of certain health conditions. The estimator provides a cost range for an illness, breaks cost down by type of care (e.g., medical, durable medical equipment, drugs, etc.) and compares costs by setting (e.g., inpatient versus outpatient). The cost estimator can help you plan contributions to a flexible spending account or a health savings account.

### Provider Report Card

BCBSSC gives you access to a Provider Report Card through its Web site, www.SouthCarolinaBlues.com. This tool allows you to compare hospitals in the same part of the state to determine the number of patients treated, complication rate and how long patients usually stay in the hospital. You can then use this information to help decide which hospital to use.



## MEDICAL CASE MANAGEMENT

Facing a serious illness or injury can be confusing and frustrating. You may not know where to find support or information to help you cope with your illness, and you may not know what treatment options are available. Case management may help.

Three case management programs are available to those enrolled in the SHP. Each program includes teams of specially trained nurses and doctors. The goal of the programs is to assist participants in coordinating, assessing and planning healthcare. It does so by giving each patient control over his healthcare and respecting his right to knowledge, choice, a direct relationship with his physician, privacy and dignity. None of the programs provide medical treatment or authorize or deny benefits for medical services. Each program may involve a home or facility visit to a participant but only with permission.

By working closely with your doctor, using your benefits effectively and using the resources in your community, the case management programs may help you through a difficult time. If you would like more information on any of these programs, call 800-925-9724 and ask to be transferred to the case management supervisor.

**CaringBridge®: Communication in a Crisis**
BlueCross has arranged with CaringBridge® to offer free, personalized Web sites to State Health Plan subscribers to make it easier for you and your dependents to communicate with family and friends in a health crisis. To create a site, go to www.caringbridge.org or to the BlueCross BlueShield of South Carolina Web site, www.SouthCarolinaBlues.com. Then click on "Create a CaringBridge site" and follow the directions. Tell your family and friends how they can keep up-to-date on your condition by visiting the site.

### BlueCross Medi-Call Case Management Program

This case management program is designed for people enrolled in the SHP who have specific catastrophic or chronic disorders, acute illnesses or serious injuries. It promotes appropriate, high-quality, economical care.

Case managers talk with patients, family members and providers to coordinate services among providers and support the patient through a crisis or chronic disease. Case management intervention may be short- or long-term. Case managers combine standard pre-authorization services with innovative approaches for patients who require high levels of medical care and benefits. Case managers can often arrange services or identify community resources available to meet the patient's needs.

The case manager works with the patient and the providers to assess, plan, implement, coordinate, monitor and evaluate ways of meeting a patient's needs, reducing readmissions and enhancing quality of life.

A Medi-Call nurse stays in touch with the patient, caregivers and providers to assess and re-evaluate the treatment plan and the patient's progress. All communication between BlueCross and the patient, family members or providers complies with HIPAA privacy requirements. If a patient refuses medical case management, Medi-Call will continue to pre-authorize appropriate treatment.

## ParadigmHealth® Complex Care Management Program

Some SHP enrollees are referred to ParadigmHealth® for complex care management. The program is designed to assist the most seriously ill patients. They include those with complex medical conditions, who may have more than one ailment, who have critical barriers to their care and who are frequently hospitalized.

The complex care management program provides you with information and support through a local care coordinator who is a registered nurse. This nurse coordinator acts as an advocate for you and your family. He can help you identify treatment options; locate supplies and equipment recommended by your doctor; coordinate care with your doctor and the SHP; and research the availability of special transportation and lodging for out-of-town treatment. The nurse stays in touch weekly with patients and caregivers to assess and re-evaluate the treatment plan and the patient's progress. This program helps you make informed decisions about your health when you are seriously ill or injured.

Participation in the program is voluntary. You can leave the program at any time, for any reason. Your benefits will not be affected by your participation in the program.

Here is how the program works: BlueCross BlueShield will refer you to ParadigmHealth® if the program may be of benefit to you. You will receive a letter explaining the program, and a ParadigmHealth® representative will contact you. A care coordinator in your area will visit you to discuss ways he can help you and will ask permission to contact your doctor to offer assistance.

The ParadigmHealth® team comprised of specially trained nurses and doctors will review your medical information and treatment plan. (Your medical history and information will always be kept confidential among your caregivers and the ParadigmHealth® team.) Your local care coordinator nurse will be your main program contact. You and your doctor, however, will always make the final decision about your treatment. Complex care management does not replace the care you receive from your doctor. Always check with your doctor before following any medical advice.

A Medi-Call case manager will act as a liaison with the Paradigm nurse. This Medi-Call nurse provides information about the use of benefits and networks and completes authorization for medically necessary services that are covered by the plan.

## RMS Renal Case Management Program

RMS provides renal disease management care for select SHP enrollees with end stage renal disease (ESRD). These nurses visit patients in dialysis centers and in their homes to provide education and outreach that may help prevent acute illnesses and hospitalizations.

Here is how the program works: SHP subscribers with ESRD are referred to RMS by BCBSSC. A South Carolina-based RMS nurse then contacts the individual to confirm that he is a good candidate for renal case management. The nurse, who has many years of ESRD experience, coordinates care across all disciplines and facilitates Medi-Call referrals for patients accepted into the program.

As the link between the patient, providers and dialysis team, the nurse identifies the patient's needs through medical record review and consultations with the patient, family and health care team. Needs may be medical, social, behavioral, emotional and financial. The nurse coordinates services based on the long-term needs of the patient and incorporates these needs into a plan agreed upon by the patient, physician(s), dialysis team and other

providers. Your RMS nurse may visit you in your home, with your permission, or in the dialysis center when the treatment team determines it is appropriate. He will call you frequently and receive updates from your providers.

A Medi-Call case manager will act as a liaison with the RMS nurse. This Medi-Call nurse provides information about the use of benefits and networks and completes authorization for medically necessary services that are covered by the plan.



# STATE HEALTH PLAN BENEFITS

The Standard Plan and the Savings Plan pay benefits for *medically necessary* treatments of illnesses and injuries. This section is only a general description of the plan. The *Plan of Benefits* document contains a complete description of the benefits. Its terms and conditions govern all health benefits offered by the state. Contact your benefits administrator or EIP for more information. Some services and treatments require pre-authorization by Medi-Call or APS Healthcare. Be sure to read the Medi-Call section beginning on page 32 and the mental health and substance abuse section on page 49 for details.

**The SHP Standard Plan has per-occurrence deductibles for some services. See page 25 for details.**

A *medically necessary* service or supply is:

- Required to identify or treat an illness or injury and
- Prescribed or ordered by a physician and
- Consistent with the covered person's illness, injury or condition and in accordance with proper medical and surgical practices prevailing in the medical specialty or field of medicine at the time rendered.

It must be required for reasons other than the convenience of the patient. The fact that a service is prescribed by a physician does not necessarily mean that the service is *medically necessary.*

## Alternative Treatment Plans (ATP)

An alternative treatment plan is an individual program to permit treatment in a more cost-effective and less intensive manner. An ATP requires the approval of the treating physician, Medi-Call and the patient. Services and supplies that are authorized by Medi-Call as medically necessary because of the approved alternative treatment plan will be covered.

## Ambulance

Ambulance service, to or from a local hospital outpatient department, is covered when used to provide necessary service in connection with an injury or a medical emergency and to or from the nearest hospital providing necessary service in connection with inpatient care. No benefits are payable for ambulance service used for routine, non-emergency transportation, including, but not limited to, travel to a facility for scheduled medical or surgical treatments, such as dialysis or cancer treatment. All claims for ambulance service are subject to medical review.

## Ambulatory Surgical Centers

These facilities provide some of the same services offered in the outpatient department of a hospital. Centers in the network accept the State Health Plan allowable charges. You just pay the applicable deductible and coinsurance. Medically necessary services at non-network ambulatory surgical centers are covered, but you may pay more.

## Contraceptives

For employees and covered spouses, routine contraceptive prescriptions, including birth control pills and injectables (including but not limited to Depo-Provera and Lunelle), filled at a participating pharmacy or through the

plan's mail-order pharmacy, are covered as prescription drugs. Birth control implants and injectables, given in a doctor's office, are covered as a medical expense.

## Diabetic Supplies

Insulin is allowed under the prescription drug program or under the medical plan but not under both. Since most insulin is brand name, it requires a $25 copayment for each supply of up to 31 days. Diabetic supplies, including syringes, lancets and test strips, are covered at participating pharmacies through your drug benefit for a $10 copayment, per item, for each supply of up to 31 days. Durable medical equipment, which includes insulin and diabetic supplies, is covered under the SHP. Claims for diabetic durable medical equipment should be filed with BlueCross BlueShield of South Carolina.

## Doctor Visits

Charges for treatments or consultations for an injury or illness are covered, as long as they are medically necessary and not associated with a service excluded by the plan. For mental health and substance abuse services to be covered, you must use a participating provider, and all mental health and substance abuse services must be pre-authorized. For details on mental health and substance abuse services, see page 49.

## Durable Medical Equipment (DME)

Generally, durable medical equipment must be pre-authorized by Medi-Call. Some examples include:

- Any purchase or rental of durable medical equipment
- Any purchase or rental of renal dialysis equipment
- Any purchase or rental of durable medical equipment that has a non-therapeutic use or a potentially non-therapeutic use
- C-Pap or Bi-Pap machines
- Oxygen and equipment for oxygen use outside a hospital setting, whether purchased or rented
- Any prosthetic appliance or orthopedic brace, crutch or lift, attached to the brace, crutch or lift, whether initial or replacement
- Orthopedic shoes.

DME provider networks are available to SHP members. These contracting providers can offer you discounts while providing you with high-quality products and care.

## Extended Role Nurse

Expenses for services received from a licensed, independent extended role nurse are covered, even if these services are not performed under the direction of a doctor. An extended role nurse is a nurse practitioner, certified nurse midwife, certified registered nurse anesthetist or a clinical nurse specialist. All services received must be within the scope of the nurse's license and needed because of a service allowed by the plan.

## Home Healthcare

Part-time nursing care, health aide service or physical, occupational or speech therapy provided by an approved home healthcare agency and given in the subscriber's home. You cannot receive home healthcare and hospital or skilled nursing facility benefits at the same time. These services do not include custodial care or care given by a person who ordinarily lives in the home or is a member of the subscriber's family or the spouse's family. Benefits are limited to $5,000 or 100 visits per year, whichever is less. These services must be pre-authorized by Medi-Call.

## Hospice Care

The plan will pay benefits for a terminally ill patient's hospice care. The maximum benefit is $6,000 per covered person, including a maximum of $200 for bereavement counseling. These services must be pre-authorized by Medi-Call.

## Infertility

The plan will pay for diagnosis and treatment of infertility under these conditions: maximum lifetime benefits are $15,000 incurred by either the subscriber or the covered spouse, whether covered as a dependent or as an employee OR a maximum of three completed cycles of gamete or zygote intrafallopian transfer (GIFT or ZIFT), or In Vitro Fertilization (IVF), whichever comes first, are allowed.

Benefits are payable at 70 percent of allowable charges. Your share of the expenses does not count toward your coinsurance maximum. All procedures related to infertility must be pre-authorized by Medi-Call.

The plan will not provide infertility benefits to a subscriber who has had a tubal ligation. **Prescription drugs for treatment of infertility are subject to a 30 percent coinsurance payment under both the Savings Plan and the Standard Plan.** This expense does not apply to the $2,500, per person, copayment maximum under the Standard Plan. It does apply to the Savings Plan deductible. The 70 percent plan payment for prescription drugs for infertility treatments does apply to both plans' $15,000 maximum lifetime benefit for infertility treatments. Call Medco's Member Services at 800-711-3450 for more information.



## Inpatient Hospital Services

Inpatient hospital care, including room and board, is covered. In addition to normal visits by your physician while you are in the hospital, you are covered for one consultation per consulting physician for each inpatient hospital stay. **Inpatient care must be approved by Medi-Call. (See page 33 for more information.)**

## Organ Transplants

SHP transplant contracting arrangements include the BlueCross BlueShield Association (BCBSA) national transplant network, Blue Quality Centers for Transplants (BQCT). All BQCT facilities meet specific criteria that consider provider qualifications, programs and patient outcomes.

**All transplant services must be approved by Medi-Call (see page 33)**. You must call Medi-Call even before you or a covered family member is evaluated for a transplant.

Through the BQCT network, SHP enrollees have access to the leading organ transplant facilities in the nation. Contracts are also in effect with local providers for transplant services so that individuals insured by the plan may receive transplants at those facilities. You will save a significant amount of money if you receive your transplant services either at a BQCT network facility or through a local South Carolina network transplant facilities. If you receive transplant services at one of these network facilities, you will not be balance billed. You will be responsible only for your deductible, coinsurance and any charges not covered by the plan. In addition, these network facilities will file all claims for you.

**More information about Medi-Call can be found on page 32.**

**Contact Medi-Call at 803-699-3337 (Greater Columbia area) or 800-925-9724 (South Carolina, nationwide and Canada).**

Transplant services at non-participating facilities will be covered by the plan. However, the SHP will pay only the SHP allowable charges for transplants performed at non-network facilities. If you do **not** receive your transplant services at a network facility, you may pay substantially more. In addition to the deductible and coinsurance, subscribers using non-network facilities are responsible for any amount over the allowed charges and will pay an additional 20 percent in coinsurance, totaling 40 percent, because they used out-of-network providers.

Costs for transplant care can vary by hundreds of thousands of dollars. If you choose care outside the network, you cannot be assured that your costs will not exceed those allowed by the plan. Call Medi-Call for more information.

## Outpatient Services

Outpatient services and supplies include:

- Laboratory services
- X-ray and other radiological services
- Emergency room services
- Radiation therapy
- Pathology services
- Outpatient surgery and
- Diagnostic tests. (If the diagnosis is psychiatric, only services provided at APS network facilities are covered.)

Some medical laboratories and radiology service providers are not in the network. If you use the services of a provider that is not in the network, the provider may charge you more than the allowable charge, and you will be billed for the balance.

If you receive your service at a hospital, you will be charged a $75 outpatient per-occurrence deductible, and the service will also be subject to your annual deductible and coinsurance. Where lab work is performed is a decision between you and your doctor. However, some medical and radiological laboratories are not in the network. If you use a non-network provider, you will be balance billed.

Some laboratory, X-ray and diagnostic tests are considered investigational or experimental and are therefore excluded by the plan. Call BCBSSC Customer Service for more information or to find out if a particular service is covered.

## Pregnancy and Pediatric Care

Pregnancy benefits are provided to female employees or retirees and the dependent wives of male employees or retirees. **Dependent children do not have maternity benefits**. Maternity benefits include necessary prenatal and postpartum care, including childbirth, miscarriage and complications related to pregnancy. **You must call Medi-Call within the first three months of your pregnancy to enroll in the Maternity Management Program.** See page 33 for more information.

Under federal law, group health plans generally cannot restrict benefits for the length of any hospital stay in connection with childbirth for the mother or the newborn to fewer than 48 hours following normal, vaginal delivery or fewer than 96 hours following a caesarean section. Neither can it require a provider to obtain authorization from the plan for prescribing a length of stay within the above periods. The attending provider, may, however, in consultation with the mother, decide to discharge the mother or newborn earlier.

Pregnancy is not considered a pre-existing condition.

## Prescription Drugs

Prescription drugs, including insulin, are covered at a participating pharmacy subject to plan exclusions and limitations. Drugs in FDA Phase I, II or III testing are not covered. Prescription medications associated with infertility treatments have a different coinsurance rate. Please refer to page 45 for more information.

Nonsedating antihistamines and drugs for treating erectile dysfunction are not covered under the Savings Plan.

## Reconstructive Surgery After Mastectomy

The plan will cover, as required by the Women's Health and Cancer Rights Act of 1998, mastectomy-related services, including:

- Reconstruction of the breast on which the mastectomy has been performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance

- Prostheses and
- Treatment of physical complications in all stages of mastectomy, including lymphedema.

These services apply only in post-mastectomy cases, and all services must be approved by Medi-Call.

## Rehabilitation Care

**Rehabilitation care is subject to all terms and conditions of the plan including:**

- Pre-authorization is required for any inpatient rehabilitation care, regardless of the reason for the admission, and is required for any outpatient rehabilitation therapy that occurs after an inpatient admission for rehabilitation therapy
- The rehabilitation therapy must be performed in the most cost-effective setting appropriate to the condition
- The provider must submit a treatment plan to Medi-Call
- There must be reasonable expectation that sufficient function can be restored for the patient to live at home
- Significant improvement must continue to be made
- An inpatient admission must be to an accredited (JCAHO or CARF) rehabilitation facility.

**Rehabilitation benefits are not payable for:**

- Vocational rehabilitation intended to teach a patient how to be gainfully employed
- Pulmonary rehabilitation (except in conjunction with a covered and approved lung transplant)
- Behavior therapy, including speech therapy associated with behavior
- Cognitive (mental) retraining
- Community re-entry programs
- Long term rehabilitation after the acute phase
- Work-hardening programs.

**Rehabilitation—Acute**
The plan provides limited rehabilitation benefits. Often acute-phase rehabilitation is done in an outpatient setting. In complex cases, the rehabilitation may be done in an acute-care facility and then a sub-acute rehabilitation facility or an outpatient facility. Acute rehabilitation begins soon after the start of the illness or injury and may continue for days, weeks or several months.

**Rehabilitation—Long-term**
Long-term rehabilitation refers to the point at which further improvement is possible, in theory, but progress is slow and its relationship to formal treatment is unclear. Long-term rehabilitation after the acute phase is generally not covered.

## Second Opinion

If Medi-Call advises you to seek a second opinion before a medical procedure, the plan will pay 100 percent of the cost for that opinion. These procedures include surgery as well as treatment (including hospitalization). If APS Healthcare advises you to seek a second opinion before receiving treatment for mental health or substance abuse services, the plan will pay 100 percent of the cost for that opinion.

## Skilled Nursing Facility

The plan will pay limited benefits for room and board in a skilled nursing facility for up to 60 days or $6,000, based on a per-day rate, whichever is less. Physician visits are limited to one per day. These services require approval by Medi-Call.

### Speech Therapy

Speech therapy is the treatment of communication and swallowing disorders to restore speech or swallowing abilities lost due to disease, trauma, previous treatment, injury or illness or congenital anomaly (birth defect). (For speech therapy related to a birth defect to be covered, the person must have been continuously covered under this plan from birth until the time of the treatment. See below for details.)

Speech therapy requires pre-authorization only when provided in an inpatient setting or in the home setting. However, claims for speech therapy that are not pre-authorized may be verified for medical necessity after the claim is submitted. These expenses are covered only if they are determined to be medically necessary and associated with a service allowed by the plan.

Maintenance therapy begins when the therapeutic goals of a treatment plan have been achieved or when no further functional progress is documented or expected to occur. Maintenance therapy is not covered.

Speech therapy is not covered when associated with any of the following:

- Language delay
- Communication delay
- Developmental delay
- Behavioral disorders
- Cognitive (mental) retraining
- Community re-entry programs or
- Long-term rehabilitation after the acute phase of treatment for the injury or illness.

After a claim is paid, BCBSSC can still review speech therapy services to determine if the services are a benefit covered by the plan. Please call Customer Service or Medi-Call before beginning the service if you need help in interpreting the list above.

### Surgery

Physician charges for medically necessary inpatient surgery, outpatient surgery and use of surgical facilities are covered, if the care is associated with a service allowed by the plan.

### Other Covered Expenses

These expenses are covered if they are determined to be medically necessary and associated with a service allowed by the plan:

- Blood and blood plasma, excluding storage fees
- Nursing services
- Dental treatments or surgery to repair damage from an accident, for up to one year from the date of the accident
- Dental surgery for bony, impacted teeth when supported by X-rays.

The plan will pay for extended care as an alternative to hospital care only if it is approved by Medi-Call.

## PREVENTIVE BENEFITS

The Standard Plan and the Savings Plan have benefits that can help make it easier for you and your family to stay healthy. You also are eligible for the Prevention Partners programs described on page 18. By helping prevent potentially expensive health problems and hospital admissions, these benefits help control medical claims costs, saving you and the plan money.

## Mammography Program for Women

Routine mammograms are covered at 100 percent as long as you use a participating facility and meet eligibility requirements. The State Health Plan does not require a referral from your doctor for a routine mammogram. However, your provider may require one.

- If you are age 35 through 39, one baseline mammogram (four-view) will be covered during those years.
- If you are age 40 through 49, one routine mammogram (four-view) every other year will be covered.
- If you are age 50 through 74, one routine mammogram (four-view) a year will be covered.

Charges for routine mammograms performed at non-participating facilities are not covered, with the exception of procedures performed outside South Carolina. Non-network providers are free to charge you any price for their services, so you may pay more.

Preventive mammogram benefits are in addition to benefits for diagnostic mammograms. Any charges for additional mammograms are subject to deductibles and coinsurance.

For a woman, age 40 and older, covered as a retiree and enrolled in Medicare, Medicare pays for one routine mammogram every year. The SHP is primary for women covered as active employees, regardless of Medicare eligibility.

## Pap Test Program

The plan will pay for a Pap test each year, without any requirement for a deductible or coinsurance, for covered women age 18 through 65.

# WELL CHILD CARE BENEFITS

Well Child Care benefits are designed to promote good health and aid in the early detection and prevention of illness in children enrolled in the State Health Plan.

## Who is Eligible?

Covered dependent children through age 12 are eligible for Well Child Care check-ups.

## How Does it Work?

This benefit covers regular doctor visits and timely immunizations. When services are received from a doctor in the SHP Physician Network, benefits will be paid at 100 percent without any deductible or coinsurance. **Benefits will not be paid for services from non-network providers.** Some services may not be considered part of the Well Child Care. For example, if during a well child visit a fever and sore throat were discovered, the lab work to verify the diagnosis would not be part of the routine visit. These charges would be subject to deductible and coinsurance, as would any other medical expense.

**For more information about preventing illnesses, see page 18 or log onto the EIP Web site at www.eip.sc.gov and click on "Prevention Partners."**

## Checkups

This is the schedule of regular checkups for which the plan pays 100 percent when a network doctor provides the services:

- Younger than 1 year old—five visits
- 1 year old—three visits
- 2 through 5 years old—one visit per year
- 6 through 8 years old—one visit during three-year period
- 9 through 12 years old—one visit during four-year period.

## Immunizations

Below is the schedule for routine immunizations for which the plan pays 100 percent when a network doctor provides the services. If your covered child has delayed, or missed, receiving immunizations at the recommended times, the plan will pay for "catch-up" immunizations through age 18, for the vaccines listed, and subject to the limitation outlined above. Please contact your SHP pediatrician or call Medi-Call for more information on how to immunize your child properly.

| Disease | Recommended Immunization Schedule |
|---|---|
| **Hepatitis B** | Birth-2 months<br>1-4 months<br>6-18 months<br>11-12 years if have not had before |
| **Polio** | 2 months<br>4 months<br>6-18 months<br>4-6 years |
| **Diphtheria-Tetanus-Pertussis** | 2 months<br>4 months<br>6 months<br>15-18 months<br>4-6 years<br>11-12 years if none in last 5 years |
| **Haemophilus (Hib)** | 2 months<br>4 months<br>6 months<br>12-15 months |
| **Pneumococcal Conjugate (PCV7)** | 2 months<br>4 months<br>6 months<br>12-15 months |
| **Measles-Mumps-Rubella** | 12-15 months<br>4-6 years<br>11-12 years if not had second dose before |
| **Chickenpox** | 12-18 months<br>11-12 years if have not had disease or vaccine before |
| **Influenza** | Yearly for healthy children ages 6 months-59 months<br>Yearly for children with risk factors, ages 6 months-12 years |
| **Meningococcal** | 11-12 years |
| **Hepatitis A** | 12-23 months |
| **Human Papillomavirus (HPV)** | 11-12 years for females |

## Natural Blue and Other Discount Programs

Natural Blue is a discount program available to SHP subscribers. Offered by BlueCross BlueShield of South Carolina, it provides holistic healthcare choices and information. The program has a network of licensed acupuncturists, massage therapists and fitness clubs that may be used at lower fees, often as much as a 25 percent discount. Natural Blue also offers discounts on health products, such as vitamins, herbal supplements, books and tapes.

Value-Added Benefits is a network of providers and suppliers that offer discounts on products and services that BlueCross makes available but that are not State Health Plan benefits. Discounts are available on LASIK vision correction, hearing aids, cosmetic dentistry, cosmetic surgery, hair restoration, weight loss, allergy control and children's fitness.

For more information on Natural Blue or Value-Added Benefits, log on to the BCBSSC Web site at www.South-CarolinaBlues.com. Under "Looking for...," select "Discounts and Added Values."

### ADDITIONAL BENEFITS FOR SAVINGS PLAN PARTICIPANTS

As a participant in the Savings Plan, you are taking greater responsibility for your healthcare costs. To make that easier, your plan offers extra preventive benefits at no cost. They include:

- A yearly flu immunization for each eligible participant
- Access to the 24-hour Health at Home® Nurseline, through which registered nurses provide personal, immediate assistance to subscribers. The toll-free number is listed on the back of your Health Plan ID card and on the cover of the self-care handbook.
- A copy of the 416-page, full-color self-care handbook, *Health at Home®—Your Complete Guide to Symptoms, Solutions & Self-Care.*

#### Physical Exam

Children age 12 and younger receive the Well Child Care benefits and women receive the mammogram and Pap test benefits that are offered to those enrolled in the Standard Plan. In addition, Savings Plan participants age 13 and older may receive from a network provider an annual physical in his office that includes:

- A preventive, comprehensive examination
- A complete urinalysis
- An EKG
- A fecal occult blood test
- A general health laboratory panel blood work
- A lipid panel once every five years.

**Note:** If your network physician sends tests to a non-network physician or laboratory, the tests will not be covered.

## PRESCRIPTION DRUG BENEFITS

### PRESCRIPTION DRUGS—800-711-3450

Prescription drugs are a major benefit to you and a major part of the cost of our self-insured health plan. Using generic drugs saves you and the plan money. You also can save money, and receive the same FDA-approved drugs, when you refill prescriptions through Medco by Mail, the mail-order prescription service. Remember, benefits are paid only for prescriptions filled at network pharmacies or through the mail-order pharmacy. Prescription drugs, including insulin or other self-injectable drugs (drugs administered at home), are covered subject to plan exclusions and limitations, provided you use a participating pharmacy. Drugs in FDA Phase I, II or III testing are not covered. Prescription medications associated with infertility treatments have a different coinsurance rate. Please refer to page 39 for more information.

#### Standard Plan

The prescription drug benefit, administered by Medco Health Solutions, Inc., is easy and convenient to use. With this program, you show your SHP identification card when you purchase your prescriptions from a participating retail pharmacy and pay a copayment of $10 for generic, $25 for preferred brand or $40 for non-preferred brand drugs for up to a 31-day supply. If the price of your prescription is less than the copayment, you pay the lesser amount.

A *copayment* is a fixed dollar amount a subscriber must pay for covered expenses in addition to what the insurance plan pays.

**Prescription drug benefits are payable without an annual deductible.** There are no claims to file. The prescription drug benefits are the same for the Standard Plan and the Medicare Supplemental Plan.

The prescription drug benefit has a separate annual copayment maximum of $2,500 per person. This means that after you spend $2,500 in prescription drug copayments, the plan will pay 100 percent of your allowable prescription drug expenses for the remainder of the year.

Drug expenses do not count toward your medical annual deductible, coinsurance maximum or your lifetime maximum benefit.

## Savings Plan

With this program, you show your SHP identification card when you purchase your prescriptions from a participating retail pharmacy and pay the full allowable charge for your prescription drugs when you purchase them. There is no copayment.

This cost is transmitted electronically to BlueCross BlueShield of South Carolina. If you have not met your annual deductible, the full allowable charge for the drug will be credited to it. If you have met your deductible, you will be reimbursed for 80 percent of the drug's allowable charge. The remaining 20 percent of the cost will be credited to your coinsurance maximum.

Nonsedating antihistamines and drugs for erectile dysfunction are not covered under the Savings Plan.

## *My Rx Choices*

*My Rx Choices* is an online tool that may help you and your doctor make more economical decisions about your long-term prescriptions. Go to *My Rx Choices* at www.medco.com. There you will find a personalized, confidential comparison of the long-term medications you take, what you pay for them and how much you could save by using lower-cost alternatives that are available under your plan. Your options could include generic drugs, less expensive brand-name drugs or use of Medco's mail-order pharmacy, Medco by Mail.

You can ask your doctor to consider Medco's suggestions. If he thinks any of the alternative drugs are appropriate for you, he can write a new prescription.

Depending on the drugs you take and the alternatives available, a Medco pharmacist may be able to contact your doctor on your behalf. *However, no prescription will ever be changed without your doctor's approval, and you will be notified of the change.*

## Generic Drugs

Under both plans, your prescription drug choices are divided into three categories: *generic*, *preferred brand* and *non-preferred brand*.

Generic medications may differ in color, size or shape, but the FDA requires that the active ingredients be the chemical equivalent of the brand-name alternative and have the same strength, purity and quality. Prescriptions filled with generic drugs often have lower allowable charges, under the Savings Plan, and lower copayments, under the Standard Plan. Therefore, you get the same health benefits for less.

You may wish to ask your doctor to mark "substitution permitted" on your prescription. If he does not, your pharmacist will have no choice but to give you the brand-name drug, if that is the way the prescription is written.

## "Pay-the-Difference" Policy

Under the State Health Plan, there is a "pay-the-difference" policy. This means if you purchase a brand-name drug when there is an equivalent generic drug available, the benefit will be limited to that for the generic drug. This policy will apply even if the doctor prescribes the medication as "Dispense As Written" or "Do Not Substitute."

Under the **Standard Plan,** if you purchase a brand-name drug over a generic, you will be charged the generic copayment, PLUS the difference in the allowable charge between the brand name and the generic drug. If the total amount is less than the preferred or non-preferred brand copayment, you will pay the brand copayment. Only the copayment for the generic drug will apply toward your copayment maximum.

Under the **Savings Plan**, if you purchase a brand-name drug over a generic, only the allowable charge for the generic drug will apply toward your deductible. After you have met your deductible, only the patient's 20 percent share of the allowable charge for the generic drug will apply toward your coinsurance maximum.

If you are taking a brand-name drug, you may wish to ask your doctor about using a generic drug, if one is available. If appropriate, the doctor may note on the prescription that substitution is permitted.



## Preferred Brand Drugs

These are medications that Medco's Pharmacy and Therapeutics Committee has determined to be safe, effective and available at a lower cost than non-preferred brand drugs. A list of preferred brand medications is available online at www.medco.com. You may reach the Medco Web site through the EIP Web site by clicking on the "Insurance Managers" link.

## Non-Preferred Brand Drugs

These medications are not on the preferred brand list and carry a higher copayment or higher price. All medications that appear on the non-preferred brand have an effective alternate option either as a generic or as a preferred-brand drug.

## Compounded Prescriptions

A compounded prescription is a prescription that requires the pharmacist to mix two or more ingredients to make the order. It is handled the same way any prescription is handled. It must be purchased from a network pharmacy for benefits to be payable.

Standard Plan subscribers' copayment, which is based on the main ingredient of the compounded prescription, is $10 for generic, $25 for preferred brand and $40 non-preferred brand drug. Savings Plan subscribers pay 100 percent of the allowable charge.

## Pre-authorization

Some medications will be covered by the plan only if they are prescribed for certain uses. These drugs must be authorized in advance, or they will not be covered under the plan. If the prescribed medication must be pre-authorized, you or your pharmacist may begin the review process by contacting Medco at 800-711-3450.

## Retail Pharmacy

You must use a participating pharmacy, and you must show your Benefits ID card when purchasing medications. The SHP participates in Rx Selections®, Medco's pharmacy network. Most major pharmacy chains and independent pharmacies participate in this network. A list of network pharmacies is available through the EIP Web site, www.eip.sc.gov (Choose your category, then select "Online Directories") or at www.medco.com. You may also obtain a copy of State Health Plan Provider Directory from your benefits administrator.

## Retail Maintenance Network

**If you are enrolled in the** *Standard Plan* **or the** *Medicare Supplemental Plan***, you may buy 90-day supplies of prescription drugs at mail-order prices at local pharmacies belonging to the Retail Maintenance Net-**

**work.** You will pay the same copayment as you would pay through mail order. This applies only to prescriptions filled for a 63-90 day supply at one of the pharmacies participating in the network. Copayments for prescriptions filled for a 0-62 day supply at these retail pharmacies will remain the same. The copayments will also remain the same at all other network pharmacies. To see a list of the pharmacies, go to the EIP Web site, www.eip.sc.gov and select "News and Updates." Under "2006 Updates," you will find an article about the network. At the end of the story, click on "Retail Maintenance Network Pharmacies (effective May 1, 2006)." The cities where the pharmacies are located are in alphabetical order. If you do not have Internet access, ask your benefits administrator to print a copy of the list for you. For more information, call Medco Customer Service at 800-711-3450.

## MAIL-ORDER PHARMACY

The Standard Plan and the Savings Plan offer mail-order service for 90-day supplies of prescriptions. By using this service, you receive a discount on the same FDA-approved prescription drugs that you would buy at a retail pharmacy.

Mail order is an ideal option for anyone with a recurring prescription, such as birth control medicine, or a chronic condition, such as asthma, high cholesterol or high blood pressure.

Because of state and federal regulations, some medications may only be dispensed in 31-day supplies. Drugs in this category include, but are not limited to, those used to treat pain, anxiety and sleep problems. Before you order a 90-day supply of a drug, call Medco at 800-711-3450 to be sure the drug is available in that quantity. If your prescription calls for a 90-day supply and the drug may not be dispensed in that amount, you will be charged for a 90-day supply but will be sent a 31-day supply.

### Standard Plan

Generic drug copayments are $25, preferred-brand drug copayments are $62, and non-preferred brand drug copayments are $100 for up to a 90-day supply.

### Savings Plan

You pay the full allowable charge when you order prescription drugs through the mail. However, that cost for a 90-day supply will typically be less than you would pay at a retail pharmacy.

**The EZ Reimburse® MasterCard®, associated with the MoneyPlu$ Medical Spending Account, may now be used for prescriptions ordered through a plan's mail-order pharmacy. For more information on the EZ Reimburse® MasterCard®, see the MoneyPlu$ chapter, page 152.**

### How to Order Drugs by Mail

This is how the mail-order service works:

- Ask your physician to write your prescription for a single 31-day supply and for a 90-day supply with refills.
- Fill your prescription for a 31-day supply at a participating retail pharmacy.
- Complete a mail-order prescription form and mail it to Medco. (Forms are available through the EIP Web site, www.eip.sc.gov, under "Forms" or on Medco's Web site: www.medco.com.)
- Your order will be processed and sent to your home, typically within 10-14 business days. Meanwhile, use your prescription from your retail pharmacy.

Once the initial prescription has been entered and filled, you may order refills online or by phone using Medco's toll-free number: 800-711-3450.

If you want to save money by ordering a 90-day supply by mail, be sure to ask your doctor to write a prescription for a **90-day supply with refills**. Under the **Standard Plan,** prescriptions written for a 31-day supply with refills will be filled for a 31-day supply, and you will be charged the same copayment that is charged for a 90-day supply. Under the **Savings Plan**, you can buy less than a 90-day supply.

### Coordination of Benefits

The State Health Plan coordinates prescription drug benefits, as well as medical benefits. This ensures that if you are covered by more than one health plan, both plans pay their share of the cost of your care. See page 17 for more information.

### Exclusions

Some prescription drugs are not covered under the plan. See page 50 for more information.



## MENTAL HEALTH AND SUBSTANCE ABUSE BENEFITS

### For Pre-authorization—800-221-8699

Claims for mental health and substance abuse are subject to the same deductibles, coinsurance and coinsurance maximums as medical claims. There is no limit on the number of provider visits allowed as long as the care is medically necessary. There is not a separate annual and lifetime maximum for mental health and substance abuse benefits.

**All services (outpatient office visits, inpatient hospital admissions, etc.) must be pre-authorized by APS Healthcare to be covered.**

Here is how the SHP mental health and substance abuse program works:

- When you need care inside or outside South Carolina, call APS Healthcare, Inc., the administrator, at 800-221-8699 to receive pre-authorization and to be directed to a network of providers. A *provider* is a physician, psychiatrist, health professional or institutional care provider under agreement to participate in the network administered by the behavioral health manager, APS Healthcare.
- If you need inpatient care, you must call APS Healthcare for pre-authorization or within 24 hours of an emergency admission.
- The provider network is open, which means that any eligible provider can participate. You may nominate providers for inclusion in the network. If you do not call APS Healthcare or if you choose to use a non-participating provider, no benefits will be paid.
- To review the network of providers, log on to the EIP Web site at www.eip.sc.gov, then choose your category and select "Online Directories," or go directly to www.apshealthcare.com. Once you are on APS' Web site, click on "Members LEARN MORE" at the top of the page. Then select "State of South Carolina" from the drop down list under "EMPLOYERS." Click on "Online Provider Locator." You will need to enter SHP's access code, which is "statesc" (all lower case). Finally, click on "Submit."
- You will then be able to search the directory by either entering a provider's name or a geographic area. If you would like to view or download the directory, go back to the main South Carolina page and click on "Access the Printable Directory," then enter "statesc."

Paper copies of the provider directory are available from your benefits office or, if you are a retiree, survivor or COBRA subscriber, from EIP.

### Filing Claims?

There are no claims to file. Your network provider is responsible for submitting claims for these services. Remember, no benefits will be paid if you receive care from a non-network provider. Your participating mental health and substance abuse provider will be required to conduct periodic medical necessity reviews (similar to Medi-Call). For claims or customer service assistance for mental health and/or substance abuse care, call APS Healthcare at 800-221-8699.

### The Free & Clear® Quit For Life™ Program

The research-based Quit For Life Program is available at no charge to State Health Plan subscribers and their dependents.

One of the most successful programs of its kind, the Quit For Life Program helps participants stop using cigarettes, cigars, pipes and smokeless tobacco. A professionally trained Quit Coach™ works with each participant to create a personalized quit plan. As part of the 12-month program, participants receive Quit Guides and five telephone calls from a Quit Coach. A participant may call Free & Clear's toll-free support line as often as he wishes. The program also provides nicotine replacement products (patches, gum or lozenges) if appropriate. The support line is available from 8 a.m. to midnight, seven days a week. If the participant still needs help after the 12-month program ends, he may re-enroll in the program.

To enroll in the Quit For Life Program, call 866-QUIT-4-LIFE (866-784-8454). After your eligibility is verified, you will be transferred to a Quit Coach for your first call.

### APS Helplink™

APS Helplink™ provides tools to help with behavioral health problems, financial and legal issues, child and eldercare concerns and work/life issues. There are two ways to get to APS Web site. The first is to follow the same instructions you use to get to the provider locator, then scroll down the page and follow the instructions for connecting to APS Helplink.™ The second is to go directly to www.apshelplink.com and follow these directions:

**First-time visitors:**

- At the "New Member" box click on "Create New Account"
- If you agree with the disclaimer, click on the "I Agree" button
- Enter "statesc" in the Company Code field
- Enter a user name
- Enter a password
- Re-enter the same password
- Enter a phrase to help you remember your password
- For future reference, write down your user name, password and "statesc"
- Click on the "Submit" button

**Returning visitors:**

- Go to the "Returning Member's" box
- Enter "statesc" in the Company Code field
- Enter your user name
- Enter your password
- Click on the "Submit" button

# Exclusions

## SERVICES NOT COVERED BY THE STATE HEALTH PLAN

There are some medical expenses the State Health Plan does not cover. The *Plan of Benefits* document (available in your benefits office or through EIP) contains a complete list of the exclusions. Some expenses that are not covered are charges for:

1. Services or supplies that are not medically necessary
2. Routine procedures not related to the treatment of injury or illness
3. Services related to a pre-existing condition in the first 12 months of coverage (or 18 months for late entrants). This may be reduced by any creditable coverage you bring to the plan.
4. Routine physical exams, checkups (except Well Child Care and Preventive Screenings according to guidelines), services, surgery (including cosmetic surgery) or supplies that are not medically necessary. (Please note: Under the Savings Plan, an annual physical by a network physician for each participant age 13 and older is covered.)

5. Eyeglasses
6. Contact lenses, unless medically necessary after cataract surgery and for the treatment of keratoconus, a corneal disease affecting vision
7. Routine eye examinations
8. Refractive surgery, such as radial keratotomy, laser-assisted in situ keratomileusis (LASIK) vision correction, and other procedures to alter the refractive properties of the cornea
9. Hearing aids and examinations for fitting them
10. Bilateral cochlear implants
11. Dental services, except for removing impacted teeth or treatment within one year of a condition resulting from an accident
12. TMJ splints, braces, guards, etc. (Medically necessary surgery for TMJ is covered if pre-authorized by Medi-Call.) TMJ, temporo mandibular joint syndrome, is headache, facial pain and jaw tenderness caused by irregularities in the way joints, ligaments and muscles in the jaw work together.
13. Custodial care, including sitters and companions
14. Over-the-counter medicine and contraceptive devices
15. Services connected with a vasectomy or tubal ligation performed within one year of enrollment
16. Surgery to reverse a vasectomy or tubal ligation
17. Infertility treatment for subscribers who have had a tubal ligation
18. Assisted reproductive technologies (fertility treatment) except as noted on page 39 of this chapter
19. Diet treatments and all weight loss surgery, including, but not limited to: gastric bypass, gastric banding or stapling; intestinal bypass and any related procedures; the reversal of such procedures; and conditions and complications as a result of such procedures or treatment
20. Equipment that has a non-therapeutic use (such as humidifiers, air conditioners, whirlpools, wigs, artificial hair replacement, vacuum cleaners, home and vehicle modifications, fitness supplies, speech augmentation or communication devices, including computers, etc.), regardless of whether the equipment is related to a medical condition
21. Air quality tests
22. Supplies used for participation in athletics (that are not necessary for activities of daily living), including but not limited to, splints or braces
23. Physician charges for medicine, drugs, appliances, supplies, blood and blood derivatives, unless approved by Medi-Call
24. Medical care by a doctor on the same day or during the same hospital stay in which you have surgery, unless a medical specialist is needed for a condition the surgeon could not treat
25. Physician's charges for clinical pathology, defined as services for reading any machine-generated reports or mechanical laboratory tests. The interpretation of these tests is included in the payment for the lab service.
26. Fees for medical records and claims filing
27. Food supplements, including but not limited to formula, enteral nutrition, Boost/Ensure or related supplements
28. Services performed by members of the insured's immediate family
29. Acupuncture
30. Chronic pain management programs
31. Transcutaneous (through the skin) electrical nerve stimulation (TENS), whose primary purpose is the treatment of pain
32. Complications arising from the receipt of non-covered services
33. Psychological tests to determine job, occupational or school placement or for educational purposes; milieu therapy; or to determine learning disability
34. Services or supplies payable by Workers' Compensation or any other governmental or private program (including Employee Assistance Program services)
35. Charges for treatment of illness or injury or complications caused by acts of war or military service, injuries received by participating in a riot, insurrection, felony or any illegal occupation (job)
36. Intentionally self-inflicted injury that does not result from a medical condition or domestic violence
37. Cosmetic goods, procedures or surgery or complications resulting from such procedures or services
38. Nicotine patches used in smoking cessation programs, as well as prescribed drugs used to alleviate the effects of nicotine withdrawal, except as authorized for eligible participants enrolled in the Free & Clear® tobacco cessation program.

39. Vocational rehabilitation, pulmonary rehabilitation (except in conjunction with a covered and approved lung transplant), behavior therapy, including speech therapy associated with behavior, cognitive (mental) retraining, community re-entry programs or long-term rehabilitation after the acute phase of treatment for the injury or illness. (See Rehabilitation Care on page 41 and Speech Therapy on page 42.)
40. Congenital anomalies (abnormalities existing since birth) are not covered unless the covered person has been continuously covered under the plan from birth until the time of treatment
41. Sclerotherapy (treatment of varicose veins), including injections of sclerosing solutions for varicose veins of the leg, unless a prior-approved ligation (tying off of a blood vessel) or stripping procedure has been performed within three years and documentation submitted to Medi-Call with a pre-authorization request establishes that some varicosities (twisted veins) remained after the procedure
42. Animals trained to aid the physically challenged
43. Abortions, except for an abortion performed in accordance with federal Medicaid guidelines
44. Pregnancy of a covered dependent child
45. Speech therapy for the treatment of a language/communication or developmental delay (See page 42.)
46. Storage of blood or blood plasma.
47. Experimental or investigational surgery or medical procedures, supplies, devices or drugs

    Any surgical or medical procedures determined by the medical staff of the third-party administrator with appropriate consultation, to be experimental or investigational or not accepted medical practice. Experimental or investigational procedures are those medical or surgical procedures, supplies, devices, or drugs, which at the time provided, or sought to be provided:

- Are not recognized as conforming to accepted medical practice in the relevant medical specialty or field of medicine; or
- The procedures, drugs or devices have not received final approval to market from appropriate government bodies; or
- Are those about which the peer-reviewed medical literature does not permit conclusions concerning their effect on health outcomes; or
- Are not demonstrated to be as beneficial as established alternatives; or
- Have not been demonstrated, to a statistically significant level, to improve the net health outcomes; or
- Are those in which the improvement claimed is not demonstrated to be obtainable outside the investigational or experimental setting.

**Additional exclusions under the Savings Plan:**

- Out-of-network inpatient or outpatient charges related to the annual physical benefit under the Savings Plan are not covered.
- Chiropractic benefits, under the Savings Plan only, are limited to $500 per covered person after the annual deductible is met.
- Non-sedating antihistamines and drugs for treating erectile dysfunction are not covered under the Savings Plan.

# APPEALS

## WHAT IF MY CLAIM OR REQUEST FOR PRE-AUTHORIZATION IS DENIED?

The Employee Insurance Program contracts with claims processors, BlueCross BlueShield of South Carolina, Medco Health Solutions, Inc., and APS Healthcare, Inc., to handle claims for your State Health Plan benefits. You have the right to appeal their decisions. This is how to do it:

If all or part of your claim or of your request for pre-authorization is denied, you will be informed of the decision promptly and told why it was made. If you have questions about the decision, check the information in this book, or call the company that made the decision for an explanation.

If you are unsure whether the decision was fair, you can ask the company to re-examine its decision. This request should be in writing and should be made within six months after notice of the decision. You (or your

physician on your behalf) may submit any additional information you wish to support this appeal. If you wait too long, the original decision will be considered final and you will not have any further appeal rights. To begin an appeal, follow the instructions in your denial letter.

If you are still dissatisfied after the decision is re-examined, you may ask the Employee Insurance Program (EIP) to review the matter by making a written request to EIP within 90 days of notice of the denial. If the denial is upheld by EIP, you have 30 days to seek judicial review in the Administrative Law Court pursuant to S.C. Code Ann. 1-23-380, as amended on July 1, 2006.

# Health Maintenance Organizations

# Health Maintenance Organizations Table of Contents



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# Introduction



## What Are My Choices?

Your health plan options include the State Health Plan, traditional Health Maintenance Organization (HMO) plans, a Point of Service (POS) plan, and, if TRICARE eligible, the TRICARE Supplement. BlueChoice® HealthPlan of South Carolina, Inc., and CIGNA process claims for the HMO plans. BlueChoice HealthPlan processes claims for the Point of Service plan, MUSC Options.

All health plans offered through EIP, including the HMOs, are self-insured, with the exception of the TRICARE Supplement. Your monthly premium, combined with other subscribers' premiums and your employer's contribution, is placed in a trust account maintained by the state to pay claims and administrative costs. Any interest earned on this account helps fund the program.

These options are available:

- **BlueChoice HealthPlan**
- **CIGNA HMO**
- **MUSC Options (POS).**

## Traditional HMO Plans

This is a plan in which subscribers must use only healthcare providers, including hospitals, within the HMO's network. If you receive care outside this network, the plan will not pay benefits unless the care was pre-authorized or deemed an emergency. You must choose a Primary Care Physician (PCP) who coordinates your healthcare. To receive benefits when you see a specialist, you must first receive a referral from your PCP.

## Point of Service (POS) Plan

A POS plan allows you to go to providers inside or outside its network. To receive the maximum level of benefits, care must be obtained from providers, including hospitals, within the network and be authorized by the third-party claims processor. When you use out-of-network providers, you will probably have much higher out-of-pocket expenses in the form of deductibles and copayments. The only POS plan is MUSC Options, which is available only in Berkeley, Charleston, Colleton and Dorchester counties.

## Plan Descriptions

A description of each option is included in this guide. If you wish to use specific physicians, hospitals and other providers, see if they are part of the network of the plan you are considering. To receive benefits, your provider must be part of your network.

**A Valuable Preventive Benefit:**

**If BlueChoice HealthPlan, CIGNA HMO or MUSC Options is your primary health plan, you may participate yearly in a worksite screening sponsored by Prevention Partners. For a $15 fee, you will receive a comprehensive health appraisal that includes a blood test and an evaluation of your risk factors. Check with your benefits administrator to find out when a screening is scheduled in your area.**

Refer to pages 198-203 for premiums and a comparison of benefits. For more information, active employees should contact their benefits administrator, the third-party administrator or EIP. Retirees, COBRA subscribers and survivors should contact the third-party administrator or EIP. Telephone numbers and Web sites are listed on the inside covers of this book.

# 2007 HMO SERVICE AREAS

| | COUNTY | HMO CHOICES |
|---|---|---|
| 1 | Anderson, Greenville, Oconee, Pickens | BlueChoice Health Plan<br>CIGNA HMO |
| 2 | Cherokee, Spartanburg, Union | BlueChoice HealthPlan<br>CIGNA HMO |
| 3 | Chester, Lancaster, York | BlueChoice HealthPlan<br>CIGNA HMO |
| 4 | Abbeville, Greenwood, Laurens, McCormick, Saluda | BlueChoice HealthPlan |
| 5 | Fairfield, Kershaw, Lexington, Newberry, Richland | BlueChoice HealthPlan<br>CIGNA HMO |
| 6 | Aiken, Barnwell, Edgefield | BlueChoice HealthPlan |
| 7 | Allendale, Bamberg, Calhoun, Orangeburg | BlueChoice HealthPlan<br>CIGNA HMO |
| 8 | Clarendon, Lee, Sumter | BlueChoice HealthPlan<br>CIGNA HMO |
| 9 | Chesterfield, Darlington, Dillon, Florence, Marion, Marlboro, Williamsburg | BlueChoice Health Plan<br>CIGNA HMO |
| 10 | Georgetown, Horry | BlueChoice Health Plan<br>CIGNA HMO |
| 11 | Berkeley, Charleston, Colleton, Dorchester | BlueChoice, CIGNA HMO, MUSC Options |
| 12 | Beaufort, Hampton, Jasper | BlueChoice, CIGNA HMO |

# BlueChoice HealthPlan

BlueChoice HealthPlan is a traditional HMO offered statewide.

With BlueChoice HealthPlan, you select a Primary Care Physician (PCP) to coordinate your healthcare. If you need services your PCP does not offer, he or she will refer you to a qualified specialist in the network.

BlueChoice HealthPlan offers a wide range of programs designed to keep you healthy. Preventive care is a key feature of the plan. As a member, you simply pay a small copayment for your well-child visits and immunizations, as well as for any primary care visit.



## 2007 BENEFITS AT A GLANCE

To be covered, services must be provided by your Primary Care Physician (PCP) or authorized in advance by your PCP and BlueChoice HealthPlan, unless otherwise noted. The Plan of Benefits governs all health benefits offered through EIP.

| BENEFITS | MEMBER PAYS |
|---|---|
| **Deductible per Calendar Year** | |
| Per Member | $250 |
| Per Family | $500 |
| **Coinsurance Maximum per Calendar Year** | |
| Per Member | $1,500 |
| Per Family | $3,000 |
| **Lifetime Benefit Maximum - $1,000,000** | |
| **Primary Care Physicians** | |
| Office services, including routine and preventive care | $15 Copayment per visit |
| Hospital services | $0 |
| Routine mammogram | $0 |
| **Specialty Care Physicians** | *All services must be pre-authorized* |
| Office services | $30 Copayment per visit |
| Maternity care | $30 Copayment first visit, then 10% |
| Hospital services | Deductible, then 10% |
| Emergency room care | Deductible, then 10% |
| Routine GYN exam - two per calendar year | $15 Copayment per visit *(Authorization not required)* |
| Chiropractic care - $1,000 maximum per calendar year | $30 Copayment per visit |
| **Facility Services** | *All services, except emergency care must be pre-authorized* |
| Inpatient admission | $200 Copayment per admission, then 10% |
| Skilled Nursing Facility and/or Long-Term Acute Care Facility - 120-day maximum per calendar year | Deductible, then 10% |
| Outpatient services | $75 Copayment and 10% for first 3 visits per calendar year; 10% for visit 4 and each visit thereafter |
| Emergency room services | $100 Copayment per visit, then 10% |
| **Urgent Care** | |
| Inside the local service area | $35 Copayment per visit at a participating Urgent Care Provider |
| **Prescription Medication** | |
| Retail Copayment *(up to a 31-day supply)* | $8 Generic drug<br>$30 Preferred brand-name drug<br>$50 Non-preferred brand-name drug |
| Mail-order Copayment *(up to a 90-day supply)* | $16 Preferred brand-name drug<br>$60 Preferred brand-name drug<br>$100 Non-preferred brand-name drug |
| **Specialty Pharmaceuticals** | $75 Copayment per 31-day supply |

| BENEFITS | MEMBER PAYS |
|---|---|
| **Routine Vision Care** - Physicians Eyecare Network (PEN) Providers Only (Refer to Provider Directory) | |
| One routine eye exam for eyeglasses per calendar year | $0 |
| One pair of eyewear from a designated selection every other calendar year *(other discounts and/or fees will apply to glasses and contact lenses outside of the designated selection)* | $0 |
| *Fitting exam for contact lenses per calendar year* | $45 |
| **Other Services** | *All services, except emergency care, must be pre-authorized* |
| Ambulance | Deductible, then 10% |
| Hospice | Deductible, then 10% |
| Medical supplies | Deductible, then 10% |
| Initial prosthetic appliances | Deductible, then 10% |
| Outpatient private duty nursing and home health | Deductible, then 10% |
| Dental services due to accidental injury | Deductible, then 10% |
| $500 maximum per calendar year | |
| Durable medical equipment (DME) | Deductible, then 10% |
| $5,000 maximum per calendar year | |
| **Human Organ Transplants** | |
| *Lifetime Transplant Maximum* | $250,000 |
| Covered Transplants: | Maximum benefit per transplant: |
| Kidney (single) | $60,000 |
| Pancreas/kidney | $80,000 |
| Heart | $120,000 |
| Lung (single) | $130,000 |
| Liver | $225,000 |
| Pancreas | $80,000 |
| Heart/lung | $175,000 |

# PRIMARY CARE PHYSICIAN

At enrollment, you must select a Primary Care Physician (PCP) from BlueChoice HealthPlan's network. Your PCP coordinates all health services covered under your plan. Each member of your family may select a different PCP. When you need to see a specialist or other healthcare professional, your PCP will refer you to a network provider. BlueChoice HealthPlan will cover those healthcare services according to this Plan of Benefits.

You may change your PCP at any time by calling Member Services at 800-868-2528 or visiting our Web site at www.BlueChoiceSC.com.

# NETWORK BENEFITS

With BlueChoice HealthPlan, you receive benefits for covered services only when you go to participating (network) physicians, hospitals and other healthcare providers. Network providers will:

- File covered expense claims for you
- Ask you to pay only the deductible, copayment and/or coinsurance amounts (if any) for covered expenses
- Accept the plan's payment for covered expenses as payment-in-full, minus any copayment or coinsurance due.

## Referrals

Should you need medical care your PCP cannot provide, he or she will refer you to another network provider. Remember, to ensure that BlueChoice HealthPlan will pay for the visit to the specialist, make sure your doctor has made the referral before you visit the specialist. If you receive care from a specialist without a referral from your PCP, BlueChoice HealthPlan will cover services only if they are related to a medical emergency. You can check for referrals on our Web site at www.BlueChoiceSC.com.

Note: Women may go to a participating gynecologist twice a year without a referral from their PCP. Women may also go to any participating obstetrician for prenatal care.

### Finding a Network Provider

A complete list of providers is at www.BlueChoiceSC.com. If you would like a copy of the Provider Directory, you may request one by calling Member Services at 800-868-2528. You may also ask Member Services for more information about providers, including their qualifications and experience. Member Services can give you the most up-to-date information about changes in providers and about which ones are accepting new patients.



### Deductible

A deductible is the amount you must pay each year before the plan begins to pay benefits. BlueChoice HealthPlan's annual deductible is $250 for individuals and $500 for families.

The deductible does not apply to:

- Any services from your PCP, such as office visits, routine physicals and well-child care and immunizations
- Office visits to specialists
- Retail and mail-order pharmacy benefits
- Specialty drugs
- Routine mammograms.

### Coinsurance

Coinsurance is the percentage of the cost of medical services that you pay. As a BlueChoice HealthPlan member, you pay 10 percent of the cost of network hospital and emergency services after you meet your deductible. After you spend either $1,500 (individual coverage) or $3,000 (family coverage) in coinsurance, out-of-pocket, in a calendar year for network services, the plan will pay 100 percent of your medical costs for network services for the remainder of the calendar year. Copayments do not count toward your out-of-pocket coinsurance limit or your deductible.

### Copayment

A copayment is the fixed dollar amount you pay when you receive services. The copayment will vary depending on the type of care you receive. Your annual deductible does not affect copayments. You must make your copayments whether you have met your deductible or not.

## COVERED SERVICES

To be covered, services must be provided by your PCP or by another network provider. Services provided by another network provider must be authorized in advance by your PCP and by BlueChoice HealthPlan, unless it is a medical emergency or otherwise noted in the Schedule of Benefits.

### Doctor Visits

Charges from your PCP for office visits, including routine examinations, vision and hearing screenings, preventive care, injections, immunizations, well-child care and health education, are covered. Charges from specialists for treatment or consultation are also covered.

### Chiropractic Care

You are covered for office services from a chiropractor, including detection and correction by manual or mechanical means of structural imbalance, distortion or subluxation in the human body for purposes of removing nerve interference and the effects of such nerve interference, where such interference is the result of, or related to, distortion, misalignment or subluxation of, or in, the vertebral column. Diagnostic x-rays are covered if medically necessary. Other services that are within the scope of the practice of chiropractic are also covered.

## Maternity Care

You and your dependent spouse are covered for hospital care, birthing center care, and prenatal and postpartum care, including childbirth, miscarriage and complications related to pregnancy. Inpatient benefits are provided for the mother and newborn for 48 hours after normal delivery, not including the day of delivery, or 96 hours after Caesarean section, not including the day of surgery. Coverage for the newborn includes, but is not limited to, routine nursery care and/or routine well-baby care during this period of hospital confinement. Charges for home births are not covered. Pregnancy is not considered a pre-existing condition.

## Inpatient Hospital Services

You are covered for inpatient hospital services at an acute care hospital, a skilled nursing facility, or a long-term acute care hospital, including room and board, physician visits and consultations.

## Outpatient Hospital Services

Charges for outpatient laboratory, X-ray, surgery, and diagnostic tests are covered. Physical therapy, occupational therapy and speech therapy are also covered, subject to the limits listed in the Schedule of Benefits.

## Rehabilitation Services

You are covered for short-term (60 days from the start of treatment) rehabilitation services that are expected to significantly improve your condition. Rehabilitation services are limited to physical therapy, occupational therapy, speech therapy and cardiac therapy. Speech therapy is covered only when used to restore speech abilities that have been lost due to injury or illness. Cardiac therapy is covered only following a major cardiac event.

## Therapeutic Services

Charges for radiation therapy, cancer chemotherapy and respiratory therapy are covered.

## Behavioral Health Services

You are covered for treatment of mental health conditions and substance abuse. Companion Benefit Alternatives (CBA) coordinates benefits for these services. To receive services from a mental health or substance abuse professional, you or your primary care physician may contact CBA at 800-868-1032 for authorization and/or more information. Services provided at a residential treatment center are not covered.

## Emergency Services and Urgent Care

**Emergency Services**
You are covered for treatment of a true medical emergency anywhere in the world. If practical, you should call your PCP first and follow his or her directions. However, in a serious medical emergency, go to the nearest hospital or treatment center for help or call 911. You should then have someone notify your doctor and BlueChoice HealthPlan.

BlueChoice HealthPlan will cover emergency room care only if you are seeking treatment for symptoms that are severe and need immediate medical attention, or if your doctor authorized the emergency room visit. Conditions that are considered a medical emergency include those so severe that if you do not get immediate medical attention, one of the following could occur:

- Severe risk to your health, or with respect to pregnancy, the health of your unborn child
- Serious damage to body function
- Serious damage to any organ or body part.

Follow-up care for emergency services must be received from providers within the BlueChoice HealthPlan network or arranged by BlueChoice HealthPlan.

For more information on receiving emergency services outside the BlueChoice HealthPlan service area, please review the section on the BlueCard® program.

**Urgent Care**
Urgent care is a medical condition that is serious but not life- or limb-threatening. If you need urgent care, you should call your PCP. If you have an illness or injury that requires urgent care and you cannot get to your doctor or wait until normal business hours, you should go to a participating urgent care center. Please refer to the BlueChoice HealthPlan Provider Directory for the list of participating urgent care centers.

**For more information about the BlueCard program, see page 29. of this guide.**

Urgent care required within South Carolina is covered when provided by a participating urgent care provider. Urgent care required outside South Carolina is covered when coordinated through the BlueCard program.



## Prescription Medicine

Prescription drugs, including insulin, are covered, subject to plan exclusions and limitations, if you use a participating pharmacy. You may purchase up to a 31-day supply of a covered prescription medication at a participating retail pharmacy and up to a 90-day supply through a participating mail-order pharmacy. Not all medications are available through the mail-order pharmacy. Please refer to the BlueChoice HealthPlan Preferred Drug List for a list of prescription drugs covered under your pharmacy benefits.

**Generics Now[sm†]**
Generic drugs are equivalent in composition and effect to their brand-name counterparts but are generally less expensive. BlueChoice HealthPlan has implemented a program called "Generics Now" to encourage the use of generic drugs. If your doctor prescribes a brand-name drug but allows you to substitute an equivalent generic drug if one is available, you should consider buying the generic drug. Here is why—if you request the brand-name drug over the generic drug, you will be required to pay the difference between the cost of the brand-name drug and the generic drug. You will also have to pay the copayment for the brand-name drug. However, you will never be charged more than the retail cost of the brand-name drug.

**Specialty Pharmaceuticals**
Specialty pharmaceuticals are prescription drugs used to treat complex clinical conditions with complex delivery of care and distribution requirements. They include, but are not limited to, infusible specialty drugs for chronic disease, injectable and self-injectable specialty drugs for acute and chronic disease, and specialty oral drugs. Specialty pharmaceuticals are covered when purchased from a designated participating provider and prescribed by a participating physician. You may obtain a list of specialty pharmaceuticals by contacting BlueChoice HealthPlan Member Services at 800-868-2528 (786-8476 in the Columbia area).

**Prior Authorization**
Certain prescription drugs require prior authorization in order to be covered, and certain drugs have dosage limits as determined by BlueChoice HealthPlan. Please review your BlueChoice HealthPlan Preferred Drug List for information on which drugs require prior authorization and/or have dosage limits.

## Vision Services

You are covered for one comprehensive vision examination each calendar year to determine the need for corrective eyeglass lenses. A member of the Physicians Eyecare Network must perform the exam. Additional charges for a contact lens examination and contact lens fitting are not covered.

You are covered for one pair of eyeglasses from a designated selection of lenses and frames from a member of the Physicians Eyecare Network every other calendar year. If you prefer contact lenses, the eyeglass benefit may be used as a credit toward a contact lens package. No other vision or eye examination is covered unless determined to be medically necessary to treat a medical condition and pre-authorized by your PCP and BlueChoice HealthPlan.

For a listing of Physicians Eyecare Network providers, please visit the BlueChoice HealthPlan Web site at www.BlueChoiceSC.com or refer to your Provider Directory.

## Ambulance Services

Charges for emergency ambulance transportation, provided by a licensed ambulance service to the nearest hospital where emergency covered services can be rendered, are covered. Coverage includes transportation between acute care facilities when a medically indicated transfer is needed.

## Hospice

You are covered for hospice care provided by a licensed hospice.

## Medical Supplies

Charges are covered for medical supplies, including, but not limited to:

- Dressings requiring skilled application, for conditions such as cancer or burns
- Catheters
- Colostomy bags and related supplies
- Medically necessary supplies for renal dialysis equipment or machines
- Surgical trays
- Splints or such supplies as needed for orthopedic conditions
- Syringes, test tapes and other related diabetic supplies not covered under other provisions of the plan.

## Outpatient Private Duty Nursing Care and Home Health Services

You are covered for special or private duty nursing care provided by a registered nurse or a licensed practical nurse, on an outpatient basis, for up to 60 days each calendar year. Services must be provided in lieu of inpatient care.

You are also covered for home health services provided by a licensed home health agency. Services must be provided in lieu of inpatient care.

## Prosthetics

You are covered for a prosthetic device, other than a dental or cranial prosthetic, that is a replacement for a body part and meets minimum specifications. Only the initial prosthesis is covered.

## Dental Services for Accidental Injuries

You are covered for dental services performed by a Doctor of Dental Surgery (DDS) or a Doctor of Medical Dentistry (DMD) to sound natural teeth when required because of accidental injury. For purposes of this benefit, an accidental injury is defined as an external traumatic force such as a car accident or blow by a moving object. The first (emergency) visit to the dentist does not require authorization. However, the dentist must submit an outline of the plan for future treatment to BlueChoice HealthPlan for review and approval before continuing with follow-up care for that care to be covered. Follow-up care must be completed within six months of the accident.

## Durable Medical Equipment

Charges for medically necessary durable medical equipment, such as wheelchairs, braces, hospital beds, traction equipment, inhalation therapy equipment and suction machines, and other equipment as approved by BlueChoice HealthPlan for outpatient use, are covered. Equipment is covered only when ordered, delivered and used while you are enrolled with BlueChoice HealthPlan. *Durable medical equipment is not covered out of network.*

Repair, replacement or duplicates of durable medical equipment are not covered, except when medically necessary due to a change in your medical condition. Appliances that serve no medical purpose and are solely for your comfort, such as a whirlpool bath, air conditioner or dehumidifier, are not covered.

### Reconstructive Surgery after Mastectomy

If you are receiving benefits in connection with a mastectomy and/or elective breast reconstruction in connection with the mastectomy, you are covered for mastectomy-related services including:

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

This coverage is in compliance with the Women's Health and Cancer Rights Act of 1998.

### Human Organ Transplant Services

You are covered for certain human organ transplants. The organ must be provided from a human donor to you (the transplant recipient) and provided at a designated transplant facility. All solid organ (complete organ or segmental, cadaveric or living donor) procurement services, including donor organ harvesting, typing, storage and transportation, are covered.

Coverage for charges incurred by a living donor are limited to those for medical and surgical expenses for care and treatment, but only if the donor and recipient are both covered by the Employee Insurance Program.

Transplants that are experimental, investigational or unproven are not covered. Transplants that are not determined by BlueChoice HealthPlan to be medically necessary are also not covered.



## EXCLUSIONS AND LIMITATIONS

No benefits are provided for the following, unless otherwise specified in the Schedule of Benefits or the Covered Services section.

1. Any services or supplies that are not medically necessary.
2. Any services or supplies for which you are not legally obligated to pay.
3. Any services or supplies for treatment of military service-related disabilities when you are legally entitled to other coverage and for which facilities are reasonably available to you.
4. Any services or supplies for which benefits are paid under Workers' Compensation, occupational disease law or similar legislation.
5. Treatment of an illness contracted or injury sustained while engaged in the commission of or attempt to commit an assault or a felony; treatment of an injury or illness incurred while engaged in an illegal act or occupation (job); or treatment of an injury or illness due to voluntary participation in a riot or civil disorder.
6. Any charges for services provided before your effective date or after termination of coverage.
7. Admissions or portions thereof for sanitarium care, rest cures or custodial care.
8. Any services or procedures for transsexual surgery or related services provided as a result of complications of such transsexual surgery.
9. All services and supplies related to pregnancy of a dependent child. (Complication of pregnancy is covered. However, abortion is not considered a complication of pregnancy.)
10. Services, supplies or drugs for the treatment of infertility, including, but not limited to, artificial insemination and in-vitro fertilization; fertility drugs; reversal of sterilization procedures and surrogate parenting.
11. Pre-conception testing, pre-conception counseling or pre-conception genetic testing.
12. Any drugs, services, treatment or supplies determined by the medical staff of BlueChoice HealthPlan to be experimental, investigational or unproven.
13. Drugs for which there is an over-the-counter equivalent; all vitamins, except prenatal vitamins; drugs not approved by the Food and Drug Administration; drugs for non-covered therapies, services or conditions; and drugs prescribed for obesity or weight control, cosmetic purposes, hair growth, fertility or smoking cessation.

14. Plastic or cosmetic surgical procedures or services performed to improve appearance or to correct a deformity without restoring a bodily function, unless such services are medically necessary and due to physical trauma, surgery or congenital anomaly (birth defect).
15. Therapy or services for learning disabilities, speech delay, stuttering, perceptual disorders, mental retardation, behavioral disorders, vocational rehabilitation or marriage counseling.
16. Any drugs, services, treatment or supplies for the diagnosis or treatment of sexual dysfunction unless medically necessary for the treatment of a medical condition or organic disease, and then only with prior authorization. This includes, but is not limited to, drugs, laboratory and X-ray tests, counseling, and penile implants or prostheses.
17. Services or supplies related to dysfunctional conditions of the muscles of mastication; malpositions or deformities of the jaw bone(s); and orthognathic deformities or temporomandibular joint (TMJ) disorders, including, but not limited to, appliances and orthodontia.
18. Dental work or treatment that includes hospital or professional care in connection with:
    a. Any operation or treatment for the fitting or wearing of dentures, regardless if needed due to injury to natural teeth due to an accident.
    b. Orthodontic care or treatment of malocclusion.
    c. Operations on, or treatment of or to, the teeth or supporting bones and/or tissues of the teeth, except for removal of malignant tumors or cysts or treatment of an injury to natural teeth due to an accident.
    d. Removal of teeth, whether impacted or not.
    e. Any operation, service, prosthesis, supply or treatment for the preparation for, and the insertion or removal of, a dental implant.

    This exclusion does not apply if the dental work involves facility and anesthesia services that are medi cally necessary because of a specific organic medical condition such as congestive heart failure or chronic obstructive pulmonary disease that requires hospital-level monitoring.
19. Hearing aids.
20. Charges incurred as the result of a missed scheduled appointment and charges for the preparation, reproduction or completion of medical records, itemized bills or claims forms.
21. Services or supplies not specifically listed in the Schedule of Benefits and the Covered Services section.
22. Transplants other than as specified in the Schedule of Benefits.
23. Complications arising during, from or related to the receipt of non-covered services. “Complications,” as used in this exclusion, includes any medically necessary services or supplies which, in BlueChoice HealthPlan’s judgment, would not have been required by you had you not received non-covered services.
24. The purchase or rental of air conditioners, air purifiers, motorized transportation equipment, escalators or elevators, swimming pools, waterbeds, exercise equipment or other similar items or equipment.
25. Any service or supply provided by a member of your family or by yourself, including the dispensing of drugs. A member of your family means your spouse, parent, grandparent, brother, sister, child or your spouse’s parent.
26. Charges for acupuncture, hypnotism, biofeedback and TENS unit. Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow you to develop pain-coping skills and freedom from dependence of analgesic medications.
27. Services not provided by or under the direction of your Primary Care Physician, except covered services or referred services authorized in advance by BlueChoice HealthPlan.
28. Treatment or surgery for obesity, morbid obesity, weight reduction or weight control, including, but not limited to, gastric bypass or stapling, intestinal bypass and related procedures, the reversal of such procedures, and services required as a result of complications from such procedures including reconstructive procedures necessitated by weight loss.
29. Orthomolecular therapy, including nutrients, vitamins and food supplements, that is aimed at or related to restoring the optimal concentrations and molecular level functions of substances such as non-traditional vitamins and base elements in the body through the use of macrobiotics.
30. Radial keratotomy, myopic keratomileusis, LASIK surgery, and any surgery that involves corneal tissue for the purpose of altering, modifying or correcting vision problems such as myopia, hyperopia or stigmatic error.
31. Treatment of weak, strained or flat feet, including orthopedic shoes or other supportive devices; services and supplies for non-surgical treatment of the feet; and cutting, removal or treatment of corns, calluses

or nails. This exclusion does not include corrective surgery, or treatment for metabolic or peripheral vascular disease.

32. Infant formula, nutrition counseling, lifestyle improvements and physical fitness programs.
33. Communications, travel time and transportation, except for professional ambulance services.
34. Cranial orthotics used on infants with misshapen heads to progressively mold the skull to a normal shape.
35. Sclerotherapy for cosmetic purposes, such as removal of spider veins.
36. Growth hormone therapy for patients over 18 years of age. (Growth hormone therapy for patients age 18 and younger with documented growth hormone deficiency is covered.)
37. Pulmonary rehabilitation, except in conjunction with a covered lung transplant.
38. Any procedures, drugs, treatment or services for or related to an elective abortion.
39. Charges for services or supplies from an independent healthcare professional whose services are normally included in facility charges.



# OTHER PLAN FEATURES

## Away From Home Care

Any time you or one of your family members will be out of South Carolina for more than 90 days, you can become a guest member of an affiliated BlueCross and BlueShield health plan near your destination. Just call BlueChoice HealthPlan and explain your situation. Students and long-term travelers are two groups that can benefit from Away From Home Care. If you need to use the Away From Home Care program, call Member Services at 800-868-2528 (786-8476 in the Columbia area) and ask to speak to the Away From Home Care program coordinator, or visit www.BlueChoiceSC.com for more information.

## Great Expectations®† *for health*

As your partner in good health, one way BlueChoice HealthPlan can help you reach your health goals is through the Great Expectations *for health* programs. These programs are designed to help you improve your overall health by providing you with written educational information and professional support from a team of health specialists. BlueChoice HealthPlan members may participate in these programs at no charge or for a small, one-time fee.

Great Expectations *for health* offers programs for:

- Asthma
- Children's Health
- Chronic Kidney Disease
- Chronic Obstructive Pulmonary Disease
- Depression
- Diabetes
- Heart Disease
- Heart Failure
- Maternity
- Men's Health
- Migraine
- Quit Smoking
- Women's Health
- Weight Management.

For more information on these programs, please call our Health Management department at 800-327-3183, ext. 25541, or you may visit www.BlueChoiceSC.com.

## Value-Added Services

There are many ways to stay healthy. That is why Value-Added Services are offered to BlueChoice HealthPlan members. These services and discounts are in addition to (but not a part of) the services and benefits covered under a BlueChoice HealthPlan policy.

Through the Natural Blue℠ program, you have access to special discounts on services from a network of acupuncturists; massage therapists, chiropractors and day spas and fitness centers in South Carolina and throughout the country.

Additional Value-Added Services include discounts for:

- LASIK services
- Alternative medicine
- Hearing tests and aids
- Weight loss programs and centers
- Magazine subscriptions
- Cosmetic surgery
- Cosmetic dentistry.

For more information or to find a provider, call Member Services at 800-868-2528 or visit www.BlueChoiceSC.com.

## APPEALS

You have the right to appeal any decision by BlueChoice HealthPlan to deny an authorization for services you have requested or deny payment for services you have received.

To request an appeal, you (or your designated representative) may contact Member Services at 803-786-8476 (Columbia area) or 800-868-2528 (toll-free outside the Columbia area). If you prefer, you may send a written appeal request to:

BlueChoice HealthPlan
Member Services (AX-425)
P.O. Box 6170
Columbia, SC 29260-6170.

You may also e-mail your appeal request to BlueChoice HealthPlan through its Web site at www.BlueChoiceSC.com. Just sign on to *My Insurance Manager*sm† and click on "Ask Customer Service."

You must file your appeal within six months of the date you were notified that the authorization or claim was denied. BlueChoice HealthPlan will reach a decision on your appeal and send you notification of that decision within 30 days of receipt of your appeal request.

If you are dissatisfied with the decision, you may ask for a review by sending a written request to EIP, within 90 days of receiving notice of the decision on your appeal. If the EIP Appeals Committee upholds BlueChoice HealthPlan's decision, you will have 30 days to seek review in the Administrative Law Court pursuant to S.C. Code Ann. 1-23-380, as amended on July 1, 2006.

If you need more information about the appeal process, please contact BlueChoice HealthPlan by phone, letter or e-mail as indicated above.

## WEB SITE: WWW.BLUECHOICESC.COM

If you wish to download forms, learn specifics about your health plan, send BlueChoice HealthPlan an e-mail, review the Prescription Drug List or read about Wellness programs, you can do all that and more by visiting www.BlueChoiceSC.com. This Web site is a protected, secure and convenient way for you to have access to timely information on your own schedule.

*My Insurance Manager* enables you to:

- Review the status of your claims
- View and print a copy of your Explanation of Benefits
- See how much you have paid toward your deductible or out-of-pocket limit
- Ask a customer service question through secure e-mail

- Request a new ID card
- Access *My Pharmacy Manager*.

*My Pharmacy Manager* enables you to:

- View your prescription history
- Find information about medications you are taking or are considering taking
- Learn about potential therapeutic options to discuss with your physician
- Compare drug costs.

# CIGNA HMO

CIGNA HMO, a traditional HMO plan administered by CIGNA HealthCare, is available in all counties in the state **except**: Abbeville, Aiken, Barnwell, Edgefield, Greenwood, Laurens, McCormick and Saluda.

### Primary Care Physician

With CIGNA HMO, your primary care physician (PCP) is your first and primary source of medical care. The PCP you choose coordinates your medical care, including checkups, referrals to specialists, lab and X-ray services and hospital admissions.

When you enroll in CIGNA HMO, you and each covered member of your family chooses his or her own PCP. A woman may select an OB/GYN in addition to her PCP. A PCP can be a family/general practitioner, internist or pediatrician. PCPs are available to you 24 hours a day, seven days a week. If your personal doctor is not available, he will arrange for another doctor to take care of you.



## NETWORK BENEFITS

With CIGNA HMO, you normally receive benefits for covered services **only** when you receive those services from participating physicians, hospitals and other healthcare providers. Network providers will:

- File claims for covered expenses for you
- Ask you to pay only the copayment and coinsurance amounts, if any, for covered expenses.

### Copayments

Copayment amounts vary depending on the services you receive. The CIGNA HMO plan has no annual deductible. Copayments for doctor and hospital services under the plan are:

- $20 PCP office visit
- $40 OB/GYN visit
- $40 specialist office visit
- $500 per inpatient hospital admission
- $250 outpatient surgery and medical care
- $100 emergency care
- $500 per admission for inpatient mental health and substance abuse care
- $40 outpatient mental health and substance abuse office visit.

### Coinsurance

You are responsible for 20 percent of the cost of hospital services received from network providers, in addition to the copayments. Emergency room services are covered at 100 percent after the copayments.

### Coinsurance Maximum

Once you have spent either $2,000* (individual coverage) or $4,000* (family coverage) out of your pocket in a year for network services, the plan will pay 100 percent of your covered medical costs for the rest of the year.

***Inpatient and outpatient hospital copayments and coinsurance count toward your out-of-pocket maximum. However, other copayments do not.***

### Prescription Drugs

The CIGNA plan provides prescription drug coverage. With CIGNA HMO, you **must** use a participating pharmacy (or mail service) when purchasing your medications. Benefits are not payable if you use a non-participating pharmacy. Copayments for up to a 30-day supply are:

- $ 7 for generics
- $25 for preferred brands
- $50 for non-preferred brands.

CIGNA HMO offers an online prescription center (CIGNA TelDrug) that allows you to order prescriptions and refills for home delivery, review the list of covered drugs and check the status of a recent order 24 hours a day. The copayments for up to 90-day supply are:

- $14 for generics
- $50 for preferred brands
- $100 for non-preferred brands.

**If you or your dependent will leave your service area for more than 60 days, call 800-244-6224 to be set up with a provider network away from home. When you return, you can switch back to the South Carolina network.**

## OUT-OF-NETWORK BENEFITS

You may receive emergency services from out-of-network providers. If you have a life- or limb-threatening illness or injury, please go to the nearest hospital or treatment center, whether or not it is in the network. You or a family member should tell your primary care physician and CIGNA HMO about the emergency as soon as possible.

Members who are living in a state other than South Carolina are eligible for the Guest Privileges Program, a guest membership in an HMO in the community where they live, for up to two years.

## OTHER PLAN FEATURES

Other special features of the CIGNA plan include:

- **The CIGNA 24-Hour Health Information Line℠** that provides access to medical information, level-of-care counseling, an audio library of hundreds of topics and guidance to network providers.
- The **Healthy Rewards** program, which includes special offers for discounts on health-related products and services.
- **Vision care.** Subscribers receive a $10 eye exam every two years. Not all providers participate, and you must use a participating provider.
- **Nationwide access** to specially trained experts and nationally recognized facilities through the CIGNA LIFESOURCE Organ Transplant Network.

## CLAIMS

There is no paperwork for in-network care. Just show your CIGNA plan ID card and pay your copayment. Your provider will complete and submit the paperwork. If you visit an out-of-network provider, you or your provider must file a paper claim. You will receive an Explanation of Benefits identifying the costs covered by your plan and the charges you must pay. For more information on the claims process, please contact CIGNA HealthCare at 800-244-6224.

## APPEALS

These steps must be followed if you have a concern or an appeal:

- Call or write CIGNA's Member Services Department, and a representative will work with you to resolve your concern.

- If it is not resolved to your satisfaction, you may appeal the decision to CIGNA's Appeal Committee. This is called a Level One Appeal. The Appeal Committee will notify you in writing of its decision within 30 calendar days.
- If you do not agree with the decision, you may appeal to CIGNA's Grievance Committee. This is a Level Two Appeal. The Grievance Committee will notify you in writing of its decision within 30 calendar days.

If you are still dissatisfied after CIGNA HealthCare has reviewed its decision, you may ask the Employee Insurance Program (EIP) to review the matter by making a written request to EIP within 90 days of notice of the denial. If the EIP Appeals Committee upholds the denial, you have 30 days to seek review in the Administrative Law Court pursuant to S.C. Code Ann. 1-23-380, as amended on July 1, 2006. For more information on the appeals process, please contact CIGNA HealthCare at 800-244-6224, or write CIGNA HealthCare at P.O. Box 5200, Scranton, PA 18505.

# MUSC Options

## INTRODUCTION

MUSC Options is a self-insured, Point of Service plan. Health claims are processed by BlueChoice HealthPlan. Pharmacy claims are processed by Medco Health Solutions, Inc. (See page 80 for more information about pharmacy benefits.) Permanent, full-time eligible employees who live or work in Berkeley, Charleston, Colleton or Dorchester counties may enroll. The plan is also available to retirees (including those who are eligible for Medicare), survivors and COBRA subscribers who live in this area.



**This year there have been some changes in MUSC Options benefits. Effective January 1, 2007:**

- **A referral from a physician** is no longer needed to see a network specialist. The copayment for a referral and a self-referral is the same, $55.
- **Obesity surgery** is no longer covered.
- **The annual deductible for out-of-network services** has increased to $500 for single and $1,500 for family coverage.
- **Office visit copayments** for in-network services have increased to $25 for a primary care physician, $25 for an OB/GYN well woman exam, $55 for a specialist and $50 for urgent care.
- **The copayment for emergency care** has increased to $150 per occurrence.
- **Retail prescription drug copayments** have increased to $30 for preferred brands and $50 for non-preferred brands. (The generic brand copayment remains $10.)
- There is now **a $100 copayment** for 31-day supply of a specialty pharmaceutical purchased from a retail pharmacy and a **$250 copayment** for a 90-day supply purchased from a mail-order pharmacy.
- **Mail-order prescription drug copayments** have increased to $25 for generics, $75 for preferred brands and $125 for non-preferred brands.
- **Before obtaining covered prescription drugs by paying a copayment, each covered person must now meet a $100 annual deductible for covered prescription drug purchases**.

There also have been some changes in premiums. For details, see pages 198-203.

## 2007 BENEFITS AT A GLANCE

To receive in-network benefits, all services must be provided by a MUSC Options participating provider. This applies to each individual service unless otherwise noted.

All non-emergency hospital admissions must be authorized by BlueChoice HealthPlan to be covered.

Benefits are subject to all (if any) limitations, deductibles, coinsurance and maximum payment amounts, exclusions, and limitations as specified in the Plan of Benefits.

| BENEFITS | IN-NETWORK | OUT-OF-NETWORK |
|---|---|---|
| **Deductible per Benefit Period**<br>(The benefit period is a calendar year.)<br>Per member<br>Per family | <br><br>$0<br>$0 | <br><br>$500<br>$1,500 |
| **Maximum Coinsurance per Benefit Period**<br>Per member<br>Per family | <br>N/A<br>N/A | <br>$3,000<br>$9,000 |
| **Lifetime Benefit Maximum - $1,000,000** | | |

| BENEFITS | IN-NETWORK | OUT-OF-NETWORK |
|---|---|---|
| | Member pays | Member pays |
| **Physician Services** | | |
| **Primary Care** | | |
| Office visit | $25 copayment per visit | Deductible, then 40% |
| Hospital visit | $0 | Deductible, then 40% |
| Screening mammogram | $0 | 100% (not covered) |
| Allergy injection and serum | $25 copayment per visit | Deductible, then 40% |
| Routine physical exam | $25 copayment per visit | 100% (not covered) |
| Health assessment | $25 copayment per visit | 100% (not covered) |
| Well baby and child care | $25 copayment per visit | 100% (not covered) |
| Immunizations | $25 copayment per visit | 100% (not covered) |
| **Specialty Care** (except mental health/substance abuse care) | | |
| Office visit | $55 copayment per visit | Deductible, then 40% |
| Maternity care | $55 copayment for first visit | Deductible, then 40% |
| Hospital visit | $0 | Deductible, then 40% |
| Surgery at hospital | $0 | Deductible, then 40% |
| Emergency room care | $0 | $0 |
| Routine GYN exam | $25 copayment per visit | 100% (not covered) |
| Non-routine GYN exam | $55 copayment per visit | Deductible, then 40% |
| Chiropractic care - spinal manipulation | $55 copayment per visit | 100% (not covered) |
| **Facility Services** (Except mental health/substance abuse care) (All services must be pre-authorized except emergency care) | | |
| Inpatient admission | $300 copayment per admission | Deductible, then 40% |
| Skilled nursing facility | $0 | Deductible, then 40% |
| Lesser of $6,000 or 60 days per benefit period | | |
| Outpatient services | $100 copayment per visit for first three visits per benefit period **(No copayment at MUSC)** | Deductible, then 40% |
| Lab and x-ray | | |
| Surgical | | |
| Diagnostic/therapeutic | | |
| Emergency room services | $150 copayment per visit (Waived if admitted) | $150 copayment per visit (Waived if admitted) |
| **Urgent Care** | $50 copayment per visit at a participating Urgent Care Provider | Deductible, then 40% |
| **Prescription Drugs** (Administered by Medco Health: 800-711-3450) | | **Covered only at a participating pharmacy** |
| Annual Pharmacy Deductible | $100 | |
| **Retail**—Prescription Medication dispensed by a retail pharmacy is subject to one copayment for up to a 31-day supply. | | |
| Generic drug | $10 copayment | |
| Preferred brand-name drug | $30 copayment | |
| Non-preferred brand-name drug | $50 copayment | |
| Specialty pharmaceuticals | $100 copayment per 31-day supply | |
| **Mail Order**—Prescription Medication dispensed by a mail-order pharmacy is subject to one copayment for up to a 90-day supply. | | |
| Generic drug | $25 copayment | |
| Preferred brand-name drug | $75 copayment | |
| Non-preferred brand-name drug | $125 copayment | |
| Specialty pharmaceuticals | $250 copayment per 90-day supply | |

| BENEFITS | IN-NETWORK | OUT-OF-NETWORK |
|---|---|---|
| | **Member Pays** | **Member Pays** |
| **Mental Health/Substance Abuse Care**<br>(In-network providers contract with Companion Benefit Alternatives (CBA))<br><br>Members or participating providers must contact CBA at 800-868-1032 for authorization for In-network and Out-of-Network coverage. | | |
| Inpatient | $300 copayment per admission | Deductible, then 40% |
| Outpatient | $55 copayment per visit | Deductible, then 40% |
| **Other Services** | | |
| Ambulance | $0 | Deductible, then 40% |
| Home Health<br>Lesser of $5,000 or 100 visits per benefit period | $0 | Deductible, then 40% |
| Hospice<br>$6,000 lifetime maximum | $0 | Deductible, then 40% |
| Medical Supplies | $0 | Deductible, then 40% |
| Surgical treatment of TMJ | $0 | Deductible, then 40% |
| Original prosthetic appliances | $0 | 100% (not covered) |
| Outpatient mammograms | $0 | 100% (not covered) |
| Private duty nursing | $0 | 100% (not covered) |
| Rehabilitation services<br>Physical, occupational and speech therapy are covered during the acute phase of treatment | $0 | Deductible, then 40% |
| Dental services due to accidental injury within one year of accident | $0 | 100% (not covered) |
| Durable Medical Equipment (DME) | $0 | 100% (not covered) |
| Removal of bony, impacted wisdom teeth | $0 | Deductible, then 40% |
| Infertility Treatment<br>Inpatient, outpatient and prescription medication limited to three cycles; $15,000 lifetime maximum | 30% | 100% (not covered) |
| **Human Organ Transplants** | | |
| **Inpatient** | | |
| Hospital care | $300 copayment per admission | Deductible, then 40% |
| Physician care | $0 | Deductible, then 40% |
| **Outpatient** | | |
| Office visit | $55 copayment per visit | N/A |
| Covered transplants<br>**All non-experimental human organ transplants** | | |

| BENEFITS | IN-NETWORK | OUT-OF-NETWORK |
|---|---|---|
| | **Member Pays** | **Member Pays** |
| **Vision Care** (any licensed vision care provider) | | |
| Eye exam for eyeglasses or contact lenses once every benefit period | Balance over $75 | Balance over $75 |
| Eyewear covered once every other benefit period | Balance over $75 | Balance over $75 |
| ***Authorization not required*** | | |
| **Member pays for charges and submits claim for reimbursement** | | |
| Exams for the diagnosis or treatment of disease or injury to the eye (covered as a specialist visit) | $55 copayment per visit | 100% (not covered) |

## YOUR PERSONAL PHYSICIAN

You are not required to select a personal physician. However, MUSC Options encourages you to coordinate your healthcare through one. By doing so, you may prevent unnecessary medical expenses, and you will ensure that your personal physician is up-to-date on the care you receive.

### Finding a Network Provider

A complete list of providers is at www.BlueChoiceSC.com. If you would like a copy of the Provider Directory, you may request one by calling Member Services at 800-821-3023. You may also ask Member Services for more information about providers, including their qualifications and experience. Member Services can give you the most up-to-date information about changes in providers and about which ones are accepting new patients.

# NETWORK BENEFITS

### In the MUSC Options Network

You receive the highest level of benefits if you use the services of physicians and other providers that are part of the MUSC Options network.

You may go to a specialist in the MUSC Options network for office services without a referral from your personal physician.

### Outside the MUSC Options Network

You may go to a licensed healthcare provider who is not in the MUSC Options network. However, you will be subject to coinsurance and a deductible, plus you may have to file your own claims.

Note: Not all services are covered outside the MUSC Options network. Please see “Covered Services” for more information.

### Balance Billing

When you receive a covered service from a provider in the MUSC Options network, the provider is prohibited from billing you more than any applicable copayments, coinsurance and deductibles. If you choose to receive a covered service outside the MUSC Options network, the non-network provider may charge you more than

the plan's maximum allowable charge for the service. The difference between the plan's maximum allowable charge and the provider's higher charge is called the "balance bill." You will be responsible for paying the balance bill amount, along with any applicable copayments, coinsurance and deductibles. In addition, the balance bill will not apply to your out-of-pocket maximum.

# COVERED SERVICES

## Doctor Visits

Charges from your physician for office visits, including routine examinations, vision and hearing screenings, preventive care, injections, immunizations, well-child care and health education, are covered. Charges from specialists for treatment or consultation are also covered. *Routine preventive care is not covered out of network.*

## Chiropractic Care

You are covered for office services from a chiropractor, including detection and correction by manual or mechanical means of structural imbalance, distortion or subluxation in the human body for purposes of removing nerve interference and the effects of such nerve interference, where such interference is the result of or related distortion, misalignment or subluxation of, or in, the vertebral column. Diagnostic X-rays are covered if medically necessary. Other services that are within the scope of chiropractic care are also covered. *Chiropractic care is not covered out of network*.

## Maternity Care

You and your dependent spouse are covered for hospital care, birthing center care, and prenatal and postpartum care, including childbirth, miscarriage and complications related to pregnancy. Inpatient benefits are provided for the mother and newborn for 48 hours after normal delivery, not including the day of delivery, or 96 hours after Caesarean section, not including the day of surgery. Coverage for the newborn includes, but is not limited to, routine nursery care and/or routine well-baby care during this period of hospital confinement. Charges for home births are not covered. Pregnancy is not considered a pre-existing condition.

## Inpatient Hospital Services

You are covered for inpatient hospital services at an acute care hospital, a skilled nursing facility or a long-term acute care hospital, including room and board, physician visits and consultations.

## Outpatient Hospital Services

Charges for outpatient laboratory, X-ray, surgery and diagnostic tests are covered. Physical therapy, occupational therapy, and speech therapy are also covered subject to the limits listed in the Schedule of Benefits.

## Rehabilitation Services

You are covered for short-term (acute phase of treatment) rehabilitation services that are expected to significantly improve your condition. Rehabilitation services are limited to physical therapy, occupational therapy, speech therapy and cardiac therapy. Speech therapy is covered only when used to restore speech abilities that have been lost due to injury or illness. Cardiac therapy is covered only after a major cardiac event.

## Therapeutic Services

Charges for radiation therapy, cancer chemotherapy and respiratory therapy are covered.

## Behavioral Health Services

You are covered for treatment of mental health conditions and substance abuse. Companion Benefit Alternatives (CBA) coordinates benefits for these services. To receive services from a network or an out-of-network mental health or substance abuse professional, you or your physician may contact CBA at 800-868-1032 for authorization and/or more information.

## Emergency Services and Urgent Care

**Emergency Services**
You are covered for treatment of a *true medical emergency* **anywhere** in the world. If practical, you should call your personal physician first and follow his or her directions. However, in the case of a serious medical emergency, go to the nearest hospital or treatment center for help or call 911. You should then have someone notify your doctor and BlueChoice HealthPlan.

MUSC Options will cover emergency room care only if you are seeking treatment for symptoms that are severe and need immediate medical attention, or if your doctor authorized the emergency room visit. Conditions that are considered a medical emergency include those so severe that if you do not get immediate medical attention, one of the following conditions could occur:

- Severe risk to your health, or with respect to pregnancy, the health of your unborn child
- Serious damage to body function
- Serious damage to any organ or body part.

Follow-up care for emergency services must be received from providers within the MUSC Options network or arranged by MUSC Options.

For more information on receiving emergency services outside the MUSC Options service area, review the section on the BlueCard program.

**Urgent Care**
Urgent care is a medical condition that is serious but not life- or limb-threatening. If you need urgent care, you should call your personal physician. If you have an illness or injury that requires urgent care and you cannot get to your doctor or wait until normal business hours, you should go to a participating urgent care center. Please refer to the MUSC Options Provider Directory for the list of participating urgent care centers.

Urgent care required within South Carolina is covered when provided by a participating urgent care provider. Urgent care required outside South Carolina is covered when coordinated through the BlueCard program.

Out-of-network benefits are available for non-participating urgent care centers.

**For more information about the BlueCard program, see page 29 of this guide.**

## Ambulance

Charges for emergency ambulance transportation provided by a licensed ambulance service to the nearest hospital where emergency covered services can be rendered are covered. Coverage includes transportation between acute care facilities when a medically indicated transfer is needed.

## Hospice

You are covered for hospice care provided by a licensed hospice.

## Medical Supplies

Charges are covered for medical supplies, including, but not limited to:

- Dressings requiring skilled application, for conditions such as cancer or burns
- Catheters
- Colostomy bags and related supplies
- Medically necessary supplies for renal dialysis equipment or machines
- Surgical trays
- Splints or such supplies as needed for orthopedic conditions
- Syringes, test tapes, and other related diabetic supplies not covered under other provisions of the plan.

## Outpatient Private Duty Nursing Care and Home Health Services

You are covered for special or private duty nursing care provided by a registered nurse or a licensed practical nurse on an outpatient basis. Services must be provided in lieu of inpatient care.

You are covered for home health services provided by a licensed home health agency. Services must be provided in lieu of inpatient care.

## Prosthetics

You are covered for a prosthetic device, other than a dental or cranial prosthetic, that is a replacement for a body part and meets minimum specifications. Only the initial prosthesis is covered. *Prosthetics are not covered out of network*.

## Dental Services for Accidental Injuries

You are covered for dental services performed by a Doctor of Dental Surgery (DDS) or a Doctor of Medical Dentistry (DMD) to sound natural teeth when required because of accidental injury. For purposes of this benefit, an accidental injury is defined as an external traumatic force, such as a car accident or blow by a moving object. The first (emergency) visit to the dentist does not require authorization. However, the dentist must submit an outline of the plan for future treatment to BlueChoice HealthPlan for review and approval before continuing with follow-up care for that care to be covered. Follow-up care must be completed within 12 months of the accident.

## Durable Medical Equipment

Charges for medically necessary durable medical equipment, such as wheelchairs, braces, hospital beds, traction equipment, inhalation therapy equipment and suction machines, and other equipment as approved by BlueChoice HealthPlan for outpatient use, are covered. Equipment is covered only when ordered, delivered and used while you are enrolled in MUSC Options.

Repair, replacement or duplicates of durable medical equipment are not covered, except when medically necessary due to a change in your medical condition. Appliances that serve no medical purpose and are solely for your comfort, such as a whirlpool bath, air conditioner or dehumidifier, are also not covered. *Durable medical equipment is not covered out of network*.

## Reconstructive Surgery after a Mastectomy

If you are receiving benefits in connection with a mastectomy and/or elective breast reconstruction in connection with the mastectomy, you are covered for mastectomy-related services including:

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

This coverage is in compliance with the Women's Health and Cancer Rights Act of 1998.

## Human Organ Transplant Services

You are covered for certain human organ transplants. The organ must be provided from a human donor to you (the transplant recipient) and provided at a designated transplant facility. All solid organ (complete organ or segmental, cadaveric or living donor) procurement services, including donor organ harvesting, typing, storage and transportation are covered.

Please contact BlueChoice HealthPlan for more information regarding coverage for charges incurred by a living donor.

Transplants that are experimental, investigational or unproven are not covered. Transplants that are not determined by BlueChoice HealthPlan to be medically necessary are also not covered.

### Infertility Services

You are covered for infertility services, including the following procedures and related services, supplies and prescription medications:

- Artificial insemination
- In-vitro fertilization (IVF)
- Gamete or zygote intra-fallopian transfer (GIFT or ZIFT).

Coverage for infertility services is subject to the following terms and conditions:

- Benefits are provided as specified in the Schedule of Benefits.
- Benefits are limited to covered services provided to you or your enrolled spouse.
- Benefits for GIFT, ZIFT and IVF are limited to a maximum of three complete cycles with a $15,000 lifetime maximum.
- Coinsurance amounts are not included in the coinsurance maximum.
- Services for sperm banking/semen specimen storage are not covered.
- Services for any other assisted reproductive technology not specified herein are not covered.
- Fertility services are not covered out-of-network.

### Vision Services

You are covered for vision services from any licensed vision care provider without authorization. Your plan will pay up to $75. However, you are required to pay the provider's total charge and submit a claim to BlueChoice HealthPlan for reimbursement. See your Schedule of Benefits for more information on covered vision services.

## PRESCRIPTION DRUG PROGRAM

MUSC Options participates in Rx Selections®, Medco Health Solutions Inc.'s pharmacy network. For a list of participating providers, go to www.eip.sc.gov. **Remember, benefits are only payable if you use a participating pharmacy or mail-order pharmacy.** You **must** show your ID card when purchasing medications.

MUSC Options Prescription Drug Program, administered by Medco, is easy and convenient to use. You show your MUSC Options identification card when you purchase prescription drugs from a participating pharmacy.

### Prescription Drug Deductible and Copayments

MUSC Options has a $100 prescription drug deductible. This means that each person covered under the plan, including dependents, must pay $100 in allowable charges for covered prescription drugs before he can purchase covered prescription drugs for the copayment.

After you reach your $100 deductible, you pay these copayments for up to a 31-day supply:

$10 for generic drugs
$30 for preferred brand drugs
$50 for non-preferred brand drugs
$100 for specialty pharmaceuticals.

After you reach your $100 deductible, you pay these copayments for a 90-day supply of a prescription ordered from Medco's mail-order pharmacy:

$25 for generic drugs
$75 for preferred brand drugs
$125 for non-preferred brand drugs
$250 for specialty pharmaceuticals.

### Pay the Difference

If a generic drug is available and you purchase the brand-name version instead, the benefit will be limited to the cost of the generic drug, even if your doctor instructs the pharmacist to "dispense as written." You will be responsible for paying the difference between the cost of the generic drug and the cost of the brand-name drug.

### Coordination of Benefits (COB)

MUSC Options coordinates prescription drug benefits and medical benefits. When you are covered by more than one insurance company, COB makes sure you are not reimbursed more than once for the same expense and that each company pays its fair share of the cost of your care.

When you are covered by more than one plan, the plan that pays first is the *primary* plan. The *secondary* plan pays after the primary plan. MUSC Options determines which plan is primary. Here are some examples of how that works:
The plan that covers a person as an employee is primary to the plan that covers the person as a dependent.
When both parents cover a dependent child, the plan of the parent whose birthday comes earlier in the year is considered primary.

When filling a prescription at a participating pharmacy, you may notice a difference in the amount MUSC Options pays.

**If MUSC Options is primary**
When you purchase a prescription drug, present your MUSC Options insurance card first. Your claim will be processed under the plan as if you had no other coverage. Then present the card for your secondary insurance coverage. If the pharmacy can pay secondary insurance claims electronically, benefits under that plan will be paid.

**If MUSC Options is secondary**
Present the card for your primary coverage first. If you present your MUSC Options card first, the claim will be initially denied because the MUSC Options is secondary. After the pharmacy processes the claim through your primary coverage, present your MUSC Options card and your claim will be processed through MUSC Options.

If the pharmacy cannot process secondary insurance claims electronically, the claim may be rejected. If this happens, you will need to file a paper claim for any MUSC Options benefits to Medco. Prescription drug claim forms are available through the EIP Web site at www.eip.sc.gov. Choose your category ("Active Subscriber," for example) and then select "Forms." You will see both the retail and mail-order pharmacy forms listed. Forms also are available from your benefits administrator.

**Please remember:** MUSC Options is not responsible for filing or processing your claims through another health insurance plan. That is your responsibility.

## EXCLUSIONS AND LIMITATIONS

Although this plan covers a broad range of services, there are some exclusions and limitations. The following is a list of some of them. For a complete list of all exclusions and limitations, consult the Plan of Benefits.

1. Any services or supplies that are not medically necessary.
2. Any services or supplies for which you are not legally obligated to pay.
3. Any services or supplies for treatment of military service-related disabilities when you are legally entitled to other coverage and for which facilities are reasonably available to you.
4. Any services or supplies for which benefits are paid by Workers' Compensation, occupational disease law or similar legislation.
5. Treatment of an illness contracted or injury sustained while engaged in the commission or an attempt to commit an assault or a felony; treatment of an injury or illness incurred while engaged in an illegal act or occupation (job); or treatment of an injury or illness due to voluntary participation in a riot or civil disorder.

6. Any charges for services provided before your effective date or after the end of coverage.
7. Admissions or portions thereof for sanitarium care, rest cures or custodial care.
8. Any services or procedures for transsexual surgery or related services provided as a result of complications of such transsexual surgery.
9. All services and supplies related to pregnancy of a dependent child. (Complication of pregnancy is covered. However, abortion is not considered a complication of pregnancy.)
10. Pre-conception testing, pre-conception counseling or pre-conception genetic testing.
11. Any drugs, services, treatment or supplies determined by the medical staff of BlueChoice HealthPlan, with appropriate consultation, to be experimental, investigational or unproven.
12. Drugs for which there is an over-the-counter equivalent; all vitamins, except prenatal vitamins; drugs not approved by the Food and Drug Administration; drugs for non-covered services, therapies or conditions; and drugs prescribed for obesity or weight control, cosmetic purposes, hair growth, sexual dysfunction or smoking cessation.
13. Plastic or cosmetic surgical procedures or services performed to improve appearance or to correct a deformity without restoring a bodily function, unless such services are medically necessary and due to physical trauma, surgery, or congenital anomaly (birth defect).
14. Therapy or services for learning disabilities, speech delay, stuttering, perceptual disorders, mental retardation, behavioral disorders, vocational rehabilitation and marriage counseling.
15. Any service or supply rendered to a person for the diagnosis or treatment of sexual dysfunction including, but not limited to, surgery, drugs, laboratory and X-ray tests, counseling, or penile implant necessary due to any medical condition or organic disease.
16. Hospital and physician services for dental procedures involving tooth structure, extractions, gingival tissue, alveolar process, dental x-rays or other procedures of dental origin that are principally for the preserving of teeth or the preparation of the mouth for dentures, even when due to accidental injury of natural teeth except for the following:
    a. Treatment of an injury to sound natural teeth due to an accident if the treatment is provided and completed within 12 months after the accident.
    b. Removal of a malignant tumor or cyst.
    c. Removal of bony, impacted wisdom teeth.

    This exclusion does not apply to facility and anesthesia services that are medically necessary because of a specific organic medical condition, such as a congestive heart failure or chronic obstructive pulmonary disease, that requires hospital-level monitoring.
17. Hearing aids.
18. Charges incurred as the result of a missed scheduled appointment and charges for the preparation, reproduction or completion of medical records, itemized bills or claims forms.
19. Services or supplies not specifically listed in the Schedule of Benefits or the Covered Services section.
20. Transplant services other than as specified in the Schedule of Benefits or the Covered Services section.
21. Complications arising during, from or related to non-covered services. “Complications,” as used in this exclusion, includes any medically necessary services or supplies which, in BlueChoice HealthPlan’s judgment, would not have been required by you had you not received non-covered services.
22. The purchase or rental of air conditioners, air purifiers, motorized transportation equipment, escalators or elevators, swimming pools, waterbeds, exercise equipment or other similar items or equipment.
23. Any service or supply provided by a member of your family or by yourself, including the dispensing of drugs. “A member of your family” means your spouse, parent, grandparent, brother, sister, child or your spouse’s parent.
24. Charges for acupuncture, hypnotism, biofeedback and TENS unit. Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow you to develop pain coping skills and freedom from dependence on analgesic medications.

25. Orthomolecular therapy, including nutrients, vitamins and food supplements, that is aimed at or related to restoring the optimal concentrations and molecular level functions of substances such as non-traditional vitamins and base elements in the body through the use of macrobiotics.
26. Radial keratotomy, myopic keratomileusis, LASIK surgery, and any surgery that involves corneal tissue for the purpose of altering, modifying or correcting vision problems such as myopia, hyperopia or stigmatic error.
27. Treatment of weak, strained or flat feet, including orthopedic shoes or other supportive devices, for services and supplies for non-surgical treatment of the feet, or for cutting, removal or treatment of corns, calluses or nails. This exclusion does not include corrective surgery, or treatment for metabolic or peripheral vascular disease.
28. Infant formula, nutrition counseling, lifestyle improvements or physical fitness programs.
29. Communications, travel time, transportation, except for use of professional ambulance services.
30. Cranial orthotics used on infants with misshapen heads to progressively mold the skull to a normal shape.
31. Sclerotherapy for cosmetic purposes, such as removal of spider veins.
32. Growth hormone therapy for patients over 18 years of age. (Growth hormone therapy for patients age 18 and younger with documented growth hormone deficiency is covered.)
33. Pulmonary rehabilitation, except in conjunction with a covered lung transplant.
34. Charges for services or supplies from an independent healthcare professional whose services are normally included in facility charges
35. Surgery for treatment of obesity, including, but not limited to, gastric bypass or stapling, intestinal bypass and any related procedures. Benefits for the surgical revision, reversal or the treatment for the consequences of bariatric surgery, such a abdominoplasty, are limited to procedures which are medically necessary to treat intractable functional problems that are refractory to medical or non-surgical treatment.
36. Treatment for weight reduction, weight control, or nutritional counseling, except for the MUSC Weight Management Program.
37. Any procedure, drug, treatment or service for or related to an elective abortion.
38. Services or supplies related to dysfunctional conditions of the muscles of mastication, malpositions or deformities of the jaw bone(s), orthognathic deformities or temporomandibular joint (TMJ) disorders except for surgical treatment of TMJ.
39. Voluntary sterilization within one year of enrollment in any of the medical plans sponsored by the Employee Insurance Program (EIP).



# OTHER PLAN FEATURES

## Away From Home Care

Any time you or one of your family members will be out of South Carolina for more than 90 days, you can become a guest member of an affiliated Blue Cross and Blue Shield health plan near your destination. Just call BlueChoice HealthPlan and explain your situation. Students and long-term travelers are two groups that can benefit from Away From Home Care. If you need to use the Away From Home Care program, call Member Services at 800-821-3023 (382-5026 in the Columbia area) and ask to speak to the Away From Home Care program coordinator, or visit www.BlueChoiceSC.com for more information.

## Great Expectations *for health*

Great Expectations *for health* programs are designed to help you improve your health by providing you with educational information and professional support from health specialists. MUSC Options members may participate in these programs at no charge or for a small, one-time fee.

Great Expectations *for health* offers programs for:

- Asthma
- Children's Health
- Chronic Kidney Disease
- Chronic Obstructive Pulmonary Disease
- Depression
- Diabetes
- Heart Disease
- Heart Failure
- Maternity
- Men's Health
- Migraine
- Quit Smoking
- Women's Health
- Weight Management.

For more information on these programs, call the Health Management department at 800-327-3183, ext. 25541, or you may visit www.BlueChoiceSC.com.

### Value-Added Services

There are many ways to stay healthy. Value-Added Services are offered in addition to, but not a part of, the services and benefits covered under the MUSC Options plan. Through the Natural Blue program, you have access to special discounts on services from a network of acupuncturists, massage therapists, chiropractors, day spas and fitness centers in South Carolina and throughout the country.

Value-Added Services also include Vision Care. As an MUSC Options member, you are eligible for one exam for glasses per year from a participating provider. (Contact lens exam and fitting cost are extra.) You are also eligible for frames from a designated selection every two years or credit toward the purchase of contacts.

Additional Value-Added Services include:

- LASIK services
- Alternative medicine
- Hearing tests and aids
- Weight loss programs and centers
- Magazine subscriptions
- Cosmetic surgery discounts
- Cosmetic dentistry discounts.

For more information or to find a provider, please call Member Services at 800-821-3023 or visit www.BlueChoiceSC.com.

## APPEALS

You have the right to appeal any decision by BlueChoice HealthPlan to deny an authorization for services you have requested or deny payment for services you have received.

To request an appeal, you (or your designated representative) may contact Member Services at 800-821-3023 (382-5026 in the Columbia area). If you prefer, you may send a written appeal request to:

BlueChoice HealthPlan
Member Services (AX-425)
P.O. Box 6170
Columbia, SC 29260-6170.

You may also e-mail your appeal request to BlueChoice HealthPlan through www.BlueChoiceSC.com. Just sign on to *My Insurance Manager* and click on *Ask Customer Service*.

You must file your appeal within six months of the date you were notified that the authorization or claim was denied. BlueChoice HealthPlan will reach a decision on your appeal, and send you notification of that decision, within 30 days of receipt of your appeal request.

If you are dissatisfied with the decision, you may ask EIP for a review by sending a written request to EIP within 90 days of receiving notice of our decision on your appeal. If the EIP Appeals Committee upholds BlueChoice HealthPlan's decision, you will have 30 days to seek review in the Administrative Law Court pursuant to S.C. Code Ann. 1-23-380, as amended on July 1, 2006.

If you need more information about the appeal process, contact Member Services by phone, letter or e-mail as indicated above.



## MEDICAL WEB SITE: WWW.BLUECHOICESC.COM

If you wish to download forms, learn specifics about your health plan, send BlueChoice HealthPlan an e-mail or read about wellness programs, you can do all that and more at www.BlueChoiceSC.com. This Web site is protected, secure and convenient way for you to read timely information on your own schedule.

*My Insurance Manager* enables you to:

- Review the status of your claims
- View and print a copy of your Explanation of Benefits
- See how much you have paid toward your deductible or out-of-pocket limit
- Ask a customer service question through secure e-mail
- Request a new ID card.

## PRESCRIPTION DRUG WEB SITE: WWW.MEDCO.COM

Prescription drugs are a major benefit offered through your HMO and a major cost of our self-insured health plans. Learning more about them will help you stay healthier and save money. For more information about your drug plan, visit www.medco.com.

**Medco's Web site** enables you to:

- Order prescriptions by mail
- Learn about savings opportunities
- Price drugs
- Print forms
- Find a network pharmacy
- Review up to 18 months of your prescription drug history
- Get up-to-date information about your drug benefits.

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# TRICARE Supplement

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# Military Community Benefits

TRICARE is the Department of Defense's health insurance program for the military community. It consists of TRICARE Prime, an HMO; TRICARE Extra, a preferred-provider option; TRICARE Standard, a fee-for-service plan; and TRICARE Reserve Select, a premium-based program for reservists who served at least 90 days of active duty on or after September 11, 2001.

The TRICARE Supplement is secondary coverage to TRICARE. It pays the employee's share of covered medical expenses under the TRICARE Prime (in-network) Standard, Extra and Reserve Select options. Eligible participants have almost 100 percent coverage. Underwritten by The Hartford Life Insurance Company, the plan is administered by the Association & Society Insurance Corporation (ASI).

The TRICARE Supplement is designed for TRICARE-eligible employees and for covered employers' retirees until they become eligible for TRICARE for Life, a Medicare supplement. It is an alternative to the State Health Plan and the health maintenance organizations.



## Eligibility

The TRICARE Supplement is available to:

- Family members and survivors of active-duty military personnel
- Military retirees and their spouses or surviving spouses under age 65 or surviving spouses and their unmarried, dependent children under age 21 or under age 23 if the dependent children are full-time students
- Retired reservists, retired Guardsmen and their families, if the reservist or Guardsman is between the ages of 60 and 65 and has at least 20 creditable years of military service
- Spouses and unmarried dependent children of reservists, who are ordered to active duty for more than 30 days (they are covered only during the reservist's active duty), or of a reservist who died while on active duty
- Former spouses of active-duty or retired military personnel who were married to a service member or former service member who had at least 20 years of creditable service when a divorce or annulment occurred
- Spouses and unmarried eligible dependent children who are eligible for CHAMPVA
- Retired state employees who are under the age of 65 and eligible for TRICARE
- Reservists enrolled in TRICARE Reserve Select and their enrolled dependents.

Eligible subscribers **must** be registered with the Defense Enrollment Eligibility Reporting System (DEERS) and **must not** be eligible for Medicare. You must drop your SHP or HMO coverage to enroll in the TRICARE Supplement.

## How to Enroll

If you are eligible for TRICARE and eligible for coverage under the South Carolina state health insurance program, you can enroll yourself and your eligible dependents within 31 days of the date you are hired or the date of TRICARE eligibility. You also can enroll during open enrollment, which is offered in October of odd-numbered years. If you enroll during open enrollment, your coverage becomes effective on January 1.

To enroll:

1. An employee who is unsure if he/she is eligible for TRICARE should confirm eligibility with DEERS before enrolling in the TRICARE Supplement. If a dependent's Military ID card has expired or if information has changed (i.e., address corrections), call DEERS at 800-538-9552.
2. Complete the Other Health Insurance (OHI) form if you were previously enrolled under the State Health Plan or an HMO. Send completed forms to TRICARE. Remember, the TRICARE Supplement Plan is not considered "other health insurance."
3. Complete a Notice of Election (NOE) form. Check TRICARE Supplement under the health plan section.
4. Submit your NOE with a copy of your Military ID or TRICARE ID card to your benefits office. Retired employees should submit the NOE to EIP. Coverage is not automatic.

Upon enrollment, you will receive a packet with your certificate of insurance, identification card, claim forms and instructions on how to file claims.

During *annual enrollment*, an eligible enrolled subscriber may switch to the TRICARE Supplement at his or her existing level of coverage. He cannot add or drop dependents. A subscriber, who is not enrolled in a health plan, may not enroll in the TRICARE Supplement during annual enrollment.

During *open enrollment*, which occurs in odd-numbered years, or within 31 days of a special eligibility situation, eligible subscribers may enroll in the TRICARE Supplement. TRICARE Supplement subscribers may drop coverage on themselves or their dependents. They also may add dependents.



## PLAN FEATURES

The TRICARE Supplement provides subscribers with additional coverage, which, when combined with the other TRICARE coverage, usually pays 100 percent of the member's out-of-pocket expenses. Some of the plan's features include:

- No pre-existing condition exclusions
- No deductibles, coinsurance or out-of-pocket expenses for covered services
- Freedom of choice—you can choose to see any TRICARE-authorized or Medicare-authorized civilian doctor or specialist.
- Portability—you may take the coverage with you wherever you go. However, you will be responsible for the full premium, which is paid directly to ASI.
- Civilian retail and TRICARE mail-order pharmacy benefits
- All eligible employees may join.

### Premiums

The TRICARE Supplement is free to eligible active employees and to employer-funded retirees until they become eligible for Medicare. Non-funded retirees and survivors pay a monthly premium for the TRICARE Supplement. The TRICARE Supplement premiums are listed on pages 200-203.

When an active employee, survivor or retiree becomes eligible for Medicare, TRICARE Supplement coverage ends for him and for all covered dependents. Covered dependents who are not eligible for Medicare must begin paying TRICARE Supplement premiums through ASI.

If a dependent becomes eligible for Medicare before the active employee, survivor or retiree, the dependent is no longer eligible for the state TRICARE Supplement.

### Filing Claims

Just fax your TRICARE Explanation of Benefits Statement and copy of provider's bill or prescription drug copayment receipt showing the name of the drugs, copayment amount, referring doctor's name and date filled, along with your TRICARE Supplement Plan ID number, to ASI at 800-311-3126.

### Portability

The TRICARE Supplement is portable. If you leave your job, you can take the coverage with you by paying the premiums to ASI.

### For More Information

For more information about the **TRICARE Supplement**, call ASI at 800-638-2610, ext. 255, or go to EIP's Web site at www.eip.sc.gov or the TRICARE site, www.tricare.osd.mil. For more information about **TRICARE for Life**, call 866-773-0404 or go to www.tricare4u.com.

# Dental and Dental Plus

# Dental and Dental Plus
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# Introduction

Keeping your teeth healthy is important to your overall health. That is why we offer the State Dental Plan and Dental Plus, a supplemental dental program. To participate in Dental Plus, you must be enrolled in the State Dental Plan, and you must have cover the same family members under both plans.

**State Dental Plan**
The State Dental Plan offers these levels of treatment: diagnostic and preventive, basic, prosthodontics, and orthodontics. They are described on page 94. The benefit for orthodontics is limited to a $1,000 lifetime benefit for each covered child.

The yearly maximum for the State Dental Plan alone is $1,000 for each subscriber or covered dependent. The deductibles under the State Dental Plan are $25 annually for each subscriber or covered dependent for dental services under Class II and Class III. The maximum deductible for family coverage is for three persons, or $75.

**Dental Plus**
Dental Plus covers the first three levels of service at the same percentage of coverage as the State Dental Plan. However, the allowance is higher. **Dental Plus does not cover orthodontics.**

Under Dental Plus, reimbursement is based on what your dentist charges, up to the maximum Dental Plus allowance.

This means that reimbursement for your dental expenses may fall within these allowances, and you may only be responsible for paying the deductible and coinsurance. If your dentist charges more for covered services than Dental Plus allows, **you will be responsible for paying the difference** unless your dentist has agreed to accept the Dental Plus allowance.

The Employee Insurance Program (EIP) offered agreements to all South Carolina dentists to accept the lesser of their usual charges or the Dental Plus maximum allowances. To find the list of dentists that have accepted the agreement, go to the EIP Web site, www.eip.sc.gov:

- Select “Links,” and then “State Dental Plan/Dental Plus.”
- Click on “BlueCross BlueShield of SC.”
- Under “Find a Doctor,” select “South Carolina” Under “Healthcare Professional Type, select “Dentists.”
- Under “Select a Health Plan,” choose “State Dental Plus.”
- Under “Select a Specialty,” you can choose either “Dentist” or “Oral Surgeon.”

If your dentist has not accepted EIP’s agreement, your level of benefits under Dental Plus will not be reduced. However, you will be responsible for the difference between your dentist’s charge and the Dental Plus allowed amount.

The **combined** maximum yearly benefit for both the State Dental Plan and Dental Plus is $1,500 for each subscriber or covered dependent. There are no additional deductibles and coinsurance under Dental Plus.

# Your Dental Benefits at a Glance

**Not all dental procedures are covered. Reimbursement is based on the lesser of the dentist's actual charge or the plan's allowed amount.** Please see pages 95-97 for more information.

| Class | Services Covered | Plan | Yearly Deductible | Percent Covered | Maximum Benefit |
|---|---|---|---|---|---|
| **I Diagnostic and Preventive** | Diagnostic and preventive procedures<br>Cleaning and scaling of teeth<br>Fluoride treatment<br>Space maintainers (child)<br>Emergency pain relief<br>X-rays | **State Dental Plan** | None | 100% of allowed amount | $1,000 per person each benefit year combined for Classes I, II and III |
| | | **Dental Plus** | None | 100% of allowed amount or actual charge | $1,500[2] per person each benefit year combined for Classes I, II and III |
| **II Basic Benefits** | Fillings<br>Simple extractions<br>Oral surgery<br>Surgical extractions<br>Preparation of mouth for dentures | **State Dental Plan** | $25 per person. If you have services in Classes II and III, you pay only one deductible. Limited to three per family per year. | 80% of allowed amount | $1,000 per person each benefit year combined for Classes I, II and III |
| | | **Dental Plus** | No additional deductible | 80% of allowed amount after State Dental Plan deductible is met | $1,500[2] per person each benefit year combined for Classes I, II and III |
| **III Prosthodontics** | Onlays<br>Crowns<br>Bridges<br>Dentures<br>Repair of prosthodontic appliances | **State Dental Plan** | $25 per person. If you have services in Classes II and III, you pay only one deductible. Limited to three per family per year. | 50% of allowed amount | $1,000 per person each benefit year combined for Classes I, II and III |
| | | **Dental Plus** | No additional deductible | 50% of allowed amount after State Dental Plan deductible is met | $1,500[2] per person each benefit year combined for Classes I, II and III |
| **IV Orthodontics[1]** | Limited to covered children under age 19<br>Correction of malocclusion<br>Consisting of: diagnostic services (including models and X-rays)<br>Active treatment (including necessary appliances) | **State Dental Plan** | None | 50% of allowed amount | $1,000 lifetime benefit for each covered child |
| | | **Dental Plus** | **Dental Plus does not cover orthodontic services.** | **Dental Plus does not cover orthodontic services.** | **Dental Plus does not cover orthodontic services.** |

[1] *A subscriber must submit a letter from his provider for the subscriber's eligible dependent up to age 19 stating that the orthodontic treatment is not for cosmetic purposes for it to be covered by the State Dental Plan.*

[2] *$1,500 is the total yearly benefit an individual may receive when enrolled in both the State Dental Plan and Dental Plus.*

## CLAIM EXAMPLES (USING CLASS III PROCEDURE CLAIMS)

Under the State Dental Plan and Dental Plus, Class III dental benefits, prosthodontics, are paid at 50 percent of the allowed amount after the deductible is paid. The table below illustrates how the two plans work together using a crown (resin with predominant base metal) as an example.

| Description | Dollar Amount |
|---|---|
| **Dentist's charge** | **$680** |
| **State Dental Plan allowed amount** | **$349** |
| **State Dental Plan payment**<br>(50% of the allowed amount) | **$174.50** |
| **Subscriber enrolled only in the State Dental Plan pays** | **$505.50** |
| **Dental Plus allowed amount** | **$686** |
| **Total payment for subscriber enrolled in State Dental Plan and Dental Plus**<br>(The Dental Plus payment is 50% of the dentist's charge or 50% of the allowed amount, whichever is less) | **$340**<br>(this includes the State Dental Plan payment of $174.50 and the Dental Plus payment of $165.50) |
| **Subscriber enrolled in Dental Plus pays** | **$340** |
| **Additional benefit with Dental Plus** | **$165.50** |

## HOW TO FILE A DENTAL CLAIM

The easiest way to file a claim is to assign benefits to your dentist. Assigning benefits means that you authorize your dentist to file claims for you and to receive payment from the plan for your treatment. To do this, you must show a staff member in your dentist's office your dental identification card and ask that the claim be filed for you. Be sure to sign the payment authorization block of the claim form. BlueCross BlueShield of South Carolina will then pay your dentist directly. You are responsible for the difference between the benefit payment and the actual charge.

If your dentist will not file claims for you, you can file them with BlueCross BlueShield of South Carolina. See page 214 for information on how to file a dental claim.

If you are covered under Dental Plus, BlueCross BlueShield will process your dental claims under the State Dental Plan and then under Dental Plus. You do not have to submit any additional claims.

# SPECIAL PROVISIONS OF THE STATE DENTAL PLAN

## Alternate Forms of Treatment

If you or your dentist select a more expensive or personalized treatment, benefits will be allowed for the less costly procedure consistent with sound professional standards of dental care. BlueCross BlueShield of South Carolina uses guidelines based on usual and customarily provided services and standards of dental care to determine benefits and/or denials.

## Voluntary Pre-authorization

Although it is not required, EIP suggests that you pre-authorize your non-emergency treatment if you have estimated charges of $500 or more. To do this, you and your dentist should fill out a claim form before any work is done. The form should list the services to be performed and the charge for each one. Mail the claim form to BlueCross BlueShield of South Carolina, State Dental Claims Department, P.O. Box 100300, Columbia, SC 29202-3300.

You and your dentist will receive a Predetermination of Benefits form, which will show what part of the expenses your dental plan will cover. This form can be used to file for benefits as the work is completed. Just fill in the date(s) of service, sign the form, have your dentist sign the form and submit it to BCBSSC. Your pre-authorization is valid for one year from the date of the form. However, the date of service may affect your benefits. For example, if you have reached your maximum benefit when you have the pre-authorized service performed, you will not receive the amount that was approved on the Predetermination of Benefits form.

Emergency treatment does not have to be pre-authorized.



# DENTAL SERVICES NOT COVERED

There are some dental services the State Dental Plan and Dental Plus do not cover. The dental plan document, which is available in your benefits administrator's office, lists all these exclusions. The list below includes many of them. You may wish to take it with you when you discuss treatment with your dentist.

## General Services not Covered

- Treatment received from a provider other than a licensed dentist. Cleaning or scaling of teeth by a licensed dental hygienist is covered when performed under the supervision and direction of a dentist.
- Services beyond the scope of the dentist's license.
- Services performed by a dentist who is a member of the covered person's family and for which the covered person was not previously charged or did not pay the dentist.
- Dental services or supplies that are rendered before the date you are eligible for coverage under this plan
- Charges made directly to a covered person by a dentist for dental supplies (i.e., toothbrush, mechanical toothbrush, mouthwash or dental floss).
- Non-dental services, such as broken appointments and completion of claim forms.
- Nutritional counseling for the control of dental disease, oral hygiene instruction and training in preventive dental care.
- Services and supplies for which no charge is made or no payment would be required if the person did not have this benefit.
- Services or supplies not recommended or approved by the attending dentist.
- Services or supplies not recognized as acceptable dental practices by the American Dental Association.

## Services Covered by Another Plan

- Treatment for which the covered person is entitled under any Workers' Compensation law.
- Services or supplies that are covered by the armed services of a government.
- Services or supplies that are furnished in a U.S. government facility (or its agent) or by a doctor employed by such a facility.

## Specific Procedures not Covered

- Space maintainers for lost deciduous teeth if the dependent is age 19 or older.
- Experimental services or supplies.
- Onlays or crowns, when used for preventive purposes or due to erosion, abrasion, or attrition.
- Services and supplies for cosmetic or esthetic purposes, including charges for personalization or characterization of dentures, except for orthodontia treatment as provided for under this plan.
- Myofunctional therapy (i.e., correction of tongue thrusting).
- Appliances or therapy for the correction of temporo mandibular joint (TMJ) syndrome.
- Services to alter vertical dimension and/or for occlusion purposes or due to erosion, abrasion or attrition.
- Splinting or periodontal splinting, including extra abutments for bridges.
- Services for these tests and laboratory examinations: bacterial cultures for determining pathological agents, caries (tooth or bone destruction), susceptibility tests, diagnostic photographs and histopathologic exams.
- Pulp cap, direct or indirect (excluding final restoration).
- Provisional intracoronal and extracoronal (crown) splinting.
- Tooth transplantation or surgical repositioning of teeth.
- Occlusal adjustment (complete).
- Services for temporary repair of fractured teeth.
- Rebase procedures.
- Implants and related services, including prosthodontics (crowns and abutments) placed on implants.
- Stress breakers.
- Precision attachments.
- Temporary procedures that are considered part of a more definitive treatment.
- Inlays (cast metal and/or composite, resin, porcelain, ceramic). Benefits for inlays are based on the allowance of an alternate amalgam restoration.

## Limited Services

- More than two of these procedures during any plan year: oral examination, consultations (must be provided by a specialist) and prophylaxis.
- More than two periodontal prophylaxes (available only to patients who have a history of periodontal surgery). Two periodontal prophylaxes may be performed in addition to two prophylaxes provided above.
- Bitewing X-rays more than twice during any plan year or more than one series of full-mouth X-rays or one panoramic film in any 36-month period, unless a special need for these services at more frequent intervals is documented as medically necessary by the dentist.
- More than two topical applications of stannous fluoride or acid fluoride phosphate during any plan year.
- Topical application of sealants per tooth for patients age 16 and older. For patients age 15 and younger, payment is limited to one treatment every three years and applies to permanent unrestored molars only.
- More than one root canal treatment on the same tooth. Additional treatment should be submitted with the appropriate American Dental Association procedure code and documentation.
- More than four quadrants in any 36-month period of gingival curettage, gingivectomy, osseous (bone) surgery or periodontal scaling and root planing.
- Bone replacement grafts performed on the same site more than once in any 36-month period.
- Additional sites in excess of two bone replacement grafts performed on the same day. (Payment is limited.)
- Periodontal scaling for treatment of gingival inflammation if performed more than once per lifetime.
- Tissue conditioning for upper and lower dentures if performed more than twice per unit in any 36-month period.
- Gingivectomy/gingivoplasty in conjunction with or for the purpose of placement of restorations is not considered a separate benefit.
- There is a five-year replacement limitation for cast restoration and prosthodontics.
- The application of desensitizing medicaments is limited to two times per quadrant per year.
- No more than one composite or amalgam restoration per surface in a 12-month period.
- Replacement of existing cast prosthodontics, including crowns, partial or full removable dentures or fixed bridgework, or addition of teeth to an existing partial, removable denture or bridgework, unless evidence is submitted and is satisfactory to the administrator that: (1) the addition of teeth is required for the initial replacement of one or more natural teeth; (2) the existing denture or bridgework was installed at least five years prior to its replacement or that the existing denture or bridgework cannot be made serviceable; or (3)

the existing denture is an immediate temporary denture, and replacement by a permanent denture is required, and that such replacement is delivered or installed within a period of 12 consecutive months following the date of replacement of the immediate temporary denture.

### Prosthodontic and Orthodontic Services

- Prosthodontics (including bridges and crowns) and their fitting that were ordered while the person was covered under the plan, but were installed or delivered more than 90 days after termination of coverage.
- Replacement of lost or stolen prosthodontics, space maintainers or orthodontic appliances or charges for spare or duplicate dentures or appliances.
- Replacement of broken orthodontic appliances.
- Replacement of existing cast prosthodontics unless otherwise specified in the dental plan document.
- Orthodontic treatment for employees and covered children ages 19 and older.
- Payment for orthodontic treatment over the lifetime maximum.
- Orthodontic services after the month your dependent becomes ineligible for coverage.

**Please note:** Dental Plus does not cover orthodontic services.



## APPEALS

If BlueCross BlueShield of South Carolina (BCBSSC) denies all or part of your claim or proposed treatment, you will be informed promptly. If you have questions about the decision, check the information in this book or call for an explanation. If you are unsure the decision was fair, you can ask BCBSSC to re-examine the denial of your claim or proposed treatment. The request for review should be made in writing within six months after notice of the decision.

If you are still dissatisfied after BCBSSC has reviewed the decision, you have 90 days to request, in writing, that the Employee Insurance Program (EIP) review the decision. If the denial is upheld by EIP, you have 30 days to seek review in the Administrative Law Court pursuant to S.C. Code Ann. 1-23-380, as amended on July 1, 2006.

### COORDINATION OF BENEFITS

If you are covered by more than one dental plan, you may file a claim for reimbursement from both plans. Coordination of benefits is a system that allows administrators of both plans to work together to give you the maximum benefit allowed. However, you will never receive more than 100 percent of your covered dental expenses.

For detailed information about coordination of benefits, including how to determine which plan pays first, see page 17. If your state dental coverage is secondary, you must send the explanation of benefits you receive from your primary plan with your claim to BCBSSC.

If you have questions, contact BCBSSC toll-free at 888-214-6230, your benefits office or EIP.

**For information about what to do when your State Dental Plan coverage ends, please refer to the General Information chapter on page 16.**

# Life Insurance

# Life Insurance Table of Contents

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# Basic Life Insurance Program

## Who is Eligible?

The Basic Life Insurance program provides $3,000 life insurance coverage to all eligible employees under age 70 and $1,500 to eligible employees age 70 or older. If you are an active, permanent, full-time employee who is enrolled in the state health insurance program, you are eligible for this benefit.

## Enrollment

The Basic Life Insurance benefit is provided free of charge to all eligible employees. Enrollment in the program is automatic with enrollment in a state health insurance program for active employees.

## Schedule of Accidental Losses and Benefits

A benefit will be paid according to the schedule below if the loss means loss of life, hand, foot or sight which:

1. Is caused solely and directly by an accident;
2. Occurs independently of all other causes; and
3. Occurs within 365 days after the accident.

With respect to a hand or foot, loss means actual and permanent severance from the body at or above the wrist or ankle joint. With respect to sight, loss means entire and irrecoverable loss of sight. With respect to thumb and index finger of same hand, loss means actual and permanent severance from the body at or above the metacarpophalangeal joints.

| Description of Loss | Benefit |
|---|---|
| Life | Maximum Benefit |
| Loss of one hand, one foot or sight of one eye | One-half Maximum Benefit |
| Two or more of the above losses | Maximum Benefit |
| Thumb and index finger of the same hand | One-fourth Maximum Benefit |

The maximum benefit is equal to your amount of Life Insurance.

## What is Not Covered?

No accidental death or dismemberment benefits are payable if the loss is caused or contributed to by:

- Self-destruction, attempted self-destruction or intentional self-inflicted injury, whether the employee is sane or insane;
- War or any act of war; participating in a riot or performing police duty as a member of any military or naval organization;
- Sickness (physical or mental) of any kind;
- Bacterial infections, except infections caused by pyogenic organisms introduced through an accidental cut or wound;
- Participation in the commission of an assault or felony; or
- Any bodily injury intentionally inflicted by any person, unless as an innocent bystander having no relationship to the altercation causing the injury and the injured person's intoxication.*

*Intoxication means that the blood alcohol content, or the results of other means of testing blood alcohol level, meet or exceed the legal presumption of intoxication under the law of the state where the accident took place.

## How Claims are Paid

Benefits are paid as soon as acceptable proof of loss is received. Benefits or loss of life are paid to your named beneficiary. Benefits other than loss of life will be paid directly to you. Proof of loss must be provided within 90 days

after the date of the loss. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period. The Hartford will pay benefits within 60 days after proof of loss is satisfied.

## Extension of Benefits

When your health coverage as an active employee is terminated, you will no longer be eligible for Basic Life coverage. However, you will be allowed to convert your coverage.

## Conversion

If you are terminating employment, you may convert your coverage to an individual policy. To do so, you must complete and submit a conversion form (available through your benefits office or EIP) to The Hartford within 31 days after your Basic Life coverage ends.

# Optional Life Insurance Program

### The Contract

The Optional Life Insurance contract consists of: the policy, which is issued to EIP; EIP's application, which is attached to the policy; and your application, if required. The policy is held by EIP. This section of the *Insurance Benefits Guide* is considered the summary of your coverage.

### Changes in the Insurance Contract

The insurance contract may be changed at any time as long as The Hartford and EIP agree on the change. No one else has the authority to change the contract. Changes in the contract may affect any class of insured people and do not require your or your beneficiary's consent. All changes must be in writing, made a part of the policy and signed by an official of The Hartford and EIP.

### Applications

The NOE and/or Personal Health Application that you complete to be covered by this plan are considered your application for life insurance coverage. The Hartford may use misstatements or omissions in your application to contest the validity of insurance or to deny a claim. However, The Hartford must first give you or your beneficiary a copy of the application that is being contested. The Hartford will not use your application to contest insurance that has been in force for two years or more during your lifetime.

### Cafeteria Plan (MoneyPlu$) Election Restrictions

This policy is part of a cafeteria plan (MoneyPlu$) sponsored by your employer and governed by the requirements of Sections 105, 125 and 129 of the Internal Revenue Code. The rules of the cafeteria plan will supersede any of the policy which are in conflict with them. By law, cafeteria plans are subject to the following restrictions: The benefits you elect during the enrollment period will remain in effect until the next enrollment period. Section 125 allows exception to this rule only in specified situations, including change in family status and commencement or termination of employment as described in the MoneyPlu$ section. Active employees can pay Optional Life insurance premiums for coverage up to $50,000 before taxes through the MoneyPlu$ Pretax Group Insurance Premium Feature (see page 144). Retired employees are not eligible.

### Legal Action

No legal action can be brought against The Hartford sooner than 60 days after the date proof of loss is furnished or more than three years after the date that written proof of loss is required.

## CONTRACT TERMS

For the purposes of your Optional Life coverage, the following terms apply:

### Actively at Work

An employee will be considered actively at work with your employer on a day that is one of your employer's scheduled workdays. On that day, you must be performing for wage or profit all of the regular duties of your job in the usual way and for your usual number of hours. You will also be considered to be actively at work on any regularly scheduled vacation day or holiday, only if you were actively at work on the preceding scheduled work day.

### AD&D

Accidental death and dismemberment. See page 108 for information on AD&D benefits.

## Amount of Life Insurance

The benefit amount payable upon your death.

## Basic Salary

The actual amount you are compensated by your employer per year, including merit and longevity increases. It does not include commissions, annuities, bonuses, overtime or incentive pay. If you are a teacher, it does not include compensation for summer school.

## Deferred Effective Date

If you are absent from work due to a physical or mental condition on the date your insurance or your dependent's insurance would otherwise have become effective or would have been increased, the effective date of insurance or the effective date of any increase in insurance will be deferred until the date you return to work as an active, permanent, full-time employee for one full day.

## EIP

The Employee Insurance Program.

## Employee

A person who is classified as a full-time, permanent employee who receives compensation from a department, agency, board, commission or institution of the state; public school districts; county governments (including county council members); local subdivisions; and other eligible entities approved by state legislation and participating in the state insurance program. Members of the South Carolina General Assembly, clerical and administrative employees of the General Assembly, and judges in the state courts are also considered employees eligible for coverage. An employee is classified for insurance purposes as full-time if he works at least 30 hours per week continuously for at least one year in a full-time, permanent position. Active employees who work at least 20 hours per week may also be eligible at the covered entity's option. Employees must be citizens or legal residents of the United States, its territories and its protectorates, excluding temporary, leased or seasonal employees.

## Injury

Injury means bodily injury resulting directly from an accident and independently of all other causes, which occurs while you or your spouse are covered under the policy. Loss resulting from sickness or disease, except a pus-forming infection, which occurs through an accidental wound or medical or surgical treatment of a sickness or disease is not considered as resulting from injury.

## Maximum Amount of Life Insurance

The maximum eligible amount for all eligible employees is $500,000. Medical evidence may be required for this amount.

## Notice of Election Form (NOE)

The application form you use to enroll for benefits or change your coverage level, beneficiary, name or address.

## Personal Health Application

The form used to provide medical evidence of good health to The Hartford.

## Physician

A person who is a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art that The Hartford recognizes or is required by law to recognize, licensed to practice in the jurisdiction where care is being given, practicing within the scope of that license and not related to the employee by blood or marriage.

### Pretax Group Insurance Premium Feature

This feature allows you to pay your Optional Life insurance premiums for coverage up to $50,000 before taxes are taken out of your paycheck. Retirees are not eligible to participate in the Pretax Group Insurance Premium Feature.

### Sickness

A disease, disorder or condition that requires treatment by a physician.

### Special Eligibility Situation

An event that allows an eligible employee to enroll himself or make changes in the state Optional Life program. Examples include: birth, marriage, adoption or placement for adoption. Involuntary loss of other group life benefits provided by the spouse's group life plan applies only to those who lost the coverage. They are eligible for $10,000 to $20,000 in coverage with evidence of insurability. Enrollment changes must be requested within 31 days of the qualifying event. **A salary increase does not constitute a special eligibility situation.**

### The Hartford

The Hartford Life and Accident Insurance Company.

### Transferring Employee

As an active employee, you can move from one participating employer to another as a transfer, provided there is no more than a 15 calendar-day break in employment. In addition, if there is not a break in your insurance coverage, you are considered a transfer. Academic employees who complete a school term and move to another academic setting at the beginning of the next school term are also considered transfers. A transferring employee is not considered a new hire for insurance program purposes. At the time of transfer, you will transfer to your new employer with all insurance programs in effect with your previous employer as any other continuing employee. Refer to the Enrollment and Eligibility section below for rules and procedures.

When you terminate employment, tell your benefits administrator that you are transferring from one participating employer to another. EIP will produce a transfer form that will be sent to the benefits administrator at your new entity. You may change your Optional Life beneficiaries at any time.

### You

A person who is insured under the policy.

## ENROLLING IN LIFE INSURANCE

### Initial Enrollment

If you are an employee of a participating entity of the state of South Carolina, you can enroll in the Optional Life Insurance Plan within 31 days of the date you are hired. To enroll, you must complete the required forms, including an NOE. Coverage is not automatic. You can elect coverage in $10,000 increments up to the lesser of three times your basic annual earnings (rounded down to the nearest $10,000) or $500,000 without providing medical evidence of good health. You can select a higher benefit level in increments of $10,000, up to a maximum of $500,000, by providing medical evidence of good health.

Your coverage begins on the first day of the calendar month coinciding with or the first of the month following your date of employment if you are actively at work on that day as a permanent, full-time employee. If you enroll for an amount of coverage that requires medical evidence of good health, your coverage effective date for the amount requiring medical evidence will be the first of the month following approval. All effective dates of coverage are subject to the Deferred Effective Date provision (see page 104).

## Late Entry Without Pretax Premium Feature

If you do **NOT** participate in the MoneyPlu$ Pretax Premium Feature and do not enroll within 31 days of the date you begin employment, you can enroll throughout the year as long as you provide medical evidence of good health and it is approved by The Hartford. To enroll, you must complete an NOE and a Personal Health Application and return these forms to your benefits office for processing. Your coverage will be effective on the first day of the calendar month coinciding with, or the first of the month following, approval as long as you are actively at work on that day as a permanent, full-time employee. All effective dates of coverage are subject to the Deferred Effective Date provision (see page 104).

## Premiums

Optional Life premiums are determined by your age on the preceding December 31 and the amount of insurance you select. Active employees can pay premiums before taxes through MoneyPlu$ (see page 144). Retired employees are not eligible for the Pretax Group Insurance Premium Feature. Optional Life premiums begin on page 207.

## What if My Age Category Changes?

If your age category changes, your premium will change January 1 of the next calendar year.

## Changing Coverage Amount With the Pretax Group Insurance Premium Feature

If you participate in the MoneyPlu$ Pretax Group Insurance Premium Feature, you can increase, decrease or drop your coverage only during each October enrollment period or within 31 days of a special eligibility situation (see page 105).

To increase your coverage during the annual enrollment period, you must provide medical evidence of good health and be approved by The Hartford. If approved, coverage will be effective on the first day of January following the annual enrollment period as long as you are actively at work on that day as a full-time employee. All effective dates of coverage are subject to the Deferred Effective Date provision (see page 104). If you are increasing your coverage due to a special eligibility situation, you can increase in increments of $10,000 up to $50,000 ($500,000 maximum coverage amount) without providing medical evidence of good health. If you are enrolling in Optional Life for the first time due to a family status change, you may enroll in $10,000 increments up to a maximum of $50,000 without providing medical evidence of good health.

## Changing Coverage Amount Without the Pretax Group Insurance Premium Feature

If you do **NOT** participate in the MoneyPlu$ Pretax Group Insurance Premium Feature, you can increase your amount of coverage at any time during the year by providing medical evidence of good health and being approved by The Hartford. Your coverage at the new level will be effective on the first day of the calendar month following the date of approval as long as you are actively at work on that day. All effective dates of coverage are subject to the Deferred Effective Date provision (see page 104). You can decrease or cancel your coverage at any time. However, if you later want to increase coverage or re-enroll in the plan, you must provide medical evidence of good health and be approved.

## Late Entry

If you participate in the MoneyPlu$ Pretax Group Insurance Premium Feature and do not enroll within 31 days of the date you begin employment, you can enroll only within 31 days of a special eligibility situation (see page 105) or during annual enrollment. You may purchase coverage in $10,000 increments up to a maximum of $50,000 without providing medical evidence of good health. Coverage will be effective on the date of the qualifying event. Otherwise, you must complete an NOE and a Personal Health Application during annual enrollment for review of medical evidence of good health and return these forms to your benefits office. If approved, your coverage will be effective on the first day of January after annual enrollment or, if approved after January 1, coverage will be effective the first of the month after approval as long as you are actively at work on that day as a permanent, full-time employee. All effective dates of coverage are subject to the Deferred Effective Date provision (see page 104).

# YOUR LIFE INSURANCE BENEFITS

## Your Benefits and Facility of Payment

Life Insurance Benefits and benefits for loss of life under the Accidental Death and Dismemberment Benefits will be paid in accordance with the life insurance Beneficiary Designation. If no beneficiary is named, or if no named beneficiary survives you, The Hartford may, at its option, pay the executors or administrators of your estate; or all to your surviving spouse; or if your spouse does not survive you, in equal shares to your surviving children; or if no child survives you, in equal shares to your surviving parents. In addition, The Hartford may, at its option, pay a portion of your life insurance benefit, up to $2,000, to any person equitably entitled to payment because of expenses from your burial. Payment to any person, as shown above, will release The Hartford from liability for the amount paid. If any beneficiary is a minor, The Hartford may pay his or her share, until a legal guardian of the minor's estate is appointed, to a person who at The Hartford's option and in The Hartford's opinion is providing financial support and maintenance for the minor. The Hartford will pay $200 at your death and monthly installments of not more than $200. Payment to any person as shown above will release The Hartford from all further liability for the amount paid.

## Your Living Benefit

If you are an active employee under age 60, and you are diagnosed by a physician as having a terminal illness, you may request that The Hartford pay up to 80 percent of your life insurance prior to your death (this is a one-time request). The remaining benefit will be paid to your beneficiary upon your death. A terminal illness means that you have a life expectancy of 12 months or less. The Hartford may require proof that you are terminally ill before benefits are paid.

## Method of Payment

The Hartford will pay benefits in a lump sum.

## How to Change Your Beneficiary or Method of Payment

You can change your beneficiary (unless you have given up that right). To make a change, you should notify your benefits office and complete an NOE. When processed, the change will be effective on the date the request is signed. However, the change will not apply to any payments or other action taken before the request was processed. Note: Under no circumstances may a beneficiary be changed by a Power of Attorney.

## Facility of Payment

The Hartford may pay up to $2,000 to any person who has incurred expenses for your burial if there is no designated beneficiary. In addition, monthly payments of no more than $50 can be paid to someone other than the beneficiary if the beneficiary is a minor, the beneficiary does not have the legal capacity to sign a receipt for payment (in The Hartford's opinion), and there is no court-appointed guardian or conservator. The Hartford may make these payments to the person or institution that cares for or supports the minor until a court-appointed guardian or conservator makes claim for the remainder of the benefit.

## Assignment

The Hartford is not responsible for the validity or tax consequences of any assignment. No assignment will be binding on The Hartford until The Hartford records and acknowledges it. Collateral assignments are not permitted.

## Suicide

No Optional Life or Dependent Life Spouse benefit will be payable if death results from suicide, whether the covered person is sane or insane, within two years of the effective date. If death occurs within two years of a coverage increase, the death benefit payable is limited to the amount of coverage in force prior to the increase.

## YOUR ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

*(This provision does not apply to retirees.)*

### Accidental Death

If you die accidentally, The Hartford will pay an additional benefit equal to your amount of life insurance. To receive the additional benefit, death must not be due to a sickness or any other cause that is not considered accidental. Benefits will be paid according to the life insurance benefits provisions listed in this section.

### Seat Belt and Air Bag Rider

If you or your spouse sustain an injury which results in a loss payable under the Accidental Death and Dismemberment Benefit, The Hartford will pay an additional Seat Belt and Air Bag benefit if the injury occurred while the injured person was a passenger riding in, or the licensed operator of, a properly registered motor vehicle and was wearing a seat belt at the time of the accident as verified on the police accident report. This benefit will be paid after Hartford receives proof of loss in accordance with the proof of loss provision and according to the general provisions of the policy. If a Seat Belt benefit is payable, The Hartford will also pay an Air Bag benefit if the injured person was positioned in a seat equipped with a factory-installed air bag and properly strapped in the seat belt when the air bag inflated. The Seat Belt benefit is an additional 25 percent of your accidental death benefit. As an example, if your amount of life insurance is $20,000 and you die in an accident, an additional $20,000 accidental death benefit will be payable (according to the Accidental Death provision explained above). The Seat Belt rider increases this accidental death benefit by 25%, or $5,000. The total accidental death benefit will then be $25,000, which means the entire death benefit will be $45,000. The Air Bag benefit is an additional 5% or $5,000, whichever is less, of your accidental death benefit. As an example, if your amount of life insurance is $20,000 and you die in an accident, an additional $20,000 accidental death benefit will be payable (according to the Accidental Death provision explained above). The Seat Belt rider increases the accidental death benefit by $5,000, and the Air Bag rider increases the accidental death benefit by $1,000 (5% of $20,000 = $1,000), which means the entire death benefit will be $46,000. This rider will not apply to the driver who caused the accident if he was under the influence of drugs or alcohol, or if the death was the result of a sickness.

### Dismemberment

Dismemberment benefits will be paid up to your Amount of Life Insurance. Benefits for the losses shown in the Schedule of Accidental Losses and Benefits are paid in a lump sum. If an injury causes more than one benefit to be payable according to the schedule listed on page 109 of this section, only the largest benefit will be paid.

Loss of a hand means the loss of at least four fingers of the same hand. Loss of a foot means the severance at or above the ankle joint. Loss of a thumb or index finger means the severance of two or more phalanges of both the thumb and the index finger. Loss of an eye means the total loss of sight in that eye.

### Day Care Benefit

A day care benefit will be paid to each dependent that is less than age 7 (at the time of the insured's death) and is enrolled in a day care program. For each dependent that qualifies, one payment is issued per year for no more than two years. The benefit is five percent of the face value, or $10,000 (whichever is less) per year.

### Education Benefit

An education benefit is paid for each dependent who qualifies as a student, with one payment issued per 12-month period to a maximum of four consecutive periods. A qualified dependent must be either a post-high school student who attends a school for higher learning on a full-time basis at the time of the insured's death or in the 12th grade and will become a full-time post-high school student in a school for higher learning within 365 days after the insured's death. The benefit is five percent of the face value, or $5,000 per year (whichever is less).

## Felonious Assault Benefit

A felonious assault benefit is paid if the insured is injured in a felonious assault and the injury results in a loss for which benefits are payable under the Accidental Death and Dismemberment (AD&D) and Loss of Sight benefit. The benefit is payable only if the assault occurs while the insured is on the premises of, or conducting the business of, the policyholder; is directly related to the insured's employment with the policyholder and is not committed by an employee of the policyholder or an insured's family member. The benefit is one times the annual earnings, $25,000, or the AD&D maximum (whichever is less). The benefit is payable only if the loss is policyholder-related.

## Schedule of Accidental Losses and Benefits

The Hartford will pay a benefit according to the schedule below if:
1. You suffer accidental bodily injury while your insurance is in force;
2. A loss results directly from such injury, independent of all other causes; and
3. Such a loss occurs within 365 days after the date of the accident causing the injury.

| Description of Loss | Benefit |
|---|---|
| Life | Maximum Benefit |
| Both Hands or Both Feet or Sight of Both Eyes | Maximum Benefit |
| One Hand and One Foot | Maximum Benefit |
| Speech and Hearing in Both Ears | Maximum Benefit |
| Either Hand or Foot and Sight of One Eye | Maximum Benefit |
| Movement of Both Upper and Lower Limbs (Quadriplegia) | Maximum Benefit |
| Movement of Both Lower Limbs (Paraplegia) | Three Quarters of Maximum Benefit |
| Movement of Three Limbs (Triplegia) | Three Quarters of Maximum Benefit |
| Movement of the Upper and Lower Limbs of One Side of the Body (Hemiplegia) | One-Half of Maximum Benefit |
| Either Hand or Foot | One-Half of Maximum Benefit |
| Sight of One Eye | One-Half of Maximum Benefit |
| Speech, or Hearing in Both Ears | One-Half of Maximum Benefit |
| Movement of One Limb (Uniplogia) | One-Quarter of Maximum Benefit |
| Thumb and Index Finger of Either Hand | One-Quarter of Maximum Benefit |

The maximum benefit is equal to your Amount of Life Insurance.

## What Is Not Covered?

The Hartford will not pay accidental death or dismemberment benefits for a loss that results from:

- Self-destruction, attempted self-destruction or an intentionally self-inflicted injury, whether you are sane or insane;
- War or any act of war, participating in a riot, or performing police duty as a member of any military or naval organization;
- Sickness (physical or mental) of any kind;
- Bacterial infections, except infections caused by pyogenic organisms introduced through an accidental cut or wound;
- Participation in the commission of an assault or felony;
- Any bodily injury intentionally inflicted by any person or persons, unless you are an innocent bystander having no relationship to the altercation causing this injury;
- Injury sustained while taking drugs, including, but not limited to, sedatives, narcotics, barbiturates, amphetamines, or hallucinogens, unless as prescribed by or administered by a physician; or
- The injured person's intoxication. Intoxication means the blood alcohol content; the results of other means of testing blood alcohol level; or the results of other means of testing other substances; that meet or exceed the legal presumption of intoxication or under the influence, under the law of the state where the accident occurred.

# CLAIMS

In order to pay benefits, The Hartford must be given a written proof of loss. This means a claim must be filed as described below.

## How to File Claims

First, a claim form should be requested from your benefits office or EIP. This should be done within 30 days after the loss occurs or as soon as reasonably possible. Next, the claim form should be completed and signed. If a physician must complete part of the claim form, he must also sign that part.

Finally, the claim form and an original death certificate with a raised seal or a red seal (if filing a death claim) should be returned to the employee's benefits office. Claims for retired employees should be filed with The Hartford (for information and forms, contact The Hartford at 888-803-7346, extension 33648). The claim form should be filed within 90 days after the loss occurs or as soon as reasonably possible. Claims must be filed no later than 15 months after the loss occurs, unless the person filing the claim is not legally capable of doing so.

## How Claims Are Paid

Benefits are paid as soon as The Hartford receives acceptable proof of loss. Benefits for loss of life are paid as described on page 107 of this section. Benefits other than loss of life will be paid directly to you, except that benefits unpaid at your death may be paid, at The Hartford's option, to your beneficiary or to your estate.

## Examinations and Autopsies

The Hartford sometimes requires that a person filing the claim for the living benefit be examined by a physician of The Hartford's choice. The Hartford will not require more than a reasonable number of examinations. Required examinations will be paid for by The Hartford. Where it is not prohibited by law, The Hartford may require an autopsy. A required autopsy will be paid for by The Hartford.



# EXTENSION OF BENEFITS

An extension of benefits is provided according to the requirements below. The Hartford is not required by contract to provide these benefits unless you meet these requirements.

## Leave of Absence

If you are on leave of absence approved by your employer, you can continue your group Optional Life Insurance for up to 12 months from the last day worked as long as you pay the required premium. If you become totally disabled, apply for a conversion policy or die, The Hartford will require written proof of your leave of absence approval.

## Disability

If you become totally disabled, your life insurance will be continued for up to 12 months from your last day worked provided:

- Your total disability began while you were covered by this group Optional Life Insurance Plan;
- Your total disability began before you reached age 69; and
- The group Optional Life Insurance policy does not end.

Your premiums will be waived for up to 12 months from the last day worked while you are totally disabled. The 12-month period begins the first of the month following your last day worked. In order for your premiums to be waived, you must provide proof of disability to your benefits administrator within one year after the last day you were actively at work.

If you return to work during the 12-month waiver period and work one full week, the premium waiver period should end; if you must leave employment again due to total disability, the 12-month waiver will start over from the last day you were physically at work.

If your 12-month waiver ends and you have not returned to work as a permanent, full-time employee, you will be eligible to continue coverage through conversion (see below). However, if you are eligible for service retirement or approved for disability benefits you may be eligible to continue your Optional Life Insurance under portability until age 75. You must file for continuation within 31 days of termination of your active employee coverage.

**ATTENTION RETIREES: If you retired on or after January 1, 2001, you may continue your coverage in $10,000 increments, up to your active coverage level, until age 75. Please refer to pages 181-182 of the Retirees/Disability Retirees chapter for more information.**

A total disability is a disability that prevents you from engaging in any occupation or employment for which you are reasonably qualified by education or training. We will also consider the following injuries a total disability:

- Entire and irrecoverable loss of sight in both eyes;
- Loss of both hands;
- Loss of both feet; and
- Loss of one hand and one foot.

Loss of a hand means the loss of at least four fingers of the same hand. Loss of a foot means the severance at or above the ankle joint.

If the group Optional Life Insurance policy ends while you are continuing your benefits because of total disability, your coverage will end the earlier of:

- The date total disability ends; or
- The first of the month following the end of the 12-month continuation period, provided you submit proof of continued disability and are examined by a physician of The Hartford's choice.



# WHEN YOUR COVERAGE ENDS

## Coverage Termination

Your insurance will end at midnight on the earliest of:

- The last day of the month you terminate your employment. See the conversion provision below;
- The last day of the month you go on unapproved leave of absence;
- The last day of the month you enter a class of employees not eligible for coverage (for example, a change from full-time to part-time status);
- The date EIP's policy ends;
- The last day of the month you do not pay the required premium for that month; or
- The day you become age 70, if you continued coverage as a retiree with a date of retirement before January 1, 1999; the day you become age 75 if you continue coverage as a retiree with a date of retirement January 1, 1999, and later.
- Claims filed before the date insurance ends will not be affected.

## Conversion

If your life insurance ends because your employment or eligibility for coverage ends, you may apply for an individual policy of life insurance without providing medical evidence of good health. This type of policy is called a conversion policy. To apply for an individual conversion policy, contact your benefits administrator or EIP. They will send you an application to convert your coverage. You must complete and submit this application and your first conversion premium to The Hartford within 31 days after your group Optional Life Insurance coverage

ends. Your conversion policy is then effective on the 32nd day after your group coverage ends. When applying for coverage, keep these rules in mind:

1. You may apply for any of The Hartford's non-term life insurance policies.
2. You may apply for an amount of life insurance that is not more than the amount of life insurance you had under your terminated group Optional Life Insurance.
3. Your new premium for the conversion policy will be set at The Hartford's standard rate for the type of policy you choose, the amount of coverage that you wish to convert and your age.

## If the Group Policy is Terminated

If your group Optional Life Insurance ends because of termination by the state of the group Optional Life policy or termination of a class, and you have been insured under the policy at least five years, you may apply for a conversion policy within 31 days of the event. The conversion policy will be issued according to rules 1 and 3 above. However, your converted life insurance amount may not exceed the lesser of $2,000 or the amount of your terminated group Optional Life Insurance, less the amount of any other group insurance for which you become eligible within 31 days of the termination. If you are issued a conversion policy and you again become eligible for group Optional Life Insurance with EIP, your group coverage will become effective only if you terminate the conversion policy.

## Additional Death Benefit

If you die within the 31-day continuation or conversion period, The Hartford will pay the amount of life insurance you were entitled to continue or convert. Proof of your death (a certified death certificate with a raised seal or a red seal) must be accepted by The Hartford for this benefit to be paid.

# Dependent Life Insurance Program

## ENROLLMENT AND ELIGIBILITY

### Who is Eligible?

You may enroll in the Dependent Life Insurance program for your eligible dependents even if you do not have Optional Life coverage or other state group benefits. Your eligible dependents include:

- Your lawful spouse or former spouse whom you are required to cover by divorce decree or court order. You cannot cover both your current and former spouse. If your spouse is eligible for coverage as an employee of a participating entity, you cannot cover him as a dependent.
- Your children, who must be:

  1. Natural children, adopted children, stepchildren or children for whom you have legal guardianship
  2. Unmarried
  3. Over 14 days old but less than age 19, or 19 years old but less than age 25, who attend school on a full-time basis (as defined by the institution) as their principal activity and are primarily dependent upon you for financial support.

Dependent children who are incapable of self-sustaining employment due to mental retardation, mental illness or physical handicap are not subject to the above age limitations. Please see your benefits administrator for more information.

If both husband and wife are state employees, only one can carry dependent coverage for eligible dependent children, and the spouses cannot cover each other.

### How to Enroll

You can enroll in the Dependent Life Insurance plan without having to provide medical evidence of good health within 31 days of the date you are hired. You must complete an NOE and return it to your benefits office. You must list each dependent you wish to cover on the NOE. If a dependent is not listed on the NOE, he is not covered.

Coverage is effective on the first day of the calendar month coinciding with or the first of the month following your date of employment. All effective dates of coverage are subject to the Deferred Effective Date provision (see pages 104 and 114).

### Marriage

If you wish to add a dependent spouse because you marry, you can add your new spouse without providing medical evidence of good health by completing an NOE within 31 days of the date of marriage. Coverage becomes effective with the date of marriage. You cannot cover your spouse as a dependent if your spouse is or becomes an employee of a state entity that participates in the plan. If you divorce, you must drop your spouse from your coverage by completing an NOE within 31 days of the date of divorce unless you are required by court order or divorce decree to continue coverage. If you remarry, you can cover your divorced spouse or your current spouse, but not both. You can continue to cover your children if they live with you and you are financially responsible for them, or if you are required to cover them by court order.

### Loss of Coverage

If your spouse is terminated by an entity that participates in this plan, you can enroll your spouse in Dependent Life coverage up to $20,000 within 31 days of his termination without having to provide medical evidence of good health. If your spouse terminates active employment because of a disability and remains on the active group in a waiver status under Optional Life coverage, your spouse can be added to your Dependent Life Insurance only within 31 days of his Optional Life waiver end date.

### Adding Children

Eligible children may be added throughout the year, without providing medical evidence of good health, by completing an NOE. Coverage will be effective the first of the month after you complete and file the NOE. Children must be listed on your NOE to be covered. You must list each child on the NOE, even if you have Dependent Life Insurance coverage when you gain a new child. Coverage begins on the date the dependent child is acquired. All effective dates of coverage are subject to the Deferred Effective Date provision (see page 104 and below).

### Late Entry

If you do not enroll within 31 days of the date you begin employment or when you acquire an eligible dependent, you can enroll your spouse throughout the year as long as you provide medical evidence of good health and it is approved by The Hartford. To provide medical evidence of good health, you must complete a Personal Health Application. Coverage will be effective on the first day of the calendar month coinciding with or the first of the month following approval provided the employee is actively at work. All effective dates of coverage are subject to the Deferred Effective Date provision (see page 104 and below).

### Excluded Dependent

Any dependent who is eligible for Optional Life Insurance Plan coverage, or who is in full-time military service, will not be considered a dependent.

### What is the Deferred Effective Date for Dependents?

If a dependent, other than a newborn, is confined in a hospital or elsewhere* because of a physical or mental condition on the date insurance would otherwise have become effective, the effective date of insurance will be deferred until the dependent is discharged from the hospital or no longer confined and has engaged in substantially all the normal activities of a healthy person of the same age for a period of at least 15 days in a row.

**"Confined elsewhere" means the individual is unable to perform, unaided, the normal functions of daily living, or leave home or another place of residence without assistance.*



## SCHEDULE OF BENEFITS

Dependent Life spouse coverage and premiums are not combined with the Dependent Life child coverage and premiums.

### Dependent Life/Spouse Coverage

If you are currently enrolled in Optional Life, you may cover your spouse in increments of $10,000 for up to 50 percent of your Optional Life coverage or $100,000, whichever is less. Medical evidence of good health is required for late entry (see above) and for coverage amounts greater than $20,000. If you are not enrolled in Optional Life, you may cover your spouse for $10,000 or $20,000.

Premiums for Dependent Life spouse coverage are the same as the Optional Life premiums, which are based on the **employee's** age. Your spouse's coverage will be reduced at ages 70, 75 and 80 based on the employee's age. See the rate charts beginning on page 207. Premium payments are paid entirely by you, with no contribution from the state, and are payable through payroll deduction.

Spouses enrolled in Dependent Life are covered for Accidental Death and Dismemberment benefits (see page 108).

### Dependent Life/Child Coverage

You can cover your eligible dependent children older than 14 days, but younger than age 19, or age 25, if enrolled as a full-time student, for $10,000. The monthly premium for Dependent Life child coverage is $1.24, regardless of the number of children covered. Premiums are paid entirely by you, with no contribution from the state, and are payable through payroll deduction.

# PAYMENT OF CLAIMS

When The Hartford receives acceptable proof of a covered dependent's death, the amount of life insurance will be paid based on the coverage you select.

The Hartford will pay the Life Insurance Benefit at your Dependent's death to you, if you are living. Otherwise, it will be paid, at Hartford's option, to your surviving spouse or the executor or administrator of your estate.

## How to File Claims

In order to pay benefits, The Hartford must be given written proof of loss. This means a claim must be filed as described below.

First, a claim form should be requested from your benefits office or EIP (call 888-260-9430 or 803-734-0678). This should be done within 30 days after the loss occurs or as soon as reasonably possible. Next, the claim form should be completed and signed. If a physician must complete part of the claim form, he must also sign that part.

Finally, the claim form and an original copy of the death certificate with a raised seal or a red seal should be returned to the employee's benefits office. The claim form should be filed within 90 days after the loss occurs or as soon as reasonably possible. Claims must be filed no later than 15 months after the loss occurs, unless the person filing the claim is not legally capable of doing so.

## When Claims Are Paid

Benefits are paid as soon as The Hartford receives acceptable proof of loss.

## Autopsies

Where it is not prohibited by law, The Hartford may require an autopsy. A required autopsy will be paid for by The Hartford.

## The Beneficiary Assist® Program

Counseling is available to beneficiaries of the Basic Life, Dependent Life and Optional Life insurance policies offered by The Hartford through the Employee Insurance Program (EIP). The Beneficiary Assist® program, for which there is no charge, may include telephone and face-to-face sessions with grief counselors, attorneys and financial planners. More information on the program is available in a brochure on the EIP Web site, www.eip.sc.gov. Select "Choose your category" and then "Publications."

# WHEN DEPENDENT LIFE INSURANCE COVERAGE ENDS

## Termination of Coverage

Your dependent's coverage will terminate at midnight on the earliest of:

- The day the policy ends
- The day you, the employee, are no longer eligible to purchase the Dependent Life Insurance Plan
- The day on which the dependent no longer meets the definition of a dependent
- The day any premiums for Dependent Life Insurance coverage are due and unpaid for a period of 31 days.

## Conversion

If your dependent's coverage terminates because of one of the above-listed reasons, coverage may convert to an individual life insurance policy. The dependent must apply to The Hartford in writing within 31 days of the date insurance under this plan is terminated and pay the required premiums for individual life insurance for the dependent's age and class of risk.

If your dependent converts coverage, The Hartford will issue an individual life insurance policy. This policy will:

- Be issued without medical evidence of good health
- Be on one of The Hartford's non-term policy forms
- Be for no more than the amount for which the dependent was last insured under this Dependent Life Insurance Plan
- Contain no disability or supplementary benefits
- Be effective on the 32nd day after the group life insurance on the dependent's life terminates.

If you have had this Dependent Life Insurance Plan for at least five years, and your dependent's insurance terminates because The Hartford or EIP terminates the Dependent Life Insurance Plan or amends the plan so your dependent is not eligible, your dependent can convert coverage to an individual life insurance policy subject to:

- The same conditions and limitations that apply to an insured person whose employment terminates
- A limit of the least of:

    1. The amount for which the dependent was last insured under this benefit, reduced by any amount for which he is eligible under any other group life insurance policy within 31 days of the termination of insurance; or
    2. The amount the dependent elects.

Such a policy will be effective on the 32nd day after the group life insurance terminates. Any individual life insurance policy issued under this conversion privilege is in lieu of all other benefits provided by this policy. If your dependent dies during the 31-day conversion period, The Hartford will, when provided with due proof of loss, pay the amount of life insurance the dependent was entitled to convert.

# Travel Assistance Program

When you're traveling, emergencies can occur. Now, help is only a phone call away for Basic, Optional and Dependent Life subscribers. You are eligible for a Travel Assistance Program provided by The Hartford through Worldwide Assistance Services, Inc. (WA), a leader in the travel assistance industry. The Travel Assistance Program gives you 24-hour, toll-free access to emergency assistance when you travel 100 miles or more from home for 90 consecutive days or less. And, the benefits and services are also available for your covered dependents - whether or not they're traveling with you.

WA offers a wide range of services both before you leave home as well as in emergency situations.

**Travel Assistance Program Pre-trip Information Services Include:**

- Visa, Passport, Inoculations and Immunizations
- Embassy and Consular Referrals Requirements
- Foreign Exchange Rates
- Cultural Information
- Travel Advisories
- Temperature and Weather Conditions

## Emergency Medical Assistance

(When traveling, you must abide by your health plan's rules—e.g., use SHP network or BlueCard network providers.)**:**

- **Medical Referrals—**Upon request, WA will assist you in locating physicians, dentists and medical facilities that can take care of your medical needs. Whenever possible, WA will refer you to English-speaking medical providers.
- **Medical Monitoring—**While being treated for a medical emergency, professional case managers (including physicians and nurses) will communicate with your attending local physicians to make sure that you receive an appropriate level of care and to determine if further intervention, medical evacuation or even repatriation (return to U.S.) is needed.
- **Medical Evacuation—**If WA's physicians, in consultation with your local attending physician, determine that the care you receive is sub-standard, WA will recommend that you be transported to the closest adequate medical facility that can provide relevant care for your medical emergency. WA will make all arrangements and will pay for all associated evacuation expenses. And WA's physician team makes all decisions as to the medical necessity of such a transport.
- **Medical Repatriation—**If WA's physician, after consulting with your local attending physician, determines that you need further medical hospital care or long-term rehabilitation, WA will arrange and pay for you to be brought back to your home. WA's physician team makes all decisions as to the medical necessity of such a transport.
- **Traveling Companion Assistance—**If your travel companion loses previously made travel arrangements due to your medical emergency, WA will arrange and pay for your companion's return home by the most direct and economical route.
- **Dependent Children Assistance—**If any dependent children traveling with you are left unattended because you are hospitalized, WA will arrange and pay for their economy-class transportation home with a qualified escort, if necessary.
- **Visit by a Family Member or Friend—**If you are traveling alone and must be hospitalized for at least seven consecutive days, are likely to be hospitalized at least seven consecutive days or are in critical condition, WA will, upon your request, arrange and pay for economy-class round trip transportation for one member of your immediate family, or one friend you designate, from his or her home to the place where you are hospitalized.
- **Emergency Medical Payments—**When it is necessary for you to obtain needed medical services, WA will, upon your request, advance funds to cover on-site medical expenses. The advance of funds will be made to the medical provider after WA has secured funds (usually by debiting a credit card) from you or your family.
- **Return of Mortal Remains—**In case of death while traveling, WA will arrange and pay for the proper return of remains to the deceased's place of residence for burial, including all necessary government authorizations and transportation.

**You can reach Worldwide Assistance Services, Inc. 24 hours a day by:**

- **E-mail: ops@worldwideassistance.com**
- **Fax: 202-331-1528**
- **Web site: www.worldwideassistance.com**

- **Replacement of Medication and Eyeglasses—**WA can arrange to fill a prescription that has been lost, stolen, or requires a refill, subject to local law, whenever possible. WA will also arrange for shipment of replacement eyeglasses. Costs for shipping medication, eyeglasses, or a prescription refill are your responsibility.

## Emergency Personal Services

- **Urgent Messages—**While you are traveling, WA can receive and relay urgent messages for you and your family.
- **Emergency Travel Arrangements—**If appropriate, WA can make new travel arrangements or change airline, hotel and car rental reservations.
- **Emergency Cash—**WA can advance funds after satisfactory guarantee of reimbursement from you (usually a credit card). Any fees associated with the transfer or delivery of funds are your responsibility.
- **Lost/Stolen Luggage/Personal Possessions—**WA can assist in locating and replacing lost or stolen luggage, documents, and personal possessions.
- **Legal Assistance/Bail—**WA can locate an attorney and advance bail funds, where permitted by law, with satisfactory guarantee of reimbursement. (Attorney fees are your responsibility.)
- **Interpretation/Translation—**WA can assist with the telephone interpretation in all major languages or will refer you to an interpretation or translation service for written documents.



## How To Access Services

If you or your dependents need emergency or other services, simply call WA 24 hours a day (telephone numbers are located on the back of your Travel Assistance card) and provide:

- You/your dependents' names
- Nature of your condition
- Your employer's name
- Phone number where you can be reached
- The Hartford ID Number GLD-09012.

## Paying For Services

After verifying coverage eligibility, WA will pay for the following Emergency Medical Assistance services previously described. *These services are only eligible for payment or reimbursement by WA if WA was contacted at the time of service and arranged and/or pre-approved the service.*

- Medical Evacuation/Return Home
- Return of Mortal Remains
- Traveling Companion Assistance
- Internal Expenses, including telephone calls, medical monitoring fees, or time dedicated to managing your medical care
- Dependent Children Assistance
- Visit by a Family Member or Friend.

If costs are incurred for any other WA services, you are responsible for paying those costs or reimbursing the costs if initially paid by WA. WA will ask for your credit card information and debit your account for the required amount.

## Service Exclusions and Limitations

WA will not evacuate or repatriate you if you have infections under treatment that have not yet healed; you are pregnant and are either in or have passed your sixth month of pregnancy; or if the WA-designated physician determines that such transport is not medically advisable or necessary.

For a complete list of WA's service exclusions and limitations, please refer to the WA Web site at www.worldwideassistance.com.

# EstateGuidance℠

You can create a simple will online by following the directions provided and supplying information at the prompts. You can then download the will to your computer. You can have access to The Hartford's EstateGuidance service online at www.EstateGuidance.com/wills where you will be guided through the will creation process. The promotional code is HFD1877.

# Optional Life, Dependent Life/ Spouse Monthly Premiums

Optional Life premiums are determined by your age on the preceding December 31 and the amount of insurance you select. Premiums for Dependent Life spouse coverage are the same as the Optional Life premiums, which are based on the employee's age. For the premiums, see pages 207-210.

# Long Term Disability

# Long Term Disability

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# Basic Long Term Disability

## Introduction

The Basic Long Term Disability (BLTD) Plan, administered by Standard Insurance Company (The Standard), is an employer-funded disability plan provided by the state. It helps protect a portion of your income if you become disabled. This benefit is provided at no cost to you.

**If you have questions or need more information, please contact Standard Insurance Company at 800-628-9696 or on the Web at www.standard.com.**

**If you become disabled, you may be eligible for benefits through the S.C. Retirement Systems. Before you leave your job, call 737-6800 in the Greater Columbia area or 800-868-9002 elsewhere in South Carolina or visit www.retirement.sc.gov for more information.**

## Eligibility

You are eligible for BLTD if you are covered under a health plan offered through the Employee Insurance Program (EIP) and are an active, permanent full-time employee as defined by the plan or a full-time academic employee and you: receive compensation from a department, agency, board, commission or institution of the state; a public school district; a county government (including county council members); or another group participating in the state's Plan of Benefits. BLTD is provided at no cost to you.

Members of the General Assembly and judges in the state courts are also eligible for coverage. BLTD is provided at no cost to you.

You must be actively employed when the disability occurs.

## Benefit Waiting Period

The benefit waiting period is the length of time you must be disabled before benefits are payable. No benefits are paid during this period. The BLTD plan has a 90-day benefit waiting period.

## Claims

As soon as it appears you will be disabled for 90 days or more, or your employer is modifying your duties due to a health condition, ask your benefits administrator for a claim form packet. This packet contains these forms: Employee's Statement, Authorization to Obtain Psychotherapy Notes, Authorization to Obtain Information, Attending Physician's Statement and Employer's Statement. You are responsible for making sure these forms are completed and returned to Standard Insurance Company. Your complete medical records should accompany the Attending Physician's Statement. You may fax these forms to 800-437-0961; original forms must follow. If you have questions, please contact Standard Insurance Company at 800-628-9696.

You must provide these completed claim forms to Standard Insurance Company within 90 days of the end of the benefit waiting period. If you cannot meet this deadline, you must submit these forms as soon as reasonably possible but no later than one year after that 90-day period. If you do not provide these forms within this time, barring a court's determination of legal incapacity, Standard Insurance Company may deny your claim.

## Active Work Requirement

If physical disease, mental disorder, injury or pregnancy prevent you from working the day before the scheduled effective date of your coverage, your coverage will not become effective until the day after you complete one full day of active work.

## Pre-existing Condition

A pre-existing condition is a physical or mental condition for which you consulted a physician, received medical treatment or services or took prescribed drugs during the six-month period before your BLTD coverage became effective. No benefits will be paid for a disability caused or contributed to by a pre-existing condition unless on the date you become disabled:

- You have been continuously covered under the plan for at least 12 months or
- You have not consulted a physician, received medical treatment or services or taken prescribed drugs during any 12 consecutive months between your date of disability and six months before the date your BLTD coverage became effective.

## Exclusions and Limitations

- Disabilities resulting from war or any act of war are not covered.
- Intentional self-inflicted injuries are not covered.
- No BLTD benefits are payable when you are not under the ongoing care of a physician.
- No BLTD benefits are payable for any period when you are not participating, in good faith, in a course of medical treatment, vocational training or education approved by Standard Insurance Company, unless your disability prevents you from participating.
- No BLTD benefits are payable for any period of disability when you are confined for any reason in a penal or correctional institution.
- No BLTD benefits are payable after you have been disabled for 24 months, excluding the benefit waiting period:
    - During your entire lifetime for a disability caused, or contributed to, by a mental disorder, unless you are continuously confined to a hospital at the end of the 24 months.
    - During your entire lifetime for a disability caused, or contributed to, by your use of alcohol, alcoholism, use of any illicit drug, including hallucinogens, or drug addiction.
    - During your entire lifetime for a disability caused, or contributed to, by chronic pain, musculoskeletal or connective tissue conditions.
    - During your entire lifetime for a disability caused, or contributed to, by chronic fatigue or related conditions.
    - During your entire lifetime for a disability caused, or contributed to, by chemical and environmental sensitivities.
    - During the 90-day benefit waiting period and the first 24 months of disability, no BLTD benefits will be paid for any period of disability when you are able to work in your **own** occupation and you are able to earn at least 20 percent of your predisability earnings, adjusted for inflation, but you choose not to work. Thereafter, no BLTD benefits will be paid for any period of disability when you are able to work in **any** occupation and able to earn at least 20 percent of your predisability earnings, adjusted for inflation, but choose not to work.



# BLTD PLAN BENEFITS SUMMARY

- **Benefit waiting period:** 90 days
- **Monthly BLTD benefit[1] percentage:** 62.5 percent of your predisability earnings, reduced by deductible income.
- **Maximum benefit:** $800 per month.
- **Maximum benefit period:** To age 65 if you become disabled before age 62. If you become disabled at age 62 or older, the maximum benefit period is based on your age at the time of disability. The maximum benefit period for age 69 and older is one year.

*[1]BLTD benefits are subject to federal and state income taxes. Check with your accountant or tax advisor regarding your tax liability.*

## Predisability Earnings

Predisability earnings are the monthly earnings, including merit and longevity increases, from your covered employer as of the January 1 preceding your last full day of active work, or on the date you became a member if you were not a member on January 1. It does not include your bonuses, commissions, overtime or incentive pay. If you are a teacher, it does not include your compensation for summer school, but it does include compensation earned during regular summer sessions by university staff.

## When Are You Considered Disabled?

You are considered disabled and eligible for benefits if you cannot fulfill the requirements of your occupation due to a covered injury, physical disease, mental disorder or pregnancy. You also will need to satisfy the benefit waiting period and meet one of the following definitions of disability during the period to which it applies.

**Definition One: *Own Occupation* Disability—**You are unable to perform, with reasonable continuity, the *material duties*[1] of your *own occupation* during the benefit waiting period and the first 24 months of disability.

***"Own Occupation"*** means any employment, business, trade, profession, calling or vocation that involves *material duties*[1] of the same general character as your regular and ordinary employment with the employer. Your "own occupation" is not limited to your job with your employer, nor is "your own occupation" limited to when your job is available.

**Definition Two: *Any Occupation* Disability**—You are unable to perform, with reasonable continuity, the *material duties*[1] of *any occupation*.

***"Any Occupation"*** means any occupation or employment you are able to perform, due to education, training or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 65 percent of your predisability earnings (adjusted for inflation) within 12 months following your return to work, regardless of whether you are working in that or any other occupation. The any occupation period begins at the end of the own occupation period and continues to the end of the maximum benefit period.

**Definition Three: Partial Disability**—

**A)** During the *own occupation* period you are working while disabled and you are unable to earn more than 80 percent of your predisability earnings, adjusted for inflation, while working in your own occupation.

**B)** During the *any occupation* period you are working while disabled and you are unable to earn more than 65 percent of your predisability earnings, adjusted for inflation, while working in any occupation.

[1]Material duties *means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience generally required by employers from those engaged in a particular occupation.*

## Deductible Income

Your BLTD benefits will be reduced by your deductible income — income you receive, or you are eligible to receive, from other sources. Deductible income includes: sick pay or other salary continuation (including sick leave pool); primary Social Security benefits; Workers' Compensation; other group disability benefits (except SLTD benefits, which are described on page 130); maximum plan retirement benefits; etc. In addition, TERI funds, at the time of distribution, are deductible income retroactive to the time of receipt of disability benefits. For example, your BLTD benefit, before reduction by deductible income, is 62.5 percent of your covered pre-disability earnings, with a maximum monthly amount of $800. The benefit will then be reduced by the amount of any deductible income you receive or are eligible to receive. The total of the reduced benefit, plus the deductible income, will provide at least 62.5 percent of your covered predisability earnings, but no more than $800 a month.

You are required to make a timely application for all deductible income you are eligible to receive. **Please note that the S.C. Retirement Systems requires you to file an application for disability benefits while you are still in service or before you cease employment.**

When other benefits are awarded, they may include payments due to you while you were receiving BLTD benefits. If the award includes past benefits, or if you receive other income before notifying Standard Insurance Company, your BLTD claim may be overpaid. This is because you received benefits from your plan and income from another source for the same period of time. You will be required to repay the plan for this overpayment.

## When Benefits End

Your benefits automatically end on the earliest of these dates:

- The date you are no longer disabled
- The date your maximum benefit period ends (refer to "Exclusions and Limitations" on page 124)
- The date benefits become payable under any other group long term disability insurance policy under which you became insured during a period of temporary recovery
- The date of your death.

If you are an employee of a local subdivision, your employer becomes responsible for you BLTD benefit payments if your employer withdraws from the State of South Carolina's Plan of Benefits.

## When BLTD Coverage Ends

Your coverage ends automatically on the earliest of:

- The date the plan ends
- The date you no longer meet the requirements noted in the "Eligibility" section of this chapter
- The date your health coverage as an active employee ends
- The date your employment ends.

## Appeals

If Standard Insurance Company denies your claim for long term disability benefits, you can appeal the decision by writing to Standard Insurance Company within six months of receipt of the denial letter. If the company upholds its decision after a review by its Quality Assurance Unit, you may appeal that decision by writing to EIP within 90 days of the notice of denial. If the denial is upheld by EIP, you may file an appeal with the S.C. Administrative Law Court within 30 days of the date of receipt of the denial letter from EIP.

# Supplemental Long Term Disability

## Introduction

Most people probably think a disability only happens to other people. Consider these statistics:

- On average, about 2,329 disabling injuries occur every hour during the year.[1]
- Two-thirds of the injuries suffered by workers in 2002 occurred off the job.[2]
- Income lost because of disability is twice as great as income lost because of automobile accidents and three times as great as income lost because of fire.[3]

Many people would not be able to meet their financial obligations if they became disabled and could not work for an extended period of time. EIP offers a disability insurance plan that will help protect you and your family. This program, Supplemental Long Term Disability Insurance (SLTD), is insured by Standard Insurance Company (The Standard).

[1]*National Safety Council Injury Facts, 2003.*

[2]*National Safety Council Injury Facts, 2003.*

[3]*Reported in JHA Dynamics of Disability. Source: National Underwriter 2003 Field Guide.*

## SLTD Insurance Provides

SLTD insurance provides:

- Competitive group rates
- Survivors benefits for eligible dependents
- 24-hour coverage for injury, physical disease, mental disorder or pregnancy
- A return-to-work incentive
- SLTD conversion insurance
- A cost-of-living adjustment
- Lifetime Security Benefit

## Eligibility

You are eligible for SLTD insurance if you are an active, permanent full-time employee as defined under the plan, or a full-time academic employee, who receives compensation from a department, agency, board, commission or institution of the state; public school districts; county governments (including county council members); and other eligible employers approved by state legislation; or a member of the General Assembly or a judge in the state courts.

You are not eligible for this coverage if you are an employee of an employer that is covered under any other group long term disability insurance plan that insures any portion of your predisability earnings (other than the BLTD Plan); if you are receiving retirement benefits from the S.C. Retirement Systems and you have waived active coverage under the State Health Plan or a health maintenance organization; if you are a temporary or seasonal employee; or if you are a full-time member of the armed forces of any country.

## Enrollment

You can enroll in the SLTD program within 31 days of eligibility. You may choose from one of two benefit waiting periods. If, however, you do not enroll within 31 days after you first become eligible for SLTD, you will have to provide Standard Insurance Company with medical evidence of good health and be approved to become insured. You may enroll with medical evidence of good health at any time throughout the year.

## Benefit Waiting Period

The Benefit Waiting Period is the length of time you must be disabled before benefits are paid. You have the option of choosing either a 90-day or a 180-day benefit waiting period.

You may change from one benefit waiting period to the other at any time. To change from a 90- to a 180-day benefit waiting period, you must complete a Notice of Election (NOE) form and return it to your benefits administrator.

To change from a 180- to a 90-day benefit waiting period, you must complete an NOE and provide medical evidence of good health for consideration for approval.

## Certificate

The SLTD certificate is available through your benefits administrator. Please read it carefully. The master group policy contains the controlling provisions of this insurance plan. Neither the certificate nor any other material can modify those provisions.

## Physical Exam

If you fail to enroll within 31 days of your hire date, you must complete a medical history statement. Standard Insurance Company may require you to undergo a physical examination and blood test at your own expense.



## Claims

As soon as it appears you will be disabled for 90 days or more, ask your benefits administrator for a claim form packet. This packet contains these forms: Employee's Statement; Authorization to Obtain Psychotherapy Notes; Authorization to Obtain Information; Attending Physician's Statement; and Employer's Statement. You are responsible for making sure these forms are completed and returned to Standard Insurance Company. Your complete medical records should accompany the Attending Physician's Statement. If you also have BLTD coverage, only one claim packet needs to be completed. These forms may be faxed to 800-437-0961, with originals to follow. If you have questions, please contact Standard Insurance Company at 800-628-9696.

You must provide these completed claim forms within 90 days of the end of the benefit waiting period. If you cannot do so, you must submit these forms as soon as reasonably possible but no later than one year after that 90-day period. If you do not provide these forms within this period, barring a court's determination of your legal incapacity, Standard Insurance Company may deny your claim.

## Salary Change

Your SLTD premium will be recalculated based on your age as of the preceding January 1. Any change in your predisability earnings after you become disabled will have no effect on the amount of your SLTD benefit.

## Active Work Requirement

If physical disease, mental disorder, injury or pregnancy prevents you from working the day before the scheduled effective date of your insurance coverage, your coverage will not become effective until the day after you complete one full day of active work.

## Pre-existing Condition

A pre-existing condition is a physical or mental condition for which you consulted a physician, received medical treatment or services or took prescribed drugs or medications during the six-month period before your SLTD coverage became effective. No benefits will be paid for a disability caused or contributed to by a pre-existing condition unless on the date you become disabled:

- You have been continuously covered under the plan for at least 12 months (Exclusion Period) or
- You have not consulted a physician, received medical treatment or services or taken prescribed drugs or

medications during any 12-consecutive-month period (Treatment Free Period) between your date of disability and six months before the date your SLTD insurance became effective.

The Pre-existing Condition Exclusion also applies when you change from the plan with the 180-day benefit waiting period to the plan with the 90-day benefit waiting period. The Pre-existing Condition Period, Treatment Free Period and Exclusion Period for the new plan will be based on the effective date of your coverage under the 90-day plan. However, if benefits do not become payable under the 90-day plan because of the Pre-existing Condition Exclusion, your claim will be processed under the 180-day plan as if you had not changed plans.

## Exclusions and Limitations

- Disabilities resulting from war or any act of war are not covered.
- Intentional self-inflicted injuries are not covered.
- No SLTD benefits are payable when you are not under the ongoing care of a physician.
- No SLTD benefits are payable for any period when you are not participating, in good faith, in a course of medical treatment, or vocational training, or education approved by Standard Insurance Company, unless your disability prevents you from participating.
- No SLTD benefits are payable for any period of disability when you are confined for any reason in a penal or correctional institution.
- No SLTD benefits are payable after you have been disabled for 24 months, excluding the benefit waiting period:

  - During your entire lifetime for a disability caused or contributed to by a mental disorder, unless you are continuously confined to a hospital at the end of the 24 months.
  - During your entire lifetime for a disability caused or contributed to by your use of alcohol, alcoholism, use of any illicit drug, including hallucinogens, or drug addiction.
  - During your entire lifetime for a disability caused or contributed to by chronic pain, musculoskeletal or connective tissue conditions.
  - During your entire lifetime for a disability caused or contributed to by chronic fatigue or related conditions.
  - During your entire lifetime for a disability caused or contributed to by chemical and environmental sensitivities.
  - During the 90-day benefit waiting period and the first 24 months of disability, no SLTD benefits will be paid for any period of disability when you are able to work in your own occupation and you are able to earn at least 20 percent of your predisability earnings, adjusted for inflation, but you choose not to work. Thereafter, no SLTD benefits will be paid for any period of disability when you are able to work in any occupation and able to earn at least 20 percent of your predisability earnings, adjusted for inflation, but choose not to work.
  - No SLTD benefits are payable for any period of disability when you are not also receiving disability benefits under the State of South Carolina Basic Long Term Disability plan. There are certain exceptions to this limitation. Please see your certificate of coverage for details.

# SLTD PLAN BENEFITS SUMMARY

| | |
|---|---|
| **Benefit waiting period:** | Plan one: 90 days<br>Plan two: 180 days |
| **Monthly benefit[1] percentages:** | 65 percent of the first $12,307 of your predisability earnings, reduced by deductible income |
| **Minimum benefit:** | $100 per month |
| **Maximum benefit:** | $8,000 per month |
| **Maximum benefit period:** | To age 65 if you become disabled before age 62. If you become disabled at age 62 or older, the maximum benefit period is based on your age at the time of disability. The maximum benefit period for age 69 and older is one year. |
| **Monthly premium[2] rate:** | Multiply the premium factor for your age and plan selection by your monthly earnings. |
| **Maximum SLTD covered predisability earnings:** | $12,307 per month |

| Your age as of the preceding January 1 | Plan one | Plan two |
|---|---|---|
| Under age 31 | .00065 | .00050 |
| 31 through 40 | .00089 | .00069 |
| 41 through 50 | .00179 | .00137 |
| 51 through 60 | .00360 | .00277 |
| 61 through 65 | .00433 | .00333 |
| 66 or older | .00528 | .00406 |

**Example:**
Mary is 38 years old, earns $3,000 per month and selected plan two. Her monthly premium is $3,000 x .00069=$2.08 per month. (The premium was rounded up $0.01 because it must be an even amount.)

John is 52 years old, earns $2,250 per month and selected plan one. John's monthly premium is $2,250 x .00360=$8.10 per month.

[1]*These benefits are not taxable.*

[2]*Premium must be an even amount (amount is rounded up to next even number).*

# HOW DOES SLTD INSURANCE WORK?

SLTD insurance is designed to provide additional financial assistance if you become disabled. Your benefit will be based on a percentage of your predisability earnings. This program is customized for you. The SLTD plan benefits summary will provide more information about your plan, including:

- Your level of coverage
- How long benefits payments would continue if you remain disabled
- The maximum benefit amount
- Your choice of benefit waiting periods
- Your premium schedule.

You can apply for SLTD if you are:

- An active, permanent, full-time employee as defined by the plan or
- A full-time academic employee, and
- You receive compensation from:

  - A department, agency, board, commission or institution of the state
  - A public school district
  - A county government (including county council members) or
  - Another group participating in the state's Plan of Benefits.

Members of the General Assembly and judges in the state courts are also eligible. If your group offers other Supplemental Long Term Disability coverage, you must choose one or the other.

### Predisability Earnings

Your predisability earnings are the monthly earnings from your covered employer as of the January 1 preceding your last full day of active work or the date you became a member if you were not a member on the preceding January 1. Predisability earnings are the actual amount your employer pays you each year, including merit and longevity increases. It does not include your bonuses, commissions, overtime or incentive pay. If you are a teacher, it does not include your compensation for summer school, but it does include compensation earned during regular summer sessions by university staff.

## WHEN ARE YOU CONSIDERED DISABLED?

You are considered disabled and eligible for benefits if you cannot work due to a covered injury, physical disease, mental disorder or pregnancy. You will also need to satisfy the benefit waiting period and meet one of these definitions of disability.

**Definition One: *Own Occupation* Disability—**You are unable to perform, with reasonable continuity, the *material duties*[1] of your *own occupatio*n during the benefit waiting period and the first 24 months SLTD benefits are payable.

***"Own occupation"*** means any employment, business, trade, profession, calling or vocation that involves *material duties*[1] of the same general character as your regular and ordinary employment with the employer. Your "own occupation" is not limited to your job with your employer, nor is it limited to when your job is available.

**Definition Two: *Any Occupation* Disability**—You are unable to perform, with reasonable continuity, the *material duties*[1] of *any occupation*.

***"Any occupation"*** means any occupation or employment you are able to perform, due to education, training or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 65 percent of your predisability earnings (adjusted for inflation) within 12 months following your return to work, regardless of whether you are working in that or any other occupation. The any occupation period begins at the end of the own occupation period and continues to the end of the maximum benefit period.

**Definition Three: Partial Disability—**

**A)** During the *own occupation* period, you are working while disabled and you are unable to earn more than 80 percent of your predisability earnings, adjusted for inflation, while working in your own occupation.

**B)** During the *any occupation* period, you are working while disabled and you are unable to earn more than 65 percent of your predisability earnings, adjusted for inflation, while working in any occupation.

[1]Material duties *means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience generally required by employers from those engaged in a particular occupation.*

## Deductible Income

Your SLTD benefits will be reduced if you receive, or you are eligible to receive, deductible income from other sources. Deductible income includes: sick pay or other salary continuation (including sick leave pool), primary and dependent Social Security benefits, Workers' Compensation, BLTD benefits, other group disability benefits, maximum plan retirement benefits, etc. In addition, TERI funds, at the time of distribution, are deductible income retroactive to the time of receipt of disability benefits. For example, your SLTD benefit before reduction by deductible income is 65 percent of your covered predisability earnings. The benefit will then be reduced by the amount of any deductible income that you receive or are eligible to receive, so the total of the reduced SLTD benefit plus the deductible income will provide at least 65 percent of your covered predisability earnings. The guaranteed minimum SLTD benefit is $100, regardless of the amount of deductible income.

You are required to make a timely application for all deductible income you are eligible to receive. **Please note that the S.C. Retirement Systems requires you to file an application for disability benefits while you are still in service or before the end of your employment.** When other benefits are awarded, they may include payments due to you while you were receiving LTD benefits. If the award includes past benefits, or if you receive other income before notifying Standard Insurance Company, your SLTD claim may be overpaid. This is because you received benefits from your plan and income from another source for the same period of time. You will be required to repay the plan for this overpayment.



## Lifetime Security Benefit

This coverage provides lifetime long term disability benefits if, on the last day of the regular maximum benefit period, the disabled person is unable to perform two or more activities of daily living and/or suffers from a severe cognitive impairment that is expected to last 90 days or more. The benefit will be equal to the benefit that was being paid on the last day of the regular long term disability period.

## Conversion

When your insurance ends, you may buy SLTD conversion insurance if you meet all of these criteria:

1. Your insurance ends for a reason other than:
    a. Termination or amendment of the group policy
    b. Your failure to make a required premium contribution
    c. Your retirement.
2. You were insured under your employer's long term disability insurance plan for at least one year as of the date your insurance ended.
3. You are not disabled on the date your insurance ends.
4. You are a citizen or resident of the United States or Canada.
5. You apply in writing and pay the first premium for SLTD conversion insurance within 31 days after your insurance ends.

## Death Benefits

If you die while SLTD benefits are payable, Standard Insurance Company will pay a lump-sum benefit to your eligible survivor. This benefit will be equal to three months of your SLTD benefit, not reduced by deductible income. Eligible survivors include your surviving spouse; surviving, unmarried children under age 25; or any person providing care and support for any of them.

## When Benefits End

Your benefits end automatically on the earliest of:

- The date you are no longer disabled
- The date your maximum benefit period ends, unless LTD benefits are continued by the Lifetime Security Benefit

- The date of your death
- The date benefits become payable under any other employer's group LTD policy.

## When SLTD Coverage Ends

Your insurance ends automatically on the earliest of:

- The last day of the month for which you paid a premium
- The date the group policy ends
- The date you no longer meet the requirements noted in the "Eligibility" section of this chapter.

# Long Term Care

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# Long Term Care Insurance

Your health insurance provides for medical care if you are seriously ill or injured. However, if you require regular, ongoing assistance with activities of daily living, you may have to rely solely on your income, savings or assets.

An accident or serious illness can result in the need for long term care at **any** age. Long term care insurance can assist you if you require this type of care.

Long term care is not covered by:

- Medical insurance
- Disability insurance
- Medicare (to any substantial degree)
- Medicaid, unless your assets have been reduced to the poverty level.

Long term care is expensive, and the cost is rising. The average cost of a home health aide is $18 an hour, or $158,000 a year for around-the-clock care.[1] Nursing home care now averages $70,080 a year.[2]

The Employee Insurance Program (EIP) and Aetna, the state's long term care program insurer, offer you a choice of long term care insurance plans. These three options are designed to help keep your assets from being depleted by the cost of long term care.

## What is Long Term Care?

Long term care is the day-to-day assistance that you need when you have a serious illness or disability that may last for a long time, and you are unable to perform activities of daily living, such as bathing, eating and/or dressing or you need supervision due to cognitive (mental) impairment. It includes a wide range of services that can be provided in your home, an adult day-care center, an assisted-living facility, a nursing home or a hospice.

## Who Can Enroll for Long Term Care Insurance?

There is a 10 percent discount in premiums if both the employee/retiree and the spouse enroll in the Service Reimbursement plans.

- Full-time, permanent employees (as defined by the plan) may enroll within 31 days of their hire date without providing medical evidence of good health.
- Current full-time, permanent employees may enroll throughout the year with approval of medical evidence of good health.
- Spouses of eligible employees may enroll throughout the year with approval of medical evidence of good health. A spouse can enroll even if the employee does not, and premiums can be paid through payroll deduction.
- Parents and parents-in-law of active employees may enroll throughout the year with approval of medical evidence of good health. Parents and parents-in-law can enroll even if the employee does not. They will be billed directly by Aetna.
- Active employees, who are retiring, and their spouses may enroll within 31 days of the employee's retirement date with approval of medical evidence of good health.
- Retired employees, spouses of retirees and surviving spouses may enroll throughout the year with approval of medical evidence of good health.

[1]*MetLife Mature Market Institute, 2004.*
[2]*GE LTC Insurance Nursing Home Survey, March 2002.*

## LTC Plan Options and Features

You have three LTC plans from which to choose: a disability plan and two service reimbursement plans. All three plans offer:

**Did you know?**
After you enroll, you can increase your long term care coverage to keep up with inflation. See page 139 for details.

**An expanded list of "activities of daily living"** (bathing, dressing, eating, transferring, continence and toileting). In the disability plan, you qualify when Aetna certifies that either you are unable to perform three of six activities of daily living or that you have a severe cognitive impairment, such as Alzheimer's disease. In the service reimbursement plans, you qualify when Aetna certifies that either you are unable to perform two of six activities of daily living or that you have a severe cognitive impairment, such as Alzheimer's disease.

**Restoration of benefits.** Your Lifetime Maximum Benefit is restored to its original amount if you recover (are no longer eligible for benefits for 90 consecutive days) and your Lifetime Maximum Benefit has not been exhausted and you resume premium payments.

**Premium waiver.** You do not pay premiums while you are receiving benefits. Premium payment will resume 90 consecutive days from the date you are no longer eligible for benefits, as long as the Lifetime Maximum Benefit has not been exhausted.

**Portability.** If you leave your job, you can continue your coverage by paying Aetna directly, at the same group rates. If you retire, your coverage continues. If you are a state agency, school or higher education retiree, you may have premiums deducted from your S.C. Retirement Systems benefits. Coverage is also fully portable for your family.

**Death Benefit/Return of Contribution.** This feature is only available to persons who enroll as active employees and to their spouses. The employee's or the spouse's premiums, less any claim dollars paid, can be returned to the beneficiary, subject to these rules:

- For employees, the amount of the refund is reduced by 10 percent a year, starting at age 65 or at retirement, whichever is later.
- For spouses, the amount of the refund is reduced by 10 percent a year, starting at age 65.

At the beginning of the tenth year, because of the yearly reduction in the return of contribution, no return of contribution will be payable. If you are receiving benefits at the time of your death, no return of contribution is payable.

**The plan is tax-qualified.** This means if your premium payments plus your other medical expenses exceed 7.5 percent of your gross annual income, then your premiums are deductible, subject to limitations, on your federal tax return. As always, please consult your tax advisor regarding your personal tax status.

## Disability Plan

The disability plan pays a daily cash benefit after a 90-day waiting period that is based on your chosen daily benefit amount (DBA) and where care is received, regardless of charges for services provided. If you enroll in this option, you can choose a DBA from $50 to $250, in $10 increments. To qualify for benefits under the disability plan, you must be unable to perform **three** of the six activities of daily living (bathing, dressing, eating, transferring, continence, toileting) **or** have a severe cognitive impairment, such as Alzheimer's disease.

## Service Reimbursement Plans

In the service reimbursement plan, benefits begin after a 90-day waiting period. You submit receipts for the services you receive, and then you are reimbursed up to your selected daily benefit amount (DBA), based on your selected option and where care is given. You can choose a DBA from $50 to $350, in $10 increments. To qualify for benefits under the service reimbursement plans, you must be unable to perform **two** of the six activities of

daily living or have a severe cognitive impairment, such as Alzheimer's disease. Two service reimbursement options are available. The first option pays 50 percent of your DBA for respite care, alternate care and community-based care. The second pays 100 percent of your DBA for the same services.

## PLAN COMPARISON

| | Disability Plan (Option #1) | Service Reimbursement Plan (Option #2) | Service Reimbursement Plan (Option #3) |
|---|---|---|---|
| **Daily Benefit Amount (DBA)** | $50 - $250 in $10 increments. | $50 - $350 in $10 increments. | $50 - $350 in $10 increments. |
| **Lifetime Maximum Benefit Amount** | 5 years x DBA | 5 years x DBA | 5 years x DBA |
| **Nursing Facility or Hospice Care** | You receive 100% of your Daily Benefit Amount. | You receive your actual expenses, up to 100% of your Daily Benefit Amount. | You receive your actual expenses, up to 100% of your Daily Benefit Amount. |
| **Assisted Living Facility Care** | You receive 50% of your Daily Benefit Amount. | You receive your actual expenses, up to 100% of your Daily Benefit Amount. | You receive your actual expenses, up to 100% of your Daily Benefit Amount. |
| **Community-Based Services** | You receive 50% of your Daily Benefit Amount. | You receive your actual expenses, up to 50% of your Daily Benefit Amount. | You receive your actual expenses, up to 100% of your Daily Benefit Amount. |
| **Informal Care** | You receive 50% of your Daily Benefit Amount. | 25% of your Daily Benefit Amount up to 100 days each calendar year.[1] | 25% of your Daily Benefit Amount up to 50 days each calendar year.[1] |
| **Alternate Care** | You receive 50% of your Daily Benefit Amount. | You receive your actual expenses, up to 50% of your Daily Benefit Amount. | You receive your actual expenses, up to 100% of your Daily Benefit Amount. |
| **Transitional Care** | You receive 50% of your Daily Benefit Amount. | You receive 3 times your Daily Benefit Amount.[2] | You receive 3 times your Daily Benefit Amount.[2] |
| **Caregiver Training** | You receive 50% of your Daily Benefit Amount. | You receive the lesser of 100% of the actual expenses or 3 times your DBA.[1] | You receive the lesser of 100% of the actual expenses or 3 times your DBA.[1] |
| **Respite Care** | You receive 50% of your Daily Benefit Amount. | You receive your actual expenses, up to 50% of your Daily Benefit Amount for 21 days each calendar year.[1] | You receive your actual expenses, up to 100% of your Daily Benefit Amount for 21 days each calendar year.[1] |

[1]*Not subject to lifetime maximum.*
[2]*Not subject to lifetime maximum, paid only once in a lifetime.*

### Changing Your Coverage Level

If you are enrolled in the plan, you have two ways of increasing coverage to keep up with the rising cost of care at home and in a nursing facility.

1. **Inflation protection.** You may increase your coverage by $10 every two years, without proof of good health. You may do so even if you are receiving benefits, as long as you have not turned down a previous offer to increase your coverage under the inflation protection provision.
2. As long as you are not receiving long term care benefits, you can change to a higher daily benefit amount at any time with approval of medical evidence of good health. Upon approval, you may purchase additional coverage, up to the plan's current daily benefit maximum. The premiums for the additional coverage will be based on your age at the time of purchase.

Plan members may decrease coverage levels or cancel the policy at any time. The change becomes effective the first of the month after Aetna receives your request.

## Premiums

Premiums are based on your age when you purchase the policy and your level of coverage. Premium charts for the plans are on pages 204-206.

## Claims

To file a claim, call Aetna's Long Term Care Hotline at 800-537-8521. After you complete a claim form, Aetna will assign a case manager to your claim.

## When Coverage Ends

Plan members can cancel coverage at any time. When you leave your job with one participating employer and become employed by another participating employer without a break in coverage or more than a 15-day break in employment, please inform your benefits administrator. You will not be considered a new hire, and your coverage will remain the same as it was with your previous employer. EIP will send a transfer form to the benefits administrator at your new employer.

If you leave covered employment and do not become employed by another participating group, you may continue your coverage and be billed directly by Aetna.

If you retire, you can continue coverage and have premiums deducted from your S.C. Retirement Systems benefits or through your former employer if you are a retiree of a local subdivision.

## Appeals

If you or your covered family member's claim for benefits is denied, you may appeal the decision by writing to Aetna and requesting a review. For more information about Aetna's appeals process, contact Aetna at 800-248-0591.

## For More Information

This section of the *Insurance Benefits Guide* is a brief overview of the Long Term Care Insurance Plan. If you are not enrolled in the plan and want more information, if you want to receive an enrollment packet or if you are enrolled and want information about increasing your coverage, contact your benefits administrator, EIP or log on to Aetna's Web site at www.aetna.com/group/southcarolina.

# MoneyPlu$

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# MoneyPlu$—Your Tax-favored Accounts Program

## What is MoneyPlu$?

MoneyPlu$ offers tax-favored accounts—IRS-approved, tax-free benefits. These accounts save active employees money on eligible medical and dependent care costs by enabling you to pay these expenses with money deducted from your salary before it is taxed.

The MoneyPlu$ program is governed by Sections 105, 125, 129 and 223 of the Internal Revenue Service (IRS) code. Fringe Benefits Management Company (FBMC) is the third-party administrator of the MoneyPlu$ program. Each account has an administrative charge. This charge is designed to be minimal compared to your tax savings.

## Pretax Premiums

The Pretax Group Insurance Premium feature allows you to pay your State Health Plan, HMO, State Dental Plan, Dental Plus and Optional Life (for coverage up to $50,000) premiums before taxes are taken from your paycheck.

## Flexible Spending Accounts

MoneyPlu$ allows you to pay eligible medical and dependent care expenses with money you set aside before it is taxed. You authorize deposits to your MoneyPlu$ account every pay period. As you incur eligible expenses, you request tax-free withdrawals from your account to reimburse yourself. There are three kinds of MoneyPlu$ accounts: a **Dependent Care Spending Account**, a **Medical Spending Account** and a **limited-use Medical Spending Account**, which can accompany a Health Savings Account (HSA). If you incur dependent care and medical expenses, you can establish both a Dependent Care Spending Account and a Medical Spending Account (or a limited-use Medical Spending Account if you are contributing to an HSA).

## Health Savings Accounts

A MoneyPlu$ Health Savings Account (HSA) is available to employees enrolled in the SHP Savings Plan and can be used to pay healthcare expenses. Unlike money in a MoneyPlu$ Medical Spending Account, the funds do not have to be spent in the year they are deposited. Money in the account accumulates tax free, so the funds can be used to pay qualified medical expenses in the future. An important advantage of an HSA is that you own it. If you leave your job, you can take the account with you and continue to use it for qualified medical expenses.

**See page 26 for more information on the State Health Plan Savings Plan.**

## MoneyPlu$ Example*

This example shows how paying for eligible expenses with a pre-tax payroll deduction increases your spendable income. The figures used are for a single person with two dependents.

| | Without MoneyPlu$ | With MoneyPlu$ |
|---|---|---|
| Gross Monthly Pay | $2,500.00 | $2,500.00 |
| State Retirement | - 150.00 | - 150.00 |
| *Pretax Payroll Deduction* | - 0.00 | - 596.46 |
| Administrative Fee | - 0.00 | - 5.12 |
| Taxable Gross Income | $2,350.00 | $1,748.42 |
| Payroll Taxes (estimate) | - 501.38 | - 321.14 |
| Eligible Expenses* | - 596.46 | - 0.00 |
| Spendable Income | $1,252.16 | $1,427.28 |

Increase in Spendable Income: $175.12

*In this illustration, these examples of monthly pre-tax payroll deductions and eligible, after-tax expenses were used:

| | |
|---|---|
| Health Premium | $142.46 |
| Dental Premium | $ 21.00 |
| Dependent Care Expenses | $400.00 |
| Out-of-Pocket Medical Expenses | $ 33.00 |
| Total | $596.46 |

*Note: "Spendable income" is your net pay, plus the reimbursement from your Medical Spending Account or Dependent Care Spending Account.*

### Administrative Fees

| | |
|---|---|
| Pretax Group Insurance Premium Feature[1] | $0.12 per month |
| Dependent Care Spending Account[1] | $2.50 per month |
| Medical Spending Account or limited-use MSA[1] | $2.50 per month |
| EZ REIMBURSE® MasterCard®[2] Card | $20 per year |
| Health Savings Account[3] | $20 per year or $2 per month (your choice)[4]<br>50 cents per check if you are reimbursed by check.<br>No charge if you use your Visa® debit card. |

*[1]These fees are deducted from your paycheck before taxes.*
*[2]The fee for this optional card will be deducted from your Medical Spending Account.*
*[3]There may be additional fees for other services. All fees are deducted from your HSA. If you prefer to pay the fee annually rather than monthly, call 877-362-4472 within 60 days of opening the account.*
*[4]This fee is waived if the balance in your account is over $5,000.*

MoneyPlu$

## PRETAX GROUP INSURANCE PREMIUM FEATURE

With this feature, you can pay your State Health Plan, HMO, State Dental Plan, Dental Plus and Optional Life premiums before taxes are taken out of your paycheck. This feature is beneficial to all employees who pay these premiums.

### Eligibility

You are enrolled in this feature automatically if you pay a health, dental or Optional Life premium, unless you decline on your NOE. If you declined the Pretax Group Insurance Premium feature in the past, you can enroll during the annual enrollment period or within 31 days of an approved change in status. (See "Special Eligibility Situations," page 11.)

**Note About Optional Life Insurance Premiums**

**While the entire Optional Life insurance premium is deducted from your paycheck before taxes, only premiums for coverage up to $50,000 are exempt from taxes. Therefore, any premiums paid for coverage above $50,000 will be added to your earnings at the end of the year and reflected on your W-2 form.**

## FLEXIBLE SPENDING ACCOUNTS

### IRS Guidelines for Flexible Spending Accounts

1. The IRS does not allow you to pay any insurance premiums through any type of spending account.
2. You cannot transfer money between MoneyPlu$ accounts or pay a dependent care expense from your Medical Spending Account or vice versa.
3. According to a new IRS regulation, you have until March 15 to spend any remaining funds deposited in your **Medical Spending Account** or your **limited-use Medical Spending Account** from January through December of the previous year. For example: You have until March 15, 2008, to spend funds deposited in your MSA or limited-use MSA between January 1 and December 31, 2007.

- However, you must submit all reimbursement requests by March 31, 2008. Any money in your **Medical Spending Account** or your **limited-use Medical Spending Account** after your reimbursable requests have been processed cannot be returned to you or carried over to the next year.

4. You have until March 31 after the end of the year to submit for reimbursement eligible **Dependent Care Spending Account** expenses incurred during your period of coverage, January through December. Any money in your **Dependent Care Spending Account** after your reimbursable requests have been processed cannot be returned to you or carried over to the next year.
5. You may not be reimbursed through your MoneyPlu$ accounts for expenses paid by insurance or by any other source.
6. You cannot deduct reimbursed expenses from your income tax.
7. You may not be reimbursed for a service that you have not yet received.

**If you have a question as to whether you qualify to enroll in a spending account, or if you wish to make a change, call FBMC at 800-342-8017 or EIP at 803-734-0678 (Greater Columbia area) or 888-260-9430 (toll-free outside the Columbia area).**

## Written Certification

When enrolling in either or both MoneyPlu$ spending accounts, written notice of agreement with the following is required:

- I will only use my MoneyPlu$ account to pay for IRS-qualified expenses eligible under my employer's plan and only for me and my IRS-eligible dependents.
- I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s), before seeking reimbursement from my MoneyPlu$ spending account.
- I will not seek reimbursement through any additional source.
- I will collect and maintain sufficient documentation to validate the requirements above.

# DECIDING HOW MUCH TO CONTRIBUTE TO YOUR FLEXIBLE SPENDING ACCOUNTS

To estimate how much to deposit in your Dependent Care Spending Account or Medical Spending Account, complete the MoneyPlu$ Flexible Spending Accounts Worksheet, available at www.eip.sc.gov. Choose your category (Active Subscribers) and then select "Forms." *Be conservative in your estimates.* **Any money remaining in your Dependent Care Spending Account after December 31, 2007, and any money remaining in your Medical Spending Account or in your limited-use Medical Spending Account after March 15, 2008, cannot be returned to you or carried forward to the next plan year. However, you have until March 31 to submit requests for reimbursement for expenses incurred before December 31 for your Dependent Care Spending Account and incurred before March 15 for your Medical Spending Account.**

## Earned Income Tax Credit

How do contributions to a Dependent Care Spending Account or Medical Spending Account affect the Earned Income Tax Credit (EITC) Contributions to these accounts, before taxes, can lower your taxable, earned income. The lower the earned income, the higher the EITC. If you qualify for the EITC, contributions to one or both of these accounts will help. Taxpayers may consult IRS Publication 596 for additional information, use the services of a tax professional or get assistance from a Volunteer Income Tax Assistance site. To find the closest site, call the IRS at 800-829-1040.

## Dependent Care Spending Account vs. Child and Dependent Care Credit

If you pay for the care of a child or another dependent so you can work, you may be able to reduce your taxes by claiming those expenses on your federal income tax return through the Child and Dependent Care Credit. Depending on a taxpayer's circumstances, participating in a Dependent Care Spending Account plan on a salary-reduction basis will generally produce the greater tax benefit, **except when**:

- Your W-2 income, before Dependent Care Spending Account salary reductions, is approximately $35,000 to $39,000, you have only one qualifying individual and your eligible dependent care expenses for the tax year are less than $3,000; **or**

- Your W-2 income is approximately $12,000 to $15,000 or less.

If either applies to you, the Child and Dependent Care Credit may be a better option.

In addition to the tax benefit of participating in a Dependent Care Spending Account plan, a partial Child and Dependent Care Credit may be available to you. For example, you may be able to claim an additional tax credit in an amount equal to a percentage of $1,000 if you have:

- Two or more qualifying individuals;
- A maximum Dependent Care Spending Account tax filing status of $5,000; **and**
- $6,000 or more in eligible dependent care expenses.

***Note:*** *You cannot use the Child and Dependent Care Credit if you are married and filing separately. Any dependent care expenses reimbursed through your Dependent Care Spending Account cannot be filed for the credit.*

**For details on IRS rules for dependent care expenses, log onto the IRS Web site at www.irs.gov. Enter "Publication 503" in the "Search for" window and be sure to select "IRS site" under the "Within" window to access the information.**

To use FBMC's Tax Savings Analysis software to determine which may be your better choice, go to the "Tax Calculators" link at www.myFBMC.com. You may also call FBMC Customer Service at 800-342-8017 for assistance. For more information on the Child and Dependent Care Credit, refer to IRS Publication 503.

***Note:*** *If you participate in the Dependent Care Spending Account or if you file for the Child and Dependent Care Credit, you must attach IRS Form 2441 to your 1040 income tax return. If you do not, the IRS may not allow your pre-tax exclusion. To claim the income exclusion for dependent care expenses on IRS Form 2441, you must be able to list each dependent care provider's Taxpayer Identification Number (TIN). The TIN is an individual's Social Security Number, unless he or she is a resident or non-resident alien who does not have a Social Security Number. If you are unable to obtain a dependent care provider's TIN, you must send with your IRS Form 2441 a written statement that explains the circumstances and states that you made a serious effort to get the information.*



## MoneyPlu$ Medical Spending Account vs. Claiming Expenses on IRS Form 1040

Unless your itemized medical and dental expenses exceed 7.5 percent of your adjusted gross income*, you cannot claim them on your IRS Form 1040. However, you can save taxes by paying for your uninsured, out-of-pocket medical expenses through a tax-free Medical Spending Account.

**Note*: *Your adjusted gross income includes both your income and your spouse's.*

With a Medical Spending Account, the money you set aside for medical expenses is deducted from your salary before it is taxed and therefore you save on taxes. For example, if your adjusted gross income were $45,000, the IRS would only allow you to deduct itemized expenses that exceed $3,375, or 7.5 percent of your adjusted gross income. But if you have $2,000 in eligible medical expenses, the MoneyPlu$ account saves you $656 on your medical expenses in federal income tax (25 percent), South Carolina state tax (7 percent) and Social Security taxes (7.65 percent).

Taxpayers may consult IRS Publication 502 for additional information, use the services of a tax professional or get assistance from a Volunteer Income Tax Assistance site. To find the nearest site, call the IRS at 800-829-1040.

# DEPENDENT CARE SPENDING ACCOUNT

## How the Dependent Care Spending Account Works

1. Estimate the amount you will spend during the year on dependent care, up to $5,000, depending on your tax status. Don't forget to consider vacation and holiday time when you may not have to pay for dependent care. During the year, make sure you are filing all of your claims for reimbursement. Remember, according to IRS guidelines, any money remaining in your account after you have claimed all your expenses at the end of the

year cannot be returned to you. Also, this money cannot be carried over into the next calendar year. You have until March 31 of the new plan year to file claims for services provided the previous year.

2. The annual amount you contribute to your account will be divided into equal installments and deducted from each paycheck before taxes. It is then credited to your Dependent Care Spending Account.
3. After incurring dependent care expenses, submit a MoneyPlu$ Spending Account Reimbursement Request Form and a copy of your expense documentation from your dependent care provider to FBMC. The MoneyPlu$ Spending Account Reimbursement Request Form may serve as documentation if it includes the provider's signature and tax ID number or Social Security Number.
4. Your claim will be processed within five working days of when FBMC receives it, if properly completed and signed, **and only if there are enough funds in your account**. Then a direct deposit will be issued to your account, or a check will be mailed, up to your current account balance. You will be reimbursed for any remaining expenses when money is available in your account.

**Don't Forget**

**Although claims are processed in five working days, it may take as long as two weeks to get your check because of time in the mail and weekends.**

## Eligibility

You must be eligible for state group insurance benefits to participate in MoneyPlu$. However, you are *not* required to be enrolled in an insurance program to participate in MoneyPlu$, nor do you have to enroll in the Pretax Group Insurance Premium feature to participate in the Dependent Care or Medical Spending Accounts.

## Enrollment

You can enroll in the Dependent Care Spending Account within 31 days of your hire date. If you do not enroll at that time, you can enroll during the next enrollment period, October 1-31. You also can enroll in, or make changes to, this account within 31 days of an approved change in status (see "Special Eligibility Situations," page 11). You **must** re-enroll each year during the October enrollment period to continue your account the next year.

The Dependent Care Spending Account allows you to pay for dependent care expenses with your pre-tax income. Here are the limits on how much you may set aside:

- If you are married and filing separately, your maximum is $2,500.
- If you are single and head of household, your maximum is $5,000.
- If you are married and filing jointly, your maximum is $5,000.
- If either you or your spouse earns less than $5,000 a year, your maximum is equal to the lower of the two incomes.
- If your spouse is a full-time student or incapable of self-care, your maximum is $3,000 a year for one dependent and $5,000 a year for two or more dependents.

You may use your Dependent Care Spending Account to receive reimbursement for eligible dependent care expenses for qualified individuals. A qualified individual includes a qualified child if he or she:

- Is a U.S. citizen, a U.S. national or a resident of the U.S., Mexico or Canada
- Has a specified family-type relationship to you
- Lives in your household for more than half of the tax year
- Is 12 years old or younger
- Has not provided more than one-half of his own support during the taxable year.

For more information, talk with your benefits administrators or a tax professional, or contact the Internal Revenue Service at 800-829-1040 or www.irs.gov.

## Eligible Expenses

Generally, child, adult and elder care costs that allow you and your spouse to work or actively look for work are eligible for reimbursement. If you are married, your spouse must work, be a full-time student or be mentally or physically incapable of self-care. Examples:

- Day care facility fees
- Local day camp fees
- Baby-sitting fees for at-home care while you and your spouse are working (You, your spouse or another tax dependent cannot provide the care.)

## Ineligible Expenses

- Child support payments or child care if you are a non-custodial parent
- Payments for dependent care services provided by your dependent, your spouse's dependent or your child who is under age 19
- Healthcare costs or educational tuition
- Overnight care for your dependents (unless it allows you and your spouse to work during that time)
- Nursing home fees
- Diaper services
- Books and supplies
- Activity fees
- Kindergarten tuition.

## Reimbursement of Eligible Expenses



To request reimbursement, you must complete and submit a MoneyPlu$ Spending Account Reimbursement Request Form, along with expense documentation showing the following:

- The date your dependent received the care (for example, October 1-October 31), **not** the date you paid for the service
- The name and address of the facility
- The name, address, tax ID number (or Social Security Number) **and signature** of the individual who provided the dependent care.

This information is required with each request for reimbursement. The MoneyPlu$ Spending Account Reimbursement Request Form may serve as documentation if it includes the provider's signature and tax ID or Social Security Number.

**An approved expense will not be reimbursed until after the last date of service for which you are requesting reimbursement.** For example, if you pay your dependent care provider on October 1 for the month of October, you can submit your reimbursement request for the entire month. However, payment will not be made until you receive the last day of care for that month.*

**An approved expense will not be reimbursed until enough funds are in your Dependent Care Spending Account to cover the expense**. On your Reimbursement Request Form, you may divide the dates of service into periods that correspond with your payroll cycle. This will allow FBMC to reimburse you for part of the amount on the documentation when there are enough funds in your account.

# MEDICAL SPENDING ACCOUNT

## How the Medical Spending Account Works

1. Estimate the amount you and your family want to set aside in your Medical Spending Account, up to $5,000 per calendar year. If you are married and your spouse is eligible for coverage, you may each set aside up to $5,000. Consider only those expenses you and your family can expect to incur between January 1 and December 31.

- According to IRS regulations, if you have money left in your MSA on December 31, you have until March 15 of the new year (a grace period) to spend funds deposited in the account during the previous year.
- **You have until March 31 to ask for reimbursement and submit documentation for eligible expenses incurred during the calendar year and the grace period. This includes documentation for EZ REIMBURSE® Card transactions.** Check the FBMC Web site at www.myFBMC.com for any outstanding transactions that may need documentation.
- Between January 1 and March 15, any EZ REIMBURSE® Card swipes or paper claims filed will be paid from funds remaining in your MSA from the previous year. If you have 2006 MSA funds you would like to use, submit your 2006 claims before you begin turning in claims for 2007 expenses.
- Remember, any money in your account after you have claimed all of your expenses cannot be returned to you or carried over beyond March 15 of the new year.

If you had an EZ REIMBURSE® Card during the old plan year and signed up for it for the new plan year, you can continue to use it to pay eligible expenses from your previous year's MSA until March 15. If you have *not* signed up for the card or an MSA again, you cannot use your EZ REIMBURSE® Card after December 31. However, you may submit paper claims until March 31 for expenses incurred until March 15 of the new plan year.

2. The yearly amount you elect to contribute to your account will be divided into equal installments and deducted from each paycheck before taxes. It is then credited to your Medical Spending Account.

3. After incurring medical or dental expenses, submit a MoneyPlu$ Spending Account Reimbursement Request Form and a copy of the expense documentation or the Explanation of Benefits for these expenses to FBMC. File the claim only for your **unreimbursed** expenses. Approved claims will be paid until you have reached the annual amount you chose to have deducted. Your claim will be processed within five working days of its receipt by FBMC. **Then a direct deposit will be issued to your account within 48 hours of your claim approval, or a check will be mailed**. Because of weekends and time in the mail, it may take up to two weeks for you to receive your check.
   - If you have an EZ REIMBURSE® Card, present it when you incur eligible medical expenses, including prescriptions or dental expenses. If the provider accepts MasterCard®, the funds will automatically be removed from your account, and you will not have to wait for reimbursement. Instructions on when to submit expense documentation will be provided to you on your monthly statement, or you may check the FBMC Web site.



## Eligibility

You must be eligible for active group insurance to participate in MoneyPlu$. However, you are *not* required to be enrolled in an insurance program to participate in MoneyPlu$, nor do you have to enroll in the Pretax Group Insurance Premium feature to participate in the Dependent Care or Medical Spending account.

## Enrollment

**To participate in the Medical Spending Account, you must have completed one year of continuous state-covered service by January 1 after annual enrollment.** You **must** re-enroll during each yearly enrollment period, October 1- October 31, to continue your account the next year. If you have an EZ REIMBURSE® Card, you must also re-enroll for it each year. You can enroll in, or make changes to, your MSA within 31 days of an approved change in status (see "Special Eligibility Situations," page 11). Complete a MoneyPlu$ Enrollment Form, available from your benefits administrator or on EIP's Web site at www.eip.sc.gov. Submit the completed form to your benefits administrator.

**If you have a question about whether you qualify to enroll, or if you wish to make a change, call FBMC at 800-342-8017 or EIP at 803-734-0678 (Greater Columbia area) or 888-260-9430 (toll-free outside the Columbia area).**

You may set aside up to $5,000 annually to pay your medical, vision and dental expenses that are not reimbursed by insurance. Your MoneyPlu$ Medical Spending Account may be used to reimburse eligible expenses incurred by:

- Yourself
- Your spouse (even if he has a Medical Spending Account)
- Your qualifying child or
- Your qualifying relative.

An individual is a *qualifying child* if he is not someone else's qualifying child and:

- Is a U.S. citizen, a U.S. national or a resident of the U.S., Mexico or Canada
- Has a specified family-type relationship to you
- Lives in your household for more than half of the taxable year
- Is 18 years old or younger (23 years, if a full-time student) at the end of the taxable year and
- Has not provided more than one-half of his own support during the taxable year (and receives more than one-half of his support from you during the taxable year if a full-time student age 19 through 23 at the end of the taxable year).

An individual is a *qualifying relative* if he is a U.S. citizen, a U.S. national or a resident of the U.S., Mexico or Canada and:

- Has a specified family-type relationship to you, is not someone else's qualifying child and receives more than one-half of his support from you during the taxable year or
- If no specified family-type relationship to you exists, is a member of and lives in your household (without violating local law) for the entire taxable year and receives more than one-half of his support from you during the taxable year.

***Note**: There is no age requirement for a qualifying child if he is physically and/or mentally incapable of self care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish a MoneyPlu$ Medical Spending Account.*

For more information, contact your benefits administrator or tax advisor or the Internal Revenue Service at 800-829-1040 or at www.irs.gov.



## Eligible Expenses—Medical Spending Accounts

Expenses eligible for reimbursement include your deductibles, coinsurance and copayments. In addition to these expenses, your Medical Spending Account is an excellent way to help pay for:

- Vision care
- Annual physical exams
- Out-of-pocket dental fees (including orthodontia, if medically necessary, but not if cosmetic)
- Certain approved over-the-counter medicines
- Any other out-of-pocket medical expenses deductible under current tax laws, including travel to and from medical facilities.

***Note**: Orthodontia treatment designed to treat a specific medical condition can be reimbursed. However, you will have to submit additional documentation each year. For more information, call FBMC Customer Service at 800-342-8017.*

## Eligible Expenses—Limited-use Medical Spending Accounts

If you have a Health Savings Account (HSA), you are eligible for a limited-use Medical Spending Account. This account may be used to pay expenses not covered by the SHP Savings Plan, such as dental and vision care. You may use your HSA, but not your limited-use MSA, for deductibles and coinsurance.

## Over-the-Counter Medicines

You may use your MSA to pay for some over-the-counter (OTC) drugs, including allergy, antacid, cold, cough and pain-relief medicines. The Treasury Department and IRS ruled that OTC drugs may be purchased with pre-tax dollars through healthcare flexible spending accounts, such as a MoneyPlu$ Medical Spending Account. This does not change the rules about itemizing medical expense deductions. The costs of OTC drugs are still not deductible on tax returns. You may now use your EZ REIMBURSE® Card to buy over-the-counter drugs. Please note that OTC drug expenses are not eligible for reimbursement under a limited-use MSA.

FBMC will review and update the partial list of OTC drugs eligible for reimbursement quarterly. **It is your responsibility to remain informed about updates to this list**, which can be found at www.myFBMC.com.

When a drug or medicine is added to the list, it can be reimbursed from January 1 of the year in which it is added. You may resubmit a copy of your receipt if a rejected OTC expense becomes eligible for reimbursement later in the same year. **Remember that you have only until March 15 to spend funds deposited during the previous year. You have until March 31, after the end of the year, to submit eligible expenses for reimbursement.**

## Ineligible Expenses

- Insurance premiums
- Vision warranties and service contracts
- Health or fitness club membership fees
- Cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition

## Availability

Once you sign up for a Medical Spending Account and decide how much to contribute, the entire amount will be available on January 1. You do not have to wait for the funds to accumulate in your account before getting reimbursed for eligible medical expenses.

## Medical Spending Account Reimbursements

If you use an EZ REIMBURSE® Card, funds will automatically be transferred from your Medical Spending Account. You will not need to wait for reimbursement. Please note that the EZ REIMBURSE® Card is not available to limited-use MSA participants. The EZ REIMBURSE® Card is discussed in detail below.

If you file by mail, your reimbursement will be issued within five business days from the time FBMC receives your properly completed and signed reimbursement request. However, weekends and time in the mail may mean it will take longer than that to receive your check. The minimum reimbursement is $5, except for the last reimbursement, which brings your account balance to zero.

**Like any MSA expense, EZ REIMBURSE® Card transactions must be documented for the IRS. See page 153 for more information.**

## Direct Deposit

You can have your MoneyPlu$ reimbursement checks deposited automatically into your checking or savings account. There is no extra fee for this service, and you will still receive notification that your claim has been processed. To apply, complete a MoneyPlu$ Direct Deposit Authorization Form available from your benefits office or on EIP's Web site at www.eip.sc.gov. Please note that processing your direct deposit application may take between four to six weeks.

MoneyPlu$ Spending Accounts are tax-favored accounts and must follow the guidelines under Section 125 of the Internal Revenue Code. Your signature on the form submitted for reimbursement serves as a required certification that you are abiding by the plan rules. FBMC cannot process your request without it.

## Requesting Manual Reimbursement

Claims must first be filed for any health plan benefits, provided by your employer, for which you are eligible. Any remaining out-of-pocket expenses may then be submitted for reimbursement from your Medical Spending Account.

To request reimbursement from your Medical Spending Account, fax or mail a completed MoneyPlu$ Spending Account Reimbursement Request Form (the fax number and address are on the form), along with one of these:

- An invoice or bill from your healthcare provider listing the date you received the service, the cost of the service, the type of service and the person for whom the service was provided
- An Explanation of Benefits (EOB) from your health insurance provider that shows the type of service you received, the date and cost of the service and any uninsured portion of the cost. In certain circumstances, a written statement from your healthcare provider that the service was medically necessary may be required. This Letter of Medical Need is available from FBMC by calling 800-342-8017.

## EZ REIMBURSE® MASTERCARD® CARD

You may use the EZ REIMBURSE® Card to draw funds from your MoneyPlu$ Medical Spending Account (MSA) to pay eligible, uninsured medical expenses for yourself and for your eligible dependents.

There is no risk of overspending. If you try to spend more than you will deposit into the account during the year, the transaction will be denied.

**The EZ REIMBURSE® Card is not available to you if you have a limited-use Medical Spending Account, which is associated with the State Health Plan Savings Plan and the Health Savings Account.**

The EZ REIMBURSE® MasterCard® Card is issued by MetaBank.

### To Enroll

When you sign up for an MSA, you may request an EZ REIMBURSE® Card on your enrollment form. If you wish to continue your EZ REIMBURSE® Card from year to year, you must re-enroll in it each year. There is a $20 annual fee for the card. The fee will be deducted from your MSA at the beginning of the year. You will receive two cards, one of which may be shared with a dependent.

### Activating the Card

You must activate your EZ REIMBURSE® Card before you use it for the first time. To do so, call the toll-free number on the sticker on the front of the card. Be sure to sign the back of the card. If you continue to sign up for the card and MoneyPlu$ Medical Spending Account from year to year, you will continue to use the same plastic card until its expiration date.

### Using the Card

You may use the card for:

- Copayments and deductibles at physician, dentist and optometrist offices
- Vision and dental expenses
- Prescription copayments and uncovered prescriptions at participating pharmacies
- IRS-approved over-the-counter items
- Mail-order prescriptions.

Your EZ REIMBURSE® Card may only be used for eligible medical expenses not covered by your insurance. You may not use it for cosmetic dental costs and eyeglass warranties.

**If you are enrolled in the State Health Plan, BlueChoice, CIGNA or MUSC Options, you may now use your EZ REIMBURSE® Card for mail-order prescriptions. No documentation is required.**

When you use the card to pay a healthcare provider, such as a physician or a stand-alone drug store, swipe it as you would any other credit card. No PIN is needed. Please remember to keep documentation of your expenses, as stated in the IRS regulations.

**Effective January 1, 2007, your EZ REIMBURSE® Card is no longer accepted at general merchandise and grocery store pharmacies, such as Wal-Mart, Publix and Kmart. As it becomes possible to use your card at these stores, FBMC will notify you.**

Also effective January 1, 2007, you can use the card at any pharmacy that accepts MasterCard®. However, the pharmacy must participate in your health plan's network. A list of pharmacies that are part of your network is on the EIP Web site under "Online Directories." If you use a pharmacy that is not part of your plan's network, you will pay the full cost for the drug. The cost will not apply to your deductible.

When using your EZ REIMBURSE® Card at a pharmacy, just swipe the card as you would any credit or debit card. A PIN is not needed. Your receipt will show the name of the drug and the amount of the copayment that was taken from your MSA.

Up to five transactions for prescriptions that have fixed copayments (such as $10, $25 and $40 under the Standard Plan) will be "auto-adjudicated," verified and approved when you make the purchase without requiring documentation later. Any prescription purchase that is not for a regular copayment will require documentation.

When you use the card to purchase eligible over-the-counter medicine, documentation will be required unless the purchase is made at Walgreens. Walgreens has coded IRS-approved over-the-counter items so that these purchases, as well as prescriptions, do not require documentation. Visit www.myFBMC.com for the latest list of IRS-approved over-the-counter items.

You must use the MoneyPlu$ Spending Account Reimbursement Request Form if a provider does not accept the card. The Reimbursement Request Form is available on the EIP Web site at www.eip.sc.gov. Choose your category (Active Subscribers) and select "Forms." The Reimbursement Request Form is listed under "MoneyPlu$."

## Documenting EZ REIMBURSE® Card Transactions

According to the IRS, it is not necessary to submit documentation to FBMC for fixed copayments for prescriptions and for your health plan. Your health plan's mail-order pharmacy does **not** require documentation. **However, documentation is needed for other healthcare expenses.** When you receive your monthly statement from FBMC, transactions requiring documentation will be highlighted in blue. If an expense appears in this section you must **fax a copy** of your documentation and an EZ REIMBURSE® Card Transmittal Sheet to FBMC.

**It is important to submit documentation of items listed in blue on your monthly statement. If you do not submit the documentation, your card may be suspended or possibly cancelled.**

Documentation can be an Explanation of Benefits from your health plan or a statement or bill showing the name of the patient, the date of service, the type of service, the service provider and the cost of service. The cover sheet is available on the EIP Web site at www.eip.sc.gov. Choose your category (Active Subscribers) and select "Forms." You also may get a copy from the FBMC Web site, www.myFBMC.com or from your benefits administrator. **FBMC must have this transmittal sheet to process the documentation.**

If you have an outstanding EZ REIMBURSE® Card transaction appearing on two consecutive monthly statements, the next time you submit an approved paper claim, FBMC will keep enough money in your account to make up for the card transaction that you have not documented. You will be reimbursed for the difference between the new claim and the undocumented claim. This is called "automatic substitution." You also may satisfy any outstanding EZ REIMBURSE® Card transactions by submitting a check to FBMC made out to your employer in the amount of the outstanding transaction.

If you have an undocumented transaction that appears in blue on more that two consecutive monthly statements and no automatic substitution has occurred, your EZ REIMBURSE® Card will be suspended until:

- FBMC receives your documentation
- Automatic substitution occurs
- You repay your account by check.

When the transaction in question is cleared by one of these methods, your card will be automatically reinstated. Any amounts from January 1, 2006, to March 15, 2007, that are not cleared by March 31, 2007, violate IRS guidelines and will be taxed as income. Also, your EZ REIMBURSE® Card will be permanently cancelled.

**On page 149 you will find information about how the run-out period and the grace period apply to the EZ REIMBURSE® Card.**

You must keep all documents substantiating your claims for at least one year and submit them immediately to FBMC or to the IRS upon request.

## Lost Cards

If your EZ REIMBURSE® Card is lost or stolen, call 800-689-0821 immediately.

## Limited-use Medical Spending Accounts

Savings Plan subscribers, who contribute to an HSA, may enroll in a limited-use Medical Spending Account to pay dental and vision care expenses, as these are not covered by the Savings Plan. Except for the restrictions regarding which expenses are reimbursable, a MoneyPlu$ limited-use Medical Spending Account works the same as a MoneyPlu$ Medical Spending Account.

**Using your limited-use MSA**
Since you can pay your out-of-pocket medical expenses with your MoneyPlu$ HSA, some MoneyPlu$ Medical Spending Account features are not available with a MoneyPlu$ limited-use Medical Spending Account, including:

- No reimbursement of out-of-pocket medical expenses, such as deductibles, coinsurance and copayments
- No reimbursement for over-the-counter items and
- No EZ REIMBURSE® Card option.

Remember, MoneyPlu$ limited-use Medical Spending Accounts are available only to HSA participants. Dependent Care Spending Account eligibility is not affected by your HSA participation.



# ACCESS TO INFORMATION ABOUT YOUR FLEXIBLE SPENDING ACCOUNT

## A Word About Your PIN

To use the FBMC Web site and the Interactive Voice Response system, all you need is your Social Security Number. When you use the site for the first time, your Social Security Number, typed without hyphens, will be your User ID. The last four digits will be your first Personal Identification Number (PIN). After your first login, you will be asked to select your own confidential four-digit PIN. Once you have selected your new PIN, you have access to information about your benefits. **Please keep your PIN in a safe place. The PIN you select will give you access to both the Interactive Voice Response system and the FBMC Web site.** This PIN has no connections with the EZ REIMBURSE® MasterCard.®

## Internet

FBMC's Web site, www.myFBMC.com, provides information about your Tax-Favored Accounts. Answers to many of your benefit questions can be obtained by using the tabs along the top of the home page. Enter your

Social Security Number (SSN) and Personal Identification Number (PIN). After this login, you have access to this benefit information 24 hours a day:

- **Benefits.** You may check your benefit status, read benefit descriptions, use tax calculator and much more. **Claims.** Not only can you check the status of your claim, but you may also download forms, get more information about mailing and faxing your claim to FBMC or see transactions that need documentation.
- **Accounts.** View your account balance and contributions. You may also view monthly statements and review your transaction history.
- **EZ REIMBURSE® MasterCard® Card.** Check your account regularly to review your account balance and any outstanding EZ REIMBURSE® Card transactions that require documentation. You may download a card fact sheet or transmittal form and read detailed instructions about using the card. You can also view outstanding transactions.
- **Profile.** Change your e-mail address in FBMC's files, complete your online registration or select a new PIN.
- **Resources.** Look through an extensive resource library, including benefit materials, surveys, over-the-counter drug listings and benefit tips.
- **Forms.** Download claim submission and reimbursement forms.

### Telephone

FBMC's 24-hour automated phone system enables you to check on a claim, verify the status of a MoneyPlu$ claim, request forms and more! Getting connected to your benefits is easy. Call the Information Line at 800-865-FBMC (3262).

### FBMC Contact Information

| Department | Hours | Phone |
|---|---|---|
| FBMC Customer Service | M – F, 7 a.m. – 10 p.m., ET | 800-342-8017<br>800-955-8771 (TDD) |
| Automated Services | 24 hours a day | 800-865-3262 |
| Dispute Line | M – F, 7 a.m. – 10 p.m., ET | 800-342-8017 |

Fax: 850-425-4608

## CHANGING YOUR FLEXIBLE SPENDING ACCOUNT COVERAGE

You can start or stop your MoneyPlu$ Spending Accounts or vary the amounts you contribute to the account only under limited circumstances. MoneyPlu$ Program and IRS regulations establish which "changes in status" make it permissible for you to change contributions to your account. The change you wish to make to your Dependent Care Spending Account or Medical Spending Account must be consistent with the event that triggers the change. For example, you may wish to start a Dependent Care Spending Account if you have a baby or adopt a child. You may want to decrease your Medical Spending Account contribution if you get a divorce and will no longer be paying for your ex-spouse's out-of-pocket medical expenses.

**Within 31 days of one of the events listed below, you must complete and submit a Change In Status Form to your benefits administrator if you wish to make changes in your account.** The form is available on the EIP Web site at www.eip.sc.gov and from your benefits administrator. If you wish to continue to have an EZ REIMBURSE® Card, you must re-elect it on the form. **Your benefits administrator must complete and review the form, along with any necessary documentation, authorize it and forward the form to FBMC in a timely manner.** Any related claims you submit in the interim will be held until FBMC receives and processes the Change In Status Form. Some changes in status that permit changes to your account are:

- Marriage, legal separation, divorce
- Birth, placement for adoption, adoption
- Dependent becomes ineligible (by age, marriage, etc.)

- Death of spouse, dependent
- Gain or loss of employment
- Begin or end unpaid leave of absence
- Change from full-time to part-time employment or vice versa
- Change in day care provider.

This is a partial list. For more information, contact your benefits administrator or call FBMC Customer Service at 800-342-8017.

### How Changes Affect Your Period of Coverage

Your MoneyPlu$ Spending Account is set up for the entire calendar year (your period of coverage). However, if you are permitted to change it during the year (an approved, mid-plan-year election change), you have more than one period of coverage. Money you deposit during the original period of coverage may be combined with money you deposit after the mid-year change. However, expenses you incurred before the mid-year change cannot be reimbursed for more money than was in the MoneyPlu$ account before the change.

## HOW LEAVING YOUR JOB AFFECTS YOUR FLEXIBLE SPENDING ACCOUNT

### Medical Spending Accounts

If you leave your job permanently or take an unpaid leave of absence, you may continue your Medical Spending Account through the end of the plan year, including the grace period, which is discussed on page 149. If you were participating in the EZ REIMBURSE® Card program, your card will be cancelled when you leave employment. If you wish to continue your account, contact your benefits administrator within 31 days of the your last day at work and complete the appropriate forms.

If you choose not to continue your Medical Spending Account election, you have 90 days, from your last day at work, to submit eligible Medical Spending Account expenses incurred before you left employment.

The Family and Medical Leave Act (FMLA) may affect your rights to continue coverage while on leave. Please contact your employer for further information.

### Dependent Care Spending Accounts

If you leave your job permanently or go on unpaid leave, you cannot continue contributing to your Dependent Care Spending Account. You can, however, continue to request reimbursement for eligible expenses incurred while you were employed, until you exhaust your account or the plan year ends.

## APPEALS

If your request for a mid-plan-year election change, MoneyPlu$ Spending Account reimbursement claim or other similar request is denied, in full or in part, you have the right to appeal the decision by sending a written request within 30 days of the denial for review to FBMC (Attn: Appeals Process, P.O. Box 1878, Tallahassee, FL, 32302-1878).

Your appeal must include:

- The name of your employer
- The date of the services for which your request was denied
- A copy of the denied request
- A copy of the denial letter you received
- Why you think your request should not have been denied and
- Any additional documents, information or comments you think may have a bearing on your appeal.

Your appeal will be reviewed upon receipt of it and its supporting documentation. You will be notified of the results of this review within 30 business days from receipt of your appeal. In unusual cases, such as when appeals

require additional documentation, the review may take longer than 30 business days. If your appeal is approved, additional processing time is required to modify your benefit elections.

Note: Appeals are approved only if the extenuating circumstances and supporting documentation are within your employer's, insurance provider's and IRS regulations governing the plan.

# HEALTH SAVINGS ACCOUNT

The State Health Plan Savings Plan enables subscribers who are willing to take greater responsibility for their healthcare costs to reduce their insurance premiums and, coupled with a Health Savings Account (HSA), to save money for qualified medical expenses.

## Eligibility

**To be eligible for a Health Savings Account, a subscriber must be covered by a high-deductible health insurance plan, such as the State Health Plan Savings Plan.** He cannot be covered by any other health insurance, including Medicare. However, he can be covered for specific injuries, accidents, disability, dental care, vision care and long-term care. He cannot be claimed as a dependent on another person's income tax return.

Active subscribers enrolled in the Savings Plan, upon turning 65, remain eligible to contribute to an HSA, if they delay enrollment in Medicare Part A by delaying taking Social Security. (A person can delay enrolling in Social Security up until age 70½.) Once this subscriber enrolls in Social Security (Part A of Medicare), usually at retirement, he can no longer make contributions to an HSA, including catch-up contributions. However, the funds already in the HSA can be withdrawn to pay Medicare premiums (not Medigap), deductibles and coinsurance, which are qualified expenses.

Retirees enrolled in the Savings Plan are eligible to contribute to an HSA (although not through MoneyPlu$). They may enroll in the HSA at NBSC, or any other institution that offers an HSA, and make catch-up contributions. The S.C. Retirement Systems has arranged with NBSC to allow HSA contributions to be deducted from monthly retirement checks and forwarded directly to NBSC.

An eligible, active subscriber may establish an HSA offered through any qualified financial institution. However, to contribute to an HSA on a pre-tax basis through payroll deduction, he must enroll in the MoneyPlu$ HSA. NBSC, an affiliate of Synovus Financial Corp., is the trustee for these accounts. The accounts are administered by Fringe Benefits Management Company (FBMC).

**A MoneyPlu$ Medical Spending Account (MSA), even a spouse's MSA, is considered *other health insurance* under HSA regulations. If you or your spouse are enrolled in an MSA through December 31, 2007, you may not begin to contribute to an HSA until April 1, 2008, the day after the MSA run-out period ends. An exception: If you have a limited-use MSA, you may begin making HSA contributions on January 1, 2007. A limited-use MSA may only be used for dental and vision expenses, so it does not meet the definition of *other health insurance.***

Once you enroll in an HSA, you do not have to re-enroll in it as long as you remain eligible for it.

## Limited-use Medical Spending Account

If you have an HSA, you can also have a limited-use Medical Spending Account. That account may be used for expenses not covered by your health insurance, the Saving Plan. Eligible expenses include dental and vision care. See page 154 for more information.

**Visit NBSC's Web site, www.nationalbanksc.com, or call 877-367-4472 for more information.**

If you enrolled in a full Medical Spending Account instead of an HSA, you cannot sign up for an HSA until the next enrollment period or until a special eligibility situation occurs that allows you to end your MSA within 31 days of the event.

## CONTRIBUTIONS

The maximum contribution to an HSA is indexed for inflation. In 2007, a subscriber with single coverage can contribute $2,850, and a subscriber who covers himself and any other family member can contribute $5,650. Total contributions for the entire year may not exceed these limits.

- For example, a subscriber with single coverage under the SHP Savings Plan can contribute $2,850 to his HSA for the twelve months beginning January 1, 2007. Contributions may be paid in a lump sum, in equal amounts for twelve months (such as through payroll deduction with MoneyPlu$) or in any combination of payments during the year, as long as the total does not exceed $2,850.
- A new subscriber with the same coverage, but beginning after January 1, can contribute up to one-twelfth of the $2,850 limit, or $237.50 times the number of months remaining in the year. For example, a new subscriber beginning coverage on September 1 would be eligible to contribute $950 for the four months remaining in the year (four-twelfths, or 4 x $237.50). Contributions may be paid in a lump sum, in equal amounts for four months (such as through payroll deduction with MoneyPlu$) or in any combination of payments during the year, as long as the total does not exceed $950.
- **A subscriber who had a Medical Spending Account in 2006 may not begin contributing to an HSA until the day after the end of the MSA run-out period, April 1, 2007. This is true even if no money remains in the MSA on January 1, 2007. His maximum contribution would be $2,137.50, for the nine months remaining in the year (nine-twelfths, or 9 x $237.50). Contributions may be paid in a lump sum, in equal amounts for nine months (such as through payroll deduction with MoneyPlu$) or in any combination of payments during the year, as long as the total does not exceed $2,137.50.**

Subscribers age 55 and older may make "catch-up" contributions to an HSA. The amount for 2007 is $800.

There is no minimum contribution, but remember that certain administrative fees will be deducted from your account. They include an annual fee of $20, which you will pay until your account exceeds $5,000.

### Changing Contributions

You may change the amount you contribute to your MoneyPlu$ HSA through payroll deduction once a month. To make the change, fill out a new MoneyPlu$ Spending Account Reimbursement Request Form and complete Box A.

You may make regular and catch-up contributions to your HSA up to the time your federal income tax return is due, usually April 15.

### Excess Contributions

FBMC will monitor your HSA contributions and send an alert to your benefits administrator if you are exceeding your contribution limit. NBSC also will send periodic notices to remind you to check your balance.

However, the best way to avoid problems is to divide your annual contribution among the number of paychecks you receive. For example, if you receive 24 paychecks each year and you have single coverage, you can deduct up to $118.50 each pay period. If you have family coverage, you can deduct $235.41 (rounded) each pay period.

### Eligible Expenses

You may use the funds in your HSA, tax free, to pay for **unreimbursed** eligible medical expenses for yourself, your spouse and your dependents. Medical expenses include the costs of diagnosis, cure, treatment or prevention of physical or mental defects or illnesses. For more information, check IRS Publication 502.

### Using HSA Funds

After you enroll in an HSA, you will receive a Bank Signature Card form from NBSC. **It is very important that you sign this card and return it promptly.** After you sign the card, you will receive one Visa® debit card from NBSC. If you would like a second card, call NBSC at 877-367-4HSA (4472). You should receive the card

within 10 business days. You can also order your free starter supply of checks by calling this number. You may use the card or the checks to reimburse yourself from your HSA.

One important difference between an HSA and an MSA is that on January 1, after annual enrollment, you have immediate access to your full yearly contribution to an MSA. This is not true of an HSA. **You can only use HSA funds that are actually in your account.** If you use your debit card for a transaction and you do not have enough money in your account, the transaction will not go through. If you write a check and you do not have enough money in your account, you will be charged for writing a check with insufficient funds.

## Availability of Funds

Each contribution to your MoneyPlu$ HSA will be available after your employer's payroll is received and processed by FBMC, transferred to NBSC and deposited in your account. Deposits are sent from FBMC to NBSC twice a week. Funds should **generally** be available in your HSA no later than a week after pay date. Remember, this depends on when your employer submits the deductions and payroll reports to FBMC.

You will receive monthly statements from NBSC. You may also check your balance by visiting any NBSC branch or by signing up for online access. There is no charge for access-only services. Once you register, it takes about 5-7 business days before you will have online access to your account.

You can make deposits to or withdrawals from your account at any NBSC branch. Contact FBMC or the custodian of your HSA to learn the maximum you can contribute to your HSA for 2007. Any withdrawals must be for medical expenses that qualify under IRS guidelines. If they do not, they may be subject to taxes and penalties.

**You cannot use your HSA debit card to get cash at an automatic teller machine.**

## Documentation of Eligible Expenses

You should keep receipts from expenses paid with your HSA with your tax returns in case the IRS audits your tax return and requests copies.

If you use HSA funds for ineligible expenses, you will be subject to taxes on the amount you took from your HSA, as well as a 10-percent penalty if you are under age 65.

## HSA Fees

If you deposit funds in your HSA through payroll deduction, administrative fees will be deducted from your HSA. These fees include:

- $20 a year or $2 a month (your choice)*
- 50 cents to process each check. (If you use your debit card, there will be no transaction fees.)
- $4 for each additional Visa® debit card
- $4 to replace a lost or stolen Visa® debit card.

Other fees may apply, such as those for insufficient funds.

*Contact NBSC at 877-362-4472 within 60 days of opening the account if you would prefer to pay the $20 annual fee. Otherwise, the $2 monthly fee will apply. You will pay this fee until the balance in your account reaches $5,000.

### For More Information

**A copy of the HSA Custodial Account disclosure statement and funds availability disclosure agreement is on pages 222-229 of this guide. Information also is available by contacting FBMC at 800-342-8017 or at www.myFBMC.com. Information about the Savings Plan is in this guide in the State Health Plan chapter, which begins on page 21.**

**General information on HSAs is available on the Web at www.hsainsider.com and www.irs.gov.**

**More information about the Savings Plan and the Health Savings Account offered through payroll deduction is available from your benefits administrator or EIP at 803-734-0678 (Greater Columbia area) or 888-260-9430 (toll-free outside the Columbia area) or on the Web at www.eip.sc.gov.**

**Detailed information on the HSA associated with the State Health Plan Savings Plan is available from NBSC at www.nationalbanksc.com or 877-367-4472.**

If you will not contribute to your MoneyPlu$ HSA in 2007 but want to keep your account with NBSC open, you must continue to pay the $2 monthly fee, unless you have a minimum balance of $5,000.

If you do not make any deposits or withdrawals for 12 months you will be charged a monthly fee of $5, in addition to the $2 monthly fee (if the fee applies).

If your balance drops below $25, you must use the funds and close the account until you are again eligible to contribute.

## Investment of Funds

One of the advantages of an HSA is that you do not have to spend all the funds during the year in which they are deposited, as you do with a Medical Spending Account. The funds can accumulate and can be used for eligible medical expenses in the future.

If you establish an HSA through NBSC, an affiliate of Synovus Financial Corp., the money will, at first, be invested in an interest-bearing checking account. When the balance in your account reaches $3,500, NBSC/Synovus will send you a letter offering you the opportunity to choose from among several Fidelity Investment® mutual funds. The letter will explain any fees and give you a toll-free number to call to request an enrollment package. If you decide to invest in a mutual fund, you must keep $1,000 in your HSA checking account.

Unlike funds in an interest-bearing checking account, money invested in a mutual fund is not FDIC insured. You have the opportunity to earn a higher rate of return on your investment, but that is not guaranteed. There a possibility you will lose money, including the original amount invested.

## Portability

If you leave your job, you can take your HSA with you and continue to use it for qualified medical expenses.

## Tax Reporting

After the year ends, NBSC will send you forms to use in reporting your HSA contributions and withdrawals when you file your taxes. It is important to save documentation, including receipts, invoices and explanations of benefits from your health insurance carrier, because you may be asked to show the IRS proof that your HSA funds were used for qualified expenses.

If you participate in MoneyPlu$, pretax HSA contributions will appear on your W-2 Form as employer-paid contributions. This is because this money was deducted from your salary before it was taxed. Do not deduct this money on your return. Only after-tax contributions may be deducted. Consult your tax advisor for more information.

If you have questions about how your HSA contributions were reported on your W-2 Form, contact your benefits office.

# Retirees/ Disability Retirees

# Retirees/Disability Retirees

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# Benefits for Retirees

Benefits available to you in retirement are the focus of this chapter. It is designed to provide useful information to eligible participants in the state insurance program who are considering retirement or who have already retired. For more detailed information on specific programs, please refer to the previous chapters in this guide. If you have questions or need additional information about your insurance, contact EIP through our Web site at www.eip.sc.gov or call 803-734-0678 (Greater Columbia area) or at 888-260-9430 (toll-free outside the Columbia area).

## RETIREE INSURANCE ELIGIBILITY REQUIREMENTS

Retirees **from employers that participate in the state insurance program** are eligible for insurance coverage if they retire:

- Due to years of service with a participating state insurance employer
- Due to age
- On approved disability through the S.C. Retirement Systems (SCRS) or on approved Basic Long Term Disability and/or Supplemental Long Term Disability.

**For more information about state retirement eligibility, call 803-737-6800 (Greater Columbia area) or 800-868-9002 (toll-free outside the Columbia area but within South Carolina) or visit the S.C. Retirement Systems Web site at www.retirement.sc.gov.**

**To qualify for the retiree group insurance program as either a non-funded or a funded retiree, your last five years of employment must be served consecutively, with an employer that participates in the Employee Insurance Program, and in a full-time, permanent position.**

**Additional service credit for unused sick leave may not be used to qualify for the retiree group insurance program.**

Please note: Whether you are a funded or a non-funded retiree, the following does not count toward your 10- or 20-year eligibility requirement: non-qualified, federal, military, out-of-state employment, unused sick leave or service with employers that do not participate in the state insurance program.

### Funded vs. Non-funded Retiree Insurance Premiums

If you are a state or school district retiree and qualify for funded benefits, the state will contribute to your premiums to the same extent it contributes to the premiums of an active employee.

*Local subdivisions* may or may not pay a portion of the cost of their retirees' group insurance premium. Each local subdivision develops its own policy for funding retiree insurance premiums.

A *local subdivision* is a public employer in South Carolina that falls within one of the categories established by Section 1-11-720 of the 1976 S.C. Code of Laws, as amended, and participates in the state insurance program. **If you are a local subdivision employee, contact your benefits office for information about retiree insurance premiums.**

### Optional Retirement Program (ORP)

State Optional Retirement Program retirees must meet the same insurance eligibility guidelines as SCRS participants.

### Funded Retirees

Funded retirees are those whose employer contributes to their retiree insurance premiums and whose last five years of employment were continuous and consecutive in a permanent, full-time position with an employer that

participates in the state insurance program. They must fall into one of these categories:

For information on eligibility requirements for dependents and adding them to your coverage, see page 12.

- Employees who leave employment when they are eligible to retire and have at least 10 years of earned S.C. Retirement Systems (SCRS) service credit with an employer that participates in the state insurance program.
- Employees who leave employment before they are eligible to retire and who have at least 20 years of earned SCRS service credit with an employer that participates in the state insurance program. These employees are not eligible for insurance coverage until age 60 when they are eligible to receive a retirement check.
- **An exception:** Employees who left employment before 1990 and who were not eligible to retire, but who had 18 years of earned SCRS service credit and returned to work with a state-covered group, enrolled in a state health and dental plan, and worked for at least two consecutive years in a full-time, permanent position.

### Non-funded Retirees

Non-funded retirees are those who do not quality for funded benefits (see previous rules) and who must pay the full premium, which includes the retiree share plus the state contribution. It may also include an administrative fee. To qualify, a retiree's last five years of employment must have been continuous and consecutive in a permanent, full-time position with an employer that participates in the state insurance program. Non-funded retirees include:

- Employees who retire at age 55 with at least 25 years of retirement service credit (including at least 10 years of earned service credit with an employer that participates in the state insurance program). You must pay the full insurance premium until you reach age 60 or the date you would have had 28 years of service credit, whichever occurs first. Although sick leave may increase service credit under SCRS, retirees must pay the entire premium until age 60 or until they reach the date they would have had 28 years of service credit if they had continued working. At the end of this period, you will be eligible for funded retiree rates. This rule does not apply to Police Officers Retirement System, General Assembly Retirement System and Judges-Solicitors Retirement System participants. If you are in one of these groups, contact your benefits office for additional information. If you are retiring from a local subdivision, contact your benefits administrator for premium information.
- Employees who are eligible to retire and have at least five but fewer than 10 years of earned SCRS service credit with a participating state insurance program employer.
- General Assembly members who leave office or retire with at least eight years of General Assembly Retirement System service credit.
- Former municipal and county council members who served on council for at least 12 years and were covered under the state's plans when they left the council. It is up to the county or municipal council to decide whether or not to allow former members to have this coverage.

### TERI

If you are a Teacher and Employee Retention Incentive program (TERI) participant in a permanent, full-time position, your insurance benefits as an active employee continue. When your active insurance benefits end, you must apply for continuation of your insurance benefits as a retiree (if eligible) within 31 days of your date of termination. Your service as a TERI participant in a full-time, permanent position with a participating insurance program employer may be applied toward retiree insurance eligibility.

If you are not eligible for insurance as a retiree, you may still be eligible for continuation coverage under COBRA (see page 16).

## WHEN TO ENROLL

**Your insurance will not be automatically continued when you retire**. In addition to completing your paperwork with the S.C. Retirement Systems, **you must contact EIP within 31 days of the date of your retirement**

**to arrange for your retiree insurance.** Please visit our office in Suite 300, 1201 Main St., Columbia, if you would like to see an EIP representative. You may also request a retiree insurance enrollment packet by calling 803-734-0678 (Greater Columbia area) or 888-260-9430 (toll-free outside the Columbia area) or print forms from the EIP Web site, www.eip.sc.gov.

# HOW TO ENROLL

If you are an eligible retiree, you must enroll by filing a Retiree Notice of Election (NOE) form within 31 days of:

- Your retirement date or
- The end of your TERI period or
- Approval for disability retirement or approved Basic and/or Supplemental Long Term Disability benefits or
- A *special eligibility situation*.

You may enroll yourself and any eligible dependents.

If you and/or your eligible dependents are **not covered by a state health plan** at the time of your retirement, you may enroll within 31 days of:

- Your retirement date or
- The end of your TERI period or
- A *special eligibility situation*.

A *special eligibility situation* is a qualifying event that allows eligible employees and retirees, to enroll in an insurance plan. Enrollment changes must be requested within 31 days of the *qualifying event*.

Examples of a *qualifying event* include: marriage, birth, adoption or placement for adoption. Involuntary loss of other coverage is a qualifying event only for those who lost coverage.

You will be subject to pre-existing limitations for 12 months. Proof of creditable coverage may be used to reduce a pre-existing condition limitation period, if any break in coverage did not exceed 62 days. Those enrolling who have had a break in health coverage of more than 62 days will be subject to pre-existing condition exclusions for 12 months.

## Late Entrant

If you and/or your dependents do not enroll within 31 days of retirement, disability approval or a special eligibility situation, you may enroll as a late entrant during an open enrollment period held in October of every odd-numbered year (e.g., October 2007). Your coverage will take effect on the following January 1 (e.g., January 1, 2008), but, as a late entrant, your coverage will be subject to pre-existing condition limitations for 18 months. Proof of creditable coverage may be used to reduce a pre-existing limitation period, if any break in coverage did not exceed 62 days.

# YOUR HEALTH PLAN CHOICES AS A RETIREE

## Not Eligible for Medicare

If you and your covered dependents are not eligible for Medicare, you may be covered under one of these plans:

- The SHP Savings Plan (You may contribute to an HSA, but not through MoneyPlu$.)
- The SHP Standard Plan
- An HMO offered in the county where you live (See page 58 for counties where each HMO is available.)
- The TRICARE Supplement, if eligible.

Please note: If the retiree is not eligible for Medicare but the spouse is, the retiree can enroll in the Savings Plan and contribute to an HSA.

**Your health benefits will be the same as if you were an active employee.** Refer to the previous chapters of this guide for details.

### Eligible for Medicare

If you and/or your covered dependents are eligible for Medicare, you may be covered under one of these plans:

- The SHP Standard Plan
- The SHP Medicare Supplemental Plan
- An HMO offered in the county where you live. (See page 58 for counties where each HMO is available.)

This section provides details on the benefits available to you. Please note that if you are eligible for Medicare, you may not enroll in the TRICARE Supplement or the SHP Savings Plan, and you cannot contribute to the Health Savings Account associated with the Savings Plan.

## WHEN YOUR COVERAGE AS A RETIREE BEGINS

If you go directly from active employment to retirement, your coverage remains in effect. However, you still have to enroll as a retiree. If you are enrolling due to a special eligibility situation, your effective date will be either the date of the qualifying event or the first of the month after the qualifying event. If you enroll during open enrollment your coverage will be effective the following January 1.

### Retiree Premiums and Premium Payment

**State Agency, Higher Education and School District Retirees**
Your health, State Dental Plan, Dental Plus and Long Term Care premiums are deducted from your monthly SCRS retirement check. If the total premiums exceed the amount of your check, EIP will bill you directly for the full amount, or you may request a bank draft. Your first insurance premiums may be due before your retirement has been processed. For that reason, you may be billed for these premiums. All premiums are due on the 10th of the month. If you do not pay this bill, the amount will be deducted, along with other insurance premiums that may come due, from your retirement check.

**Local Subdivision Retirees**
You pay your health, State Dental Plan, Dental Plus and Long Term Care premiums directly to your former employer. That employer decides what portion of the premium it will pay. Contact your benefits office for information concerning your insurance premiums at retirement.

### Your Insurance Identification Card in Retirement

Keep your identification card if you do not change plans when you retire. You and your covered dependents will not receive new ID cards at retirement if you remain covered under any SHP option or the State Dental Plan and Dental Plus. You will receive a new health identification card if you are changing from an HMO to any SHP option or vice versa and/or if you enroll in the State Dental Plan or Dental Plus for the first time. If your card is lost, stolen or damaged, you may request a new card from EIP or from these third-party administrators:

- State Health Plan - BlueCross BlueShield of South Carolina
- HMO - CIGNA HealthCare, BlueChoice HealthPlan or MUSC Options
- Dental Plus - BlueCross BlueShield of South Carolina
- TRICARE Supplement - DEERS for a military I.D. card, ASI for a TRICARE Supplement card.

Contact information for the third-party administrators is on the inside cover of this guide.

### Decreasing Coverage

You may decrease your health and/or dental coverage if a spouse or dependent child becomes ineligible. This may occur because of divorce or separation, a child turns 19 and is no longer a full-time student, a child turns

25, a child marries or a child is no longer principally dependent (more than 50 percent) on you for support. If you drop a dependent from your coverage, you must complete an NOE within 31 days of the date he becomes ineligible. If you participate in TRICARE, please remember coverage for a dependent child under the TRICARE Supplement ends at age 21 unless he is a full-time student. If he is a full-time student, it ends at age 23.

# WHEN COVERAGE ENDS

**Your coverage will end:**

- The day after your death
- The date it ends for all employees and retirees
- If you do not pay the required premium when it is due.

**Dependent coverage will end:**

- The date your coverage ends
- The date dependent coverage is no longer offered
- The last day of the month your dependent is no longer eligible for coverage. If your dependent's coverage ends, he may be eligible for continuation of coverage under COBRA (see page 16).

If you are dropping a dependent from your coverage, you must complete an NOE within 31 days of the date the dependent is no longer eligible for coverage.

## Death of a Retiree

If a retiree dies a surviving family member should contact EIP to report the death, end the retiree's health coverage and begin survivor coverage (if applicable). See page 17 for more information on survivor coverage.

# When You or Your Dependents Become Eligible for Medicare

## About Medicare

Medicare includes *Part A*, *Part B and Part D*. To find out more about it:

- Visit the Medicare Web site at www.medicare.gov.
- Call Medicare at 800-633-4227 or 877-486-2048 (TTY).

**IMPORTANT MEDICARE NOTE**

**If you or one of your dependents become eligible for Medicare due to age or disability, you must notify EIP within 31 days of eligibility. If you do not notify EIP of your Medicare eligibility, and EIP continues to pay benefits as if it were your primary insurance, when EIP discovers you are eligible for Medicare, EIP will:**

- **Begin paying benefits as if you were enrolled in Medicare.**
- **Seek reimbursement for overpaid claims back to the date you or your dependent(s) became eligible for Medicare.**

**Medicare Part A**
Part A is your hospital insurance. Most people do not pay a premium for Part A because they or their spouse paid Medicare taxes while they were working. Part A helps cover your inpatient care in hospitals, in critical access hospitals in rural areas and in skilled nursing facilities. It also covers hospice care and some home healthcare. You must meet certain requirements to be eligible for Part A. Contact Medicare for additional information.

**Medicare Part B**
Part B is your medical insurance. Most people do pay a premium through the Social Security Administration for Part B. It helps cover doctors' services and outpatient hospital care. It also covers some medical services that Part A does not cover, such as some of the services of physical and occupational therapists and home healthcare. Part B pays for these covered services and supplies when they are medically necessary.

When you become eligible for Medicare, it is important to be enrolled in Part B if you are covered as a retiree or as a dependent of a retiree. Medicare becomes your primary insurance, and the State Health Plan becomes the secondary payer. If you are not enrolled in Part B, your claims reimbursement will be limited for the Medicare Part B services you receive.

**Medicare Part D**
Part D, the prescription drug plan, became effective January 1, 2006. However, most subscribers covered by the Standard Plan, the Medicare Supplemental Plan or the health maintenance organizations offered through the Employee Insurance Program (EIP) should not sign up for Medicare Part D.

The prescription drug benefit you have through your health plan is as good as, or better than, Part D for most people. Because you have this coverage, your drug expenses will continue to be reimbursed through your health insurance. Before you turn 65 and become eligible for Medicare, you will receive a letter from EIP officially notifying you that you do not need to sign up for Part D. There is a copy of the letter on pages 219-220.

**If you are enrolled in Medicare Part D, you lose the prescription drug coverage provided by your health plan with EIP. However, the premium for your health plan will not be reduced.**

You may have heard that if you do not sign up for Part D when you are first eligible—then later do so—you will have to pay higher premiums for Part D. For EIP subscribers, this is not true. According to Medicare rules, Medicare recipients who have "creditable coverage" (drug coverage that is as good as, or better than, Part D) and who later decide to sign up for Part D, will not be penalized by higher Part D premiums. Subscribers to the health plans offered through EIP have credible coverage. However, please save your Notice of Creditable Coverage letter from EIP in case you need to prove you had this coverage when you became eligible for Part D.

Please do not respond to information you may get from Medicare or advertisements from companies asking you to buy Part D prescription drug plans.

**Please remember:**
Medicare Part D does not affect your need to enroll in Medicare Part B (medical insurance). As a retiree covered under EIP's insurance, you must enroll in Part A and Part B when you become eligible for Medicare due to a disability or due to age. If you are not enrolled in both parts of Medicare, your claims reimbursement for Part B services will be limited.

## Medicare Before Age 65: Disability Retirees and End-Stage Renal Disease

If you or your spouse become eligible for Medicare before age 65 due to disability, including end-stage renal disease (ESRD), **you must notify EIP within 31 days of Medicare eligibility.** When you notify EIP, please submit a copy of your Medicare card.

When you become eligible for Medicare, **you should enroll in Medicare Part B,** which helps cover doctors' services and outpatient hospital care. EIP will begin paying your claims as if you were enrolled in Part B, even if you are not.

## Medicare At 65

You should be notified of Medicare eligibility by the Social Security Administration three months before you reach age 65. If you are not notified, contact your local Social Security office. If you are already receiving Social Security benefits when you turn 65, Medicare Part A starts automatically and, if you are retired, you should enroll in Part B. If you are not receiving Social Security, you should sign up for Medicare close to your 65th birthday. You should also notify EIP and submit a copy of your Medicare card.

## If You Are an Active Employee

If you are actively working and/or covered under a state health plan for active employees, you do not need to sign up for Part B because your insurance as an active employee remains primary while you are actively working. However, if you are planning to retire within three months of age 65, you should contact the Social Security Administration concerning your enrollment options. Keep in mind that when you retire you must sign up for Part B within 31 days of retirement because Medicare becomes your primary coverage.

## Sign up for Medicare

You must enroll in both Part A and Part B of Medicare to receive full benefits with any state-offered retiree group health plan. If you are not enrolled in both parts of Medicare, **your claims reimbursement for Part B services will be reduced**.

## How Medicare Assignment Works

Under Medicare assignment, the Medicare subscriber agrees to have Medicare's share of the cost of services paid directly ("assigned") to a provider. Participating providers have agreed to submit all of their Medicare claims on an assigned basis. Non-participating providers may choose whether to accept assignment on each individual claim. If you receive services from a non-participating physician, ask if he will accept assignment.

Each year, doctors and suppliers have the opportunity to participate in the Medicare program. Those that participate will always accept the Medicare-approved amount as payment in full. Some doctors accept assignment; some do not. If a doctor does not accept assignment, you may end up paying more for his services.

If a doctor decides to participate, he cannot drop out in the middle of the year. Independent laboratories and doctors who perform diagnostic laboratory services and non-physician practitioners must accept assignment.

# AS A RETIREE ELIGIBLE FOR MEDICARE, YOU HAVE ANOTHER OPTION

When you and/or your eligible dependents are covered under retiree group health insurance and become eligible for Medicare, Medicare becomes the primary payer, and your health options change. Before you turn 65, EIP will send you a letter offering you and your eligible dependents a choice of the Standard Plan, the Medicare Supplemental Plan or a health maintenance organization offered in the county where you live. If you are covered by the Standard Plan or the Savings Plan, you will be automatically enrolled in the Medicare Supplemental Plan unless you respond to the letter by choosing another plan. Coverage changes must be made within 31 days of Medicare eligibility.

If you are enrolled in the Medicare Supplemental Plan, the claims of your eligible dependent(s) without Medicare are paid through the Standard Plan's provisions.

The Savings Plan and the TRICARE Supplement are not available to you if you are retired and eligible for Medicare.

**Are you wondering how the SHP Standard Plan measures up when compared to other health insurance options available to you when you become eligible for Medicare? Refer to page 190 for a comparison table.**

## Your Plan Choices

When you become eligible for Medicare due to age or disability, you must notify EIP within 31 days. Because you have become eligible for Medicare, your health insurance options are the Medicare Supplemental Plan, the Standard Plan, CIGNA HealthCare HMO, BlueChoice HealthPlan or MUSC Options. (To enroll in an HMO, you must live within the HMO's service area.) The Savings Plan and the TRICARE Supplement are not available to you when you are eligible for Medicare.

If you do wish to elect the Medicare Supplemental Plan, you must do so within 31 days of eligibility or you will have to wait until the next enrollment period. If you were covered by the Standard Plan or the Savings Plan before you became eligible for Medicare, you will be automatically assigned to the Medicare Supplemental Plan. However, you will be offered the option of enrolling in another plan.

## TRICARE for Life

If you are a military retiree or an eligible spouse or dependent of a military retiree and you have Medicare Part B, you should also be eligible for TRICARE For Life. TRICARE For Life acts as supplemental insurance to Medicare. If you have other insurance, such as the State Health Plan, TRICARE For Life will be the third payer after Medicare and the SHP. Please compare your benefits under TRICARE For Life and the SHP. For more information, call 866-773-0404 or visit www.tricare4u.com.

If you have TRICARE For Life and wish to drop your SHP coverage, you should submit an NOE form to EIP or send EIP a written request for cancellation. Please note that the TRICARE Supplement is no longer available once you are eligible for Medicare. However, your covered dependents may continue their coverage under the TRICARE Supplement by paying premiums to ASI as long as they remain eligible for TRICARE, up to age 65.

# THE STATE HEALTH PLAN IN RETIREMENT

## THE SHP STANDARD PLAN

The SHP Standard Plan offers worldwide coverage. It requires Medi-Call approval for inpatient hospital admissions; all maternity benefits (you must call in the first trimester); outpatient surgical services in a hospital or clinic; the purchase or rental of durable medical equipment; and skilled nursing care, hospice care and home healthcare. You must also call APS Healthcare, Inc., the SHP's behavioral health manager, for pre-authorization before you receive mental health or substance abuse care.

The plan has both deductibles and coinsurance. Once you become eligible for Medicare, the Standard Plan uses a carve-out method of claims payment, described on page 172.

## HOW THE SHP STANDARD PLAN AND MEDICARE WORK TOGETHER

### Using Medi-Call as a Retiree

Medicare has its own utilization review program. However, you will still need to call Medi-Call when Medicare benefits are exhausted for inpatient hospital services (including hospital admissions outside of the state or country), and for extended care services, such as skilled nursing facilities, private duty nursing, home healthcare, durable medical equipment and Veterans Administration hospital services.

*Note: Any covered family members, who are not eligible for Medicare and have their claims processed under the SHP, must call Medi-Call.* Please remember that while your physician or hospital may call Medi-Call for you, it is your responsibility to see that it is done.

### SHP Hospital Network

When you are eligible for Medicare, Medicare is the primary payer, and you may go to any hospital you choose. Medicare limits the number of days it will cover for hospital stays. If you are enrolled in the Standard Plan and your hospital stay exceeds the number of days allowed under Medicare, it may be important to you that you are admitted to a hospital within the SHP network or BlueCard Program so that you will not be charged more than what the Standard Plan allows. *Note: Mental health and substance abuse services are covered only at APS Healthcare, Inc., network facilities.*

**Refer to these pages for details about penalties for not calling Medi-Call or APS for pre-authorization.**
- **Medi-Call: page 32**
- **APS: page 49**

You must also call Medi-Call for approval of any additional inpatient hospital days, beyond the number of days approved under Medicare, and for services related to home healthcare, hospice, durable medical equipment and Veterans Administration hospital services.

### Private Duty Nursing if You Have Medicare

Medicare does not cover private duty nursing; however, the Standard Plan does cover medically necessary, intermittent private duty nursing services. The regular coinsurance rate applies for approved charges. Remember to call Medi-Call for private duty nursing services.

### When Traveling Outside South Carolina

You are not generally covered outside the United States under Medicare. However, if you are enrolled in the Standard Plan, you have worldwide access to doctors and hospitals through the BlueCard program. If you are admitted to a hospital outside the state or the country as a result of an emergency, notify Medi-Call and follow the BlueCard guidelines. For more information, see page 29.

### Mental Health and Substance Abuse: Using APS as a Retiree

If you are eligible for Medicare and covered under the Standard Plan, you must call APS Healthcare, Inc., the SHP's behavioral health manager, at 800-221-8699 for approval of inpatient hospital stays. Pre-authorization and continued-stay authorizations by APS are required for inpatient care, including care in a Veterans Administration hospital. If your Medicare benefits are exhausted, you must call APS to receive authorization for continued benefits under the Standard Plan. To receive benefits, you must use an APS network provider.

Note: Any covered family members, who are not eligible for Medicare and have their claims processed under the SHP, must also call to register with APS and use an APS network provider.

## Prescription Drug Program

The Standard Plan covers prescription drugs when purchased from a participating pharmacy. Please refer to page 45 for more information on the SHP Prescription Drug Program.

## Ambulatory Surgical Center Network

These facilities provide some of the same services offered in the outpatient department of a hospital. If you are enrolled in Medicare, there is no need to call Medi-Call for pre-authorization, nor do you need to select a center that participates in the network.

## Transplant Contracting Arrangements

As part of this network, you have access to the leading transplant facilities in-state and throughout the nation. If you are enrolled in Medicare, there is no need to call Medi-Call for pre-authorization, nor do you need to select a facility that participates in the network.

## Mammography Testing Benefit

The SHP pays for routine mammograms for covered women ages 35-74. You may have one baseline mammogram if you are age 35-39, one routine mammogram every other year if you are age 40-49 and one routine mammogram every year if you are age 50-74. There is no charge if you use a facility that participates in the program's network.

Medicare allows yearly routine mammograms for women age 40 and older and pays 80 percent of Medicare-approved charges. Check with the testing facility to see if it accepts Medicare assignment.

## Pap Test Program

The SHP will pay for a Pap test each year, without any requirement for a deductible or coinsurance, for covered women age 18 through 65. This benefit does not include the doctor's office visit or other lab tests. Medicare covers a Pap test, pelvic exam and clinical breast exam *every other year*. (If you are at high risk, you may have one yearly. Check with Medicare for more information.) Medicare pays 100 percent for the test, 80 percent for the exam and collection. Please note that the SHP Standard Plan will pay for Pap tests *every year,* so you may take advantage of this benefit in the years that Medicare does *not* pay.

## Maternity Management and Well Child Care Benefits

The SHP offers two programs geared toward early detection and prevention of illness among children. The Maternity Management benefit helps mothers-to-be covered by the SHP receive necessary prenatal care. (This benefit applies to covered retirees and their spouses. It does not apply to dependent children.) Covered dependent children through age 12 are eligible for Well Child Care check-ups. On page 44 of the State Health Plan chapter is a schedule of routine immunizations for which the plan pays 100 percent when a network doctor provides the services. If your covered child has delayed, or missed, receiving immunizations at the recommended time, the plan will pay for "catch-up" immunizations through age 18, for the vaccines listed, and subject to the limitations outlined under "Well Child Care Benefits."

# "CARVE-OUT" METHOD OF CLAIMS PAYMENT

The Standard Plan coordinates with Medicare on the basis of the SHP-approved charge. The carve-out method of claims payment works just like coordination of benefits with any other plan. When an individual is covered by two insurance plans, one pays first and the other pays second. If your provider accepts Medicare assignment, the Standard Plan will pay the lesser of:

1. The Medicare-allowed amount, minus the Medicare-reported payment or
2. The amount the plan would pay in the absence of Medicare, minus the Medicare-reported payment.

If your provider does not accept Medicare assignment, the Standard Plan pays the difference between the SHP's allowable charge and the amount Medicare reported paying. If the Medicare payment exceeds the SHP's allowable charge, the Standard Plan will not pay a benefit. The Standard Plan will never pay for charges that are more than the SHP's allowable charge. With the Standard Plan, your total benefits (Medicare plus the SHP) will be equivalent to those offered to active employees and to retirees not eligible for Medicare.

## FILING CLAIMS AS A RETIREE

Medicare is your primary carrier. In most cases, your provider will file your Medicare claims for you.

### Claims Filed in South Carolina

The Medicare claim should be filed first. Claims for Medicare-approved charges incurred in South Carolina should be transferred automatically from Medicare to the SHP for you. Your mental health and substance abuse provider should file claims for you with APS, including Medicare payment information. If you or your doctor have not received payment or notification from the SHP within 30 days after the Medicare payment is received, one of you must send BlueCross BlueShield of South Carolina (BCBSSC), claims administrator for the SHP, a claim form and a copy of your Explanation of Medicare Benefits with your Benefits ID Number or Social Security Number written on it.

### Claims Filed Outside South Carolina

If you receive services outside South Carolina, your provider will file the claim with the Medicare carrier in that state. If you or your doctor have not received payment or notification from the SHP within 30 days after the Medicare payment is received, one of you must send BlueCross BlueShield of South Carolina (BCBSSC), third-party administrator for the SHP, a claim form and a copy of your Explanation of Medicare Benefits with your SHP Benefits ID Number or Social Security Number written on it.

### If Medicare Denies Your Claim

If Medicare denies your claim, including denied Pap test claims, you are responsible for filing the denied claim to BCBSSC. You may use the same SHP claim form as active employees do. These forms are available from EIP or BCBSSC. You will need to attach your Explanation of Medicare Benefits and an itemized bill to your claim form.

### Railroad Retirement Claims

If you receive benefits from the Railroad Retirement Board (RRB), you must first file claims with the RRB. When you get an explanation of benefits, mail it, along with an itemized bill and claim form, to BCBSSC for processing.

# THE MEDICARE SUPPLEMENTAL PLAN

If you are a retiree enrolled in the Standard Plan or the Savings Plan and become eligible for Medicare due to your age, you will receive a letter from EIP stating that you will automatically be enrolled in the Medicare Supplemental Plan. If you prefer another health plan, you must inform EIP in writing.

If you are enrolled in a health plan offered through EIP, you may change to the Medicare Supplemental Plan within 31 days of eligibility for Medicare. During the yearly October enrollment period, you can change from the Standard Plan or an HMO available in the county in which you live, to the Medicare Supplemental Plan or vice versa. Plan changes are effective on January 1 after the enrollment period.

This section explains the SHP Medicare Supplemental Plan, which is available to retirees and covered dependents who are enrolled in both Parts A and B of Medicare. This plan coordinates benefits with the original Medicare Plan only. No benefits are provided for coordination with Medicare Advantage Plans. For more information, visit www.medicare.gov or call 800-633-4227.

## General Information

The Medicare Supplemental Plan is similar to a Medigap policy—it "fills the gap" or pays the portion of Medicare-approved charges that Medicare does not, such as Medicare's deductibles and coinsurance. The Medicare Supplemental Plan payment is based on Medicare-approved charges. Except as specified on pages 175-176, non-covered Medicare charges will not be payable as benefits under the Supplemental Plan.

**For example:**
In an outpatient setting, such as an emergency room, Medicare does not cover drugs that a person usually administers to himself, such as pills. This means that if a patient receives pain pills in an emergency room, the hospital will bill him for the drugs. Because Medicare does not pay for the pills, the Medicare Supplemental Plan will not pay for them either.

If your medical provider does not accept Medicare assignment, and charges you more than what Medicare allows, you pay the difference.

**Using Medi-Cal**
Medicare has its own utilization review program. You will need to call Medi-Call only when Medicare benefits are exhausted for inpatient hospital services and for extended care services, such as skilled nursing facilities, private duty nursing, home healthcare, durable medical equipment and Veterans Administration hospital services.

*Note: Any covered family members who are not eligible for Medicare and have their claims processed under the SHP must call Medi-Call.*

## MEDICARE DEDUCTIBLES AND COINSURANCE

### Deductibles

Medicare Part A has an inpatient hospital deductible for each *benefit period*. That deductible for 2007 is $992. A Medicare benefit period begins the day you go to a hospital or skilled nursing facility and ends when you have not received any hospital or skilled care for 60 days in a row. If you go into the hospital after one benefit period has ended, a new benefit period begins. *The Medicare Supplemental Plan pays the Part A deductible.*

Medicare Part B has a deductible of $131 a year in 2007. Part B also includes a standard monthly premium and covers physician services, supplies and outpatient care. Please contact Medicare for more information. As a retiree, you must enroll in Part B as soon as you are eligible for Medicare, because Medicare is your primary coverage. *The Medicare Supplemental Plan pays the Part B deductible.*

### Coinsurance

Medicare Part B pays 80 percent of Medicare-approved charges (50 percent for outpatient mental healthcare). *The Medicare Supplemental Plan pays the remaining 20 percent (50 percent for outpatient mental healthcare).*

## MEDICARE SUPPLEMENTAL PLAN DEDUCTIBLES AND COINSURANCE

The Medicare Supplemental Plan benefit period is from January 1-December 31 and includes a $200 deductible each calendar year that applies to private duty nursing services only. If you become eligible for Medicare and change to the Medicare Supplemental Plan during the year, you must meet a new $200 deductible for private duty nursing services. You do not have to meet another $200 deductible for private duty nursing services if you remain enrolled in the Standard Plan.

## WHAT THE MEDICARE SUPPLEMENTAL PLAN COVERS

### Hospital Admissions

The Medicare Supplemental Plan pays these expenses for Medicare-covered services after Medicare Part A benefits have been paid during a benefit period:

- The Medicare Part A hospital deductible.
- The coinsurance, after Medicare pays, for days 61-150 of hospitalization, up to the Medicare-approved charge (Medicare pays 100 percent for the first 60 days).
- 100 percent of the Medicare-approved charges for hospitalization beyond 150 days, if medically necessary (Medicare does not pay beyond 150 days.)*
- The coinsurance for durable medical equipment up to the Medicare-approved charge.

**Must call Medi-Call or APS for approval.*

### Additional Days in a Hospital

If you are enrolled in Medicare, Medicare is the primary payer, and you may go to any hospital you choose. However, Medicare pays nothing for hospital stays beyond 150 days.

**If You Exceed the Number of Inpatient Hospital Days Allowed Under Medicare**
If you are enrolled in the Medicare Supplemental Plan and you exhaust all Medicare-allowed inpatient hospital days, you must call Medi-Call for approval of any additional inpatient hospital days. If your extended stay is approved, the Medicare Supplemental Plan will pay for the Medicare-approved expenses. So, if you are enrolled in the Medicare Supplemental Plan and you expect your hospital stay may exceed the number of days allowed under Medicare, you should choose a hospital within the SHP network or BlueCard Program so that any additional days beyond what Medicare allows will be covered by the Medicare Supplemental Plan.

You must also call Medi-Call for services related to home healthcare, hospice, durable medical equipment and Veterans Administration hospital services.

### Skilled Nursing Facilities

The Medicare Supplemental Plan will pay these benefits after Medicare has paid benefits during a benefit period:

- The coinsurance, after Medicare pays, up to the Medicare-approved charge for days 21-100 (Medicare pays 100 percent for the first 20 days)
- 100 percent of the Medicare-approved charges beyond 100 days in a skilled nursing facility if medically necessary (Medicare does not pay beyond 100 days.)* The maximum benefit per year is $6,000.

**Must call Medi-Call for approval.*

### Physician Charges

The Medicare Supplemental Plan will pay these benefits related to physician services approved by Medicare:

- The Medicare Part B deductible
- The coinsurance of the Medicare-approved charge for physician's services for surgery, necessary home and office visits, hospital visits and other covered physician's services
- The coinsurance for Medicare-approved charges for physician's services rendered in the outpatient department of a hospital for treatment of accidental injury, medical emergencies, minor surgery and diagnostic services.

## Home Healthcare

The Medicare Supplemental Plan will pay these benefits for medically necessary home healthcare services:

- The Medicare Part B deductible
- The coinsurance for any covered services or costs Medicare does not cover (Medicare pays 100 percent for Medicare-approved charges), up to 100 visits or $5,000 per benefit year, whichever occurs first. The plan does not cover services provided by a person who ordinarily resides in the home, is a member of the family or a member of the family of the spouse of the covered person.
- 20 percent of Medicare-approved charges for durable medical equipment.

## Private Duty Nursing Services

Private duty nursing services are services that are provided by a registered nurse (RN) or a licensed practical nurse (LPN) and that have been certified in writing by a physician as medically necessary. There is a $200 annual deductible that applies, regardless of the time of year you enroll in the plan. Medicare does NOT cover this service. Once the deductible is met, the Medicare Supplemental Plan will pay 80 percent of covered charges for private duty nursing in a hospital or in the home. Coverage is limited to no more than three nurses per day, and the maximum annual benefit per year is $5,000. The lifetime maximum benefit under the Medicare Supplemental Plan is $25,000.

## Prescription Drugs

The Medicare Supplemental Plan covers prescription drugs when purchased from a participating pharmacy under the SHP's Prescription Drug Program, managed by Medco. For more information, refer to pages 45-49.

## When Traveling Outside the United States

Medicare does not cover services outside the United States. Since the Medicare Supplemental Plan does not allow benefits for services not covered by Medicare (other than private duty nursing), out-of-country services are not covered for Medicare Supplemental Plan subscribers.

## Mental Health and Substance Abuse

If your claims are processed under the Medicare Supplemental Plan, you are encouraged, but not required, to call APS, the SHP's behavioral health manager, because Medicare guidelines will apply. However, if you exhaust Medicare's allowed inpatient hospital days, you must call APS for approval of any additional inpatient hospital days, including those in Veterans Administration hospitals. However, you are not required to use an APS network provider.

*Note: Any covered family members who are not eligible for Medicare and have their claims processed under the SHP must call to register with APS and must use an APS network provider.*

## Pap Test Benefit

If you are enrolled in Medicare, Medicare covers a Pap test, pelvic exam and clinical breast exam every other year. (These tests are covered yearly if you are at high risk. Check with Medicare for more information.) Medicare pays 100 percent for the Pap lab test; 80 percent of the Medicare-approved amount for the Pap test collection and the pelvic and breast exam. The Medicare Supplemental Plan pays the 20 percent coinsurance.

Please note that the Medicare Supplemental Plan will pay for a Pap test each year, without any requirement for a deductible or coinsurance, for covered women, age 18 through 65. You may take advantage of this benefit in the years that Medicare does *not* pay. The deductible and coinsurance do not apply to this benefit. This benefit does not include the doctor's office visit or other lab tests.

## Medicare Assignment

If the provider accepts Medicare assignment, the provider accepts Medicare's payment plus the Medicare Supplemental Plan's payment as payment in full. If the provider does not accept Medicare assignment, the provider may charge more than what Medicare and the Medicare Supplemental Plan pay combined. You would pay the difference.

***Example:***

Medicare is primary. The bill is submitted to Medicare for a January hospital admission:

| | |
|---|---|
| $7,500 | Hospital bill |
| - 992 | Medicare Part A deductible for 2007 |
| $6,508 | Medicare payment |
| | |
| $ 992 | You pay (unless you have another health plan) |

The Medicare Supplemental Plan will pay all Medicare deductibles and coinsurance:

| | |
|---|---|
| $ 992 | Medicare Supplemental Plan pays Medicare Part A deductible |
| +6,508 | Amount paid by Medicare |
| $7,500 | Bill paid in full |

## Filing Claims as a Retiree

If you are enrolled in Medicare, Medicare is your primary carrier. In most cases, your provider will file your Medicare claims for you.

## Claims Filed Inside South Carolina

The Medicare claim should be filed first. Claims for Medicare-approved charges incurred in South Carolina should be transferred automatically from Medicare to the SHP for you. Your mental health and substance abuse provider should file claims to APS with Medicare payment information. If you or your doctor have not received payment or notification from the plan within 30 days after the Medicare payment is received, one of you must send BlueCross BlueShield of South Carolina (BCBSSC), claims administrator for the SHP, a claim form and a copy of your Explanation of Medicare Benefits with your Benefits ID Number or Social Security Number written on it.

**Claims for covered family members who are not eligible for Medicare, but who are insured through the Medicare Supplemental Plan, are paid according to the Standard Plan provisions. Remember that some services require pre-authorization by Medi-Call or APS Healthcare.**

## Claims Filed Outside South Carolina

If you receive services outside South Carolina, your provider will file its claim to the Medicare carrier in that state. When you receive your Explanation of Medicare Benefits, you must send it to BCBSSC for medical or surgical services or to APS for mental health and substance abuse services. You also must include a claim form and an itemized bill.

## Medical Care Outside the United States and its Territories

Remember that the Medicare Supplemental Plan follows Medicare rules. Since Medicare does not provide coverage outside the U.S. and its territories, BlueCard Worldwide® coverage **is not** available to the Medicare Supplemental Plan subscribers.

### Railroad Retirement Claims

If you receive benefits from the Railroad Retirement Board (RRB), you must first file claims with the RRB. When you get an explanation of benefits from the RRB, mail it, along with an itemized bill and claim form, to BCBSSC for processing.

# HMO PLANS IN RETIREMENT

This section explains some key distinctions of the health maintenance organizations (HMOs) and how they work together with Medicare. For a more complete overview of the plans, refer to the HMO section of this guide or contact the HMO.

An HMO typically does not cover care outside its network, except in an emergency. If it is important to you to use particular providers, including physicians and hospitals, it is best to check to see if those providers participate in the HMO you wish to join.

Remember, you must live in an HMO's service area to enroll. Not all HMOs are available in all South Carolina counties. A list of counties where each HMO is offered is on page 58.

## IF YOU ARE ELIGIBLE FOR MEDICARE

BlueChoice HealthPlan, CIGNA HMO and MUSC Options are available if you live in a county where they are offered. This section will focus on these plans.

### Provider Networks

A traditional HMO provides a list of participating network doctors from which you choose a primary care physician. This doctor coordinates your care, which means you must contact him to be referred to specialists who also participate in the HMO's network. Network providers file the claims for you. If you belong to an HMO, the plan covers only medical services received from network providers. If you receive care outside the network, benefits are not paid. Typically, the only services you receive from out-of-network providers that most HMOs cover are those for medical emergencies.

### When Traveling Outside the Network or the U.S.

When traveling outside the CIGNA, MUSC Options or BlueChoice HealthPlan networks, you will be covered for emergency medical care. If your insurance identification cards are not recognized by the treating hospital, you may be required to pay for the services, then later file a claim for reimbursement.

### Prescription Drug Programs

The HMOs offered for 2007 include a prescription drug program with participating pharmacies.

## HOW BLUECHOICE HEALTHPLAN AND MEDICARE WORK TOGETHER

BlueChoice HealthPlan pays only Medicare-approved charges. It supplements Medicare by paying the Medicare Part A (hospital) and Part B (medical) deductibles in full. The plan also pays the 20 percent coinsurance left after Medicare pays 80 percent for approved Part B services.

When you become eligible for Medicare, it is important to be enrolled in Part B if you are covered as a retiree or as a dependent of a retiree. Medicare becomes your primary insurance, and your health plan offered through EIP becomes the secondary payer. If you are not enrolled in Part B, your claims reimbursement will be limited for the Medicare Part B services you receive.

This plan pays the coinsurance for hospitalization after the first 60 days in a general hospital or after the first 20 days in a skilled nursing facility. (Medicare pays 100 percent of the Medicare-approved amount for the first 60

days in a general hospital and for the first 20 days of skilled nursing care.) BlueChoice HealthPlan also pays the Medicare coinsurance for days 21-100 for skilled nursing care.

If the provider accepts Medicare assignment, the provider will consider Medicare's payment plus BlueChoice HealthPlan's as payment in full. If the provider does not accept Medicare assignment, the provider may charge more than what Medicare and BlueChoice HealthPlan pay combined. The subscriber would pay the difference.

***Example:***

Medicare is primary. The bill is submitted to Medicare for a January hospital admission:

| | |
|---|---|
| $7,500 | Hospital bill |
| - 992 | Medicare Part A deductible for 2007 |
| $6,508 | Medicare payment |
| | |
| $ 992 | You pay (unless you have other coverage) |

BlueChoice HealthPlan pays all Medicare deductibles and coinsurance:

| | |
|---|---|
| $ 992 | BlueChoice HealthPlan pays Medicare Part A deductible |
| +6,508 | Amount paid by Medicare |
| $7,500 | Bill paid in full |

If you are enrolled in Medicare, Medicare is your primary coverage. In most cases, your provider will file your Medicare claims for you. The Medicare claim should be filed first.

Additional information about BlueChoice HealthPlan is in the HMO chapter of this guide.

## HOW CIGNA HMO AND MEDICARE WORK TOGETHER

CIGNA's HMO pays the lesser of the subscriber's unreimbursed allowable expense under Medicare or CIGNA's normal liability. If the balance due on the claim is less than the normal liability, then CIGNA will pay the balance due.

CIGNA's benefit credit saving provisions apply. A *benefit credit* is the portion of the claim that CIGNA does not have to pay as a result of a coordination of benefits with Medicare. It may be applied to future claims during the calendar year. *Benefit credit saving* is the difference between what CIGNA would normally be responsible for paying and CIGNA's actual payment. It applies only to the family member who incurs the charge, and it expires at the end of the calendar year in which it is gained. Contact CIGNA HealthCare for additional information.

**Example:**

Medicare is primary. The bill is submitted to Medicare for a January hospital admission:

| | |
|---|---|
| $7,500 | Hospital bill |
| - 992 | Medicare Part A deductible for 2007 |
| $6,508 | Medicare payment |
| | |
| $ 992 | Balance due |

If you are enrolled in CIGNA's HMO plan your claim will be paid like this:

| | |
|---|---|
| $7,500 | Hospital bill |
| - 500 | CIGNA's inpatient per occurrence copayment |
| $7,000 | |
| x 80% | CIGNA's coinsurance |
| $5,600 | CIGNA's liability in absence of Medicare |
| - 992 | Amount paid by CIGNA in coordination with Medicare |
| $4,608 | Benefit credit savings with CIGNA |

### Filing Claims as a Retiree

If you are enrolled in Medicare, Medicare is your primary coverage. In most cases, your provider will file your Medicare claims for you. The Medicare claim should be filed first.

For more information, contact CIGNA.

## HOW MUSC OPTIONS AND MEDICARE WORK TOGETHER

MUSC Options is available to Medicare recipients living in Berkeley, Charleston, Colleton and Dorchester counties. The health maintenance organization with a point of service option pays only Medicare-approved charges. It supplements Medicare by paying the Medicare Part A (hospital) and Part B (medical) deductibles in full. The plan also pays the 20 percent coinsurance left after Medicare pays 80 percent for Part B-approved services.

MUSC Options pays the coinsurance for hospitalization after the first 60 days in a general hospital or after the first 20 days in a skilled nursing facility. (Medicare pays 100 percent of the Medicare-approved amount for the first 60 days in a general hospital and for the first 20 days of skilled nursing care.) It also pays the Medicare coinsurance for days 21-100 for skilled nursing care.

If the provider accepts Medicare assignment, the provider will consider Medicare's payment plus MUSC Options' as payment in full. If the provider does not accept Medicare assignment, the provider may charge more than what Medicare and MUSC Options pay combined. The subscriber would pay the difference.

***Example:***

Medicare is primary. The bill is submitted to Medicare for a January hospital admission:

| | |
|---|---|
| $7,500 | Hospital bill |
| - 992 | Medicare Part A deductible for 2007 |
| $6,508 | Medicare payment |
| | |
| $ 992 | You pay (unless you have other coverage) |

MUSC Options pays all Medicare deductibles and coinsurance:

| | |
|---|---|
| $ 992 | MUSC Options pays Medicare Part A deductible |
| +6,508 | Amount paid by Medicare |
| $7,500 | Bill paid in full |

If you are retired and enrolled in Medicare, Medicare is your primary coverage. In most cases, your provider will file your Medicare claims for you. The Medicare claim should be filed first.

Additional information about the MUSC Options plan is in the HMO chapter of this guide.

# DENTAL BENEFITS

If you retire from a participating employer, you can continue your State Dental Plan and Dental Plus coverage, if you meet the eligibility requirements (see page 163). Coverage is not automatic. You must file a Notice of Election (NOE) with EIP within 31 days of your retirement date, the date your TERI plan ends or date of disability approval to maintain continuous coverage.

If you are not eligible for retiree insurance, you must request COBRA continuation coverage within 60 days of loss of coverage or notification of the right to continue coverage, whichever is later.

If you do not enroll within 31 days of your date of retirement, you may enroll during the next open enrollment period (October 2007). Coverage will be effective the following January 1. You also may enroll within 31 days of a special eligibility situation. For information on the State Dental Plan and Dental Plus, see pages 91-98.

# LIFE INSURANCE

## $3,000 Basic Life Insurance

This benefit is given to you as an active employee and *ends* with retirement or when you leave your job for another reason. You may convert the $3,000 Basic Life to an individual policy within 31 days of the date coverage ends. Contact your benefits office or EIP for additional information.

## South Carolina Retirement Systems (SCRS) Retiree Group Life Insurance

As a retiree, if you die and your last employer before retirement participates in the Retiree Group Life Insurance program, a benefit, based on your retirement-credited service in the SCRS, will be paid by the SCRS to your beneficiaries as follows:

| SCRS | PORS |
|---|---|
| 10-19 years service credit=$2,000 | 10-19 years service credit =$2,000 |
| 20-27 years service credit=$4,000 | 20-24 years service credit=$4,000 |
| 28 or more years service credit=$6,000 | 25 or more years service credit=$6,000 |

## OPTIONAL LIFE INSURANCE

This is how you can carry your Optional Life Insurance into retirement through The Hartford:

- If you retired on or after January 1, 2001, you may continue your coverage in $10,000 increments up to the final face value of coverage until age 75. At age 70, coverage is reduced for active employees and retirees.
- You may convert your Optional Life coverage to an individual policy.
- You may split your coverage between individual life insurance and term life insurance.

Retiree coverage does not include the Living Benefit Option, the Accidental Death and Dismemberment Option, the Travel Assistance Program or the EstateGuidance[sm] Program. To continue your coverage, you must complete the required enrollment forms within 31 days of your date of retirement. **If you are leaving employment due to a disability and are continuing Optional Life coverage under the 12-month waiver provision, you must file for continuation within 31 days of the end of the 12-month waiver.** If you have questions about continuing your coverage as a retiree, contact your benefits office or EIP.

If you participate in the Teacher and Employee Retention Incentive (TERI) program, you can continue your benefits as an active employee, provided you are eligible. When the TERI period ends you must file for retiree benefits within 31 days as indicated above.

If you return to work as a full-time, active employee with a participating employer, you must choose whether to enroll in Optional Life insurance coverage as an active employee or to continue your retiree coverage. If you refuse to enroll as an active employee, you also refuse the $3,000 Basic Life benefit, and Optional and/or Dependent Life coverage. Your active group coverage will become effective only if you discontinue the retiree continuation coverage.

Premiums are on pages 207-210.

**Refer to pages 99-119 for more information about Life Insurance.**

## Optional Life if You Become Disabled

If you become totally disabled while covered as an active employee, your life insurance will be continued for up to 12 months from the last day you are physically at work, provided:

- Your total disability began while you were covered by this Optional Life Insurance plan
- Your total disability began before you reached age 69 and
- The group Optional Life Insurance policy does not end.

Your premiums will be waived for up to 12 months from the last day you were physically at work as long as you are totally disabled. The 12-month waiver period begins the first of the month following your last day physically at work. For your premiums to be waived, you must provide proof of disability to your benefits administrator within one year after the last day you were physically at work. If you return to work during the 12-month waiver period and work one full week, the premium waiver period should end. If you must leave employment again due to total disability, the 12-month waiver will start over from the last day you were physically at work.

**When the waiver ends, you must file for continuation through The Hartford within 31 days of the date the waiver ends.** Contact your benefits office for additional information.

**The Pretax Group Insurance Premium Feature, the Accidental Death and Dismemberment Option, the Living Benefit Option, the Travel Assistance Program and the EstateGuidance[sm] Program do not apply to retirees.**

### DEPENDENT LIFE INSURANCE

Any Dependent Life Insurance coverage you have will end when you leave active employment. Your covered dependent may convert the insurance coverage to an individual policy. The dependent must apply to The Hartford, in writing, within 31 days of the date of coverage ends and pay the required premiums.

## LONG TERM DISABILITY

Disability insurance protects an employee and his family from loss of income due to an injury or an extended illness that prevents the employee from working. When you leave active employment and retire, your Basic and Supplemental Long Term Disability end.

### Basic Long Term Disability

This benefit may not be continued or converted to an individual policy.

### Supplemental Long Term Disability

Generally, you may not continue Supplemental Long Term Disability coverage in retirement. However, if you are retiring or leaving employment, but plan to work for an employer that does not have a supplemental long term disability program, contact Standard Insurance Company for more information about continuing coverage.

## LONG TERM CARE

Long Term Care (LTC) refers to a wide range of personal healthcare services for people of all ages who suffer from chronic conditions. These individuals need assistance with day-to-day activities, such as bathing, eating, continence, toileting, transferring and/or dressing or supervision due to cognitive impairment, such as Alzheimer's disease. Care can be provided in a nursing home, in an assisted living facility, at home or in the community, such as in an adult day care center.

### Long Term Care Services Already Covered

Medicare covers some home healthcare and skilled nursing facility services. However, there are limits on the dollar amounts paid and the number of visits allowed. Neither the SHP nor Medicare covers custodial care services. To qualify for Medicaid, you must exhaust most of your assets and income.

### Continuing Coverage Into Retirement

If you are enrolled in LTC when you retire, your coverage will be continued. Coverage will also continue for any family member covered when you retire. You will receive a letter regarding continuation of your LTC insurance, which you will need to sign and return to EIP.

### Enrolling in Coverage at Retirement

You and/or your spouse/surviving spouse may enroll in LTC at any time by providing medical evidence of good health. Ask Aetna or EIP for information and an application. If you are approved for coverage, Aetna will send confirmation to you and to EIP.

### Premiums

You pay the entire cost of LTC coverage for yourself and your spouse, if he or she is enrolled. Premiums will be based on your age at the time of your application. (Some exceptions may apply.) Premiums may be found on pages 204-206. EIP will deduct the premiums from your monthly SCRS check. However, if the amount is not enough to cover your health, dental and LTC premiums, EIP will bill you directly for LTC premiums. Local subdivision retirees will be billed by the local subdivision. You may also request in writing to have your premiums drafted from your bank account.

## MONEYPLU$

MoneyPlu$ is not available in retirement.

## THE VISION CARE PROGRAM

This discount program is available to all retirees, as well as to all full-time and part-time employees, dependents, survivors and COBRA subscribers. Please refer to pages 19-20 for more information.

# Returning to Work

### Deciding on Coverage

If you are covered under the retiree group insurance program and return to active employment in a permanent, full-time position, you must decide whether to be covered under the active group employee benefits or to continue your retiree group benefits. You cannot be covered under both. If you prefer to continue your retiree group insurance benefits, you must complete and sign an Active Group Benefits Refusal form. Remember, if you refuse to enroll as an active employee, you are also refusing benefits that are available to active employees only:

- $3,000 Basic Life benefit
- Basic and Supplemental Long Term Disability coverage
- Dependent Life Insurance
- Optional Life Insurance
- MoneyPlu$ benefits.

Note: If you carried your Optional Life coverage into retirement and/or converted your Dependent Life coverage, and are billed by The Hartford, you must decide if you want coverage as a retiree or as an active employee. You cannot have both.

### If You Are Enrolled in Medicare

If you are enrolled in Medicare and return to active employee benefits, Medicare will become the secondary payer to the active group coverage. Therefore, you must notify Social Security that you are covered under the active group, and you may elect to drop Medicare Part B while you are covered as an active employee. When you leave active employment and your active group coverage ends, you may return to retiree group coverage. You must file an enrollment form to return to the state retiree group. In addition, you must notify Social Security that you are no longer covered under an active group so that you can re-enroll in Medicare Part B.

## TERI PROGRAM

### How TERI Affects Your Insurance Coverage

If you are participating in the TERI program, you continue your insurance coverage under the **active** group insurance program as long as you are eligible. At the end of your TERI period, you must file for continuation of coverage as a retiree within 31 days. For more information on the TERI program, contact SCRS.

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# Comparison of Health Plans for R

| | | | | |
|---|---|---|---|---|
| **Type** | **High Deductible Health Plan** | | **Preferred Provider Organization** | |
| | Once the deductible has been met, other benefits are paid at the same level as the SHP Standard Plan. | | To receive the higher level of benefits, subscribers should choose a network provider. | |
| **Plan** | **SHP Savings Plan** | | **SHP Standard Plan** | |
| **Availability** | Coverage worldwide | | Coverage worldwide | |
| **Annual Deductible** *Single* *Family* | **$3,000** **$6,000**[1] | | **$350** **$700** | |
| **Hospitalization/ Emergency Care** | No per-occurrence deductibles or copays | | Outpatient hospital: **$75** per-occurrence deductible Emergency care: **$125** per-occurrence deductible | |
| **Coinsurance** | **In-network** Plan pays 80% You pay 20% | **Out-of-network** Plan pays 60% You pay 40% | **In-network** Plan pays 80% You pay 20% | **Out-of-network** Plan pays 60% You pay 40% |
| **Coinsurance Maximum** *Single* *Family* | **$2,000** **$4,000** (excludes deductibles) | **$4,000** **$8,000** (excludes deductibles) | **$2,000** **$4,000** (excludes deductibles) | **$4,000** **$8,000** (excludes deductibles) |
| **Physicians Office Visits** | Chiropractic benefits limited to $500 a year, per person, after deductible | | **$10** per-visit deductible, then: | |
| | No per-occurrence deductibles or copays | | | |
| | Plan pays 80% You pay 20% | Plan pays 60% You pay 40% | Plan pays 80% You pay 20% | Plan pays 60% You pay 40% |
| **Prescription Drugs** | Participating pharmacies and mail order only: You pay 100% of the plan's allowable charge until the annual deductible is met. Afterward, the plan will reimburse 80% of the allowable charge. The remaining 20 percent will be credited to your coinsurance maximum. | | Participating pharmacies only (up to 31-day supply): **$10** generic, **$25** preferred brand, **$40** non-preferred brand Mail order (up to 90-day supply): **$25** generic, **$62** preferred brand, **$100** non-preferred brand Copay max: **$2,500** | |
| **Mental Health/ Substance Abuse** | Participating providers only. Call 800-221-8699. Subject to above deductibles and coinsurance. | | Participating providers only. Call 800-221-8699. Subject to above deductibles and coinsurance. | |
| **Lifetime Maximum** | **$1,000,000** | | **$1,000,000** | |

[1] *If more than one family member is covered , no family members will receive benefits, other than preventive, until the $6,000 annual family ded*
[2] *There is no outpatient facility copay for services performed at a Medical University of South Carolina outpatient facility.*
***Please Note:*** *This chart is just a summary of your benefits. Please consult the Retirees/Disability Retirees and health plan chapters for details.*

# etirees NOT Eligible for Medicare

| | Traditional HMO | | HMO with a Point of Service Option (POS) | |
|---|---|---|---|---|
| | All care must be directed by a primary care physician (PCP) and approved by the HMO. | | Medically necessary benefits are available out-of-network at a lower benefit. | |
| | **BlueChoice HealthPlan** | **CIGNA HMO** | **MUSC Options** | |
| | Available in all counties in South Carolina | Available in all S.C. counties, **except**: *Abbeville, Aiken, Barnwell, Edgefield, Greenwood, Laurens, McCormick and Saluda* | Available in these S.C. counties: *Berkeley, Charleston, Colleton and Dorchester* | |
| | **$250**<br>**$500**<br>(Does not apply to copays) | None | **In-network**<br>None | **Out-of-network**<br>**$500**<br>**$1,500** |
| | Inpatient: **$200** copay<br>Outpatient: **$75** copay/first 3 visits<br>Emergency care: **$100** copay<br>HMO pays 90% after copays and deductible. You pay 10%<br>**$35** Urgent care copay, then HMO pays 100% | Inpatient: **$500** copay<br>Outpatient facility: **$250** copay<br>Emergency care: **$100** copay | Inpatient: **$300** copay<br>Outpatient facility: **$100**[2] copay<br>Emergency care: **$150** copay<br>**$50** Urgent care copay | HMO pays 60% after annual deductible<br>You pay 40% |
| | HMO pays 90% after deductible and copays<br>You pay 10% | HMO pays 80% after copays<br>You pay 20% | HMO pays 100% after copays | HMO pays 60% after deductible<br>You pay 40% |
| | **$1,500**<br>**$3,000**<br>(excludes deductibles) | **$2,000**<br>**$4,000**<br>(includes inpatient, outpatient, copays and coinsurance) | N/A | **$3,000**<br>**$9,000**<br>(excludes deductibles) |
| | **$15** PCP copay<br>**$15** OB/GYN well woman exam<br>**$30** specialist copay | **$20** PCP copay<br>**$40** OB/GYN exam<br>**$40** specialist copay | **$25** personal physician copay<br>**$25** OB/GYN well woman exam - 2 per benefit period<br>**$55** specialist copay with or without referral | HMO pays 60% of allowance after annual deductible<br>You pay 40%<br><br>No preventive care benefits out-of-network |
| | Participating pharmacies only (up to 31-day supply):<br>**$8** generic, **$30** preferred brand, **$50** non-preferred brand, **$75** specialty pharmaceuticals<br>Mail order (up to 90-day supply):<br>**$16** generic, **$60** preferred brand, **$100** non-preferred brand | Participating pharmacies only (up to 30-day supply):<br>**$7** generic, **$25** preferred brand, **$50** non-preferred brand<br>Mail order (up to 90-day supply):<br>**$14** generic, **$50** preferred brand, **$100** non-preferred brand | Participating pharmacies only<br>**$100** deductlble, **then** (up to 30-day supply):<br>**$10** generic, **$30** preferred brand, **$50** non-preferred brand<br>**$100** specialty pharmaceuticals<br>Mail order (up to 90-day supply):<br>**$25** generic, **$75** preferred brand; **$125** non-preferred brand<br>**$250** specialty pharmaceuticals | |
| | Participating providers only. Call 800-969-1032<br>Inpatient: **$200** copay, then 90% covered<br>Outpatient: **$30** specialist copay | Participating providers only.<br>Inpatient: **$500** copay, then 80% covered<br>Outpatient: **$40** specialist copay | CBA must pre-authorize inpatient and outpatient<br>**$55** outpatient copay | HMO pays 60% of allowance after annual deductible is paid |
| | **$1,000,000** | **$1,000,000** | **$1,000,000** | |

*uctible is met.*

Retirees/Disability Retirees

# Comparison of Health Plans for Retir

| Plan | SHP Savings Plan | SHP Standard Plan | |
|---|---|---|---|
| **Inpatient Hospital Days**[1] | Plan pays 80%<br>You pay 20% with coinsurance maximum<br>(Medi-Call required) | Plan pays 80%<br>You pay 20% with coinsurance maximum<br>(Medi-Call required) | |
| **Skilled Nursing Care** | Plan pays 80%<br>You pay 20% up to **$6,000** or 60 days, whichever is less (Medi-Call required) | Plan pays 80%<br>You pay 20% up to **$6,000** or 60 days, whichever is less (Medi-Call required) | |
| **Private Duty Nursing** | Plan pays 80%<br>You pay 20% with coinsurance maximum<br>(Medi-Call required) | Plan pays 80%<br>You pay 20% with coinsurance maximum<br>(Medi-Call required) | |
| **Home Healthcare** | **$5,000** or 100 visits, whichever is less, if Medi-Call approved | **$5,000** or 100 visits, whichever is less, if Medi-Call approved | |
| **Hospice Care** | **$6,000** lifetime maximum, including **$200** bereavement counseling | **$6,000** lifetime maximum, including **$200** bereavement counseling | |
| **Durable Medical Equipment** | Plan pays 80%<br>You pay 20% with coinsurance maximum<br>(Medi-Call required) | Plan pays 80%<br>You pay 20% with coinsurance maximum<br>(Medi-Call required) | |
| **Routine Mammography Screening** | Ages 35-74 in participating facilities only; guidelines apply | Ages 35-74 in participating facilities only; guidelines apply | |
| **Pap Test** | Ages 18-65<br>Routine or diagnostic | Ages 18-65<br>Routine or diagnostic | |
| **Ambulance** | Plan pays 80%<br>You pay 20% with coinsurance maximum for emergency transport | Plan pays 80%<br>You pay 20% with coinsurance maximum for emergency transport | |
| **Eyeglasses/Hearing Aid** | None, except for prosthetic lenses from cataract surgery<br>Discount under the Vision Care Program | None, except for prosthetic lenses from cataract surgery<br>Discount under the Vision Care Program | |

[1]*Semi-private room and board, physician/surgeon charges, operating/delivery room and recovery room general nursing and miscellaneous hosp*

# ees NOT Eligible for Medicare (cont.)

| | BlueChoice HealthPlan | CIGNA HMO | MUSC Options | |
|---|---|---|---|---|
| | Plan pays 90%<br>You pay 10% with a **$200** copay and coinsurance | Plan pays 80%<br>You pay 20% with **$500** copay and coinsurance maximum | **In-network**<br>Plan pays 100%<br>You pay **$300** copay | **Out-of-network**<br>Plan pays 60%<br>You pay 40%<br>Subject to deductible |
| | Plan pays 90%<br>You pay 10% up to 120 days | Plan pays 80%<br>You pay 20% up to 180 days | Plan pays 100% up to **$6,000** or 60 days, whichever is less, per benefit period | Plan pays 60%<br>You pay 40%<br>Subject to deductible |
| | Plan pays 90%<br>You pay 10% up to 60 days | Plan pays 100% | Plan pays 100% | Covered in-network only |
| | Plan pays 90%<br>You pay 10% | Plan pays 100% up to 60 visits | Plan pays 100% up to **$5,000** or 100 visits, whichever is less, per benefit period | Plan pays 60%<br>You pay 40%<br>Subject to deductible |
| | Plan pays 90%<br>You pay 10% | Not included | Plan pays 100%<br>**$6,000** lifetime maximum | Plan pays 60%<br>You pay 40%<br>Subject to deductible |
| | **$5,000** maximum<br>Plan pays 90%<br>You pay 10% | **$3,500** maximum<br>Plan pays 100% | Plan pays 100% | Covered in-network only |
| | Plan pays 100%; guidelines apply | Plan pays 100% | Plan pays 100% | Covered in-network only |
| | Routine: any age; 2 per year;<br>**$15** copay<br>Diagnostic: copay/coinsurance | Plan pays 100%<br>You pay **$40** copay | Routine: **$25** copay<br>Diagnostic: **$55** copay | Covered in-network only |
| | Plan pays 90%<br>You pay 10% | Plan pays 80%<br>You pay 20% | Plan pays 100% | Plan pays 60%<br>You pay 40%<br>Subject to deductible |
| | One exam for glasses or contacts per year (**$45** copay for contacts exam).<br>One pair glasses every other year (from designated selection) | One exam every two years<br>(**$10** copay)<br>Must use a participating provider | Plan pays up to **$75** for routine eye exam once per benefit period<br>Plan pays up to **$75** for eyewear once every other benefit period | |

*ital services and supplies.*

# Comparison of Health Plan Benefits for Retirees

| Type | | | PPO<br>To receive a higher level of benefits, subscribers should choose an in-network provider. |
|---|---|---|---|
| **Plan** | **Medicare** | **Medicare Supplemental** | **SHP Standard Plan** |
| **Availability** | United States<br>(Contact Medicare for information about any services outside of the United States) | Same as Medicare | Coverage worldwide |
| **Cancellation Policy** | None | Cancelled upon request or for non-payment of premiums | Cancelled upon request or for non-payment of premiums |
| **Annual Deductible** | Part A: **$992** (per benefit period)<br>Part B: **$131** | Pays Medicare Part A and Part B deductibles | **$350** (single)<br>**$700** (family)<br>Carve-out method applies |
| **Per-occurrence Deductible** | Inpatient hospital: Part A deductible (**$992** per benefit period) | Pays Medicare Part A deductible (Call Medi-Call for hospital stays over 150 days, skilled nursing, private duty nursing, home healthcare, durable medical equipment and VA hospital services) | Outpatient hospital: **$75** deductible<br>Emergency care: **$125** deductible (Call Medi-Call for hospital stays over 150 days, skilled nursing, private duty nursing, home healthcare, durable medical equipment and VA hospital services) |
| **Coinsurance** | Part A: 100%<br>Part B: 80% (You pay 20%) | Pays Part B coinsurance of 20% | Carve-out method applies<br>Plan allows 80% |
| **Coinsurance Maximum** | None | None | **In-network**: **$2,000** (single), **$4,000** (family)<br>**Out-of-network**: **$4,000** (single), **$8,000** (family)<br>Excludes deductible |
| **Physician Visits** | Plan pays 80%<br>You pay 20%<br>Routine annual physicals and OB/GYN exams not covered | Plan pays Part B coinsurance of 20% | Carve-out method applies; **$10** per-occurrence deductible; Plan allows 80% in-network, 60% out-of-network<br>Well Child Care visits and immunizations paid at 100% in-network through age 12. |
| **Prescription Drugs** | Covered under Medicare Part D. However, subscribers to health plans offered through the Employee Insurance Program have creditable coverage and therefore do not need to sign up for Part D. | Participating pharmacies only (up to 31-day supply):<br>**$10** generic<br>**$25** preferred brand<br>**$40** non-preferred brand<br>Mail-order (up to 90-day supply):<br>**$25** generic<br>**$62** preferred brand<br>**$100** non-preferred brand<br>Copay max: **$2,500** | Participating pharmacies only (up to 31-day supply):<br>**$10** generic<br>**$25** preferred brand<br>**$40** non-preferred brand<br>Mail-order (up to 90-day supply):<br>**$25** generic<br>**$62** preferred brand<br>**$100** non-preferred brand<br>Copay max: **$2,500** |
| **Mental Health/ Substance Abuse** | Inpatient: Plan pays 100% for days 1-60 (Part A deductible applies);<br>You pay **$248**/day for days 61-90;<br>You pay **$496**/day for days 91-150 (subject to 60 lifetime reserve days);<br>You pay all costs after 150 days.<br>Outpatient: Plan pays 50% (Part B deductible applies) | Inpatient: Plan pays Medicare deductible;<br>**$248** coinsurance for days 61-90;<br>**$496** coinsurance for days 90-150;<br>100% after 150 days (APS approval required).<br>Outpatient: Plan pays Medicare deductible, 50% coinsurance | Carve-out method applies<br>Plan allows 80% in-network<br>(APS participating providers only if hospital stay exceeds 150 days) |
| **Lifetime Maximum** | **None** | **$1,000,000** | **$1,000,000** |

# and Dependents Eligible for Medicare

| | Traditional HMO | | HMO with a Point of Service Option (POS) | |
|---|---|---|---|---|
| | All care must be directed by a primary care physician (PCP) and approved by the HMO. | | Medically necessary benefits are available out-of-network at a lower benefit. | |
| | **BlueChoice HealthPlan** | **CIGNA HMO** | **MUSC Options** | |
| | Available in all South Carolina counties | Available in all S.C. counties, **except**: *Abbeville, Aiken, Barnwell, Edgefield, Greenwood, Laurens, McCormick and Saluda* | Available in the following S.C. counties: *Berkeley, Charleston, Colleton and Dorchester* | |
| | Cancelled upon request or for non-payment of premiums | Cancelled upon request or for non-payment of premiums | Cancelled upon request or for non-payment of premiums | |
| | Pays Medicare Part A and Part B deductibles | No deductible; Pays lesser of unreimbrused Medicare-allowed expenses or plan's normal allowance | Pays Medicare Part A and Part B deductibles | |
| | Pays Medicare Part A deductible | Inpatient: **$500** copay<br>Outpatient facility: **$250** copay<br>Emergency care: **$100** copay | Pays Medicare Part A deductible | |
| | Pays Part B coinsurance of 20% | Plan pays 80% or unreimbursed Medicare-allowed expenses. | Pays Part B coinsurance of 20% | |
| | None | **$2,000** (single)<br>**$4,000** (family)<br>(excludes certain copays) | **In-network**<br>None | **Out-of-network**<br>**$3,000** (single)<br>**$9,000** (family)<br>(excludes deductibles) |
| | Plan pays Part B coinsurance of 20% | **$20** PCP copay<br>**$40** OB/GYN exam<br>**$40** specialist copay<br>Plan pays 80% or unreimbursed Medicare-allowed expenses | Plan pays Part B coinsurance of 20% | HMO pays 60% of allowance after annual deductible<br>You pay 40%<br>No preventive care benefits out-of-network |
| | Participating pharmacies only (up to 30-day supply):<br>**$8** generic<br>**$30** preferred brand<br>**$50** non-preferred brand<br>**$75** specialty pharmaceuticals<br>Mail order (up to 90-day supply):<br>**$16** generic<br>**$60** preferred brand<br>**$100** non-preferred brand | Participating pharmacies only (up to 30-day supply):<br>**$7** generic<br>**$25** preferred brand<br>**$50** non-preferred brand<br>Mail-order (up to 90-day supply):<br>**$14** generic<br>**$50** preferred brand<br>**$100** non-preferred brand<br>No copay max | Participating pharmacies only<br>**$100** deductible, then<br>(up to 30-day supply):<br>**$10** generic, **$30** preferred brand<br>**$125** specialty pharmaceuticals<br>Mail order (up to 90-day supply):<br>**$25** generic<br>**$75** preferred brand<br>**$125** non-preferred brand<br>**$250** specialty pharmaceuticals | |
| | Inpatient: Plan pays Medicare deductible;<br>**$248** coinsurance for days 61-90;<br>**$496** coinsurance for days 91-150;<br>100% beyond 150 days<br>Outpatient: Plan pays Medicare deductible, 50% coinsurance | Participating providers only:<br>**$40** copay per office visit<br>Inpatient: **$500** copay per admission<br>Plan pays 80% of unreimbursed Medicare-allowed expenses | Inpatient: Plan pays Medicare deductible;<br>**$248** coinsurance for days 61-90;<br>**$496** coinsurance for days 91-150;<br>100% beyond 150 days<br>Outpatient: Plan pays Medicare deductible, 50% coinsurance | |
| | **$1,000,000** | **$1,000,000** | **$1,000,000** | |

# Comparison of Health Plan Benefits for Retirees

| Plan | Medicare | Medicare Supplemental | SHP Standard Plan |
|---|---|---|---|
| **Inpatient Hospital Days** | Plan pays 100% for days 1-60 (Part A deductible applies); You pay **$248**/day for days 61-90; You pay **$496** for days 91-150 (subject to 60 lifetime reserve days); You pay all costs beyond 150 days | Plan pays: Medicare deductible; **$248** coinsurance for days 61-90; **$496** coinsurance for days 91-150; 100% beyond 150 days (Medi-Call approval required) | Carve-out method applies Plan allows 80% (Call Medi-Call if hospital stay exceeds 150 days) |
| **Skilled Nursing Care** | Plan pays 100% for days 1-20; You pay **$124** for days 21-100 | Plan pays $119 for days 21-100; Plan pays 100% beyond 100 days (Medi-Call approval required) up to **$6,000** or 60 days, whichever is less | Carve-out method applies Plan allows 80%, up to **$6,000** or 60 days, whichever is less. (Call Medi-Call if hospital stay exceeds 100 days) |
| **Private Duty Nursing** | Not covered | **$200** annual deductible Plan pays 80% if Medi-Call approved You pay 20% **$5,000** annual maximum **$25,000** lifetime maximum | Plan pays 80% You pay 20% with coinsurance maximum (Medi-Call approval required) |
| **Home Healthcare** | Plan pays 100% | Medi-Call available to assist with referrals Up to **$5,000** or 100 visits, whichever is less | Carve-out method applies Plan allows 80% You pay 20% up to **$5,000** or 100 visits, whichever is less |
| **Hospice Care** | Plan pays 100% | Medi-Call available to assist with referrals | Medi-Call available to assist with referrals |
| **Durable Medical Equipment** | Plan pays 80% (Medicare approval required) You pay 20% | Plan pays 20% coinsurance (Medi-Call required) | Carve-out method applies Plan allows 80% (Medi-Call approval required) |
| **Routine Mammography Screening** | Age 40 and older, one every year Plan pays 80% You pay 20% | Plan pays 20% coinsurance | Ages 35-74 in participating facilities only; guidelines apply |
| **Pap Test** | Routine every two years (yearly if high risk) Plan pays 100% for Pap test Plan pays 80% for exam | Plan pays 20% coinsurance. Otherwise, plan pays yearly for one routine Pap test for covered women ages 18-65. Diagnostic only age 66 and older. | Routine yearly ages 18-65; Diagnostic only age 66 and older; Plan allows 100% for Pap test (carve-out applies when Medicare pays) |
| **Ambulance** | Plan pays 80% You pay 20% | Plan pays 20% coinsurance | Carve-out method applies Plan allows 80% |
| **Eyeglasses/ Hearing Aid** | None, except for prosthetic lenses from cataract surgery. Discount under the Vision Care Program | None, except for prosthetic lenses from cataract surgery. Discount under the Vision Care Program | None, except for prosthetic lenses from cataract surgery. Discount under the Vision Care Program |

***Please note:*** *This chart is just a summary of your benefits. Please consult the retiree and health plan chapters for details.*

# and Dependents Eligible for Medicare (cont.)

| BlueChoice HealthPlan | CIGNA HMO | MUSC Options |
|---|---|---|
| Plan pays: Medicare deductible; **$248** coinsurance for days 61-90; **$496** coinsurance for days 91-150; 100% beyond 150 days | Plan pays 80% or unreimbursed Medicare-allowed expenses after **$500** copay | Plan pays: Medicare deductible; **$248** coinsurance for days 61-90; **$496** coinsurance for days 91-150; 100% beyond 150 days |
| Plan pays **$124** for days 21-100; Plan pays 100% beyond 100 days (limited to 120 days) | Plan pays 80% or unreimbursed Medicare-allowed expenses, up to 180 days | Plan pays **$124** for days 21-100; Plan pays 100% beyond 100 days (limited to 120 days) |
| Plan pays 80%; You pay 20% and **$200** annual deductible **$5,000** annual maximum **$25,000** lifetime maximum (limited to 120 days) | Plan pays 100% | Plan pays 80%; You pay 20% and **$200** annual deductible **$5,000** annual maximum **$25,000** lifetime maximum (limited to 120 days) |
| (Medicare pays 100% of covered charges) | Plan pays 100% or unreimbursed Medicare-allowed expenses, up to 60 visits | (Medicare pays 100% of covered charges) |
| (Medicare pays 100% of covered charges) | Plan pays 100% or unreimbursed Medicare-allowed expenses | (Medicare pays 100% of covered charges) |
| Plan pays 20% coinsurance | **$3,500** maximum Plan pays 100% or unreimbursed Medicare-allowed expenses | Plan pays 20% coinsurance |
| Plan pays 20% coinsurance | Plan pays 100% or unreimbursed Medicare-allowed expenses | Plan pays 20% coinsurance |
| Plan pays 20% coinsurance. Otherwise, pays routine OB/GYN exam two times per year after **$15** copay. Diagnostic: copay/coinsurance | Plan pays 100% or unreimbursed Medicare-allowed expenses after **$25** copay | Plan pays 20% coinsurance. Otherwise, pays routine OB/GYN exam after **$25** copay. Diagnostic: **$55** copay |
| Plan pays 20% coinsurance | Plan pays 90% or unreimbursed Medicare-allowed expenses | Plan pays 20% coinsurance |
| One exam for glasses or contacts per year (**$45** copay for contacts exam). One pair of glasses every other year (from designated selection) | One exam every two years (**$10** copay) Must use a participating provider | One exam for glasses or contacts per year (**$45** copay for contacts exam). One pair of glasses every other year (from designated selection) |

# Premiums

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# Comparison of Health Plan

| Plan | SHP Savings Plan | | SHP Standard Plan[3] | | BlueChoice HealthPlan[3] |
|---|---|---|---|---|---|
| **Availability** | Coverage worldwide | | Coverage worldwide | | Available in all South Carolina counties<br><br>Coverage worldwide |
| **Active Employee Monthly Premiums**<br>*Employee Only*<br>*Employee/Spouse*<br>*Employee/Children*<br>*Full Family* | **$ 9.28**<br>**$ 72.56**<br>**$ 20.28**<br>**$108.56** | | **$ 93.46**<br>**$237.50**<br>**$142.46**<br>**$294.58** | | **$126.62**<br>**$369.88**<br>**$272.18**<br>**$547.26** |
| | **Please note that premiums for optional employer groups, such as local** | | | | |
| **Annual Deductible**<br>*Single*<br>*Family* | **(no per-occurrence deductibles)**<br>**$3,000**<br>**$6,000[4]** | | **$350**<br>**$700** | | **$250**<br>**$500** |
| **Coinsurance** | **In-network**<br>Plan pays 80%<br>You pay 20% | **Out-of-network**<br>Plan pays 60%<br>You pay 40% | **In-network**<br>Plan pays 80%<br>You pay 20% | **Out-of-network**<br>Plan pays 60%<br>You pay 40% | HMO pays 90% after copays<br>You pay 10% |
| **Coinsurance Maximum**<br>*Single*<br>*Family* | **$2,000**<br>**$4,000**<br>**(excludes deductible)** | **$4,000**<br>**$8,000**<br>**(excludes deductible)** | **$2,000**<br>**$4,000**<br>**(excludes deductible)** | **$4,000**<br>**$8,000**<br>**(excludes deductible)** | **$1,500**<br>**$3,000**<br>**(excludes deductible)** |
| **Physicians Office Visits** | Chiropractic payments limited to **$500** a year, per person<br>No per-occurrence deductible or copayments<br>**In-network**<br>Plan pays 80%<br>You pay 20% | **Out-of-network**<br>Plan pays 60%<br>You pay 40% | **$10** per-occurrence deductible, then:<br>**In-network**<br>Plan pays 80%<br>You pay 20% | **Out-of-network**<br>Plan pays 60%<br>You pay 40% | **$15** PCP copayment<br>**$15** OB/GYN well woman exam<br>**$30** specialist copay |
| **Hospitalization/ Emergency Care** | No per-occurrence deductibles or copayments | | Outpatient hospital: **$75** per-occurrence deductible<br>Emergency care: **$125** per-occurrence deductible | | Inpatient: **$200** copay<br>Outpatient: **$75** copay/first 3 visits<br>Emergency care: **$100** copay<br>HMO pays 90% after copays<br>You pay 10%<br>**$35** urgent care copay, then HMO pays 100% |
| **Prescription Drugs** | Participating pharmacies and mail order only: You pay the State Health Plan's allowable cost until the annual deductible is met. Afterward, the plan will reimburse 80% of the allowable cost; you pay 20%. When coinsurance maximum is reached, the plan will reimburse 100% of the allowable charge. | | Participating pharmacies only (up to 31-day supply): **$10** generic, **$25** preferred brand, **$40** non-preferred brand<br>Mail order (up to 90-day supply): **$25** generic, **$62** preferred brand, **$100** non-preferred brand<br>Copayment max: **$2,500 per person** | | Participating pharmacies only (31-day supply): **$8** generic, **$30** preferred brand, **$50** non-preferred brand, **$75** specialty pharmaceuticals<br>Mail order (Up to 90-day supply):**$16** generic, **$60** preferred brand, **$100** non-preferred brand |

*[1]This table is for comparison purposes only.*
*[2]There is no copayment for services performed at MUSC outpatient facilities.*
*[3]Refer to the Retirees/Disability Retirees chapter in this guide for information on how this plan coordinates with Medicare.*
*[4]If more than one family member is covered, no family member will receive benefits, other than preventive, until the $6,000 annual family deductible is met.*

# Benefits Offered for 2007[1]

| CIGNA HMO[3] | MUSC Options[3] | | Medicare Supplemental Plan[3] |
|---|---|---|---|
| Available in all South Carolina counties, **except**: *Abbeville, Aiken, Barnwell, Edgefield, Greenwood, Laurens, McCormick and Saluda counties* | Available in these South Carolina counties: *Berkeley, Charleston, Colleton and Dorchester counties* | | Same as Medicare<br><br>Available to retirees and covered dependents/survivors who are eligible for Medicare |
| **$124.10**<br>**$359.60**<br>**$263.74**<br>**$531.32** | **$178.08**<br>**$468.36**<br>**$316.72**<br>**$594.26** | | Refer to the premium tables on pages 200-202 for rates |
| **subdivisions, may vary. To verify your rates, contact your benefits office.** | | | |
| NONE | **In-network**<br>NONE | **Out-of-network**<br>**$500**<br>**$1,500** | Pays Medicare Part A and Part B deductibles |
| HMO pays 80% after copays<br>You pay 20% | HMO pays 100% after copays | HMO pays 60% of allowance<br>You pay 40% | Pays Part B coinsurance of 20% |
| **$2,000**<br>**$4,000**<br>**(includes inpatient, outpatient, copays and coinsurance)** | N/A | **$3,000**<br>**$9,000**<br>**(excludes deductible)** | None |
| **$20** PCP copayment<br>**$40** OB/GYN exam<br>**$40** specialist copay | **$25** personal physician copay;<br>**$25** OB/GYN well woman exam;<br>**$55** specialist copay | HMO pays 60% of allowance after annual deductible<br>You pay 40%.<br>No preventive care benefits out-of-network | Pays Part B coinsurance of 20% |
| Inpatient: **$500** copay per admission.<br>Then HMO pays 80% after copays<br>Outpatient facility: **$250** copay per admission.<br>Then HMO pays 80% after copays,<br>Emergency care: **$100** copay.<br>Then HMO pays 100% | Inpatient: **$300** copay<br>Outpatient facility: **$100**[2] copay<br>Emergency Care: **$150** copay;<br>Urgent care: **$50** copay | HMO pays 60% of allowance after annual deductible<br>You pay 40%<br>Emergency care: **$150** copay | **For inpatient hospital stays**, the Plan pays: Medicare deductible; coinsurance for days 61-90; coinsurance for days 91-150; 100% beyond 150 days (Medi-Call approval required)<br><br>**For skilled nursing facility care**, the Plan pays coinsurance for days 21-100; 100% beyond 100 days, up to **$6,000** per year. |
| Participating pharmacies only (up to 30-day supply):<br>**$7** generic, **$25** preferred brand, **$50** non-preferred brand<br>Mail order (up to 90-day supply): **$14** generic, **$50** preferred brand, **$100** non-preferred brand | Participating pharmacies only<br>**$100** per person deductible, then:<br>(up to 30-day supply):<br>**$10** generic, **$30** preferred brand, **$50** non-preferred brand, **$100** specialty pharmaceuticals<br>Mail order (up to 90-day supply): **$25** generic, **$75** preferred brand, **$125** non-preferred brand, **$250** specialty pharmaceuticals | | Participating pharmacies only (up to 31-day supply): **$10** generic, **$25** preferred brand, **$40** non-preferred brand<br>Mail order (up to 90-day supply):<br>**$25** generic, **$62** preferred brand, **$100** non-preferred brand;<br>Copayment max: **$2,500** |

Premiums

# 2007 ACTIVE EMPLOYEE AND FUNDED RETIREE HEALTH, DENTAL AND DENTAL PLUS RATES

| | 2007 Active Employee Monthly Premiums[1] *State Health Plan* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | SAVINGS | STANDARD | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
| Employee | $ 9.28 | $ 93.46 | $126.62 | $124.10 | $178.08 | $0.00 | $ 0.00 | $18.52 |
| Employee/spouse | $ 72.56 | $237.50 | $369.88 | $359.60 | $468.36 | $0.00 | $ 7.64 | $35.06 |
| Employee/children | $ 20.28 | $142.46 | $272.18 | $263.74 | $316.72 | $0.00 | $13.72 | $38.26 |
| Full family | $108.56 | $294.58 | $547.26 | $531.32 | $594.26 | $0.00 | $21.34 | $54.80 |

[1]Rates for employees of local subdivisions may vary. To verify your rates, contact your benefits office.

| 2007 Regular Retiree (State-funded Benefits) Monthly Premiums[1] (Retiree eligible for Medicare/spouse eligible for Medicare) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
| Retiree | N/A | $ 75.46 | $ 93.46 | $126.62 | $124.10 | $178.08 | N/A | $ 0.00 | $18.52 |
| Retiree/spouse | N/A | $201.50 | $237.50 | $369.88 | $359.60 | $468.36 | N/A | $ 7.64 | $35.06 |
| Retiree/children | N/A | $124.46 | $142.46 | $272.18 | $263.74 | $316.72 | N/A | $13.72 | $38.26 |
| Full family | N/A | $258.58 | $294.58 | $547.26 | $531.32 | $594.26 | N/A | $21.34 | $54.80 |
| (Retiree eligible for Medicare/spouse **not** eligible for Medicare) | | | | | | | | | |
| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
| Retiree/spouse | N/A | $219.50 | $237.50 | $369.88 | $359.60 | $468.36 | N/A | $ 7.64 | $35.06 |
| Full family | N/A | $268.50 | $286.50 | $547.26 | $531.32 | $594.26 | N/A | $21.34 | $54.80 |
| (Retiree **not** eligible for Medicare/spouse eligible for Medicare) | | | | | | | | | |
| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
| Retiree/spouse | $ 72.56 | $219.50 | $237.50 | $369.88 | $359.60 | $468.36 | N/A | $ 7.64 | $35.06 |
| Full family | $108.56 | $268.50 | $286.50 | $547.26 | $531.32 | $594.26 | N/A | $21.34 | $54.80 |
| (Retiree **not** eligible for Medicare/spouse **not** eligible for Medicare) | | | | | | | | | |
| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
| Retiree | $ 9.28 | $ 93.46 | N/A | $126.62 | $124.10 | $178.08 | $0.00 | $ 0.00 | $18.52 |
| Retiree/spouse | $ 72.56 | $237.50 | N/A | $369.88 | $359.60 | $468.36 | $0.00 | $ 7.64 | $35.06 |
| Retiree/children | $ 20.28 | $142.46 | N/A | $272.18 | $263.74 | $316.72 | $0.00 | $13.72 | $38.26 |
| Full family | $108.56 | $294.58 | N/A | $547.26 | $531.32 | $594.26 | $0.00 | $21.34 | $54.80 |
| (Retiree **not** eligible for Medicare/spouse **not** eligible for Medicare/one or more children eligible for Medicare) | | | | | | | | | |
| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
| Retiree/children | $ 20.28 | $142.46 | $160.46 | $272.18 | $263.74 | $316.72 | N/A | $13.72 | $38.26 |
| Full family | $108.56 | $294.58 | $312.58 | $547.26 | $531.32 | $594.26 | N/A | $21.34 | $54.80 |

[1]Rates for local subdivisions may vary. To verify your rates, contact your benefits office.

[2]If the Medicare Supplemental Plan is elected, claims for covered persons not eligible for Medicare will be based on the Standard Plan provisions.

# 2007 NON-FUNDED RETIREE AND COBRA HEALTH, DENTAL AND DENTAL PLUS RATES

## 2007 Retiree Full Cost (Non-funded) Monthly Premiums[1]

(Retiree eligible for Medicare/spouse eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Retiree | N/A | $314.10 | $332.10 | $ 365.26 | $ 362.74 | $ 416.72 | N/A | $11.71 | $18.52 |
| Retiree/spouse | N/A | $668.96 | $704.96 | $ 837.34 | $ 827.06 | $ 935.82 | N/A | $19.35 | $35.06 |
| Retiree/children | N/A | $461.46 | $479.46 | $ 609.18 | $ 600.74 | $ 653.72 | N/A | $25.43 | $38.26 |
| Full family | N/A | $804.80 | $840.80 | $1,093.48 | $1,077.54 | $1,140.48 | N/A | $33.05 | $54.80 |

(Retiree eligible for Medicare/spouse **not** eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Retiree/spouse | N/A | $686.96 | $704.96 | $ 837.34 | $ 827.06 | $ 935.82 | N/A | $19.35 | $35.06 |
| Full family | N/A | $814.72 | $832.72 | $1,093.48 | $1,077.54 | $1,140.48 | N/A | $33.05 | $54.80 |

(Retiree **not** eligible to Medicare/spouse eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Retiree/spouse | $540.02 | $686.96 | $704.96 | $ 837.34 | $ 827.06 | $ 935.82 | N/A | $19.35 | $35.06 |
| Full family | $654.78 | $814.72 | $832.72 | $1,093.48 | $1,077.54 | $1,140.48 | N/A | $33.05 | $54.80 |

(Retiree **not** eligible for Medicare/spouse **not** eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Retiree | $247.92 | $332.10 | N/A | $ 365.26 | $ 362.74 | $ 416.72 | $ 63.50 | $11.71 | $18.52 |
| Retiree/spouse | $540.02 | $704.96 | N/A | $ 837.34 | $ 827.06 | $ 935.82 | $122.50 | $19.35 | $35.06 |
| Retiree/children | $357.28 | $479.46 | N/A | $ 609.18 | $ 600.74 | $ 653.72 | $122.50 | $25.43 | $38.26 |
| Full family | $654.78 | $840.80 | N/A | $1,093.48 | $1,077.54 | $1,140.48 | $163.50 | $33.05 | $54.80 |

(Retiree **not** eligible for Medicare/spouse **not** eligible for Medicare/one or more children eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Retiree/children | $357.28 | $479.46 | $497.46 | $ 609.18 | $ 600.74 | $ 653.72 | N/A | $25.43 | $38.26 |
| Full family | $654.78 | $840.80 | $858.80 | $1,093.48 | $1,077.54 | $1,140.48 | N/A | $33.05 | $54.80 |

[1]Rates for local subdivisions may vary. To verify your rates, contact your benefits office.

[2]If the Medicare Supplemental Plan is elected, claims for covered persons not eligible for Medicare will be based on the Standard Plan provisions.

## 2007 COBRA Monthly Premiums

**18 and 36 months**

| | SAVINGS | STANDARD | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|
| Subscriber only | $252.88 | $338.74 | $ 372.58 | $ 370.00 | $425.06 | N/A | $11.94 | $18.89 |
| Subscriber/spouse | $550.82 | $719.06 | $ 854.10 | $ 843.60 | $954.54 | N/A | $19.74 | $35.76 |
| Subscriber/children | $364.44 | $489.06 | $ 621.36 | $ 612.76 | $666.80 | N/A | $25.94 | $39.02 |
| Family | $667.88 | $857.62 | $1,115.36 | $1,099.10 | $1,163.30 | N/A | $33.71 | $55.90 |
| Children (to age 18) | $111.56 | $150.32 | $ 248.80 | $ 242.76 | $241.74 | N/A | $13.99 | $20.14 |

**29 months** (These rates go into effect in the 19th month of coverage for 29-month COBRA subscribers)

| | SAVINGS | STANDARD | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRICARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|
| Subscriber only | $371.88 | $ 498.16 | $ 547.90 | $ 544.12 | $ 625.08 | N/A | $11.94 | $18.89 |
| Subscriber/spouse | $810.04 | $1,057.44 | $1,256.02 | $1,240.60 | $1,403.74 | N/A | $19.74 | $35.76 |
| Subscriber/children | $535.92 | $ 719.20 | $ 913.78 | $ 901.12 | $ 980.58 | N/A | $25.94 | $39.02 |
| Family | $982.18 | $1,261.20 | $1,640.22 | $1,616.32 | $1,710.72 | N/A | $33.71 | $55.90 |
| Children (to age 18) | $164.04 | $ 221.04 | $ 365.88 | $ 357.00 | $ 355.50 | N/A | $13.99 | $20.14 |

# 2007 SURVIVOR HEALTH, DENTAL AND DENTAL PLUS RATES

**2007 Survivor Monthly Premiums[1]**

(Spouse eligible for Medicare/children eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRI-CARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Spouse | N/A | $314.10 | $332.10 | $365.26 | $362.74 | $416.72 | N/A | $11.71 | $18.52 |
| Spouse/children | N/A | $461.46 | $497.46 | $609.18 | $600.74 | $653.72 | N/A | $25.43 | $38.26 |
| Children only | N/A | $147.36 | $165.36[3] | $243.92 | $238.00 | $237.00 | N/A | $13.72 | $19.74 |

(Spouse eligible for Medicare/children **not** eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRI-CARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Spouse | N/A | $314.10 | $332.10 | $365.26 | $362.74 | $416.72 | N/A | $11.71 | $18.52 |
| Spouse/children | N/A | $461.46 | $479.46 | $609.18 | $600.74 | $653.72 | N/A | $25.43 | $38.26 |
| Children only | $109.36 | $147.36 | N/A | $243.92 | $238.00 | $237.00 | N/A | $13.72 | $19.74 |

(Spouse **not** eligible for Medicare/children eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRI-CARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Spouse | $247.92 | $332.10 | N/A | $365.26 | $362.74 | $416.72 | N/A | $11.71 | $18.52 |
| Spouse/children | $357.28 | $479.46 | $497.46[3] | 609.18 | $600.74 | $653.72 | N/A | $25.43 | $38.26 |
| Children only | N/A | $147.36 | $165.36[3] | $243.92 | $238.00 | $237.00 | N/A | $13.72 | $19.74 |

(Spouse **not** eligible for Medicare/children **not** eligible for Medicare)

| | SAVINGS | STANDARD | SUPPLEMENTAL[2] | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | TRI-CARE | DENTAL | DENTAL PLUS |
|---|---|---|---|---|---|---|---|---|---|
| Spouse | $247.92 | $332.10 | N/A | $365.26 | $362.74 | $416.72 | $ 63.50 | $11.71 | $18.52 |
| Spouse/children | $357.28 | $479.46 | N/A | $609.18 | $600.74 | $653.72 | $122.50 | $25.43 | $38.26 |
| Children only | $109.36 | $147.36 | N/A | $243.92 | $238.00 | $237.00 | $ 63.50 | $13.72 | $19.74 |

[1]Rates for local subdivisions may vary. To verify your rates, contact your benefits office.

[2]If the Medicare Supplemental Plan is elected, claims for covered subscribers not eligible for Medicare will be based on the Standard Plan provisions.

[3]This premium applies only if one or more children are eligible for Medicare.

# 2007 MONTHLY INSURANCE RATES FOR PART-TIME TEACHERS

## HEALTH

| Category I. 15-19 Hours | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| COVERAGE LEVEL | SAVINGS | STANDARD | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | EMPLOYER | EMPLOYEE TRICARE SUPPLEMENT | EMPLOYER TRICARE SUPPLEMENT |
| Employee only | $128.60 | $212.78 | $245.94 | $243.42 | $297.40 | $119.32 | $0.00 | $ 63.50 |
| Employee/spouse | $306.30 | $471.24 | $603.62 | $593.34 | $702.10 | $233.74 | $0.00 | $122.50 |
| Employee/children | $188.78 | $310.96 | $440.68 | $432.24 | $485.22 | $168.50 | $0.00 | $122.50 |
| Full family | $381.68 | $567.70 | $820.38 | $804.44 | $867.38 | $273.12 | $0.00 | $163.50 |

| Category II. 20-24 Hours | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| COVERAGE LEVEL | SAVINGS | STANDARD | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | EMPLOYER | EMPLOYEE TRICARE SUPPLEMENT | EMPLOYER TRICARE SUPPLEMENT |
| Employee only | $ 88.04 | $172.22 | $205.38 | $202.86 | $256.84 | $159.90 | $0.00 | $ 63.50 |
| Employee/spouse | $226.82 | $391.76 | $524.14 | $513.86 | $622.62 | $313.20 | $0.00 | $122.50 |
| Employee/children | $131.50 | $253.68 | $383.40 | $374.96 | $427.94 | $225.80 | $0.00 | $122.50 |
| Full family | $288.82 | $474.84 | $727.52 | $711.58 | $774.52 | $365.98 | $0.00 | $163.50 |

| Category III. 25-29 Hours | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| COVERAGE LEVEL | SAVINGS | STANDARD | BlueChoice HealthPlan | CIGNA | MUSC OPTIONS | EMPLOYER | EMPLOYEE TRICARE SUPPLEMENT | EMPLOYER TRICARE SUPPLEMENT |
| Employee only | $ 49.86 | $134.04 | $167.20 | $164.68 | $218.66 | $198.08 | $0.00 | $ 63.50 |
| Employee/spouse | $152.04 | $316.98 | $449.36 | $439.08 | $547.84 | $388.00 | $0.00 | $122.50 |
| Employee/children | $ 77.58 | $199.76 | $329.48 | $321.04 | $374.02 | $279.72 | $0.00 | $122.50 |
| Full family | $201.42 | $387.44 | $640.12 | $624.18 | $687.12 | $453.36 | $0.00 | $163.50 |

## DENTAL

| COVERAGE LEVEL | Category I. 15-19 Hours | | | Category II. 20-24 Hours | | | Category III. 25-29 Hours | | |
|---|---|---|---|---|---|---|---|---|---|
| | EMPLOYEE | EMPLOYER | DENTAL PLUS | EMPLOYEE | EMPLOYER | DENTAL PLUS | EMPLOYEE | EMPLOYER | DENTAL PLUS |
| **Employee** | $ 5.86 | $5.85 | $18.52 | $ 3.86 | $7.85 | $18.52 | $ 2.00 | $9.71 | $18.52 |
| **Employee/spouse** | $13.50 | $5.85 | $35.06 | $ 11.50 | $7.85 | $35.06 | $ 9.64 | $9.71 | $35.06 |
| **Employee/children** | $19.58 | $5.85 | $38.26 | $17.58 | $7.85 | $38.26 | $15.72 | $9.71 | $38.26 |
| **Full family** | $27.20 | $5.85 | $54.80 | $25.20 | $7.85 | $54.80 | $23.34 | $9.71 | $54.80 |

# Long Term Care Monthly Premiums*

## OPTION 1 (DISABILITY)

| 2007 LONG TERM CARE RATES* | | | | | | | |
|---|---|---|---|---|---|---|---|
| OPTION 1 (Disability) | | | | | | | |
| Return of Contribution Excluded | | | | Return of Contribution Included** | | | |
| AGE | Per $10 | AGE | Per $10 | | Per $10 | AGE | Per $10 |
| **20** | 0.20 | **60** | 6.64 | **20** | 0.22 | **60** | 7.20 |
| **21** | 0.24 | **61** | 7.18 | **21** | 0.24 | **61** | 7.72 |
| **22** | 0.26 | **62** | 7.76 | **22** | 0.26 | **62** | 8.28 |
| **23** | 0.28 | **63** | 8.38 | **23** | 0.28 | **63** | 8.90 |
| **24** | 0.30 | **64** | 9.08 | **24** | 0.32 | **64** | 9.56 |
| **25** | 0.34 | **65** | 9.84 | **25** | 0.36 | **65** | 10.26 |
| **26** | 0.38 | **66** | 10.66 | **26** | 0.40 | **66** | 11.16 |
| **27** | 0.40 | **67** | 11.54 | **27** | 0.42 | **67** | 12.16 |
| **28** | 0.44 | **68** | 12.52 | **28** | 0.46 | **68** | 13.28 |
| **29** | 0.48 | **69** | 13.56 | **29** | 0.52 | **69** | 14.48 |
| **30** | 0.54 | **70** | 14.72 | **30** | 0.56 | **70** | 15.84 |
| **31** | 0.58 | **71** | 15.98 | **31** | 0.62 | **71** | 17.34 |
| **32** | 0.62 | **72** | 17.32 | **32** | 0.68 | **72** | 19.00 |
| **33** | 0.70 | **73** | 18.80 | **33** | 0.74 | **73** | 20.82 |
| **34** | 0.76 | **74** | 20.38 | **34** | 0.82 | **74** | 22.88 |
| **35** | 0.82 | **75** | 22.16 | **35** | 0.90 | **75** | 25.14 |
| **36** | 0.90 | **76** | 24.08 | **36** | 0.98 | **76** | 27.68 |
| **37** | 0.98 | **77** | 26.12 | **37** | 1.08 | **77** | 30.46 |
| **38** | 1.08 | **78** | 28.30 | **38** | 1.18 | **78** | 33.50 |
| **39** | 1.18 | **79** | 30.44 | **39** | 1.30 | **79** | 36.60 |
| **40** | 1.30 | **80** | 32.52 | **40** | 1.42 | **80** | 39.76 |
| **41** | 1.40 | **81** | 34.44 | **41** | 1.56 | **81** | 42.84 |
| **42** | 1.54 | **82** | 36.14 | **42** | 1.72 | **82** | 45.82 |
| **43** | 1.68 | **83** | 37.60 | **43** | 1.88 | **83** | 48.60 |
| **44** | 1.84 | **84** | 38.92 | **44** | 2.06 | **84** | 51.30 |
| **45** | 2.00 | **85** | 40.12 | **45** | 2.24 | **85** | 53.92 |
| **46** | 2.18 | **86** | 41.20 | **46** | 2.44 | **86** | 56.46 |
| **47** | 2.36 | **87** | 42.18 | **47** | 2.64 | **87** | 58.92 |
| **48** | 2.56 | **88** | 43.02 | **48** | 2.88 | **88** | 61.32 |
| **49** | 2.78 | **89** | 43.84 | **49** | 3.10 | **89** | 63.80 |
| **50** | 3.02 | **90+** | 44.66 | **50** | 3.36 | **90+** | 66.46 |
| **51** | 3.24 | | | **51** | 3.66 | | |
| **52** | 3.52 | | | **52** | 3.94 | | |
| **53** | 3.82 | | | **53** | 4.26 | | |
| **54** | 4.14 | | | **54** | 4.62 | | |
| **55** | 4.48 | | | **55** | 4.98 | | |
| **56** | 4.84 | | | **56** | 5.38 | | |
| **57** | 5.26 | | | **57** | 5.80 | | |
| **58** | 5.68 | | | **58** | 6.24 | | |
| **59** | 6.14 | | | **59** | 6.70 | | |

**Includes an approximate one percent administrative fee for enrollees whose premiums are payroll- or pension-deducted.*
***For more information on Return of Contribution, please see page 138.*

# Long Term Care Monthly Premiums*

## OPTION 2 (SERVICE REIMBURSEMENT)**

| 2007 LONG TERM CARE RATES* | | | | | | | |
|---|---|---|---|---|---|---|---|
| OPTION 2 (Service Reimbursement)** | | | | | | | |
| Return of Contribution Excluded | | | | Return of Contribution Included*** | | | |
| | Per $10 | AGE | Per $10 | | Per $10 | AGE | Per $10 |
| **20** | 0.28 | **60** | 5.02 | **20** | 0.28 | **60** | 5.14 |
| **21** | 0.28 | **61** | 5.52 | **21** | 0.30 | **61** | 5.66 |
| **22** | 0.30 | **62** | 6.06 | **22** | 0.32 | **62** | 6.22 |
| **23** | 0.34 | **63** | 6.70 | **23** | 0.34 | **63** | 6.86 |
| **24** | 0.36 | **64** | 7.40 | **24** | 0.36 | **64** | 7.54 |
| **25** | 0.38 | **65** | 8.06 | **25** | 0.38 | **65** | 8.22 |
| **26** | 0.40 | **66** | 8.90 | **26** | 0.42 | **66** | 9.10 |
| **27** | 0.44 | **67** | 9.90 | **27** | 0.46 | **67** | 10.16 |
| **28** | 0.48 | **68** | 10.70 | **28** | 0.50 | **68** | 11.00 |
| **29** | 0.54 | **69** | 11.60 | **29** | 0.56 | **69** | 11.96 |
| **30** | 0.58 | **70** | 12.62 | **30** | 0.58 | **70** | 13.04 |
| **31** | 0.62 | **71** | 13.76 | **31** | 0.64 | **71** | 14.28 |
| **32** | 0.68 | **72** | 15.04 | **32** | 0.70 | **72** | 15.68 |
| **33** | 0.72 | **73** | 16.44 | **33** | 0.74 | **73** | 17.26 |
| **34** | 0.78 | **74** | 18.02 | **34** | 0.80 | **74** | 19.06 |
| **35** | 0.84 | **75** | 19.78 | **35** | 0.88 | **75** | 21.08 |
| **36** | 0.90 | **76** | 21.74 | **36** | 0.92 | **76** | 23.38 |
| **37** | 0.98 | **77** | 23.94 | **37** | 1.00 | **77** | 26.04 |
| **38** | 1.04 | **78** | 26.34 | **38** | 1.06 | **78** | 29.00 |
| **39** | 1.10 | **79** | 28.92 | **39** | 1.14 | **79** | 32.26 |
| **40** | 1.18 | **80** | 31.48 | **40** | 1.20 | **80** | 35.62 |
| **41** | 1.24 | **81** | 33.80 | **41** | 1.28 | **81** | 38.80 |
| **42** | 1.32 | **82** | 36.02 | **42** | 1.36 | **82** | 42.00 |
| **43** | 1.40 | **83** | 38.44 | **43** | 1.46 | **83** | 45.60 |
| **44** | 1.48 | **84** | 40.60 | **44** | 1.54 | **84** | 49.14 |
| **45** | 1.58 | **85** | 42.46 | **45** | 1.66 | **85** | 52.48 |
| **46** | 1.68 | **86** | 44.54 | **46** | 1.74 | **86** | 56.34 |
| **47** | 1.78 | **87** | 46.30 | **47** | 1.84 | **87** | 60.02 |
| **48** | 1.90 | **88** | 47.74 | **48** | 1.98 | **88** | 63.56 |
| **49** | 2.04 | **89** | 48.94 | **49** | 2.12 | **89** | 66.96 |
| **50** | 2.16 | **90+** | 49.70 | **50** | 2.26 | **90+** | 69.80 |
| **51** | 2.32 | | | **51** | 2.40 | | |
| **52** | 2.46 | | | **52** | 2.58 | | |
| **53** | 2.70 | | | **53** | 2.80 | | |
| **54** | 2.94 | | | **54** | 3.04 | | |
| **55** | 3.20 | | | **55** | 3.30 | | |
| **56** | 3.48 | | | **56** | 3.62 | | |
| **57** | 3.82 | | | **57** | 3.94 | | |
| **58** | 4.16 | | | **58** | 4.32 | | |
| **59** | 4.58 | | | **59** | 4.72 | | |

**Includes an approximate one percent administrative fee for enrollees whose premiums are payroll- or pension-deducted.*
***Includes 50 percent home health care benefit payout.*
****For more information on Return of Contribution, please see page 138.*

# Long Term Care Monthly Premiums*

## OPTION 3 (SERVICE REIMBURSEMENT)**

| 2007 LONG TERM CARE RATES* | | | | | | | |
|---|---|---|---|---|---|---|---|
| OPTION 3 (Service Reimbursement)** | | | | | | | |
| Return of Contribution Excluded | | | | Return of Contribution Included*** | | | |
| | Per $10 | AGE | Per $10 | AGE | Per $10 | AGE | Per $10 |
| **20** | 0.42 | **60** | 6.90 | **20** | 0.42 | **60** | 7.06 |
| **21** | 0.44 | **61** | 7.56 | **21** | 0.44 | **61** | 7.76 |
| **22** | 0.46 | **62** | 8.32 | **22** | 0.46 | **62** | 8.48 |
| **23** | 0.48 | **63** | 9.18 | **23** | 0.50 | **63** | 9.34 |
| **24** | 0.52 | **64** | 10.14 | **24** | 0.52 | **64** | 10.30 |
| **25** | 0.56 | **65** | 11.00 | **25** | 0.58 | **65** | 11.18 |
| **26** | 0.60 | **66** | 12.14 | **26** | 0.62 | **66** | 12.36 |
| **27** | 0.66 | **67** | 13.48 | **27** | 0.68 | **67** | 13.76 |
| **28** | 0.72 | **68** | 14.58 | **28** | 0.72 | **68** | 14.90 |
| **29** | 0.78 | **69** | 15.78 | **29** | 0.80 | **69** | 16.20 |
| **30** | 0.84 | **70** | 17.14 | **30** | 0.86 | **70** | 17.62 |
| **31** | 0.90 | **71** | 18.66 | **31** | 0.92 | **71** | 19.26 |
| **32** | 0.98 | **72** | 20.34 | **32** | 1.00 | **72** | 21.08 |
| **33** | 1.06 | **73** | 22.20 | **33** | 1.10 | **73** | 23.16 |
| **34** | 1.14 | **74** | 24.30 | **34** | 1.18 | **74** | 25.50 |
| **35** | 1.24 | **75** | 26.56 | **35** | 1.28 | **75** | 28.14 |
| **36** | 1.32 | **76** | 29.18 | **36** | 1.36 | **76** | 31.18 |
| **37** | 1.40 | **77** | 32.06 | **37** | 1.44 | **77** | 34.62 |
| **38** | 1.48 | **78** | 35.20 | **38** | 1.54 | **78** | 38.48 |
| **39** | 1.60 | **79** | 38.56 | **39** | 1.66 | **79** | 42.70 |
| **40** | 1.70 | **80** | 41.88 | **40** | 1.76 | **80** | 47.04 |
| **41** | 1.82 | **81** | 44.92 | **41** | 1.88 | **81** | 51.18 |
| **42** | 1.92 | **82** | 47.84 | **42** | 1.98 | **82** | 55.34 |
| **43** | 2.04 | **83** | 50.94 | **43** | 2.10 | **83** | 59.98 |
| **44** | 2.14 | **84** | 53.70 | **44** | 2.22 | **84** | 64.42 |
| **45** | 2.28 | **85** | 55.90 | **45** | 2.34 | **85** | 68.50 |
| **46** | 2.40 | **86** | 58.56 | **46** | 2.48 | **86** | 73.40 |
| **47** | 2.54 | **87** | 60.78 | **47** | 2.62 | **87** | 78.10 |
| **48** | 2.70 | **88** | 62.62 | **48** | 2.80 | **88** | 82.62 |
| **49** | 2.90 | **89** | 64.22 | **49** | 2.98 | **89** | 87.00 |
| **50** | 3.08 | **90+** | 65.14 | **50** | 3.18 | **90+** | 90.64 |
| **51** | 3.26 | | | **51** | 3.38 | | |
| **52** | 3.48 | | | **52** | 3.60 | | |
| **53** | 3.80 | | | **53** | 3.92 | | |
| **54** | 4.10 | | | **54** | 4.24 | | |
| **55** | 4.46 | | | **55** | 4.62 | | |
| **56** | 4.86 | | | **56** | 5.02 | | |
| **57** | 5.30 | | | **57** | 5.46 | | |
| **58** | 5.78 | | | **58** | 5.94 | | |
| **59** | 6.32 | | | **59** | 6.48 | | |

**Includes an approximate one percent administrative fee for enrollees whose premiums are payroll- or pension-deducted.*
***Includes 100 percent home health care benefit payout.*
****For more information on Return of Contribution, please see page 138.*

# Optional Life, Dependent Life/ Spouse Monthly Premiums

Please note: These schedules are for active employees. Retiree insurance coverage ends at age 70.

Optional Life premiums are determined by your age on the preceding December 31 and the amount of insurance you select. Premiums for Dependent Life/Spouse coverage are the same as the Optional Life premiums, which are based on the **employee's** age.

## Monthly Rates for Employees through Age 69

| | Employee's Age* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | <35 | 35 - 39 | 40 - 44 | 45 - 49 | 50 - 54 | 55 - 59 | 60 - 64 | 65 - 69 |
| **Coverage** | | | | | | | | |
| **$10,000** | $0.68 | $0.80 | $1.26 | $1.76 | $2.74 | $4.28 | $6.56 | $9.78 |
| **$20,000** | $1.36 | $1.60 | $2.52 | $3.52 | $5.48 | $8.56 | $13.12 | $19.56 |
| **$30,000** | $2.04 | $2.40 | $3.78 | $5.28 | $8.22 | $12.84 | $19.68 | $29.34 |
| **$40,000** | $2.72 | $3.20 | $5.04 | $7.04 | $10.96 | $17.12 | $26.24 | $39.12 |
| **$50,000** | $3.40 | $4.00 | $6.30 | $8.80 | $13.70 | $21.40 | $32.80 | $48.90 |
| **$60,000** | $4.08 | $4.80 | $7.56 | $10.56 | $16.44 | $25.68 | $39.36 | $58.68 |
| **$70,000** | $4.76 | $5.60 | $8.82 | $12.32 | $19.18 | $29.96 | $45.92 | $68.46 |
| **$80,000** | $5.44 | $6.40 | $10.08 | $14.08 | $21.92 | $34.24 | $52.48 | $78.24 |
| **$90,000** | $6.12 | $7.20 | $11.34 | $15.84 | $24.66 | $38.52 | $59.04 | $88.02 |
| **$100,000** | $6.80 | $8.00 | $12.60 | $17.60 | $27.40 | $42.80 | $65.60 | $97.80 |
| **$110,000** | $7.48 | $8.80 | $13.86 | $19.36 | $30.14 | $47.08 | $72.16 | $107.58 |
| **$120,000** | $8.16 | $9.60 | $15.12 | $21.12 | $32.88 | $51.36 | $78.72 | $117.36 |
| **$130,000** | $8.84 | $10.40 | $16.38 | $22.88 | $35.62 | $55.64 | $85.28 | $127.14 |
| **$140,000** | $9.52 | $11.20 | $17.64 | $24.64 | $38.36 | $59.92 | $91.84 | $136.92 |
| **$150,000** | $10.20 | $12.00 | $18.90 | $26.40 | $41.10 | $64.20 | $98.40 | $146.70 |
| **$160,000** | $10.88 | $12.80 | $20.16 | $28.16 | $43.84 | $68.48 | $104.96 | $156.48 |
| **$170,000** | $11.56 | $13.60 | $21.42 | $29.92 | $46.58 | $72.76 | $111.52 | $166.26 |
| **$180,000** | $12.24 | $14.40 | $22.68 | $31.68 | $49.32 | $77.04 | $118.08 | $176.04 |
| **$190,000** | $12.92 | $15.20 | $23.94 | $33.44 | $52.06 | $81.32 | $124.64 | $185.82 |
| **$200,000** | $13.60 | $16.00 | $25.20 | $35.20 | $54.80 | $85.60 | $131.20 | $195.60 |
| **$210,000** | $14.28 | $16.80 | $26.46 | $36.96 | $57.54 | $89.88 | $137.76 | $205.38 |
| **$220,000** | $14.96 | $17.60 | $27.72 | $38.72 | $60.28 | $94.16 | $144.32 | $215.16 |
| **$230,000** | $15.64 | $18.40 | $28.98 | $40.48 | $63.02 | $98.44 | $150.88 | $224.94 |
| **$240,000** | $16.32 | $19.20 | $30.24 | $42.24 | $65.76 | $102.72 | $157.44 | $234.72 |
| **$250,000** | $17.00 | $20.00 | $31.50 | $44.00 | $68.50 | $107.00 | $164.00 | $244.50 |
| **$260,000** | $17.68 | $20.80 | $32.76 | $45.76 | $71.24 | $111.28 | $170.56 | $254.28 |
| **$270,000** | $18.36 | $21.60 | $34.02 | $47.52 | $73.98 | $115.56 | $177.12 | $264.06 |
| **$280,000** | $19.04 | $22.40 | $35.28 | $49.28 | $76.72 | $119.84 | $183.68 | $273.84 |
| **$290,000** | $19.72 | $23.20 | $36.54 | $51.04 | $79.46 | $124.12 | $190.24 | $283.62 |

| | Employee's Age* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Employee Age:** | **<35** | **35-39** | **40-44** | **45-49** | **50-54** | **55-59** | **60-64** | **65-69** |
| **$300,000** | $20.40 | $24.00 | $37.80 | $52.80 | $82.20 | $128.40 | $196.80 | $293.40 |
| **$310,000** | $21.08 | $24.80 | $39.06 | $54.56 | $84.94 | $132.68 | $203.36 | $303.18 |
| **$320,000** | $21.76 | $25.60 | $40.32 | $56.32 | $87.68 | $136.96 | $209.92 | $312.96 |
| **$330,000** | $22.44 | $26.40 | $41.58 | $58.08 | $90.42 | $141.24 | $216.48 | $322.74 |
| **$340,000** | $23.12 | $27.20 | $42.84 | $59.84 | $93.16 | $145.52 | $223.04 | $332.52 |
| **$350,000** | $23.80 | $28.00 | $44.10 | $61.60 | $95.90 | $149.80 | $229.60 | $342.30 |
| **$360,000** | $24.48 | $28.80 | $45.36 | $63.36 | $98.64 | $154.08 | $236.16 | $352.08 |
| **$370,000** | $25.16 | $29.60 | $46.62 | $65.12 | $101.38 | $158.36 | $242.72 | $361.86 |
| **$380,000** | $25.84 | $30.40 | $47.88 | $66.88 | $104.12 | $162.64 | $249.28 | $371.64 |
| **$390,000** | $26.52 | $31.20 | $49.14 | $68.64 | $106.86 | $166.92 | $255.84 | $381.42 |
| **$400,000** | $27.20 | $32.00 | $50.40 | $70.40 | $109.60 | $171.20 | $262.40 | $391.20 |
| **$410,000** | $27.88 | $32.80 | $51.66 | $72.16 | $112.34 | $175.48 | $268.96 | $400.98 |
| **$420,000** | $28.56 | $33.60 | $52.92 | $73.92 | $115.08 | $179.76 | $275.52 | $410.76 |
| **$430,000** | $29.24 | $34.40 | $54.18 | $75.68 | $117.82 | $184.04 | $282.08 | $420.54 |
| **$440,000** | $29.92 | $35.20 | $55.44 | $77.44 | $120.56 | $188.32 | $288.64 | $430.32 |
| **$450,000** | $30.60 | $36.00 | $56.70 | $79.20 | $123.30 | $192.60 | $295.20 | $440.10 |
| **$460,000** | $31.28 | $36.80 | $57.96 | $80.96 | $126.04 | $196.88 | $301.76 | $449.88 |
| **$470,000** | $31.96 | $37.60 | $59.22 | $82.72 | $128.78 | $201.16 | $308.32 | $459.66 |
| **$480,000** | $32.64 | $38.40 | $60.48 | $84.48 | $131.52 | $205.44 | $314.88 | $469.44 |
| **$490,000** | $33.32 | $39.20 | $61.74 | $86.24 | $134.26 | $209.72 | $321.44 | $479.22 |
| **$500,000** | $34.00 | $40.00 | $63.00 | $88.00 | $137.00 | $214.00 | $328.00 | $489.00 |

**Premiums for the spouse's coverage will be based on the employee's age. Spouse coverage cannot exceed 50% of the employee's Optional Life coverage or $100,000, whichever is less.*

## Monthly Rates for Employees Age 70 and Older

| Coverage | Coverage | Ages 70 - 74 | Coverage | Ages 75 - 79 | Coverage | Ages 80+ |
|---|---|---|---|---|---|---|
| **$10,000** | **$6,500** | $10.28 | **$4,200** | $10.80 | **$3,170** | $13.62 |
| **$20,000** | **$13,000** | $20.54 | **$8,400** | $21.60 | **$6,340** | $27.26 |
| **$30,000** | **$19,500** | $30.80 | **$12,600** | $32.40 | **$9,510** | $40.90 |
| **$40,000** | **$26,000** | $41.08 | **$16,800** | $43.20 | **$12,680** | $54.52 |
| **$50,000** | **$32,500** | $51.36 | **$21,000** | $54.00 | **$15,850** | $68.16 |
| **$60,000** | **$39,000** | $61.62 | **$25,200** | $64.80 | **$19,020** | $81.80 |
| **$70,000** | **$45,500** | $71.90 | **$29,400** | $75.62 | **$22,190** | $95.42 |
| **$80,000** | **$52,000** | $82.16 | **$33,600** | $86.42 | **$25,360** | $109.06 |
| **$90,000** | **$58,500** | $92.42 | **$37,800** | $97.22 | **$28,530** | $122.68 |
| **$100,000** | **$65,000** | $102.70 | **$42,000** | $108.02 | **$31,700** | $136.30 |
| **$110,000** | **$71,500** | $112.98 | **$46,200** | $118.80 | **$34,870** | $149.94 |
| **$120,000** | **$78,000** | $123.24 | **$50,400** | $129.62 | **$38,040** | $163.58 |
| **$130,000** | **$84,500** | $133.50 | **$54,600** | $140.42 | **$41,210** | $177.20 |
| **$140,000** | **$91,000** | $143.78 | **$58,800** | $151.22 | **$44,380** | $190.82 |
| **$150,000** | **$97,500** | $154.10 | **$63,000** | $162.04 | **$47,550** | $204.48 |
| **$160,000** | **$104,000** | $164.32 | **$67,200** | $172.84 | **$50,720** | $218.10 |
| **$170,000** | **$110,500** | $174.60 | **$71,400** | $183.64 | **$53,890** | $231.72 |
| **$180,000** | **$117,000** | $184.86 | **$75,600** | $194.44 | **$57,060** | $245.36 |
| **$190,000** | **$123,500** | $195.12 | **$79,800** | $205.26 | **$60,230** | $259.00 |
| **$200,000** | **$130,000** | $205.40 | **$84,000** | $216.06 | **$63,400** | $272.62 |
| **$210,000** | **$136,500** | $215.68 | **$88,200** | $226.86 | **$66,570** | $286.26 |
| **$220,000** | **$143,000** | $225.94 | **$92,400** | $237.66 | **$69,740** | $299.88 |
| **$230,000** | **$149,500** | $236.20 | **$96,600** | $248.46 | **$72,910** | $313.50 |
| **$240,000** | **$156,000** | $246.48 | **$100,800** | $259.26 | **$76,080** | $327.14 |
| **$250,000** | **$162,500** | $256.76 | **$105,000** | $270.06 | **$79,250** | $340.78 |
| **$260,000** | **$169,000** | $267.16 | **$109,200** | $280.86 | **$82,420** | $354.40 |
| **$270,000** | **$175,500** | $277.30 | **$113,400** | $291.66 | **$85,590** | $368.04 |
| **$280,000** | **$182,000** | $287.56 | **$117,600** | $302.48 | **$88,760** | $381.68 |
| **$290,000** | **$188,500** | $297.82 | **$121,800** | $313.28 | **$91,930** | $395.30 |
| **$300,000** | **$195,000** | $308.10 | **$126,000** | $324.08 | **$95,100** | $408.92 |
| **$310,000** | **$201,500** | $318.36 | **$130,200** | $334.88 | **$98,270** | $422.56 |
| **$320,000** | **$208,000** | $328.64 | **$134,400** | $345.68 | **$101,440** | $436.20 |
| **$330,000** | **$214,500** | $338.90 | **$138,600** | $356.48 | **$104,610** | $449.82 |
| **$340,000** | **$221,000** | $349.18 | **$142,800** | $367.28 | **$107,780** | $463.46 |
| **$350,000** | **$227,500** | $359.46 | **$147,000** | $378.08 | **$110,950** | $477.10 |
| **$360,000** | **$234,000** | $369.72 | **$151,200** | $388.90 | **$114,120** | $490.72 |
| **$370,000** | **$240,500** | $380.00 | **$155,400** | $399.70 | **$117,290** | $504.36 |
| **$380,000** | **$247,000** | $390.26 | **$159,600** | $410.50 | **$120,460** | $517.98 |
| **$390,000** | **$253,500** | $400.54 | **$163,800** | $421.30 | **$123,630** | $531.60 |
| **$400,000** | **$260,000** | $410.80 | **$168,000** | $432.10 | **$126,800** | $545.24 |
| **$410,000** | **$266,500** | $421.08 | **$172,200** | $442.90 | **$129,970** | $558.88 |
| **$420,000** | **$273,000** | $431.34 | **$176,400** | $453.70 | **$133,140** | $572.50 |
| **$430,000** | **$279,500** | $441.60 | **$180,600** | $464.50 | **$136,310** | $586.12 |
| **$440,000** | **$286,000** | $451.88 | **$184,800** | $475.30 | **$139,480** | $599.76 |

| Coverage | Coverage | Ages 70 - 74 | Coverage | Ages 75 - 79 | Coverage | Ages 80+ |
|---|---|---|---|---|---|---|
| **$450,000** | **$292,500** | $462.16 | **$189,000** | $486.10 | **$142,650** | $613.40 |
| **$460,000** | **$299,000** | $472.42 | **$193,200** | $496.90 | **$145,820** | $627.02 |
| **$470,000** | **$305,500** | $482.70 | **$197,400** | $507.70 | **$148,990** | $640.66 |
| **$480,000** | **$312,000** | $492.96 | **$201,600** | $518.52 | **$152,160** | $654.30 |
| **$490,000** | **$318,500** | $503.22 | **$205,800** | $529.32 | **$155,330** | $667.92 |
| **$500,000** | **$325,000** | $513.50 | **$210,000** | $540.12 | **$158,500** | $681.56 |

# Dependent Life/Child Monthly Premium

The monthly premium for Dependent Life/Child coverage is $1.24 regardless of the number of children covered.

# Appendix

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## THE APPENDIX: THE PLACE TO LOOK FOR ADDITIONAL INFORMATION

This chapter contains additional information that may be helpful.

# Claims Procedures

## HOW TO FILE A STATE HEALTH PLAN CLAIM

If you received services from a physician or hospital that participates in a SHP network, you do not have to file a claim. Your doctor or hospital will file for you. You are responsible for the usual out-of-pocket expenses (deductible, copayment, coinsurance and non-covered services).

However, if you did not use a network physician or hospital, or have a claim for a non-network service, you may have to file the claim yourself. You can get claim forms from your benefits office, EIP or BlueCross BlueShield. Claim forms also are available on the EIP Web site. Go to www.eip.sc.gov, then choose your category and select "Forms."

To file a claim you need to:

- Complete the front of the claim form
- Attach your itemized bills, which must show: the amount charged; the patient's name; the date and place of service; the diagnosis, if applicable; and the provider's federal tax identification number, if available
- File claims within 90 days of the date you receive services or as soon as reasonably possible.

BlueCross BlueShield of South Carolina must receive medical claims by the end of the calendar year after the year in which expenses are incurred. Otherwise, claims cannot be paid.

Complete a separate claim form for each individual who received care, and mail the form to BlueCross BlueShield at:

State Group Processing Unit
BlueCross BlueShield of South Carolina
P.O. Box 100605
Columbia, SC 29260-0605.

In most cases, if you obtain medical services outside South Carolina and the United States at a BlueCard doctor or hospital, you should not need to pay up-front for inpatient care. You are responsible for the usual out-of-pocket expenses (deductible, copayment, coinsurance and non-covered services). The doctor or hospital should submit your claim.

At non-BlueCard doctors and hospitals, you pay the doctor or hospital for inpatient care, outpatient hospital care and other medical services. You must then complete an international claim form and send it to the BlueCard Worldwide Service Center. The claim form is available from your benefits administrator or online through www.SouthCarolinaBlues.com.

## HOW TO FILE A PRESCRIPTION DRUG CLAIM

If you fail to show your SHP ID card, or if you incur prescription drug expenses while traveling outside the United States, you will have to pay the full retail price for your prescription and then file a claim with Medco for reimbursement. Reimbursement will be limited to the plan's allowable charge, less the copayment. You must file your claim with Medco within one year of the date of service. To file a claim for prescription drug

expenses incurred at a participating pharmacy or outside the United States, call Medco's Member Services at 800-711-3450.

**Remember that benefits are NOT payable if you use a non-participating pharmacy in the United States**.

# HOW TO FILE A DENTAL CLAIM

The easiest way to file a claim is to assign benefits to your dentist. Assigning benefits means that you authorize your dentist to file claims for you and to receive payment from the plan for your treatment. To do this, you must show a staff member in your dentist's office your dental identification card and ask that the claim be filed for you. Be sure to sign the payment authorization block of the claim form. BlueCross BlueShield of South Carolina will then pay your dentist directly. You are responsible for the difference between the benefit payment and the actual charge.

If your dentist will not file claims for you, you can file to BlueCross BlueShield of South Carolina. The claim form is available at www.eip.sc.gov. Choose your category and then select "Forms." Complete items 1-11 on the claim form, and ask your dentist to complete items 12-29.

If your dentist will not complete his portion of the form, get an itemized bill showing this information:

1. The name and address of the dentist
2. The patient's name
3. The date of each service
4. The name of each service
5. The charge for each service.

Complete items 1-11 of the claim form, attach the bill and mail it to:

BlueCross BlueShield of South Carolina
State Dental Claims Department
P.O. Box 100300
Columbia, SC 29202-3300.

X-rays and other diagnostic aids may be needed to determine the benefit for some dental procedures. Your dentist may be asked to provide this documentation for review by BlueCross BlueShield's dental consultant. The plan will not pay a fee to your dentist for providing this information. A completed claim form must be submitted to BlueCross BlueShield of South Carolina no later than 24 months after charges were incurred or benefits will not be paid.

## What If I Need Help?

You can call BlueCross BlueShield of South Carolina at 888-214-6230. If you cannot call, write BlueCross BlueShield of South Carolina at the above address.

# Notice of Privacy Practices

Effective April 14, 2003

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. Please share this information with your covered adult dependents.

The South Carolina Budget and Control Board Employee Insurance Program (EIP) is committed to protecting the privacy of your health information. EIP receives a copy of your medical claims information and related health information in order to provide you with health insurance and to assist you in claims resolution. This notice explains how EIP may use and disclose your health information, EIP's obligations related to the use and disclosure of your health information and your rights regarding your health information. EIP is required by law, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), to make sure that health information that identifies you is kept private, to give you this notice of its privacy practices and to follow the terms of its current notice. This notice applies to all of the records of your individual health information maintained or created by EIP. All EIP employees follow the practices described in this notice.

If you have any questions about this Notice of Privacy Practices, please contact:

Privacy Officer
1201 Main Street, Suite 300
Columbia, S.C. 29201
Phone: (803) 734-0600
Fax: (803) 737-0825
E-mail: privacyofficer@cio.sc.gov.

## HOW EIP MAY USE AND DISCLOSE HEALTH INFORMATION

The following describes different ways EIP may use and disclose your health information. For each category of use or disclosure, this notice will explain what EIP means and may present some examples. Not every use or disclosure in a category will be listed. However, all of the ways that EIP is permitted to use and disclose information will fall within one of the categories.

- **For Treatment.** EIP may use and disclose your health information to coordinate and manage your healthcare-related services by one or more of your healthcare providers. For example, a representative of EIP, a case manager and your doctor may discuss the most beneficial treatment plan for you if you have a chronic condition, such as diabetes.

- **For Payment.** EIP may use and disclose your health information to bill, collect payment and pay for your treatment/services from an insurance company or another third party; to obtain premiums; to determine or fulfill its responsibility for coverage or provision of benefits; or to provide reimbursement for healthcare. For example, EIP may need to give your health information to another insurance provider to facilitate the coordination of benefits or to your employer to facilitate the employer's payment of its portion of the premium.

- **For Health Care Operations.** EIP may use and disclose health information about you for other EIP operations. EIP may use health information in connection with conducting quality assessment and improvement activities; reviewing the competence or qualifications of healthcare professionals; evaluating practitioner, provider and health plan performance; underwriting, premium rating and other activities relating to health plan coverage; conducting or arranging for medical review, legal services, audit services and fraud-and abuse-detection programs; business planning and development, such as cost management; and business management and general administrative activities. For example, EIP may disclose your health information to an actuary to make decisions regarding premium rates, or it may share your personal health information with other business associates that, through written agreement, provide services to EIP. These business associates, such as consultants or third-party administrators, are required to protect the privacy of your personal health information.

- **For Purposes of Administering the Plan.** EIP may disclose your health information to its Plan sponsor, the South Carolina Budget and Control Board, for the purpose of administering the Plan. For example, EIP may disclose aggregate claims information to the Plan sponsor to set Plan terms.

- **Treatment Alternatives and Health-Related Benefits and Services.** EIP may use and disclose your health information to contact you about health-related benefits or services that may be of interest to you. For example, you may be contacted and offered enrollment in a program to assist you in handling a chronic disease, such as disabling high blood pressure.

- **Individuals Involved in Your Care or Payment for Your Care.** EIP may, in certain circumstances, disclose health information about you to your representative such as a friend or family member who is involved in your health care or to your representative who helps pay for your care. EIP may disclose your health information to an agency assisting in disaster relief efforts so that your family can be notified about your condition, status and location.

- **Research.** EIP may use and disclose your de-identified health information for research purposes, or EIP may share health information for research approved by an institutional review board or privacy board after review of the research rules to ensure the privacy of your health information. For example, a research project may compare the health/recovery of patients who receive a medication with those who receive another medication for the same condition.

- **As Required By Law.** EIP will disclose health information about you when it is required to do so by federal or South Carolina law. For example, EIP will report any suspected insurance fraud as required by South Carolina law.

- **To Avert a Serious Threat to Health or Safety, or for Public Health Activities.** EIP may use and disclose health information about you, when necessary to prevent a serious threat to your health and safety or to the health and safety of the public or for public health activities.

- **Organ and Tissue Donation.** If you are an organ donor, EIP may disclose your health information to organizations that handle organ, eye or tissue procurement, transplantation or donation.

- **Coroners, Medical Examiners and Funeral Directors.** EIP may share your health information with a coroner/medical examiner or funeral director as needed to carry out their duties.

- **Military and Veterans.** If you are a member of the armed forces, EIP may disclose health information about you after the notice requirements are fulfilled by military command authorities.

- **Workers' Compensation.** EIP may disclose health information about you for Workers' Compensation or similar programs that provide benefits for work-related injuries or illness.

- **Health Oversight Activities.** EIP may disclose your health information to a health oversight agency for authorized activities such as audits and investigations.

- **Lawsuits and Disputes.** EIP may disclose your health information in response to a court or administrative order, a subpoena, discovery request, or other lawful process if EIP receives assurance from the party seeking the information that you have either been given notice of the request, or that the party seeking the information has tried to secure a qualified protective order regarding this information.

- **Law Enforcement.** EIP may disclose information to a law enforcement official in response to a court order, subpoena, warrant, summons, or similar process.

- **National Security, Intelligence Activities and Protective Services.** EIP may disclose your health information to authorized officials for intelligence, counterintelligence and other national security activities; to conduct special investigations; and to provide protection for the President, other authorized persons or foreign heads of state.

- **Inmates.** If you are an inmate of a correctional institution or are in the custody of a law enforcement official, EIP may disclose your health information if the disclosure is necessary to provide you with health care or to protect your health and safety or the health and safety of others.

- EIP will not use or release your health information for purposes of fund-raising activities.

## YOUR HEALTH INFORMATION RIGHTS

You have the following rights regarding the health information that EIP has about you:

- **Right to Inspect and Copy.** You have the right to request to see and receive a copy of your health information, or, if you agree to the preparation cost, EIP may provide you with a written summary. Some health information is exempt from disclosure. To see or obtain a copy of your health information, send a written request to the Director, EIP, 1201 Main Street, Suite 300, P.O. Box 11661, Columbia, S.C. 29211. EIP may charge a fee for the costs associated with your request. In limited cases, EIP may deny your request. If your request is denied, you may request a review of the denial.

- **Right to Amend.** If you believe that your health information is incorrect or incomplete, you may ask EIP to amend the information by sending a written request to the Director, EIP, 1201 Main Street, Suite 300, P.O. Box 11661, Columbia, S.C. 29211, stating the reason you believe your information should be amended. EIP may deny your request if you ask it to amend information that was not created by EIP, the information is not part of the health information kept by or for EIP, the information is not part of the information you would be permitted to inspect and copy or your health information is accurate and complete. You have the right to request an amendment for as long as EIP keeps the information.

- **Right to an Accounting of Disclosures.** You have the right to request a list of the disclosures of your health information EIP has made. This list will NOT include health information released to provide treatment to you, to obtain payment for services or for health care operations; releases for national security purposes; releases to correctional institutions or law enforcement officials as required by law; releases authorized by you; releases of your health information to you; releases as part of a limited data set; releases to representatives involved in your health care; releases otherwise required by law or regulation and releases made prior to April 14, 2003. You must submit your request for an accounting of disclosures in writing to the Director, EIP, 1201 Main Street, Suite 300, P.O. Box 11661, Columbia, S.C. 29211, indicating a time period that may not go back beyond six years and may not include dates before April 14, 2003. Your request should indicate the form in which you want the list (for example, by paper or electronically). The first list that you request within a 12-month period will be provided free of charge; however, EIP may charge you for the cost of providing additional lists within a 12-month period.

- **Right to Request Restrictions of Use and Disclosure and Right to Request Confidential Communications.** You have the right to request a restriction on the health information that EIP uses or discloses. You also have the right to request a limit on the health information that EIP discloses about you to someone who is involved in your care or the payment for your care. For example, you may ask that EIP not use or disclose information about an immunization or particular service that you received. EIP is not required to agree to your request(s). If EIP does agree, EIP will comply with your request(s) unless the information is needed to provide you with emergency treatment. In your request, you must specify what information you want to limit and to whom you want the limits to apply. For example, you may request that your claims information not be sent to your home address. In addition, you have the right to request that EIP communicate with you by certain means or at a certain location. EIP will accommodate reasonable request(s). You must make these request(s), in writing, to the Director, EIP, 1201 Main Street, Suite 300, P.O. Box 11661, Columbia, S.C. 29211.

- **Right to a Paper Copy of This Notice.** You have the right to request a paper copy of this notice at any time by contacting the South Carolina Budget and Control Board's Privacy Officer (see other side of this notice). You may obtain a copy of this notice at EIP's Web site www.eip.sc.gov.

## COMPLAINTS

If you believe that your health information rights, as stated in this notice, have been violated, you may file a complaint with the South Carolina Budget and Control Board's Privacy Officer and/or with the Secretary of the U.S. Department of Health and Human Services, 200 Independence Ave., S.W., Washington, D.C. 20201. (Phone number 877-696-6775.) To file a complaint with the South Carolina Budget and Control Board's Privacy Officer, contact the officer at the address listed on the first page of this notice.

EIP will not intimidate, threaten, coerce, discriminate against or take other retaliatory actions against any individual who files a complaint.

## CHANGES TO THIS NOTICE

EIP reserves the right to change this notice. EIP may make the changed notice effective for medical information it already has about you as well as for any information it may receive in the future. EIP will post a copy of the current notice on its Web site and in its office. EIP will mail you a copy of revisions to this policy at the address on file with EIP at the time of the mailing.

## OTHER USES OF HEALTH INFORMATION

This notice describes and gives some examples of the permitted ways your health information may be used or disclosed. EIP will ask for your written permission before it uses or discloses your health information for purposes not covered in this notice. If you provide EIP with written permission to use or disclose information, you can change your mind and revoke your permission at any time by notifying EIP in writing. If you revoke your permission, EIP will no longer use or disclose the information for that purpose. However, EIP will not be able to take back any disclosure that it made with your permission.

# Part D Creditable Coverage Letter

On January 1, 2006, Medicare began offering a prescription drug plan, Medicare Part D. The drug coverage most subscribers have through health plans offered by the Employee Insurance Program is as good as, or better than, drug coverage offered by Part D. Therefore, they do not need to sign up for Part D. Subscribers are sent this letter to let them know that they have what Medicare calls "creditable coverage."

## Important Notice from the Employee Insurance Program (EIP) About Your State Prescription Drug Coverage and Medicare

Please read this notice, your creditable coverage letter, carefully and keep it where you can find it. This notice contains the following:

1. **Information about your prescription drug coverage with EIP and about prescription drug coverage that became available January 1, 2006, to people with Medicare.**
2. **Medicare Part D prescription drug coverage is available to all people on Medicare.**
3. **EIP has determined that the state drug coverage offered through your health plan (the Standard Plan, the Medicare Supplemental Plan, BlueChoice HealthPlan, CIGNA Healthcare HMO or MUSC Options) is, on average for all plan participants, as good as or better than the standard Medicare prescription drug coverage.**
4. **This notice explains options you have under Medicare prescription drug coverage and can help you decide whether or not to enroll.**

Prescription drug coverage is available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans might offer more coverage for a higher monthly premium.

If you enroll in a Medicare prescription drug plan, you will lose your state drug coverage through EIP. Before deciding to switch to Medicare drug coverage and drop your EIP coverage, you should compare your EIP coverage, including which drugs are covered, with the coverage and cost of any plans offering Medicare prescription drug coverage in your area.

You may have heard that if you decide to enroll in Part D after your initial eligibility period, you will have to pay a higher premium because you did not enroll in Part D when you first had the opportunity. However, because you now have prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan later without a penalty. Every year you will have the opportunity to enroll in a Medicare prescription drug plan between November 15 and December 31.

If you drop or lose your coverage with EIP, you have 63 days to enroll in a Medicare drug plan. If you do not enroll in Medicare prescription drug coverage when your coverage ends, you may pay more if you later enroll in Medicare prescription drug coverage. If, after May 15, 2006, or after your initial eligibility date, you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium for Medicare Part D will go up at least one percent a month for every month after May 15, 2006, (or after your initial eligibility date, whichever is later) that you did not have coverage. For example, if you go 19 months without coverage, your premium will always be at least 19 percent higher than the national average Medicare Part D premium. You will have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the next November to enroll in Medicare prescription drug coverage.

Please keep this notice, your creditable coverage letter, in a safe place. If you later decide to enroll in Part D, you may need to present it to show that you had coverage that was as good as or better than Part D, and therefore, you are not subject to higher premiums.

**To learn more about your drug coverage, consult your 2007 *Insurance Benefits Guide* (IBG) or call your health plan at the number listed on the inside cover of the IBG.**

Your coverage through EIP pays for other health expenses, as well as for prescription drugs. If you enroll in a Medicare prescription drug plan, you will no longer receive the prescription drug benefits offered by your health plan. However, there will be no reduction in your health insurance premium.

**For more information about this notice, contact EIP.**

You can reach EIP at 803-734-0678 (Greater Columbia area) or 888-260-9430 (toll-free outside the Columbia area).

**Note**: You may receive copies of this notice again, such as before the next period in which you can enroll in Medicare prescription drug coverage, and if your coverage through EIP changes. You also may request a copy.

**For more information about your options under the Medicare prescription drug coverage:**

More detailed information about Medicare plans that offer prescription drug coverage is available in the *Medicare & You 2007* handbook, which you got in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

• Visit www.medicare.gov for personalized help,
• Call your State Health Insurance Assistance Program (see your copy of the *Medicare & You 2007* handbook for the telephone number)
• Call 800-MEDICARE (800-633-4227). TTY users should call 877-486-2048.
Extra help paying for a Medicare prescription drug plan is available to people with limited income and resources. Contact the Social Security Administration (SSA) for more information about this assistance. You may visit SSA online at www.socialsecurity.gov, or call 800-772-1213. TTY users should call 800-325-0778.

**Remember: Keep this notice. If you enroll in one of the new Medicare prescription drug plans after your initial enrollment date, you may need to present a copy of this notice when you join to show that you are not required to pay a higher premium.**



South Carolina Budget and Control Board
Employee Insurance Program
1201 Main Street, Suite 300
P.O. Box 11661
Columbia, SC 29211

803-734-0678 (Greater Columbia area)
888-260-9430 (toll-free outside the Columbia area)
cs@eip.sc.gov
www.eip.sc.gov

## MEDICARE PART D: FREQUENTLY ASKED QUESTIONS

**Q: I received a notice recently about Medicare Part D from the Employee Insurance Program (EIP). What is this?**

**A:** Even though the Medicare prescription drug benefit went into effect on January 1, 2006, EIP will continue to provide you and your covered dependents with your state prescription drug coverage. The notice tells you this coverage is at least as good as the Medicare drug benefit, and it is proof of such coverage. Please keep this notice where you can easily find it.

**Q: Do I need to do anything right now?**

**A:** No. There is nothing you need to do if you plan to keep your state coverage through EIP.

**Q: What do I need to do if I want to switch to a Medicare plan?**

**A:** If you switch to a Medicare drug plan, you need to enroll within the seven-month initial enrollment period of your Medicare eligibility. More information is available by calling Medicare at 800-MEDICARE 800-633-4227) or at 877-486-2048 (TTY). However, enrolling in a Medicare drug plan will disqualify you from prescription drug coverage under your EIP plan. If you enroll in a Medicare drug plan, you will lose your EIP drug coverage.

**Q: If I keep my current coverage, can I switch to a Medicare plan later?**

**A:** Yes. After the initial Part D enrollment period, open enrollment for Medicare coverage will be held yearly between November 15 and December 31.

**Q: Will I pay higher premiums for a Medicare prescription drug plan if I keep my state coverage through EIP and switch later?**

**A:** No. Since Medicare recognizes your current state coverage through EIP is at least as good as the standard Medicare plan, you will not pay more if you later enroll in a Medicare plan. Remember that you may only enroll in a Medicare prescription drug plan during: 1) open enrollment for Medicare, which is November 15 to December 31 of each year; or 2) if your EIP coverage ends.

**Q: Is extra help or limited-income assistance available for prescription drug coverage?**

**A:** Limited-income assistance is not available for your EIP coverage, but it is available for the Medicare benefit. If you think you may qualify, you can apply for assistance by filling out an application online at www.socialsecurity.gov or by calling the Social Security Administration at 800-772-1213 or 800-325-0778 (TTY). Remember: You can only receive limited-income assistance if you enroll in a Medicare prescription drug plan.

# Health Savings Account Custodial Agreement

## ADDITIONAL INFORMATION

**Purpose.** This Organizer contains documents necessary to establish a Health Savings Account (HSA). It meets the requirements of Internal Revenue Code (IRC) Section 223 and all additional Internal Revenue Service (IRS) guidance. An HSA is established after the Organizer is fully executed by both you (account owner) and the custodian and must be completed no later than the due date (excluding extensions) of your income tax return for the tax year. Do not file the HSA Custodial Account Agreement with the IRS. Instead, keep it with your records.

**How to use this HSA Organizer.** You must complete and sign the Application. An original signed copy of the Application should be kept by the custodian for its records. You should receive a copy of the Application and keep the remaining contents of the HSA Organizer. Community and marital property state laws may require spousal consent for beneficiary designations.

**Definitions**

**HSA.** An HSA is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses of you, your spouse, and your dependents.

**Custodian.** An HSA custodian must be a bank, an insu company, a person previously approved by the IRS to custodian of an individual retirement account (IRA) or A Medical Savings Account (MSA), or any other person app by the IRS.

**Account Owner.** The account owner is the person establishes the custodial account. For HSA purposes account owner is you.

**Additional Documents**

Applicable law or policies of the HSA custodian may r additional documentation such as IRS Form W-9, *Reque Taxpayer Identification Number and Certification*.

**For Additional Guidance**

It is in your best interest to seek the guidance of a tax or professional before completing this document. For information, refer to IRC Section 223 and all additiona guidance, IRS publications that include information about I instructions to your federal income tax return, your loca office, or the IRS's web site at www.irs.gov.

Appendix

# HEALTH SAVINGS CUSTODIAL ACCOUNT

Form **5305-C** (Under section 223(a) of the Internal Revenue Code) (August 2004) Department of the Treasury Internal Revenue Service

**Do not** File with Internal Revenue Service

☐ Amendment

The account owner and the custodian make the following agreement:

**Article I.**

**1.** The custodian will accept additional cash contributions for the tax year made by the account owner or on behalf of the account owner (by an employer, family member or any other person). No contributions will be accepted by the custodian for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.

**2.** Contributions for any tax year may be made at any time before the deadline for filing the account owner's federal income tax return for that year (without extensions).

**3.** Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.

**Article II.**

**1.** For calendar year 2004, the maximum annual contribution limit for an account owner with single coverage is the lesser of the amount of the deductible under the HDHP but not more than $2,600. For calendar year 2004, the maximum annual contribution limit for an account owner with family coverage is the lesser of the amount of the deductible under the HDHP but not more than $5,150. These limits are subject to cost-of-living adjustments after 2004. Eligibility and contribution limits are determined on a month-to-month basis.

**2.** Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.

**3.** For calendar year 2004, an additional $500 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare. The catch-up contribution increases to $600 in 2005, $700 in 2006, $800 in 2007, $900 in 2008, and $1,000 in 2009 and later years.

**4.** Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

**Article III.**

It is the responsibility of the account owner to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, the account owner shall notify the custodian that there exist excess contributions to the HSA. It is the responsibility of the account owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

**Article IV.**

The account owner's interest in the balance in this custodial account is nonforfeitable.

**Article V.**

**1.** No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).

**2.** The assets of this account may not be commingled with other property except in a common trust fund or common investment fund.

**3.** Neither the account owner nor the custodian will engage in any prohibited transaction with respect to this account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

**Article VI.**

**1.** Distributions of funds from this HSA may be made upon the direction of the account owner.

**2.** Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the account owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the account owner's gross income and are subject to an additional 10 percent tax on that amount. The additional 10 percent tax does not apply if the distribution is made after the account owner's death, disability, or reaching age 65.

**3.** The custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the account owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

**Article VII.**

If the account owner dies before the entire interest in the account is distributed, the entire account will be disposed of as follows:

**1.** If the beneficiary is the account owner's spouse, the HSA will become the spouse's HSA as of the date of death.

**2.** If the beneficiary is not the account owner's spouse, the HSA will cease to be an HSA as of the date of death. If the beneficiary is the account owner's estate, the fair market value of the account as of the date of death is taxable on the account owner's final return. For other beneficiaries, the fair market value of the account is taxable to that person in the tax year that includes such date.

**Article VIII.**

**1.** The account owner agrees to provide the custodian with information necessary for the custodian to prepare any report or return required by the IRS.

**2.** The custodian agrees to prepare and submit any report or return as prescribed by the IRS.

**Article IX.**

Notwithstanding any other article that may be added or incorporated in this agreement, the provisions of Articles I through VIII and this sentence are controlling. Any additional article in this agreement that is inconsistent with section 223 or IRS published guidance will be void.

**Article X.**

This agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the Application that accompanies this Agreement.

**Article XI.**

**11.01 Your HSA Documents.** This Agreement for an HSA, and any amendments or additional provisions to such agreement, set forth the terms and conditions governing the account owner's HSA relationship with us. This Agreement will be accompanied by a disclosure statement, which sets forth various HSA rules in simpler language.

**11.02 Definitions.** This Agreement refers to you as the account owner, and us as the custodian. References to "you," "your," and "HSA owner" will mean the account owner, and "we," "us," and "our" will mean the custodian. Upon your death, your spouse beneficiary, if applicable, becomes "you" for purposes of this Agreement. In the event you appoint a third party, or have a third party appointed on your behalf to handle certain transactions affecting your HSA, such third party will be considered your agent and, therefore, "you" for purposes of this Agreement. Additionally, references to "HSA" will mean the custodial account.

**11.03 Additional Provisions.** Additional provisions may be attached to, and made a part of, this Agreement by either party. The provisions must be in writing, agreed to by us, and in a format acceptable to us.

**11.04 Our Fees and Expenses.** We may charge reasonable fees and are entitled to reimbursement for any expenses we incur

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in establishing and maintaining your HSA. We may change the fees at any time by providing you with notice of such changes. We will provide you with fee disclosures and policies. Fees may be deducted directly from your HSA assets, and/or billed separately to you. Fees billed separately to you and paid by you may be claimed on your federal income tax return as miscellaneous itemized deductions. The payment of fees has no effect on your contributions. Additionally, we have the right to liquidate your HSA assets to pay such fees and expenses. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

**11.05 Amendments.** We may amend your HSA in any respect and at any time, including retroactively, to comply with applicable laws governing HSAs and the corresponding regulations. Any other amendments shall require your consent, by action or no action, and will be preceded by written notice to you. Unless otherwise required, you are deemed to automatically consent to an amendment, which means that your written approval is not required for the amendment to apply to the HSA. In certain instances the governing law or our policies may require us to secure your written consent before an amendment can be applied to the HSA. If you want to withhold your consent to an amendment, you must provide us with a written objection within 30 days of the receipt date of the amendment.

**11.06 Notice and Delivery.** Any notice mailed to you will be deemed delivered and received by you, five days after the postmark date. This fifth day following the postmark is the receipt date. Notices will be mailed to the last address we have in our records. You are responsible for ensuring that we have your proper mailing address. Upon your consent, we may provide you with notice in a delivery format other than by mail. Such formats may include various electronic deliveries. Any notice, including terminations, change in personal information, or contributions mailed to us will be deemed delivered when actually received by us based on our ordinary business practices. All notices must be in writing unless our policies and procedures provide for oral notices.

**11.07 Applicable Laws.** This Agreement will be construed and interpreted in accordance with the laws of, and venued in, our state of domicile.

**11.08 Disqualifying Provisions.** Any provision of this Agreement that would disqualify the HSA will be disregarded to the extent necessary to maintain the account as an HSA.

**11.09 Interpretation.** If any question arises as to the meaning of any provision of this Agreement, then we shall be authorized to interpret any such provision, and our interpretation will be binding upon all parties.

**11.10 Representations and Indemnity.** You represent that any information you and/or your agents provide to us is accurate and complete, and that your actions comply with this Agreement and applicable laws governing HSAs. You understand that we will rely on the information provided by you, and that we have no duty to inquire about or investigate such information. We are not responsible for any losses or expenses that may result from your information, direction, or actions, including your failure to act. You agree to hold us harmless, to indemnify, and to defend us against any and all actions or claims arising from, and liabilities and losses incurred by reason of your information, direction, or actions. Additionally, you represent that it is your responsibility to seek the guidance of a tax or legal professional for your HSA issues.

We are not responsible for determining whether any contributions or distributions comply with this Agreement and/or the federal laws governing HSAs. We are not responsible for any taxes, judgments, penalties or expenses incurred in connection with your HSA, or any losses that are a result of events beyond our control. We have no responsibility to process transactions until after we have received appropriate direction and documentation, and we have had a reasonable opportunity to process the transactions. We are not responsible for interpreting or directing beneficiary designations or divisions, including separate accounting, court orders, penalty exception determinations, or other similar situations.

**11.11 Investment of HSA Assets.**

**(a) Investment of Contributions.** We will invest HSA contributions and reinvest your HSA assets as directed by you based on our then-current investment policies and procedures. If you fail to provide us with investment direction for a contribution, we will return or hold all or part of such contribution based on our policies and procedures. We will not be responsible for any loss of HSA income associated with your failure to provide appropriate investment direction.

**(b) Directing Investments.** All investment directions must be in a format or manner acceptable to us. You may invest in any HSA investments that you are qualified to purchase, and that we are authorized to offer and do offer at the time of the investment selection, and that are acceptable under the applicable laws governing HSAs. Your HSA investments will generally be registered in our name or our nominee's name (if applicable) for the benefit of your HSA. Specific investment information may be provided at the time of the investment.

Based on our policies, we may allow you to delegate the investment responsibility of your HSA to an agent by providing us with written notice of delegation in a format acceptable to us. We will not review or guide your agent's decisions, and you are responsible for the agent's actions or failure to act. We are not responsible for directing your investments, or providing investment advice, including guidance on the suitability or potential market value of various investments. For investments in securities, we will exercise voting rights and other similar rights only at your direction, and according to our then-current policies and procedures.

**(c) Investment Fees and Asset Liquidation.** Certain investment-related fees, which apply to your HSA, must be charged to your HSA and cannot be paid by you. We have the right to liquidate your HSA assets to pay fees and expenses, federal tax levies, or other assessments on your HSA. If you do not direct us on the liquidation, we will liquidate the assets of our choice and will not be responsible for any losses or claims that may arise out of the liquidation.

**(d) Deposit Investments.** The deposit investments provided by us may include savings, share, and/or money market accounts, and various certificates of deposit (CDs).

**(e) Non-Deposit Investments.** Non-deposit investments include investments in property, annuities, mutual funds, stocks, bonds, and government, municipal and U.S. Treasury securities, and other similar investments. Most, if not all, of the investments we offer are subject to investment risks, including possible loss of the principal amount invested. Specific investment disclosures may be provided to you.

**11.12 Distributions.** Withdrawal requests must be in a format acceptable to us, and/or on forms provided by us. We may require you, or your beneficiary after your death, to provide documentation and a proper tax identification number before we process a distribution. These withdrawals may be subject to taxes, withholding, and penalties. Distributions will generally be in cash or in kind based on our policies. In-kind distributions will be valued according to our policies at the time of the distribution. Any distribution by check, debit card or other method approved by us will be reported

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as a normal distribution, unless we inform you otherwise or unless - at the time of the distribution - we provide you with a means to state otherwise and you in fact state otherwise. Our policies may permit us to accept the return of a mistaken distribution.

**11.13 Transfer and Rollover Contributions.** We may accept transfers, rollovers, and other similar contributions, remotely or in person, in cash or in kind from other HSAs and from Archer Medical Savings Accounts (MSAs). Prior to completing such transactions we may require that you provide certain information in a format acceptable to us. In-kind contributions will be valued according to our policies and procedures at the time of the contribution.

**11.14 Reports and Records.** We will maintain the records necessary for IRS reporting on this HSA. Required reports will be provided to you, or your beneficiary after your death, and the IRS. If you believe that your report is inaccurate or incomplete you must notify us in writing within 30 days following the receipt date. Your investments may require additional state and federal reporting.

**11.15 Termination.** You may terminate this Agreement without our consent by providing us with a written notice of termination. A termination and the resulting distribution or transfer will be processed and completed as soon as administratively feasible following the receipt of proper notice. At the time of termination we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties.

**11.16 Our Resignation.** We can resign at any time by providing you with 30 days written notice prior to the resignation date, or within five days of our receipt of your written objection to an amendment. In the event you materially breach this Agreement, we can terminate this Agreement by providing you with five days prior written notice. Upon our resignation, you must appoint a qualified successor custodian or trustee. Your HSA assets will be transferred to the successor custodian or trustee once we have received appropriate direction. Transfers will be completed within a reasonable time following our resignation notice and the payment of your remaining HSA fees or expenses. We reserve the right to retain HSA assets to pay any remaining fees or expenses. At the time of termination we may retain the sum necessary to cover any fees and expenses, taxes, or investment penalties. If you fail to provide us with acceptable transfer direction within 30 days from the date of the notice, we can transfer the assets to a successor custodian or trustee of our choice, distribute the assets to you in kind, or liquidate the assets and distribute them to you in cash.

**11.17 Successor Organization.** If we merge with, purchase, or are acquired by, another organization, such organization, if qualified, may automatically become the successor custodian or trustee of your HSA.

**11.18 Tax Year of Contributions.** Any transaction, including a remote transaction - such as a computer/internet, ATM, or night deposit transaction - that results in a regular contribution to the HSA is considered a current tax year contribution. However, we may allow you to specify the tax year for a regular contribution at the time of the contribution.

## IRS FORM 5305-C INSTRUCTIONS (8-2004)

### General Instructions

*Section references are to the Internal Revenue Code.*

### Purpose of Form

Form 5305-C is a model custodial account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the custodian. The form can be completed at any time during the tax year. This account must be created in the United States for the exclusive benefit of the account owner.

Do not file Form 5305-C with the IRS. Instead, keep it with your records. For more information on HSAs, see Notice 2004-2, 2004-2 I.R.B. 269, Notice 2004-50, 2004-33 I.R.B. 196, Publication 969, and other IRS published guidance.

### Definitions

**Identifying Number.** The account owner's social security number will serve as the identification number of this HSA. For married persons, each spouse who is eligible to open an HSA and wants to contribute to an HSA must establish his or her own account. An employer identification number (EIN) is required for an HSA for which a return is filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

**High Deductible Health Plan (HDHP).** For calendar year 2004, an HDHP for self-only coverage has a minimum annual deductible of $1,000 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, but not premiums) of $5,000. For calendar year 2004, an HDHP for family coverage has a minimum annual deductible of $2,000 and an annual out-of-pocket maximum of $10,000. These limits are subject to cost-of-living adjustments after 2004.

**Self-only coverage and family coverage under an HDHP.** Family coverage means coverage that is not self-only coverage.

**Qualified medical expenses.** Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but only to the extent that such amounts are not compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses. See Notice 2004-25, 2004-15 I.R.B. 727 for transition relief for distributions for qualified medical expenses incurred in calendar year 2004.

**Custodian.** A custodian of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

### Specific Instructions

**Article XI.** Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and custodian. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.



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# HEALTH SAVINGS ACCOUNT DISCLOSURE STATEMENT

**This Disclosure Statement.** This Disclosure Statement provides you, or your beneficiaries after your death, with a summary of the rules and regulations governing this HSA.

**Definitions.** The Health Savings Custodial Account agreement contains a detailed definitions section. The definitions found in such section apply to this Agreement. It refers to you as the account owner, and us as the custodian. References to "you," "your," and "HSA owner" will mean the account owner, and "we," "us," and "our" will mean the custodian. Upon your death, your spouse beneficiary, if applicable, becomes "you" for purposes of this Disclosure Statement. In the event you appoint a third party, or have a third party appointed on your behalf to handle certain transactions affecting your HSA, such third party will be considered your agent and, therefore, "you" for purposes of this Disclosure Statement. Additionally, references to "HSA" will mean the custodial account.

**For Additional Guidance.** It is in your best interest to seek the guidance of a tax or legal professional before completing any HSA establishment documents. Your first reference for questions concerning your HSA should be Internal Revenue Code (IRC) Section 223 and all additional Internal Revenue Service (IRS) guidance, IRS publications that include information about HSAs, any additional provisions or amendments to such documents, and this Disclosure Statement. For more information, you can also refer to the instructions to your federal income tax return, your local IRS office, or the IRS's web site at www.irs.gov.

**HSA Restrictions and Approval.**

1. **Health Savings Custodial Account Agreement.** This Disclosure Statement and the Health Savings Custodial Account agreement, amendments, and additional provisions, set forth the terms and conditions governing your HSA. Such documents are the "Agreement."
2. **Individual/Family Benefit.** This HSA must be for the exclusive benefit of you, your spouse, and your dependents and upon your death, your beneficiaries. The HSA must be established in your name and not in the name of your beneficiary, living trust, or another party or entity.
3. **Beneficiary Designation.** By completing the appropriate section on the corresponding Health Savings Account Application you may designate any person(s) as your beneficiary to receive your HSA assets upon your death. You may also change or revoke an existing designation in such manner and in accordance with such rules as your HSA custodian prescribes for this purpose. If there is no beneficiary designation on file at the time of your death, or if none of the beneficiaries on file are alive at the time of your death, your HSA assets will be paid to your estate. Your HSA custodian may rely on the latest beneficiary designation on file at the time of your death, will be fully protected in doing so, and will have no liability whatsoever to any person making a claim to the HSA assets under a subsequently filed designation or for any other reason.
4. **Cash Contributions.** Regular or annual HSA contributions must be in cash, which may include a check, money order, or wire transfer. It is within our discretion to accept in-kind contributions for rollovers or transfers.
5. **HSA Custodian.** An HSA custodian must be a bank, an insurance company, a person previously approved by the IRS to be a trustee of an individual retirement account (IRA) or Archer Medical Savings Account (MSA) or any other person approved by the IRS.
6. **Prohibition Against Life Insurance and Commingling.** None of your HSA assets may be invested in life insurance contracts, or commingled with other property, except in a common trust fund or common investment fund.
7. **Nonforfeitability.** The assets in your HSA are not forfeitable.
8. **Tax-Free Rollovers.** You may be eligible to make a rollover contribution of your HSA or Archer MSA distribution, in cash or in kind, to an HSA. Rollovers to and from HSAs are described in greater detail elsewhere in this Disclosure Statement.
9. **No Prohibited Transactions.** If you engage in a prohibited transaction, the HSA loses its tax exempt status as of the first day of the year. You must include the fair market value of your HSA as of that first day in your gross income for the year during which the prohibited transaction occurred, and pay all applicable taxes and penalties.
10. **No Pledging.** If you pledge all or a portion of your HSA as security for a loan, the portion pledged will be treated as a distribution to you, and the taxable portion will be included in gross income, and may be subject to the additional 10 percent tax.
11. **IRS Approval of Form.** This Agreement includes an IRS Forms 5305 series agreement. This IRS document has been approved by the IRS. This approval is not a determination of its merits, and not an endorsement of the investments provided by us or the operation of the HSA.
12. **State Laws.** State laws may affect your HSA in certain situations, including deductions, beneficiary designations, agency relationships, consent, taxes, tax withholding, and reporting.

**HSA Eligibility.**

1. **Eligibility for an HSA.** You are an eligible individual and may make or receive an HSA regular contribution if, with respect to any month, you:
   - **a.** are covered under a high-deductible health plan (HDHP);
   - **b.** are not covered by any other type of health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage);
   - **c.** are not enrolled in Medicare; and
   - **d.** may not be claimed as a dependent on another person's tax return.

   According to Revenue Procedure 2004-22, for months before January 1, 2006, if you would otherwise be an eligible individual, but are covered by both an HDHP that does not provide benefits for prescription drugs and by a separate health plan or rider that provides prescription drug benefits before the minimum annual deductible of the HDHP is satisfied (i.e., the separate prescription drug plan is not an HDHP), you will continue to be an eligible individual and may make contributions to your HSA based on the annual deductible of the HDHP.
2. **High-Deductible Health Plan.** Generally, an HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses. For purposes of this HSA, a high-deductible health plan is a plan with an annual deductible of at least $1,050 for self-only coverage or $2,100 for family coverage. These amounts are subject to annual cost-of-living adjustments (COLAs).

   For HSA purposes, the high-deductible health plan must limit out-of-pocket expenses. For 2006, the maximum out-of-pocket expenses, which include money applied to your deductible and your coinsurance for covered charges, must be no more than $5,250 for self-only coverage or $10,500 for family coverage. These amounts are subject to annual COLAs.

   IRS Notice 2004-23 provides a safe harbor for the absence of a preventive care deductible. It states that a plan shall not fail to be treated as an HDHP by reason of failing to have a deductible for preventive care. An HDHP may therefore provide preventive care benefits without a deductible or with a deductible below the minimum annual deductible.

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3. **Permitted Insurance.** You are eligible for an HSA if you have coverage for any benefit provided by permitted insurance. See IRS Notice 2004-2 for further information.

   In addition, you are eligible for an HSA if you have coverage (whether provided through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care. If a plan that is intended to be an HDHP is one in which substantially all of the coverage of the plan is through permitted insurance or other coverage described in IRS Notice 2004-2, it is not an HDHP.

**HSA Contributions.**

1. **Who Can Make Regular or Annual Contributions.** If you meet the eligibility requirements for an HSA, you, your employer, your family members, or any other person (including nonindividuals) may contribute to your HSA. This is true whether you are self-employed or unemployed.
2. **Regular or Annual Contributions.** The maximum annual contribution to an HSA is the sum of the limits determined separately for each month, based on status, eligibility, and health plan coverage as of the first day of the month. For calendar year 2006, the maximum monthly contribution for eligible individuals with individual coverage under an HDHP is 1/12 of the lesser of 100 percent of the annual deductible under the HDHP (minimum of $1,050) but not more than $2,700. For eligible individuals with family coverage under an HDHP, the maximum monthly contribution is 1/12 of the lesser of 100 percent of the annual deductible under the HDHP (minimum of $2,100) but not more than $5,450. These amounts are subject to annual COLAs.

   If you have more than one HSA, the aggregate annual contributions to all the HSAs are subject to the contribution limit. This limit is decreased by the aggregate contributions to an Archer MSA. The same annual contribution limit applies whether the contributions are made by you, your employer, your family members, or any other person (including nonindividuals). Contributions may be made on your behalf even if you have no compensation or if the contributions exceed your compensation.
3. **Catch-up Contributions.** Catch-up contributions are HSA contributions made in addition to any regular HSA contributions. You are eligible to make catch-up contributions if you meet the eligibility requirements for regular contributions and are age 55 or older by the end of your taxable year and not enrolled in Medicare. As with the annual contribution limit, the catch-up contribution is computed on a monthly basis. The chart that follows shows these additional amounts.

| Tax Year | Catch-up Amount |
|---|---|
| 2005 | $ 600.00 |
| 2006 | $ 700.00 |
| 2007 | $ 800.00 |
| 2008 | $ 900.00 |
| 2009 and after | $ 1,000.00 |

4. **One or Both Spouses Have Family Coverage.** You and your spouse are treated as having family coverage if either of you has family coverage. If you and your spouse have family coverage under different HDHPs, then each of you is treated as covered under the HDHP with the lowest deductible. The contribution limit for each of you is the lowest deductible amount, divided equally between you and your spouse, unless each of you agree on a different division. The family coverage limit is reduced further by any contribution to an Archer MSA. However, each of you may make the catch-up contributions without exceeding the family coverage limit.
5. **Contribution Deductibility.**
   a. **Your Contributions.** Contributions made by you to an HSA, which do not exceed the maximum annual contribution amount, are deductible by you when determining your adjusted gross income. You are not required to itemize deductions in order to take this deduction. However, you cannot also deduct the contributions as medical expenses under section 213. Contributions by family members or any other person (including nonindividuals) on your behalf are also deductible by you.
   b. **Employer Contributions.** Employer contributions are treated as employer-provided coverage for medical expenses under an accident or health plan and are excludable from your gross income. The employer contributions are not subject to withholding from wages for income tax or subject to the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), or the Railroad Retirement Tax Act. Contributions to your HSA through a cafeteria plan are treated as employer contributions. You cannot deduct employer contributions on your federal income tax return as HSA contributions or as medical expense deductions under section 213.
6. **Contribution Deadline.** You may make regular and catch-up HSA contributions any time for a taxable year up to and including your federal income tax return due date, excluding extensions, for that taxable year. The due date for most taxpayers is April 15.

   For calendar year 2005, an HSA established by you on or before April 17, 2006, may pay or reimburse on a tax-free basis an otherwise qualified medical expense if that expense was incurred on or after the later of: (1) January 1, 2005, or (2) the first day of the month that you became eligible for an HSA.

**Moving Assets To and From HSAs.** There are a variety of transactions that allow you to move your HSA assets to and from other HSAs in cash or in kind based on our policies. We have sole discretion on whether we will accept, and how we will process movements of assets to and from HSAs. We or the other financial organization involved in the transaction may require documentation for such activities.

1. **HSA-to-HSA Transfers.** You may transfer all or a portion of your HSA assets from one HSA to another HSA. An HSA transfer means that the HSA assets move from one HSA to another HSA in a manner that prevents you from cashing or liquidating the HSA assets, or even depositing the assets anywhere except in the receiving HSA. You may be required to complete a transfer authorization form prior to transferring your HSA assets.
2. **Archer MSA-to-HSA Transfers.** A transfer of Archer MSA assets to an HSA is permitted. However, HSA assets cannot be transferred to an Archer MSA.
3. **HSA-to-HSA Rollovers.** An HSA rollover is another way to move assets tax-free between HSAs. You may roll over all or a portion of your HSA assets by taking a distribution from an HSA and recontributing it as a rollover contribution into the same or another HSA. Rollovers to HSAs are not allowed from traditional or Roth IRAs, health reimbursement arrangements (HRAs), health flexible spending arrangements (FSAs), and employer-sponsored retirement plans. You must report your HSA rollover to the IRS on your federal income tax return. Your contribution may only be designated as a

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rollover if the HSA distribution is deposited within 60 calendar days following the date you receive the distributed assets. You are limited to one rollover per HSA per 12 months. The distributing and receiving HSA, including the HSA assets rolled over, are subject to this 12-month rule. The 12-month period begins on the day after you receive a distribution that will be properly rolled over into an HSA.

4. **Archer MSA-to-HSA Rollovers.** Rollovers from an Archer MSA to an HSA are permitted. However, HSA assets cannot be rolled over to an Archer MSA. The distributing MSA and receiving HSA, including the MSA assets rolled over, are subject to the 12-month rule.

**HSA Distributions.** You or, after your death, your beneficiary may take an HSA distribution, in cash or in kind based on our policies, at any time. However, depending on the timing and amount of your distribution you may be subject to income taxes and/or penalty taxes. HSA custodians/trustees are not required to determine whether HSA distributions are used for qualified medical expenses.

1. **Removal of Excess Contributions.** You may withdraw all or a portion of your excess contribution and attributable earnings by your federal income tax return due date, including extensions, for the taxable year for which the contribution was made. The excess contribution amount distributed will not be taxable, but the attributable earnings on the contribution will be taxable in the year in which the distribution is received. If you timely file your federal income tax return, you may still remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers.
2. **Qualified Medical Expenses.** Qualified medical expenses are expenses paid by you, your spouse, or your dependents for medical care as defined in section 213(d) (including nonprescription drugs as described in Revenue Ruling 2003-102, 2003-38 I.R.B. 559), but only to the extent the expenses are not covered by insurance or otherwise. The qualified medical expenses must be incurred only after the HSA has been established.
3. **Death.** Upon your death, any balance remaining in your HSA becomes the property of the beneficiaries named in the HSA agreement.
   a. **Spouse.** If your spouse is the beneficiary of your HSA, the HSA becomes his/her HSA as of the date of your death. We may require your spouse to transfer the assets to an HSA of his/her own. Your spouse is subject to income tax only to the extent distributions from your HSA are not used for qualified medical expenses.
   b. **Nonspouse.** If your beneficiary is not your spouse, the HSA ceases to be an HSA as of the date of your death. If your beneficiary is your estate, the fair market value of your HSA as of the date of your death is taxable on your final return. For other beneficiaries, the fair market value of your HSA is taxable to them in the tax year that includes such date. For such a person (except your estate), this amount is reduced by any payments from the HSA made for your qualified medical expenses, if paid within one year after your death.

**Federal Income Tax Status of Distributions.**

1. **Taxation.** Distributions from your HSA used exclusively to pay for qualified medical expenses of you, your spouse, or your dependents are excludable from gross income. In general, amounts in an HSA can be used for qualified medical expenses and will be excludable from gross income even if you are not currently eligible for contributions to the HSA. However, any amount of the distribution not used exclusively to pay for qualified medical expenses of you, your spouse, or your dependents is includable in your gross income and is subject to an additional 10 percent tax on the amount includable, except in the case of distributions made after your death, your disability, or your attainment of age 65. HSA distributions which are not rolled over will be taxed as income in the year distributed, unless they are used for qualified medical expenses. You may also be subject to state or local taxes and withholding on your HSA distributions.
2. **Earnings.** Earnings, including gains and losses, on your HSA will not be subject to federal income taxes until they are considered distributed.
3. **Ordinary Income Taxation.** Your taxable HSA distribution is usually included in gross income in the distribution year.

**Estate and Gift Tax.** The designation of a beneficiary to receive HSA distributions upon your death will not be considered a transfer of property for federal gift tax purposes. Upon your death, the value of all assets remaining in your HSA will usually be included in your gross estate for estate tax purposes, regardless of the named beneficiary or manner of distribution. There is no specific estate tax exclusion for assets held within an HSA. After your death, beneficiaries should pay careful attention to the rules for the disclaiming any portion of your HSA under IRC Section 2518.

**Federal Income Tax Withholding.** If federal withholding is applicable, the custodian may require the completion of a withholding election document.

**Annual Statements.** Each year we will furnish you and the IRS with IRS-required statements reflecting the activity in your HSA.

**Federal Tax Penalties.** Several tax penalties may apply to your various HSA transactions, and are in addition to any federal, state, or local taxes. Federal penalties and excise taxes are generally reported and remitted to the IRS along with your federal income tax return. The penalties may include any of the following taxes:

1. **Additional 10 Percent Tax.** Any amount of a distribution not used exclusively to pay for qualified medical expenses of you, your spouse, or your dependents is subject to an additional 10 percent tax on the amount includable in your gross income, except in the case of distributions made after your death, your disability, or your attainment of age 65.
2. **Excess Contribution Penalty Tax.** If a contribution to your HSA exceeds the amount you are eligible for, you have an excess contribution, which is subject to a 6 percent excise tax. The excise tax applies each year that the excess contribution remains in your HSA. If you timely file your federal income tax return, you may still remove your excess contribution, plus attributable earnings, as late as October 15 for calendar year filers.

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## FUNDS AVAILABILITY DISCLOSURE

This policy statement applies to all deposit accounts.

Our policy is to make funds from your deposit available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 2:00 P.M. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 2:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

### LONGER DELAYS MAY APPLY

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. However, the first $100 of your deposit will be available on the first business day after we receive your deposit.

If we are not going to make all of the funds from your deposit available on the first business day after we receive your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice the day we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

* We believe a check you deposit will not be paid.
* You deposit checks totaling more than $5,000 on any one day.
* You redeposit a check that has been returned unpaid.
* You have overdrawn your account repeatedly in the last six months.
* There is an emergency, such as failure of communications or compute equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the eleventh business day after the day of your deposit.

### SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposit into your account will be available on the day we receive the deposit.

Funds from deposits of cash, wire transfers, and the first $5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over $5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the eleventh business day after the day of your deposit.

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