

# ***CERTIFICATE OF COVERAGE***

## **Carolina Advantage**

**BlueChoice<sup>®</sup> HealthPlan  
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## INTRODUCTION

**Point Of Service Benefits.** Carolina Advantage is an open access point-of-service product. That means Members decide at the time they need medical care whether they will go to a healthcare provider within BlueChoice® HealthPlan's network, a Participating Provider, or go to a non-network provider. Benefits are available in either case; however, Members using network providers receive higher benefits. A person enrolled in Carolina Advantage is automatically entitled to In-Network and Out-of-Network benefits as described below.

**In-Network benefits** apply when you receive Covered Services from a BlueChoice HealthPlan Participating Provider. In general, these benefits provide a higher level of Coverage with less out-of-pocket expense. Some benefits are only available when you receive them from a healthcare professional within BlueChoice HealthPlan's network of Providers. Please see your Schedule of Benefits for this information. BlueChoice HealthPlan's Participating Providers handle all of the paperwork, so you have no bills or claim forms to submit. BlueChoice HealthPlan of South Carolina, Inc. underwrites these benefits.

**Out-of-Network benefits** apply when you receive Covered Services from any licensed Provider outside of the BlueChoice HealthPlan network of Participating Providers. Some services Covered by the In-Network benefits are not Covered by the Out-of-Network benefits. Out-of-Network benefits provide a lower level of Coverage, and you are responsible for completing claim forms and submitting itemized bills in order to receive benefits. You can also be billed for any amount in excess of the Reasonable and Customary Fee Schedule. BlueCross® BlueShield® of South Carolina underwrites these benefits and has arranged for BlueChoice HealthPlan to serve as the administrator of the Out-of-Network benefits.

**Contact BlueChoice HealthPlan.** Throughout this certificate, there are statements that encourage you to contact BlueChoice HealthPlan for further information. A question or concern regarding benefits or any required procedure may be addressed to BlueChoice HealthPlan through the Web site at [www.BlueChoiceSC.com](http://www.BlueChoiceSC.com) or by calling Member Services at 786-8476 in Columbia or 1-800-868-2528 when outside the Columbia area.

**Identification Card.** When you or your enrolled Dependents seek any type of medical services or supplies, including Prescription Medication, be sure to show your Identification (ID) Card so the Participating Providers know you have Carolina Advantage. If you do not show your ID card, the Providers have no way of knowing that you are a Member of Carolina Advantage and you may receive a bill for Covered Services.

**The BlueCard® Program.** The BlueCard Program is a national program in which all Blue Cross and Blue Shield Licensees participate, including BlueChoice HealthPlan. This national program enables BlueChoice HealthPlan Members living or traveling outside of South Carolina to receive the highest level of benefits when they obtain services from any physician or hospital designated as a BlueCard PPO provider. Doctors and hospitals in the BlueCard program are considered to be Participating Providers.

## CERTIFICATE OF COVERAGE

This Certificate of Coverage is part of a group contract that is a legal document between BlueChoice® HealthPlan and the Employer. The Master Group Contract, this Certificate of Coverage, the Schedule of Benefits, the Master Group Application, the Notices of Election and attached amendments, addenda, riders, or endorsements, if any, constitute the entire Contract between both parties.

The Contract is delivered in and governed by the laws of the state of South Carolina. By enrolling in Carolina Advantage and accepting this certificate, the Member agrees to abide by the rules of BlueChoice HealthPlan as outlined in this certificate.

Members are entitled to the benefits described in this certificate in exchange for the Premium paid to BlueChoice HealthPlan by the Member or by the Employer on the Member's behalf. The Contract may require that the Member contribute to the required Premium. Information regarding the Premium and any portion of the Premium that the Member must pay can be obtained from your Employer.

This certificate replaces and supersedes any certificate that previously may have been issued to you by BlueChoice HealthPlan and governs Covered Services rendered after the effective date of the Contract. Any subsequent certificates issued to you by BlueChoice HealthPlan will in turn supersede this certificate. From time to time, the Contract may be amended. When that happens, a new certificate or amendment pages for this certificate will be sent to you. Your certificate should be kept in a safe place for your future reference.

**How To Use This Certificate.** It is important that you read the entire certificate carefully and become familiar with its terms and provisions. Many of the provisions are interrelated, so reading just one or two sections may give you a misleading impression. Many words used in this certificate have special meanings. These words will appear capitalized and are defined. The terms "you" and "your" as used throughout this certificate mean the Subscriber and the Subscriber's enrolled Dependents.

**Important For Benefits.** Prior Authorization (approval for services) from BlueChoice HealthPlan is required for all non-emergency Hospital admissions. The admitting Physician, the Hospital or someone acting on your behalf must initiate the authorization process by notifying BlueChoice HealthPlan prior to admission and complying with specific Authorization requirements in order to qualify for maximum benefits. Failure to do so may result in denial of benefits.

Only Medically Necessary health services are Covered under the Contract. The fact that a Physician has performed or prescribed a procedure or treatment, or the fact that it may be the only available treatment for an injury, sickness or mental illness, does not mean that the procedure or treatment is Covered under the Contract. BlueChoice HealthPlan may, at its discretion, delegate authority to other persons or entities to provide services in regard to the Contract.

Benefits for all services are subject to the provisions of the Contract. In order to be Covered, services must be Medically Necessary and performed on or after the Member's Effective Date and prior to cancellation of Coverage. Benefits are subject to all (if any) limitations, Copayments, Deductibles, Coinsurance and maximum payment amounts specified in this certificate including the Schedule of Benefits, and the exclusions and limitations as stated in this certificate and in the Contract.

Benefits payable under the Contract are not assignable to a non-Participating Provider, unless determined otherwise by BlueChoice HealthPlan in its sole discretion. This means BlueChoice HealthPlan may send benefit payments to you and you will be responsible for paying the Provider.

**SECTION 1**  
**WHAT'S COVERED: IN-NETWORK SERVICES**

**In-Network benefits** apply when you receive Covered Services from a BlueChoice HealthPlan Participating Provider. In general, these benefits provide a higher level of Coverage with less out-of-pocket expense. BlueChoice HealthPlan's Participating Providers handle all of the paperwork so you have no bills or claim forms to submit. These benefits are paid based on BlueChoice HealthPlan's Fee Schedule. BlueChoice HealthPlan of South Carolina, Inc. underwrites these benefits.

**1.01 Physician Services**

Benefits are provided for preventive, diagnostic, and treatment services when they are provided by Participating Physicians. This includes Medically Necessary office visits and medical or surgical care including Surgical Assistants provided in a Participating Physician's office or a Participating Hospital, Alternate Facility, Long-Term Acute Care Facility, Skilled Nursing Facility or Rehabilitation Hospital. The following services are Covered Services.

1. **Primary Care Physician Services.** All diagnostic and treatment services provided at the medical office of a Participating Primary Care Physician and at such other places as Authorized by BlueChoice HealthPlan, including preventive services, diagnostic procedures, therapeutic procedures, surgical procedures, medical supplies, consultation, and treatment.
2. **Specialty Physician Services.** All diagnostic and treatment services provided at the medical office of a Participating specialty Physician and at such places as Authorized by BlueChoice HealthPlan including diagnostic procedures, therapeutic procedures, surgical procedures, medical supplies, consultation, and treatment.
3. **Preventive Services.** Health maintenance and preventive services including well-baby care and periodic check ups; immunizations and injections; health education; and voluntary family planning provided by a Participating Primary Care Physician.
4. **Allergy Services.** Allergy testing and treatment, including test and treatment material (allergy serum) provided by a Participating Physician.

**1.02 Inpatient Facility Services**

Benefits are provided for a comprehensive range of benefits when a Member is hospitalized in a Participating Hospital, Skilled Nursing Facility or Long-Term Acute Care Facility. The admission must be ordered, provided or arranged under the direction of a Participating Physician except for an Emergency admission. BlueChoice HealthPlan must authorize the admission in advance except for an emergency admission.

1. **Inpatient Hospital.** Covered Services for inpatient Hospital care include room and board and related ancillary and diagnostic services and supplies. Medically Necessary services provided in a special care unit are Covered Services.
2. **Skilled Nursing Facility or Long-Term Acute Care Facility.** Covered Services include room and board for semi-private accommodations, rehabilitative treatment, and related ancillary and diagnostic services and supplies. Benefits are limited to 120 days per Benefit Period unless otherwise specified in the Schedule of Benefits.

### 1.03 Maternity Care

Benefits are provided for professional and facility maternity care for a Subscriber or Dependent spouse unless otherwise specified in the Schedule of Benefits. Covered Services include those provided in a Participating Hospital or Participating Hospital-based birthing center. Services provided for home births are not Covered Services. Benefits include prenatal and postpartum care for Hospital services (including use of delivery room), and medical services (including operations and special procedures such as Cesarean section), and anesthesia. Benefits for inpatient care are provided for 48 hours after normal delivery, not including the day of delivery, or 96 hours after Cesarean section, not including the day of surgery. Coverage for the newborn child shall include, but is not limited to, routine nursery care and/or routine well baby care during the initial period of Hospital confinement. A newborn child must be enrolled and applicable premium must be paid in order for benefits to be paid. See Section 6.03, Effective Date of Coverage.

### 1.04 Outpatient Facility Services

1. **Outpatient Surgery.** Services and supplies for outpatient surgery and observation stays are Covered Services when provided by or under the direction of a Participating Physician at a Participating Hospital or a Participating Alternate Facility.
2. **Outpatient Laboratory, Radiology, Diagnostic and Therapeutic Services.** Services and supplies for laboratory, radiology and other diagnostic tests and therapeutic treatments are Covered Services when provided under the direction of a Participating Physician at a Participating Hospital or Participating Alternate Facility.
3. **Screening Mammography.** Services and supplies for screening mammograms performed at a Participating Hospital or Participating Alternate Facility when ordered by a Participating Physician are Covered in full.

### 1.05 Physical, Speech and Occupational Therapy

Benefits are provided for physical therapy, occupational therapy, and speech therapy. Benefits for physical therapy are limited to 20 visits per Benefit Period unless otherwise noted on the Schedule of Benefits. Benefits for speech therapy are limited to 20 visits per Benefit Period unless otherwise noted on the Schedule of Benefits. Benefits for occupational therapy are limited to 20 visits per Benefit Period unless otherwise noted on the Schedule of Benefits. See Sections 1.16 and 2.09 for benefits for Chiropractic Services.

Benefits are not provided for unattended or non-supervised physical therapy, occupational therapy or speech therapy services, such as unattended electrical stimulation; or physical therapy, occupational therapy or speech therapy services that do not require the skills of a licensed therapist to perform, such as the application of hot or cold packs.

### 1.06 Behavioral Health Services

Unless otherwise specified in the Schedule of Benefits, benefits are provided for the following services.

1. **Crisis Intervention and Evaluation.** Benefits for inpatient or outpatient Mental Health Services are limited to Crisis Intervention and Evaluation. Covered Services must be Authorized in advance by Companion Benefit Alternatives and provided by a Participating Provider. Services for treatment at a Residential Treatment Center are not Covered Services.

2. **Detoxification Services.** Benefits for inpatient or outpatient Substance Abuse services are limited to physical detoxification. Covered Services must be Authorized in advance by Companion Benefit Alternatives and provided by a Participating Provider. Services for treatment at a Residential Treatment Center are not Covered Services.

### **1.07 Prescription Medication**

Coverage for Prescription Medication is provided when specifically indicated in the Schedule of Benefits. When Covered, benefits for Prescription Medication are provided when purchased at a Participating pharmacy and prescribed by a Participating Physician, this includes certain classes of over-the-counter drugs designated by BlueChoice HealthPlan as Prescription Medication. Benefits for a Covered Prescription Medication dispensed to a Member shall not exceed the quantity and benefit maximum, if applicable, as specified in the Schedule of Benefits.

Benefits are provided only for the most cost-effective Prescription Medication available at the time dispensed whenever medically appropriate and in accordance with all legal and ethical standards. Certain Prescription Medications require Prior Authorization and/or Step Therapy in order to be Covered, and have quantity limits as determined by BlueChoice HealthPlan.

**Generics Now:** If a Participating Physician prescribes a Brand-name Drug and indicates on the prescription that substitution of a Generic Drug is permitted, and there is an equivalent Generic Drug available, and the Member still requests the Brand-name Drug, then any difference between the cost of the Generic Drug and the higher cost of the Brand-name Drug will be the responsibility of the Member. This will be in addition to the Copayment appropriate to the Brand-name Drug being purchased. In no instance will the Member be charged more than the actual retail price of the drug.

**Specialty Pharmaceuticals.** Coverage for Specialty Pharmaceuticals is provided when specifically indicated on the Schedule of Benefits. When Covered, benefits for Specialty Pharmaceuticals are provided when purchased from a designated Participating Provider and prescribed by a Participating Physician. Benefits for Covered Specialty Pharmaceuticals dispensed to a Member shall not exceed the quantity and benefit maximum, if any, as specified in the Schedule of Benefits. The Member may obtain a list of Specialty Pharmaceuticals by contacting BlueChoice HealthPlan. See Section 12, Contact Us.

BlueChoice HealthPlan receives financial credits directly from drug manufacturers and through a Pharmacy Benefit Manager (PBM). The credits are used to help stabilize overall rates and to offset expenses. Reimbursements to Pharmacies, or discounted prices charged at Pharmacies, are not affected by these credits. Any Coinsurance percentage that an Employee must pay for Prescription Medications is based on the negotiated rate or lesser charge at the Pharmacy, and does not change due to receipt of any preferred drug credit by BlueChoice HealthPlan. Copayments are flat amounts and likewise do not change due to receipt of these credits.

### **1.08 Ambulance Services**

Professional ambulance services to a local hospital are covered in connection with an acute injury or medical emergency. Coverage is also provided in connection with an interfacility transport between acute care facilities, when medically necessary due to the requirement for a higher level of services. No benefits are provided for ambulance service used for routine, nonemergency 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 services are subject to medical review.

## **1.09 Home Health Services and Outpatient Private Duty Nursing**

Benefits for home health services include part-time or intermittent nursing care by a registered nurse (R.N.), or by a licensed practical nurse (L.P.N.) where appropriate or for physical, speech or occupational therapy provided through a home health agency. Services by a home health aide are considered to be Custodial Care and are not Covered Services.

Benefits are provided for special or private duty nursing by an R.N. or an L.P.N. when provided on an outpatient basis and when such services are required for care and treatment that otherwise would require admission to a Hospital. Benefits for outpatient private duty nursing are limited to 60 days per Benefit Period unless otherwise specified in the Schedule of Benefits.

## **1.10 Hospice Services**

Hospice care is a Covered Service when recommended by a Participating Physician and provided through a Participating Provider. Volunteer services are not Covered Services.

## **1.11 Transplants**

1. Benefits are provided for Covered Services for certain human organ and tissue transplants, listed on the Schedule of Benefits. To be covered, such transplants must be provided from a human donor to a Member (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.
2. The payment for charges for Covered Services incurred by a living donor are subject to the following:
  - A. The medical and surgical expenses for care and treatment of a living donor are covered only if the donor and recipient are both covered by BlueChoice HealthPlan.
3. Transplants that are Experimental, Investigational or Unproven are not Covered Services. Transplants that are not Medically Necessary, as determined by the Corporation, are not Covered Services.
4. All transplant-related benefits (except Prescription Drugs) provided during a Transplant Benefit Period apply toward the Transplant Lifetime Maximum. Benefits are provided on the same basis as any other condition or illness subject to the maximums stated in the Schedule of Benefits, if any.

## **1.12 Emergency and Urgent Care Services**

Benefits are provided for services and supplies for stabilization and/or initial treatment of an Emergency Medical Condition provided on an outpatient basis at either a Hospital or an Alternate Facility. In order to be Covered, a Participating Physician must provide follow-up care.

Urgent Care Services are Covered Services when provided by a Participating Physician or at a Participating Alternate Facility such as an urgent care center or after hours facility. Urgent care provided by a non-Participating Provider is Covered when Authorized by BlueChoice HealthPlan. Follow-up care is a Covered Service when provided by a Participating Physician.

### **1.13 Prosthetics and Durable Medical Equipment**

Coverage is provided for prosthetic devices and Durable Medical Equipment when obtained from a vendor or Provider designated by BlueChoice HealthPlan, and when ordered by or provided by or under the direction of a Participating Physician for use outside a Hospital, Skilled Nursing Facility, Long-term Acute Care Facility, or Rehabilitation Hospital. Coverage is provided for prosthetic devices and Durable Medical Equipment that meets minimum specifications and is Medically Necessary. No benefits are provided for repair, replacement or duplicates, nor are benefits provided for services related to the repair or replacement of such devices and equipment, except when necessary due to a change in the Member's medical condition. Benefits are provided for:

1. the initial purchase of artificial limbs, artificial eyes, and other Medically Necessary prosthetic devices made necessary as a result of injury or sickness. (Prosthetic devices replace a limb or body part).
2. the rental or purchase, at the discretion of BlueChoice HealthPlan, of Durable Medical Equipment including, but not limited to, the following: braces, including necessary adjustments to shoes to accommodate braces (dental braces are excluded); oxygen and the rental of equipment for the administration of oxygen; standard wheelchairs; standard Hospital-type beds; and mechanical equipment necessary for the treatment of chronic or acute respiratory failure. Air-conditioners, humidifiers, dehumidifiers, personal comfort items, eyeglasses, hearing aids and deluxe appliances are excluded.

### **1.14 Medical Supplies**

Covered supplies must be purchased at or under the direction of a Participating Physician. Benefits for medical supplies are available for but not limited to the following:

1. dressings requiring skilled application for conditions such as cancer or burns;
2. catheters;
3. colostomy bags and related supplies;
4. necessary supplies for renal dialysis equipment or machines;
5. surgical trays; and
6. splints or such supplies as needed for orthopedic conditions.

Supplies and equipment that have non-therapeutic uses are not Covered Services.

### **1.15 Dental Care For Accidental Injury**

Dental services performed by a Doctor of Dental Surgery (D.D.S.) or Doctor of Medical Dentistry (D.M.D.) to natural teeth required because of accidental injury are Covered Services. For purposes of this benefit, an accidental injury is defined as an injury caused by a traumatic force such as a car accident or blow by a moving object. No benefits are provided for injuries that occur while the Member is in the act of chewing or biting. Only services directly related to the accidental injury are Covered Services. No Coverage is provided unless the dentist certifies to BlueChoice HealthPlan that services were performed to natural teeth that were injured as a result of an accident, and that the services were completed within six months of the accident. Services other than those provided during the initial visit must be Authorized by BlueChoice HealthPlan in order to receive benefits.

## 1.16 Chiropractic Services

Benefits are provided for office services provided by a chiropractor in connection with the detection and correction by manual 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. Maintenance care is not Covered.

Benefits will also be provided for other Covered Services that are within the scope of the practice of chiropractic.

## 1.17 Benefits Mandated by State and/or Federal Law

1. **Limited Obstetrical and Gynecological Access without Referral.** Coverage is provided for a female enrollee 13 years of age or older for a minimum of two visits annually without referral, for Covered Services provided by a Participating obstetrician-gynecologist. For purposes of this section, Covered Services include the full scope of Medically Necessary services provided by the Participating obstetrician-gynecologist in the care of or related to the female reproductive system and breasts.
2. **Hospitalization for Mastectomies.** If Coverage is provided for hospitalization for a mastectomy, then benefits are provided for hospitalization for at least 48 hours following the mastectomy unless the attending Physician releases the patient prior to the expiration of 48 hours. In the case of an early release, Coverage shall include at least one home care visit if ordered by the attending Physician. Benefits are provided on the same basis as any other condition or illness.
3. **Mammograms.** Coverage is provided for mammograms. Benefits are provided on the same basis as any other condition or illness. A mammogram is a radiological examination of the breast for purposes of detecting breast cancer when performed as a result of a Physician referral or by a health testing service that utilizes radiological equipment approved by the Department of Health and Environmental Control. For benefit purposes, such examination may be made with the following minimum frequency:
  - A. once as a base-line mammogram for a female who is at least 35 years of age but less than 40 years of age;
  - B. once every two years for a female who is at least 40 years of age but less than 50 years of age;
  - C. once a year for a female who is at least 50 years of age; or
  - D. in accordance with the most recently published guidelines of the American Cancer Society.
4. **Pap Smears.** Coverage is provided for an annual Pap smear. Benefits are provided on the same basis as any other condition or illness. A Pap smear is an examination of the tissues of the cervix or the uterus for the purposes of detecting cancer when performed under the recommendation of a medical doctor. Such examination may be made once a year or more often if recommended by a medical doctor.
5. **Prostate Examinations.** Coverage is provided for prostate cancer examinations, screenings and laboratory work for diagnostic purposes in accordance with the most recently published guidelines of the American Cancer Society. Benefits are provided on the same basis as any other condition or illness.

6. **Reconstructive Surgery Following Mastectomy.** If an Member is receiving benefits in connection with a mastectomy and elects breast reconstruction in connection with such mastectomy, Coverage will be provided in a manner determined in consultation with the attending Physician and the Member. Benefits are provided on the same basis as any other condition or illness and include:
- A. reconstruction of the breast on which the mastectomy was performed;
  - B. surgery and reconstruction of the other breast to produce a symmetrical appearance; and
  - C. prostheses and physical complications in all stages of mastectomy including lymphedemas.

7. **Cleft Lip and Palate**

Benefits are provided for the Medically Necessary care and treatment of cleft lip and palate and any condition or illness related to or developed as a result of cleft lip and palate. Covered Services must be provided by or under the direction of a Participating Provider and include, but are not limited to, Medically Necessary:

- A. oral and facial surgery, surgical management and follow-up care;
- B. prosthetic treatment such as obturators, speech appliances and feeding appliances;
- C. orthodontic treatment and management;
- D. prosthodontia treatment and management;
- E. otolaryngology treatment and management;
- F. audiological assessment, treatment, and management, including surgically implanted amplification devices; and
- G. physical therapy assessment and treatment.

If a Member with a cleft lip and palate is covered by a dental policy, teeth capping, prosthodontics, and orthodontics are covered first by the dental policy up to the limit of coverage provided. Any additional benefits for Covered Services thereafter shall be provided under the terms of this Contract. Benefits are provided on the same basis as for any other medical condition or illness as specified in the Schedule of Benefits.

**1.18 The BlueCard<sup>®</sup> Program**

When a Member obtains healthcare services through the BlueCard program while outside South Carolina, the amount the Member pays for Covered Services, other than a Copayment, is calculated based on the lower of:

- 1. the billed charges for Covered Services; or
- 2. the negotiated amount that the Blue Cross and/or Blue Shield Plan (Host Blue) where care is received passes on to BlueChoice HealthPlan.

This negotiated amount may consist of a simple discount that reflects the actual amount paid by the Host Blue. Sometimes an estimated amount is factored into the actual amount, expected settlements, withholds, any other contingent payment arrangements and non-claims transactions with the healthcare Provider or with a specified group of Providers. The negotiated amount also may be the billed charges reduced to reflect an average expected savings with the healthcare Provider or with a specified group of Providers. The amount that reflects average savings may result in greater variation (more or less) from the actual amount paid than will the estimated amount. The negotiated amount also will be adjusted in the future to correct for over- or underestimation of past amounts. In any case, the amount the Member pays is considered a final amount.

Statutes in a small number of states may require the Host Blue to use a basis for calculating Member liability for Covered Services that does not reflect the entire savings realized or expected to be realized on a particular claim, or to add a surcharge. Should any state statutes mandate Member liability calculation methods that differ from the usual BlueCard method noted above or require a surcharge, BlueChoice HealthPlan will calculate the Member's liability for any Covered Services in accordance with the applicable state statute in effect at the time the Member received care.

### **1.19 Discount Services**

Benefits in the form of a discount for certain additional services are available to Members by networks with which BlueChoice HealthPlan contracts for various programs. The special network of providers shall offer these discounts to Members at the time the services are rendered. BlueChoice HealthPlan shall not be responsible for any costs associated with these programs including charges related to any injury or illness that results from member's use of Discount Services. The services available include, but are not limited to: LASIK surgery, hearing aids, massage therapists, acupuncturists, and fitness clubs. All services and programs may not be available in all areas at all times.

**SECTION 2**  
**WHAT'S COVERED: OUT-OF-NETWORK SERVICES**

**Out-of-Network benefits** apply when you receive Covered Services from any licensed Provider outside of the BlueChoice HealthPlan network of Participating Providers. Some services Covered by the In-Network benefits are not Covered by the Out-of-Network benefits. Out-of-Network benefits provide a lower level of Coverage, and you are responsible for completing claim forms and submitting itemized bills in order to receive benefits. These benefits are paid based on Reasonable and Customary Fee Schedule. BlueCross BlueShield of South Carolina underwrites these benefits and has arranged for BlueChoice HealthPlan to serve as the administrator of the Out-of-Network benefits.

**2.01 Covered Health Services**

Medical and surgical services including Surgical Assistants provided by a Physician for the treatment of a sickness or injury including office visits and Hospital visits. Allergy testing and treatment, including test and treatment material (allergy serum).

**2.02 Inpatient Facility Services**

Benefits are provided for a comprehensive range of benefits when a Member is hospitalized in a Hospital, Skilled Nursing Facility or Long-Term Acute Care Facility. BlueChoice HealthPlan must authorize the admission in advance except for an emergency admission.

1. **Inpatient Hospital.** Covered Services include inpatient Hospital care including room and board for semi-private accommodations and related ancillary and diagnostic services and supplies. Medically Necessary services provided in a special care unit are Covered Services.
2. **Skilled Nursing Facility or Long-Term Acute Care Facility.** Covered Services include room and board for semi-private accommodations, rehabilitative treatment, and related ancillary and diagnostic services and supplies. Benefits are limited to 120 days per Benefit Period unless otherwise specified in the Schedule of Benefits.

**2.03 Maternity Care**

Benefits are provided for professional and facility maternity care for a Subscriber or Dependent spouse unless otherwise specified in the Schedule of Benefits. Covered Services include those provided in a Hospital or Hospital-based birthing center. Services provided for home births are not Covered Services. Benefits include prenatal and postnatal care for Hospital services (including use of delivery room), and medical services (including operations and special procedures such as Cesarean section), and anesthesia. Benefits for inpatient care are provided for 48 hours after normal delivery, not including the day of delivery, 96 hours after Cesarean section, not including the day of surgery. Coverage for the newborn child shall include, but is not limited to, routine nursery care and/or routine well baby care during the initial period of Hospital confinement. The admission must be Authorized by BlueChoice HealthPlan except for an emergency admission. A newborn child must be enrolled and applicable premium must be paid in order for benefits to be paid. See Section 6.03, Effective Date of Coverage.

**2.04 Outpatient Facility Services**

1. **Outpatient Surgery.** Services and supplies for outpatient observation and surgery.
2. **Outpatient Laboratory, Radiology, Diagnostic and Therapeutic Services.** Services and supplies for laboratory, radiology, and other diagnostic tests and therapeutic treatments.

## **2.05 Ambulance Services**

Emergency ambulance transportation by a licensed ambulance service to the nearest Hospital where Emergency Covered Services can be rendered. Coverage is provided for transportation between acute care facilities when a medically indicated transfer is necessary.

## **2.06 Home Health Services and Outpatient Private Duty Nursing**

1. Benefits for home health services include part-time, intermittent nursing care by a registered nurse (R.N.) or by a licensed practical nurse (L.P.N.) where appropriate, or physical, speech, or occupational therapy provided through a home health agency. Services by a home health aide are considered to be Custodial Care and are not Covered.
2. Benefits are provided for special or private duty nursing by a registered nurse or a licensed practical nurse when provided on an outpatient basis, and when such services are required for care and treatment that otherwise would require admission to a Hospital. Benefits for outpatient private duty nursing are limited to 60 days per Benefit Period.

## **2.07 Hospice Services**

Hospice care is Covered when recommended by a Physician and provided through a licensed hospice Provider. Volunteer services may not be billed and will not be Covered.

## **2.08 Medical Supplies**

Covered supplies must be purchased at or under the direction of a Participating Physician. Benefits for medical supplies are available for but not limited to the following:

1. Dressings requiring skilled application for conditions such as cancer or burns;
2. Catheters;
3. Colostomy bags and related supplies;
4. Necessary supplies for renal dialysis equipment or machines;
5. Surgical trays; and
6. Splints or such supplies as needed for orthopedic conditions.

Supplies and equipment that have non-therapeutic uses are not Covered Services.

## **2.09 Chiropractic Care**

Benefits are provided for office services provided by a chiropractor in connection with the detection and correction by manual 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. Maintenance care is not Covered.

Benefits will also be provided for other Covered Services that are within the scope of the practice of chiropractic.

## **SECTION 3 PROCEDURES FOR OBTAINING BENEFITS**

With Carolina Advantage, you have benefits for Covered Services provided by any licensed healthcare professional. For coverage at the In-Network benefit level, services must be received from a Provider in the BlueChoice HealthPlan network - a Participating Provider. Or, you may see a healthcare professional who is not in the BlueChoice HealthPlan network and receive benefits for Covered Services at the lower, Out-of-Network level. Some services may not be Covered if you receive them from an Out-of-Network Provider - a Non-Participating Provider. Please refer to your Schedule of Benefits and Sections 1 and 2 of this certificate for additional details.

### **3.01 Verification of Participation Status**

You are responsible for verifying the participation status of the Physician, Hospital, or other Provider prior to receiving Covered Services. You may verify participation status by contacting Member Services through the Web site at [www.BlueChoiceSC.com](http://www.BlueChoiceSC.com), or by calling 786-8476 in Columbia or 1-800-868-2528 when outside the Columbia area.

Enrolling for Coverage under Carolina Advantage does not guarantee the availability of a particular Participating Provider on the list of Providers. This list of Participating Providers is subject to change.

### **3.02 Referral Health Services by Non-Participating Providers**

If specific Covered Services cannot be provided by or through a Participating Provider, you are eligible for Coverage at the In-Network benefit level for Covered Services obtained through non-Participating Providers. These services must be Authorized in advance through referral documentation designated by BlueChoice HealthPlan and are subject to the provisions, limitations and exclusions of this Contract. It is your responsibility to obtain this required Authorization prior to receiving the services.

### **3.03 Prior Authorization**

All inpatient Hospital admissions, except for Emergency admissions, must be Authorized in advance by BlueChoice HealthPlan. For emergency admissions, BlueChoice HealthPlan should be notified no later than 24 hours after the admission or the next working day if possible, or as soon as the patient's condition allows.

### **3.04 Concurrent Review**

BlueChoice HealthPlan will conduct concurrent review of all inpatient admissions. BlueChoice HealthPlan will remain in contact with the treating Physician throughout the course of treatment to review requests for extension of benefits based on the Medical Necessity of a continued Hospital stay. Each requested extension will be reviewed on a case-by-case basis.

### **3.05 Authorization Does Not Guarantee Benefits**

The fact that BlueChoice HealthPlan Authorizes services or supplies does not guarantee that all charges will be Covered. Benefit determination is made by BlueChoice HealthPlan in accordance with all of the terms, conditions, limitations and exclusions of this Contract - including eligibility and any applicable Pre-existing Condition Exclusion.

### 3.06 Services Outside of South Carolina - The BlueCard Program

Follow these easy steps for health coverage when you're away from home in the United States:

1. Always carry your current BlueChoice HealthPlan ID card.
2. In an emergency, go directly to the nearest hospital.
3. To find names and addresses of nearby doctors and hospitals, visit the [BlueCard Doctor and Hospital Finder](#) or call BlueCard Access at 1-800-810-BLUE. This phone number can also be found on your Member identification card.
4. If you are admitted to the hospital, call BlueChoice HealthPlan for pre- authorization. (Refer to the phone number on the back of your BlueChoice HealthPlan ID card).
5. When you arrive at the participating doctor's office or hospital, simply present your BlueChoice HealthPlan ID card. As a Carolina Advantage Member, the doctor will recognize the  logo.

After you receive care:

- ♦ You should not have to complete any claim forms.
- ♦ You should not have to pay up front for medical services other than the usual out-of-pocket expenses (non-covered services, deductible, copayment, and coinsurance).
- ♦ BlueChoice HealthPlan will send you a complete explanation of benefits.

You also have Coverage when you are traveling outside the United States. Please call BlueChoice HealthPlan before you leave for additional information.

## **SECTION 4 HOW TO FILE A CLAIM**

### **4.01 Participating Providers**

Participating Providers have agreed with BlueChoice HealthPlan to do the following:

1. file all claims for Covered Services directly to BlueChoice HealthPlan;
2. collect only the Copayment, Deductible and Coinsurance amounts, if any, for Covered Services. These amounts, which are part of the charge for Covered Services that you pay, are shown in the Schedule of Benefits; and
3. accept the Fee Schedule (minus any applicable Coinsurance, Copayment or Deductible) as payment in full for Covered Services.

If you are billed by a Participating Provider for other than any applicable Coinsurance, Copayment or Deductible, you should contact BlueChoice HealthPlan.

### **4.02 Non-Participating Providers**

Non-Participating Providers may agree to file claims directly to BlueChoice HealthPlan, but are not required to and may refuse to file your claims. You are then responsible for filing a claim to BlueChoice HealthPlan's office, on a form provided by or satisfactory to BlueChoice HealthPlan, within six months of the date of service. Failure to provide this information within the time required shall invalidate Coverage for the service unless it was not reasonably possible to have furnished the required information within six months. If you are legally incapacitated, failure to provide this information to BlueChoice HealthPlan within one year of the date of service shall invalidate Coverage for the service.

You may use a form provided by BlueChoice HealthPlan or an American Medical Association insurance form, which is available at most Physicians' offices. Claim forms are available on the BlueChoice HealthPlan Web site at [www.BlueChoiceSC.com](http://www.BlueChoiceSC.com). Some claims may require additional information before being processed. Actual benefit payment can be determined only at the time a claim is submitted and all facts are presented in writing.

If you request claim forms from BlueChoice HealthPlan, BlueChoice HealthPlan must provide the forms within 15 days after receipt of the request. If BlueChoice HealthPlan fails to provide the forms within 15 days, you may satisfy the time requirements stated above by supplying BlueChoice HealthPlan with the following information:

1. Subscriber's name and address.
2. Patient's name, age and identification number (stated on the Identification Card).
3. The name and address of the Provider of services.
4. A diagnosis from the Physician.
5. Itemized bill that gives a CPT code or description of each charge.
6. Date service provided.
7. Charge for each service.

Claims should be mailed to:

BlueChoice HealthPlan  
Post Office Box 6170  
Columbia, SC 29260-6170

Questions about claims may be directed to Member Services at 786-8476 in Columbia or 1-800-868-2528 outside the Columbia area.

Non-Participating Providers can also bill you for charges in excess of the Reasonable and Customary Fee Schedule.

Benefits payable under the Contract are not assignable to a non-Participating Provider, unless determined otherwise by BlueChoice HealthPlan in its sole discretion. This means BlueChoice HealthPlan may send benefit payments to you and you will be responsible for paying the Provider.

## SECTION 5 WHAT'S NOT COVERED

### 5.01 Exclusions

No benefits are provided for the following unless otherwise specified in the Schedule of Benefits. Treatment of an injury which is generally covered by this contract, will not be denied if the injury results from an act of domestic violence or a medical condition (including both physical and mental conditions), even if the medical condition was not diagnosed before the injury.

1. Any services or supplies for which the Member is not legally obligated to pay.
2. Any services or supplies for treatment of military service-related disabilities when the Member is legally entitled to other coverage.
3. Any services or supplies for which benefits are paid by workers' compensation, occupational disease law or other similar legislation.
4. 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; treatment of an injury or illness due to voluntary participation in a riot or civil disorder.
5. Any charges for services provided prior to the Member's Effective Date or after the termination of Coverage.
6. Custodial care or respite care.
7. Residential treatment of Mental Health or Substance Use Disorders, including residential treatment centers; therapeutic schools; wilderness/boot camps; therapeutic boarding homes; half-way houses; and therapeutic group homes.
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 except for life-threatening complications of pregnancy to either the mother or fetus. An elective abortion is not considered to be 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 the Corporation, with appropriate consultation, to be Experimental, Investigational or Unproven Services. NOTE: Benefits are provided for off-label uses of pharmaceuticals that have been approved by the US FDA (but not approved for the prescribed use) provided that the drug is not contraindicated by the FDA for the off-

label use prescribed, and that the drug has been proven safe, effective and accepted for the treatment of the specific medical condition for which the drug has been prescribed, as evidenced by the results of good quality-controlled clinical studies published in at least two or more peer reviewed full length articles in respected national professional medical journals.

13. Drugs for which there is an over-the-counter equivalent except for over-the-counter drugs considered to be Prescription Medication. All vitamins, except prenatal vitamins; drugs not approved by the Food and Drug Administration; drugs for the treatment of non-Covered therapies, services, or conditions such as drugs prescribed for obesity or weight control, cosmetic purposes, hair growth, fertility, or sexual dysfunction.
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, prior surgery, or congenital anomaly.
15. Psychological or educational testing to determine job or occupational placement, school placement or for other educational purposes, or to determine if a learning disability exists.
16. Medical supplies, services or charges for the diagnosis or treatment of dissociative disorders, sexual and gender identity disorders, personality disorders, learning disorders, developmental speech delay, communication disorders, developmental coordination disorders, mental retardation or vocational rehabilitation.
17. Relationship counseling including marriage counseling for the treatment of pre-marital, marital or relationship dysfunction.
18. Any rehabilitation therapy or services for the treatment of mental retardation or developmental coordination disorder; or vocational rehabilitation.
19. Counseling and psychotherapy services for the following conditions: Feeding and eating disorders in early childhood and infancy; Tic disorders except when related to Tourette's syndrome; Elimination disorders; Mental disorders due to general medical condition; Sexual function disorders; Sleep disorders; Medication induced movement disorders; Nicotine dependence unless listed elsewhere as covered.
20. Services for Animal Assisted Therapy, rTMS, Eye Movement Desensitization and Reprocessing (EMDR), behavioral therapy for solitary maladaptive habits, or Rapid Opiate Detoxification.
21. Group counseling or psychotherapy.
22. Any service or supply 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.
23. 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 including, but not limited to, surgical treatment, appliances and orthodontia.

24. For dental work or treatment which includes Hospital or professional care in connection with:
- an operation or treatment for the fitting or wearing of dentures, regardless if needed due to injury of natural teeth due to an accident;
  - orthodontic care or treatment of malocclusion;
  - 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;
  - any treatment of an injury to natural teeth due to an accident not received within 6 months of the accident date;
  - removal of teeth, whether impacted or not; and
  - 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 to facility and anesthesia services that are Medically Necessary because of a specific organic medical condition including but not limited to congestive heart failure, asthma or chronic obstructive pulmonary disease that requires Hospital-level monitoring.

25. Hearing aids or examinations for the prescription or fitting of hearing aids.
26. 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. Physician charges for virtual office visits including but not limited to telephonic, internet, electronic mail or video chat consultations.
27. Services or supplies not specifically listed as a Covered Service or in the Schedule of Benefits.
28. Transplant services other than those described in Covered Services.
29. Complications arising during, from or related to the receipt by a Member of non-Covered Services. "Complications", as used in this exclusion, includes any medically necessary services or supplies which, in the Plan's judgment, would not have been required by the Member had the Member not received non-Covered Services. This includes Complications arising from discount value-added services.
30. Items that do not provide a direct medical treatment, are generally available without a physician's prescription, and may be useful to a Member in the absence of disease, including but not limited to the purchase or rental of air conditioners, home air filtration systems, motorized transportation equipment, escalators or elevators, swimming pools, waterbeds, exercise equipment, or other similar items or equipment.
31. Manual or motorized wheelchairs or power operated vehicles such as scooters for mobility outside of the home setting. Coverage for these devices to assist with mobility in the home setting is subject to the establishment of Medical Necessity by the Corporation.
32. Any service or supply provided by a member of the patient's family or by the patient, including the dispensing of drugs. A member of the patient's family means the patient's spouse, parent, grandparent, brother, sister, child or spouse's parent.
33. Charges for acupuncture, hypnotism, biofeedback therapy, massage therapy and/or TENS units.

Services for chronic pain management programs or any program developed by centers with multidisciplinary staffs intended to provide the interventions necessary to allow the patient to develop pain coping skills and freedom from dependence on analgesic medications.

34. Services, supplies, treatment or medication for the management of morbid obesity, obesity, weight reduction, weight control or dietary control (collectively referred to as “Obesity-related treatment”) including, but not limited to, gastric bypass or stapling, intestinal bypass and related procedures or gastric restrictive procedures.

Also, the treatment or correction of complications from Obesity-related treatment are non-covered services, regardless of Medical Necessity, prescription by a physician or the passage of time from a Member’s obesity-related treatment. This includes the reversal of Obesity-related treatments, and reconstructive procedures necessitated by weight loss.

35. Orthomolecular therapy including infant formula, nutrients, vitamins and food supplements. Enteral feedings when not a sole source of nutrition.
36. Radial keratotomy, myopic keratomileusis, LASIK surgery, INTACS surgery and any surgery which involves corneal tissue for the purpose of altering, modifying or correcting myopia, hyperopia or stigmatic error. This exclusion does not include the treatment and management of keratoconus unresponsive to contact lens therapy.
37. Treatment of weak, strained or flat feet, including orthopedic shoes or other orthotic supportive devices, for services and supplies for cutting, removal or treatment of corns, calluses or nail care. This exclusion does not include corrective surgery, or treatment for metabolic or peripheral vascular disease.
38. Nutrition counseling, lifestyle improvements, or physical fitness programs. This exclusion does not include diabetic nutrition education.
39. Communications, travel time, transportation, except for use of professional ambulance services as defined in Covered Services under Ambulance Services.
40. Adjustable cranial orthoses (band or helmet) for positional plagiocephaly or craniosynostoses in the absence of cranial vault remodeling surgery.
41. Services, supplies or treatment for varicose veins, including but not limited to endovenous ablation, vein stripping, or the injection of sclerosing solutions.
42. Growth hormone therapy for patients over 18 years of age. Growth hormone therapy for patients 18 years of age or younger is excluded unless for documented growth hormone deficiency.
43. Pulmonary Rehabilitation, except in conjunction with a Covered lung transplant.
44. Charges for services or supplies from an independent healthcare professional whose services are normally included in facility charges. Charges for Pre-operative anesthesia assessment.

## **5.02 Limitation**

Benefits are limited to the extent a Member proves entitlement to any benefits under this Contract by filing or causing to be filed a claim and documentation in support of the claim.

### **5.03 Pre-Existing Condition Exclusion**

Unless otherwise specified in the Master Group Application:

Any services or charges for services for Pre-existing Conditions are not covered under this Contract when the treatment relates to a physical or mental condition for which medical advice, diagnosis, care or treatment was recommended or received within the 6-month period prior to the Enrollment Date.

The Pre-existing Condition Exclusion lasts until the earlier of:

1. The Member has not received medical care, treatment or supplies for the Pre-existing Condition for 12 months and that period of 12 months ends sometime after the Effective Date of coverage; or
2. 12 months after the Enrollment Date.

Late Enrollees will be excluded from coverage for up to 12 months and subject to a subsequent six-month Pre-existing Condition Exclusion period. This combination will not be more than a total of 18 months starting from the Member's Enrollment Date.

Creditable Coverage, which is calculated on a day-by-day basis, can reduce or eliminate the Pre-existing Condition Exclusion.

A period of Creditable Coverage does not count if there is at least a 63-day period where the Employee or Dependent was not covered under any Creditable Coverage.

Any period that an Employee or Dependent is in a Waiting Period under a Group Health Plan, or is in an affiliation period, may not be taken into account in determining the 63-day period.

The Pre-existing Condition Exclusion does not apply to pregnancy if maternity Benefits are offered with this Contract or to Genetic Information in the absence of a diagnosis of the condition related to the information.

The Pre-existing Condition Exclusion does not apply to a newborn child, a child who is adopted or placed with an Employee or Employee's spouse for the purpose of adoption before he or she reaches age 18 if the Employee applied for coverage and premiums were paid within 31 days from the birth, adoption or placement for adoption.

The newborn and adoption provisions will no longer apply to an Employee or Dependent after the end of the first 63-day period where the Employee or Dependent was not covered under any Creditable Coverage.

If an Employee has single coverage and adds Dependents, the Pre-existing Condition Exclusion applies to any Dependents as of the Effective Date of the upgraded coverage unless there is Creditable Coverage.

#### **5.04 Method of Counting Creditable Coverage**

BlueChoice HealthPlan will count a period of Creditable Coverage without regard to the specific health benefits covered during the period.

Credit for prior coverage will be determined through a certificate indicating prior coverage or other acceptable evidence of coverage presented by the Employee. The Employee or Dependent has the right to request a Certificate of Creditable Coverage from any prior plan or issuer. This is based on the Health Insurance Portability and Accountability Act of 1996 (HIPAA), a federal law. BlueChoice HealthPlan will request the certificate if necessary with written authorization from the Member.

BlueChoice HealthPlan will notify the Employee of any Pre-existing Condition Limitations period and the basis for the determination. The Member has the right to submit additional evidence of prior Creditable Coverage. BlueChoice HealthPlan has the right to reconsider its decision if it determines that the Member did not have the claimed prior Creditable Coverage.

**SECTION 6**  
**WHEN COVERAGE BEGINS**

**6.01 Eligibility**

1. Every Employee within the class(es) set forth by the Employer who is Actively At Work and his or her Dependents are eligible for Coverage on or after the Contract Effective Date provided the Employee has completed the period of continuous employment commonly referred to as the Waiting Period with the Employer. Neither an Employee nor the Employee's Dependents shall be Covered until the Employee is Actively At Work.
2. To be eligible for Membership as a family Dependent, the Dependent must:
  - A. meet the Employer's eligibility requirements for Dependent Coverage; and
  - B. be the Subscriber's legal spouse; or
  - C. be the Subscriber's unmarried natural child, adopted child, foster child, step child, or child for whom the Subscriber has legal custody or legal guardianship. The child must also be legally dependent upon the Employee for support and less than 19 years of age (unless otherwise specified on the Master Group Application), unless the child of the Subscriber is an Incapacitated Dependent. Coverage of an Incapacitated Dependent will continue beyond the attainment of the limiting age, provided proof of such incapacity and dependency is furnished to BlueChoice HealthPlan by the Employee within 31 days of such child's attainment of that limiting age, as long as Coverage remains in force for the Employee; or
  - D. be the Subscriber's unmarried dependent child who is 19 years of age or older, but less than 23 years of age if the child is a Full-time Student (unless otherwise specified on the Master Group Application). A person ceases to be a Full-time Student at the end of the calendar month during which the person graduates or otherwise ceases to be enrolled and in attendance at the institution on a full-time basis. A person continues to be a Full-time Student during a period of vacation established by the institution. If the person does not continue as a Full-time Student immediately following the period of vacation, the Full-time Student designation will end on the last day of the calendar month in which the person was enrolled and in attendance at the institution on a full-time basis. EXCEPTION: a Full-time Student who is enrolled under this Contract and who loses student status in a post secondary educational institution immediately before the first day of Medically Necessary Leave of Absence shall not have their coverage terminated before the date that is the earlier of (1) the date that is one year after the first date of the Medically Necessary Leave of Absence; or (2) the date on which such coverage would otherwise terminate under the terms of the plan or health insurance coverage. This provision will apply only if the Employer and the Corporation receive written certification by a treating physician of the Dependent child which states that the child is suffering from a serious illness or injury and that the leave of absence (or other change in enrollment) is medically necessary.
3. A Dependent child placed for adoption with a Subscriber is subject to the same terms and conditions as apply to a natural child, irrespective of whether the adoption has become final.
4. A Dependent child who otherwise is eligible for Coverage shall not be denied enrollment for any of the following reasons: the child was born out of wedlock; the child is not claimed as a dependent on the Subscriber's federal tax return; the child does not reside with the Subscriber; or the child does not reside in the Local Service Area.

5. A person's eligibility for or receipt of Medicaid assistance shall not be considered in enrolling that person for Coverage or in making benefit payments.

## **6.02 Election of Coverage**

Any Employee eligible for Coverage may elect Coverage for himself or herself and all eligible Dependents by completing and filing with the Employer a Notice of Election. In addition, new Employees may enroll within 31 days of the date they first become Employees or after satisfaction of the Waiting Period, if one exists, whichever is later. Dependents may be enrolled within 31 days of the date on which they first become Dependents. Persons also may enroll if eligible under terms of a Late Enrollee or a Special Enrollment Period.

## **6.03 Effective Date of Coverage**

Unless otherwise provided in this certificate, Coverage shall commence as stated in this section. In all cases, the required Premium must be paid before Coverage begins.

1. For an Employee not Actively At Work at the time this Coverage would otherwise commence, Coverage for the Employee and eligible Dependents will commence on the date corresponding to the Contract Effective Date in the first month following the date the Employee becomes Actively At Work. A Health Status Related Factor may not be used to determine Actively At Work.
2. For an Employee eligible prior to and on the Contract Effective Date who elects Coverage, Coverage begins on the Contract Effective Date if a Notice of Election is filed prior to the Effective Date and the Employee is Actively At Work.
3. For an Employee who becomes eligible after the Contract Effective Date and who elects Coverage, Coverage begins on the first day of the next month following eligibility. This date will be the Member's Effective Date, provided the Notice of Election is received by BlueChoice HealthPlan prior to the Member's Effective Date and the Employee is Actively At Work.
4. For a newborn child of the Employee, Coverage is effective at birth provided the newborn is enrolled by the Employee within 31 days of the newborn's birth and any required Premium is paid during such 31 day period.
5. For an adopted child of the Employee:
  - A. Coverage shall be retroactive from the moment of birth for a child with respect to whom a decree of adoption by the Employee has been entered within 31 days after the date of the child's birth; if adoption proceedings have been instituted by the Employee within 31 days after the date of the child's birth and the Employee has temporary custody, Coverage shall be provided from the moment of birth;
  - B. for adopted children other than a newborn, Coverage shall commence upon temporary custody and may continue for up to one year. Coverage may be extended by the court for an additional period of time.

## 6.04 Special Enrollment Periods

An Employee who is eligible but not enrolled for Coverage under the terms of the Contract, or a dependent of the Employee if the dependent is eligible but not enrolled for Coverage under such terms, may enroll for Coverage during a Special Enrollment Period. To be eligible to participate in a Special Enrollment Period, each of the following conditions must be met.

1. The Employee or dependent was covered under a Group Health Plan or had Health Insurance Coverage at the time Coverage was previously offered to the Employee or dependent;
2. The Employee stated in writing at the time that coverage under a Group Health Plan or Health Insurance Coverage was the reason for declining enrollment, but only if BlueChoice HealthPlan required such a statement at the time and provided the Employee with notice of the requirement and the consequences of the requirement at the time.
3. The Employee's or dependent's coverage:
  - A. was under a COBRA continuation provision and the coverage under the provision has exhausted; or
  - B. was not under such a provision and either the coverage was terminated as a result of loss of eligibility for the coverage, including as a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment, or employer contributions toward the coverage were terminated;
  - C. was one of multiple health insurance plans offered by an employer and the employee elects a different plan during an open enrollment period.
4. Under the terms of the plan, the Employee requests the enrollment not later than 30 days after the date of exhaustion of coverage described in 3 A above or termination of coverage or employer contribution described in 3 B above.

The following apply to a Dependent Special Enrollment Period:

5.
  - A. If a Group Health Plan makes Coverage available for a dependent of an individual, and
  - B. the individual is a participant under the plan, or has met any Waiting Period applicable to becoming a participant under the plan and is eligible to be enrolled under the plan but for a failure to enroll during a previous enrollment period, and
  - C. the person becomes a dependent of the individual through marriage, birth, or adoption or placement for adoption, then
  - D. the health insurance issuer offering Health Insurance Coverage in connection with the Group Health Plan shall provide for a Dependent Special Enrollment Period during which the person may be enrolled under the plan as a Dependent of the individual. In the case of the birth or adoption of a child, the spouse of the individual may be enrolled as Dependent of the individual if such spouse is otherwise eligible for Coverage.
6. A Dependent Special Enrollment Period must be not less than 31 days and begins on the later of:
  - A. the date dependent Coverage is made available; or
  - B. the date of the marriage, birth, or adoption or placement for adoption.

7. If an individual seeks to enroll a dependent during the first 31 days of a dependent Special Enrollment Period, the Coverage of the dependent shall become effective:
  - A. in the case of marriage, not later than the first day of the first month beginning after the date the completed request for enrollment is received.
  - B. in the case of a dependent's birth, or a dependent's adoption or placement for adoption, within 31 days of birth, as of the date of the birth; or
  - C. in the case of a dependent's adoption or placement for adoption beyond 31 days from the date of birth, the date of the adoption or placement for adoption.
8. A dependent spouse or minor or dependent child of an Employee, if the dependent is eligible, but not enrolled for Coverage, shall be permitted to enroll under a Dependent Special Enrollment Period, under the terms of this plan if a court has ordered that Coverage be provided for the dependent under a Member's health insurance plan and a request for enrollment is made within 30 days after the issuance of the court order.

**6.05 Special enrollment period in case of termination of Medicaid or Children's Health Insurance Program (CHIP) coverage or eligibility for assistance in purchase of employment-based coverage.**

An Employee who is eligible but not enrolled for Coverage under the terms of the Contract, or a dependent of the Employee if the dependent is eligible but not enrolled for Coverage under such terms, may enroll for Coverage during a Special Enrollment Period. To be eligible to participate in the Special Enrollment Period, either of the following conditions must be met.

1. Termination of Medicaid or CHIP Coverage: The Employee or Dependent is covered under a Medicaid plan under title XIX of the Social Security Act or under a State child health plan under title XXI of such Act and coverage of the Employee or Dependent under such plan is terminated due to loss of eligibility for such coverage and the Employee requests enrollment under this group health Contract not later than 60 days after the termination date of such coverage; or
2. Eligibility for Premium Assistance under Medicaid or CHIP: The Employee or Dependent becomes eligible for premium assistance, with respect to coverage under this group health Contract, under such Medicaid plan or State child health plan (including under any waiver or demonstration project conducted under or in relation to such a plan), and the Employee requests enrollment under this group health Contract not later than 60 days after the date the Employee or Dependent is determined to be eligible for such assistance.

## **SECTION 7 WHEN COVERAGE ENDS**

### **7.01 Conditions for Termination of a Member's Coverage Under the Contract**

Subject to continuation and conversion privileges stated in this section, Coverage of the Member, including Coverage for Health Services rendered after the date of termination for medical conditions arising prior to the date of termination, shall automatically terminate on the earliest of the dates specified below.

1. The date the entire Contract is terminated, as specified in the group Contract. The Employer is responsible for notifying Subscribers of the termination of the Contract.
2. The date specified by BlueChoice HealthPlan in written notice to the Subscriber that all Coverage will terminate because the Member or the Member's representative has performed an act or practice that constitutes fraud or made an intentional misrepresentation. If the intentional misrepresentation is made by a person with respect to any person's prior health condition, BlueChoice HealthPlan has the right also to deny Coverage to that person or to impose as a condition of continued Coverage the exclusion of the condition misrepresented.
3. The date BlueChoice HealthPlan receives written notice from the Subscriber or the Employer instructing BlueChoice HealthPlan to terminate Coverage of the Subscriber or any Member or the date requested in such notice, if later.
4. Unless a later date is specified in the Contract, the date on which the Member ceases to be eligible as a Subscriber or enrolled Dependent.

In no event will a Member's Coverage be terminated because of his or her health status or requirements for Health Services.

BlueChoice HealthPlan will provide the Employee or Dependent a Certificate of Creditable Coverage at the time coverage ends or at the time the COBRA or state continuation coverage ends. If a duplicate certificate is needed at a later time, the Employee or Dependent must request the Certificate of Creditable Coverage within 24 months of the coverage ending or the COBRA or state continuation coverage ending, whichever occurs first. The Employee or Dependent may also request the Certificate of Creditable Coverage from BlueChoice HealthPlan even if their coverage is still in force. To request the Certificate of Creditable Coverage, the Employee or Dependent must contact BlueChoice HealthPlan.

Under certain circumstances, Members who cease to be eligible for Coverage under the Contract may be eligible to continue Coverage under the Contract or to convert to another policy. Members should refer to the following paragraphs in this section for additional details.

### **7.02 Payment and Reimbursement Upon Termination**

Termination of the Contract shall not affect any request for reimbursement for Covered Services rendered prior to the effective date of termination, when such request is furnished as required in Section 4, How To File a Claim, of this certificate.

### **7.03 Extended Coverage for Incapacitated Dependent**

The Coverage of an Incapacitated Dependent under this Contract will not be terminated merely by the attainment of the limiting age, but may be continued provided proof of such incapacity and dependency is furnished to BlueChoice HealthPlan by the Employee within 31 days of such child's attainment of that limiting age, as long as Coverage remains in force for the Employee. Further proof of continued incapacity and dependency may be required by BlueChoice HealthPlan, but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

### **7.04 Extended Benefits for Total Disability**

1. If coverage under this Contract is terminated under this section, all rights to receive benefits provided in this Contract on the date of such termination shall automatically cease, except that an Employee or Dependent confined to a Hospital, Long-Term Acute Care Hospital, Rehabilitation Hospital, or Skilled Nursing Facility or totally disabled on the date of such termination is entitled to receive benefits specified in Section 3, for each day of that Admission or total disability. Benefits are subject to all exclusions, limitations, Coinsurance, Copayments and Deductibles stated in this Contract including the Schedule of Benefits. Benefits provided are limited to services directly related to the illness or injury causing the confinement or the total disability. In all situations except BlueChoice HealthPlan's withdrawal from the small group market, the extension of benefits liability of BlueChoice HealthPlan ends at the earliest of:
  - A. The date the individual has full coverage for the disabling condition under a Group Health Plan with similar benefits and that plan makes reasonable provisions for continuity of care for the disabling condition;
  - B. The date of recovery of the individual from the total disability; or
  - C. A period of 365 days from the date of termination of coverage under this section; or
  - D. The date benefits to which the individual is entitled are exhausted.
2. As used in this paragraph with respect to an Employee, the terms "totally disabled" and "total disability" mean disability to the extent that the Employee is receiving ongoing medical care by a Physician and is unable to perform any of the usual and customary duties of his/her own employment or occupation during the first year of disability or for the length of the benefit period if less than one year. After the first year of disability, total disability is defined as the complete inability of the Employee to engage in any employment or occupation, for wage or profit, for which the Employee is qualified by reason of education, training or experience. With respect to a Dependent, the terms mean disability to the extent that the Dependent is receiving ongoing medical care by a Physician and is unable to perform any of the usual and customary duties or activities of a person in good health of the same age and sex.

**Important Note:** The Member must notify BlueChoice HealthPlan if they wish to exercise the Extended Benefits for Total Disability rights. BlueChoice HealthPlan will then determine if the Member is eligible for the Benefits. Premium payments are waived for Members receiving Extended Benefits for Total Disability. There are no continuation rights or any conversion rights available to any Member at the end of the Extended Benefits period.

Claims filed under this section must be accompanied by a Physician's statement of disability. The medical director of BlueChoice HealthPlan will have sole authority for determining if the requirements of total disability have been met.

## **7.05 Continuation Coverage Under Federal Law (COBRA)**

A Member whose Coverage would otherwise end under the Contract may be eligible to elect continuation Coverage in accordance with federal law under COBRA (Consolidated Omnibus Budget Reconciliation Act) or continuation Coverage in accordance with state law. Continuation Coverage under COBRA applies only to Employers that are subject to the provisions of COBRA. Members should contact the Employer's Human Resources to determine if he or she is eligible to continue Coverage under COBRA.

## **7.06 Continuation Coverage Under State Law**

An Employee who leaves the employ of the Employer while the Contract is in force shall have the right to continue Coverage under the group Contract for the fractional Contract Month remaining at termination plus six additional Contract Months upon payment in advance to the Employer of the full group Premium for this continuance of Coverage period including any portion thereof usually paid by the former Employer. This continuance is available only if the Member has been continuously Covered under the Employer's group Coverage for at least six months and has been terminated for any reason other than non-payment of Premium. The Member is not entitled to have Coverage continued if the Member is entitled under federal law (COBRA) to continuation of Coverage for a period of greater duration than provided herein. Continuation of Coverage is subject to this Contract, or a successor policy, remaining in force and the Member paying the entire Premium, including any portion usually paid by the former Employer, before the date each month that the group Contract Month begins. Continuation is not available if the Member becomes eligible for other group health coverage or Medicare benefits.

## **7.07 Conversion Privilege For A Former Spouse**

An Enrolled Dependent who ceases to be eligible due to divorce from the Subscriber shall be entitled to Coverage under a direct pay conversion policy. Such policy is available without evidence of insurability and upon Notice of Election made to BlueChoice HealthPlan within 60 days following the decree of divorce, and upon payment of the appropriate Premium. A policy shall be provided through BlueCross BlueShield of South Carolina or an indemnity carrier designated by BlueChoice HealthPlan with coverage similar to but not greater than the terminated Coverage. Any probationary or Waiting Periods set forth in the policy shall be considered as being met to the extent Coverage was in force under the prior policy.

**SECTION 8**  
**COORDINATION OF BENEFITS AND SUBROGATION**

**8.01 Purpose of Coordination of Benefits (COB)**

A person may be covered for benefits under more than one health plan. In this case, BlueChoice HealthPlan will coordinate benefits with the other plans to prevent duplicate payments and overpayments. This nationally accepted cost-containment program provides that the benefits under this Contract plus any benefits due from other group coverage, will not exceed the amount of actual expenses charged for services. If a person's other group coverage is responsible for making payments first, BlueChoice HealthPlan cannot pay until information is provided concerning how much the other coverage paid. The person must report to BlueChoice HealthPlan any other group benefit plan for which the person is eligible.

The rules determining which group coverage should pay primary (first) are as follows using the first of the following rules that apply:

1. **Non-Dependent/Dependent.** The Group Health Plan provided where a person works is primary for that person. If the same person is covered as a dependent under a spouse's group plan, the spouse's plan is secondary.
2. **Dependent Child and Parents Not Separated or Divorced.** When a husband and wife work at different places, both of which have group health coverage, the plan of the parent whose birthday falls earlier in the year is primary for their children.
3. **Dependent Child and Parents Separated or Divorced.** In the case of divorce or legal separation, the plan that should pay primary for the child are determined in the following order:
  - A. the plan of the parent with custody of the child.
  - B. the plan of the spouse of the parent with the custody of the child.
  - C. the plan of the parent not having custody of the child.
  - D. If the specific terms of a court decree state that one of the parents is responsible for the healthcare expenses of the child, and the entity obligated to pay or provide the benefits of the plan of that parent has actual knowledge of those terms, the benefits of that plan are determined first.
  - E. If the specific terms of a court decree state that the parents shall share joint custody without specifying that one of the parents is responsible for the healthcare expenses of the child, the plans covering the child shall follow the rules in paragraph 2 of this section.
4. **Active or Inactive Employee.** The benefits of a Plan that covers a person as an employee who is neither laid off nor retired (or as that employee's dependent) are determined before those of a Plan that covers that person as a laid off or retired employee (or as that employee's dependent).
5. **Longer or Shorter Length of Coverage.** If a person works at several places and each place has a Group Health Plan, the plan he or she has been covered under the longest is primary.
6. **Continuation Coverage** - If a person whose coverage is provided under a right of continuation pursuant to federal or state law also is covered under another Plan, the following shall be the order of benefit determination:

- A. first, extended benefits payable under the continuation coverage;
  - B. second, the benefits of a Plan covering the person as an employee, Member, or subscriber (or as that person's dependent).
7. **Medicare.** This Plan is secondary to Medicare except where federal law mandates this plan to be the primary plan.

When a Group Health Plan does not have a coordination of benefits provision, that plan is primary.

**Benefits are not coordinated between the two portions of this Point of Service product.**

## **8.02 Effect On The Benefits Of This Plan**

1. **When This Section Applies.** This Section 8.02 applies when, in accordance with Section 8.01, This Plan is a Secondary Plan as to one or more other Plans. In that event the benefits of This Plan may be reduced under this section. Such other Plan or Plans are referred to as "the other Plans" in paragraph 2.B. immediately below.
2. **Reduction in this Plan's Benefits.** The benefits of This Plan will be reduced when the sum of A and B below exceeds those Allowable Expenses in a Claim Determination Period:
  - A. benefits payable for the Allowable Expense under This Plan in the absence of this COB provision; and
  - B. benefits payable for the Allowable Expenses under the other Plans, in the absence of provisions with a purpose like that of this COB provision, whether or not a claim is made.

In such case, the benefits of This Plan are reduced so that they and the benefits payable under the other Plans do not total more than those Allowable Expenses.

When the benefits of This Plan are reduced, each benefit is reduced in proportion. It is then charged against any applicable benefit limit of This Plan.

## **8.03 Right to Receive and Release Needed Information**

Certain facts are needed to apply these COB rules. BlueChoice HealthPlan has the right to decide what information is needed in order to apply these COB rules. Such information may be obtained from, or given to any other entity or person without the consent of any person. Each person claiming benefits under this plan must give BlueChoice HealthPlan any facts necessary to administer the benefits of this plan.

## **8.04 Facility of Payment**

A payment made under another plan may include an amount that should have been paid under this plan. In such event, BlueChoice HealthPlan may pay that amount to the entity that made such payment. That amount will then be treated as though it were a benefit paid under this plan. BlueChoice HealthPlan will not pay that amount again. Payment made includes the reasonable cash value of any benefit provided in the form of services.

## **8.05 Right of Recovery**

If the amount of the payment made under this plan is more than permitted under this COB provision, BlueChoice HealthPlan may recover the excess from one or more of:

1. the person(s) paid or person(s) for whom payment was made;
2. insurance companies; and/or
3. other entities.

The amount of the payments made includes the reasonable cash value of any benefits provided in the form of services.

## **8.06 Subrogation**

1. As a condition of receiving benefits under the Contract, the Member agrees to transfer to BlueChoice HealthPlan all rights to recover damages in full for not more than the amount of benefits paid by BlueChoice HealthPlan when an injury or illness, for which benefits were paid by BlueChoice HealthPlan occurs through the act or omission of a liable third party. BlueChoice HealthPlan shall be subrogated, unless prohibited by law, to the rights of recovery of such Member against such liable third party. If the Director of Insurance, or his designee, upon being petitioned by the Member, determines that the exercise of subrogation by BlueChoice HealthPlan is inequitable and commits an injustice to the Member, subrogation is not allowed. Reasonable attorney's fees and costs must be paid by BlueChoice HealthPlan from the amount recovered.
2. Alternatively, if a Member receives any recovery, by way of payment, reimbursement, judgment, settlement or otherwise from another person, firm, corporation, organization or entity, the Member agrees to reimburse BlueChoice HealthPlan in full, in first priority, for any benefits paid by it, even though the Member has not been made whole for all of his or her losses. The obligation to reimburse BlueChoice HealthPlan in full, in first priority, exists regardless of whether the payment, reimbursement, judgment or settlement specifically designates the recovery, or a portion thereof, as including medical expenses.
3. BlueChoice HealthPlan's right of full recovery may be from, but is not limited to, funds the Member receives or is entitled to receive from the third party, any liability coverage or other insurance covering the third party or Member, uninsured motorist coverage, under insured motorist coverage, any medical payments, no fault, malpractice and school insurance coverage which are paid or are payable. BlueChoice HealthPlan may enforce its rights by requiring the Member to cooperate and to assert a claim to any coverage to which the Member may be entitled. The Member shall cooperate with BlueChoice HealthPlan and shall execute all documents and do all things necessary to protect and secure BlueChoice HealthPlan's right of subrogation and reimbursement.

## **SECTION 9 REVIEWS AND APPEALS**

### **9.01 Information and Records**

BlueChoice HealthPlan is entitled to obtain such authorization from the Member for medical and Hospital records from any Provider of services as is reasonably required in the administration of benefits hereunder. The Member agrees that benefits for any professional or facility Covered Services are contingent upon receipt of such information or records. BlueChoice HealthPlan shall in every case hold such records as confidential except as authorized by a Member or as required by law. BlueChoice HealthPlan shall not release confidential medical records to the Employer except as authorized by a Member or as required by law.

The submission of a claim shall be deemed written proof of loss and written authorization from the Member to BlueChoice HealthPlan to obtain any medical or financial records and documents useful to BlueChoice HealthPlan. BlueChoice HealthPlan is not required to obtain any additional records or documents to support payment of a claim and is responsible to pay claims only on the basis of the information supplied at the time the claim is processed. Any party submitting medical or financial reports and documents to BlueChoice HealthPlan in support of a Member's claim shall be deemed to be acting as the agent of the Member.

### **9.02 ERISA**

If the Contract is an integral part of an employee welfare benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), BlueChoice HealthPlan is a claim fiduciary. As claim fiduciary, BlueChoice HealthPlan shall have the discretionary authority to determine eligibility for benefits and to construe the terms of that part of the ERISA plan represented by the Contract. Any construction or interpretation of the plan, determination of eligibility for benefits, or any other decision regarding the plan by the claims fiduciary shall be binding and conclusive so long as the decision is not arbitrary or capricious or in violation of applicable statutory law.

### **9.03 Claims Processing**

The United States Department of Labor has developed new standards for processing benefit claims of participants and beneficiaries who are covered under employee benefit plans governed by the Employee Retirement Income Security Act of 1974 (ERISA). Even if you are not covered by ERISA, BlueChoice HealthPlan has made the decision to apply these standards to all enrollees. The terms listed below are important and need to be understood, as do the new time periods for claims and for appeals.

#### **1. Initial Claims**

##### **A. Urgent Claims**

An urgent claim is any claim for medical care or treatment where making a determination under the normal timeframes could seriously jeopardize your life or health or your ability to regain maximum function or, in the opinion of a Physician with knowledge of your medical condition, would subject you to severe pain that could not adequately be managed without the care or treatment that is the subject of the claim.

If your claim is determined to be an urgent claim, a notice will be sent as soon as possible, taking into account the medical exigencies, but in no case later than 72 hours after receipt of the claim. You may be given notice orally, in which case a written notice will be provided within three days of the oral

notice. If your urgent claim is determined to be incomplete, you will be sent a notice to this effect within 24 hours of receipt of your claim, at which point you will have 48 hours to provide additional information.

If you request an extension of urgent care benefits beyond an initially determined period and make the request at least 24 hours prior to the expiration of the original determination, you will be notified within 24 hours of the receipt of the request.

**B. Pre-Service Claims**

A pre-service claim is a claim for services that have not yet been rendered and for which your benefits plan requires prior authorization.

If your pre-service claim is improperly filed or does not follow the procedures established in this Certificate of Coverage, you will be sent notification within five days of receipt of the claim. If your pre-service claim is filed properly, a claims determination will be sent within a reasonable period of time appropriate to the medical circumstances, but no later than 15 days from receipt of the claim. If BlueChoice HealthPlan determines that an extension is necessary due to matters beyond the control of the plan, this time may be extended another 15 days. You will be sent notice prior to the extension that indicates the circumstances requiring the extension and the date by which the plan expects to render a determination. If the extension is necessary in order to request additional information, the extension notice will describe the required information, and you will be given at least 45 days to submit the information. BlueChoice HealthPlan then will make its determination within 15 days from the date it receives your information or, if earlier, the deadline to submit your information.

**C. Post-Service Claims**

A post-service claim is a claim for services that already have been rendered, or where your benefits plan does not require prior authorization.

When you submit a post-service claim and your claim is denied, a notice will be sent within a reasonable time period, but not longer than 30 days from receipt of the claim. If BlueChoice HealthPlan determines that an extension is necessary due to matters beyond the control of the plan, this time may be extended 15 days. You will be sent notice prior to the extension that indicates the circumstances requiring the extension and the date by which the plan expects to render a determination. If the extension is necessary in order to request additional information, the extension notice will describe the required information, and you will be given at least 45 days to submit the information. BlueChoice HealthPlan then will make its determination within 15 days from the date it receives your information or, if earlier, the deadline to submit your information.

**D. Concurrent Care Claims**

A concurrent care claim is a claim that arises when there is a reduction or termination of ongoing care.

You will be notified if there is to be any reduction or termination in Coverage for ongoing care sufficiently in advance of such reduction so that you will be able to appeal the decision before the Coverage is reduced or terminated, unless such a reduction or termination is due to a plan amendment or termination of your benefits plan.

**Notice of Determination:** If your claim is filed properly, and your claim is in part or wholly denied, you will be sent notice of an adverse benefit determination that will:

- ♦ state the specific reason(s) for the adverse benefit determination;
- ♦ reference the specific plan provisions on which the determination is based;
- ♦ describe additional material or information, if any, needed to perfect the claim and the reasons such material or information is necessary;
- ♦ describe the plan's claims review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review, if you are enrolled in an ERISA plan;
- ♦ disclose any internal rule, guideline, or protocol relied upon in making the adverse determination (or state that such information is available free of charge upon request); and
- ♦ if the denial is based on medical necessity, experimental treatment or other similar limit, explain the scientific or clinical judgment for the determination (or state that such information will be provided free of charge upon request).

If your claim is approved, you will be sent notification if your claim is an urgent or pre-service claim. You will not be sent an approval notice for post-service claims.

## 2. **REQUEST FOR REVIEW AND APPEALS**

You have 180 days from the receipt of an adverse benefit determination to file an appeal. After the end of this period, disposition of the claim shall be considered final.

Requests for appeals should be sent to:

BlueChoice HealthPlan  
Appeals Department  
Mail Code AX-325  
PO Box 6170  
Columbia, SC 29260-6170

You will have the opportunity to submit written comments, documents, or other information in support of your appeal, and you will have access to all documents that are relevant to your claim. Your appeal will be conducted by someone other than the person who made the initial decision. No deference will be afforded to the initial determination.

If your claim involves a medical judgment question, BlueChoice HealthPlan will consult with an appropriately qualified healthcare practitioner with training and experience in the field of medicine involved. If a healthcare professional was consulted for the initial determination, a different healthcare professional will be consulted on appeal. Upon request, BlueChoice HealthPlan will provide you with the identification of any medical expert whose advice was obtained on behalf of the plan in connection with your appeal.

A final decision on your appeal will be made within the time periods specified below.

A. **Urgent Claims**

You may request an expedited review of any urgent claim. This request may be made orally, and BlueChoice HealthPlan will communicate with you by telephone, facsimile, or similarly rapid communication method. You will be notified of the determination as quickly as possible, taking into account the medical exigencies, but no later than 72 hours after receipt of the claim.

B. **Pre-Service Claims**

When you request a review of a pre-service claim, you will be notified of the determination within a reasonable period of time, taking into account the medical exigencies, but not longer than 30 days from the date your request is received.

C. **Post-Service Claims**

When you request a review of a post-service claim, you will be notified of the determination within a reasonable period of time, but no later than 60 days from the date your request is received.

**Notice of Appeals Determination:** You will be sent a notice if your claim on appeal is approved. If your claim is in part or wholly denied, you will be sent notice of an adverse benefit determination that will:

- ♦ state the specific reason(s) for the adverse determination;
- ♦ reference the specific plan provisions on which the benefit determination is based;
- ♦ state that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits;
- ♦ describe any voluntary appeal procedures offered by the plan and your right to obtain information about such procedures;
- ♦ disclose any internal rule, guideline, or protocol relied upon in making the adverse determination (or state that such information will be provided free of charge upon request); and
- ♦ if the denial is based on medical necessity, experimental treatment, or other similar limit, explain the scientific or clinical judgment for the determination (or state that such information will be provided free of charge upon request).

3. **LEGAL ACTIONS**

You may not bring a lawsuit to recover benefits under this plan until you have exhausted the administrative process described in this section. No action may be brought at all unless brought no later than six years after the time written proof of loss is required to be furnished.

4. **EXTERNAL REVIEW BY AN INDEPENDENT REVIEW ORGANIZATION**

In certain situations, you may be entitled to an additional review of the appeal at BlueChoice HealthPlan's expense. An external review may be used to reconsider the appeal if BlueChoice HealthPlan has denied it either in whole or in part; if the payment would be greater than \$500; and if a requested service or payment for service has been denied, reduced, or terminated. These situations include a decision by BlueChoice HealthPlan that the requested service

- A. does not meet the requirements for medical necessity, appropriateness, healthcare setting, level of care, or effectiveness; or
- B. is experimental or investigational, and involves a condition that is life-threatening or seriously disabling.

After all internal appeals are completed, you will be notified in writing of the right to request an external review. You should file a request for review within 60 days of receiving that notice. You will be required to authorize the release of any medical records that may need to be reviewed for the purpose of reaching a decision during the external review. If you need assistance during the external review process, you have the right to contact the South Carolina Department of Insurance. The Director of the South Carolina Department of Insurance or his designee may be contacted at the following address and telephone number:

South Carolina Department of Insurance  
P.O. Box 100105  
Columbia, SC 29202-3105  
1-800-768-3467

Within five business days of the request for an external review, BlueChoice HealthPlan must respond by either:

- A. assigning the review and forwarding records used in making the decision to an independent review organization; or
- B. telling you in writing that the situation does not meet the requirements for an external review and the reasons for this decision.

The independent review organization will take action on the request for review within 45 days after receipt of the request.

Expedited reviews are available if your Physician certifies that you have a serious medical condition, meaning one that requires immediate medical attention to avoid serious impairment to bodily functions, serious harm to an organ or body part, or that would place your health in serious jeopardy. You also may receive an expedited review if the denial involves an Emergency Admission or Emergency care; if you have not been discharged from a facility after receiving that care; and if you will be held financially responsible.

## **SECTION 10 GENERAL CONTRACT PROVISIONS**

### **10.01 Conformity With Statutes**

Any provision of the Contract which, on the Contract Effective Date, is in conflict with the statutes of the jurisdiction in which it is delivered is hereby amended to conform to the minimum requirements of such statutes.

### **10.02 Workers' Compensation Not Affected**

The Contract is not in lieu of and does not affect any requirements for coverage for Workers' Compensation Insurance.

### **10.03 Relationship With Providers**

The Employer and Members acknowledge and agree that BlueChoice HealthPlan shall not be liable for injuries resulting from negligence, malpractice, misfeasance, nonfeasance, or any other act or omission on the part of any Provider, employees thereof, or of any other person, in the course of performing services for Members.

### **10.04 Relationship Between Parties**

The Contract constitutes a Contract solely between the Employer and BlueChoice HealthPlan of South Carolina, Inc. BlueChoice HealthPlan of South Carolina, Inc. is an independent corporation operating under a license with the Blue Cross and Blue Shield Association permitting BlueChoice HealthPlan of South Carolina, Inc. to use the Blue Cross and Blue Shield service mark in the state of South Carolina. BlueChoice HealthPlan of South Carolina, Inc. is not contracting as the agent of the Association.

### **10.05 Coverage Exceptions**

No person or entity has any authority to make any oral changes or amendments to the Contract. BlueChoice HealthPlan may, in certain circumstances for purposes of overall cost savings or efficiency and in its sole discretion, provide benefits for services that otherwise would not be Covered Services. The fact that BlueChoice HealthPlan does so in any particular case shall in no way be deemed to require it to do so in other similar cases.

### **10.06 Policies and Procedures**

BlueChoice HealthPlan may adopt reasonable policies, procedures, rules, and interpretations to promote the orderly and efficient administration of the Contract with which the Employer and the Members shall comply.

## **SECTION 11 COMPLIANCE WITH MEDICAL CHILD SUPPORT ORDER**

### **11.01 Group Health Plan Coverage Pursuant to a Medical Child Support Order**

A Medical Child Support Order is a judgment, decree, or order (including an approval of a property settlement) that 1) is made pursuant to State domestic relations law (including a community property law) or certain other State laws relating to medical child support; and 2) provides for child support or health benefit coverage for a child of a participant under a Group Health Plan and relates to benefits under the plan. If the Contract is an integral part of an employee welfare benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended, the Contract shall provide benefits in accordance with the applicable requirements of any Qualified Medical Child Support Order.

### **11.02 Information to be Included in a Qualified Medical Child Support Order**

A Medical Child Support Order becomes a Qualified Medical Child Support Order only if such order clearly specifies:

1. the name and the last known mailing address (if any) of the participant Employee and the name and mailing address of each Alternate Recipient covered by the order;
2. a reasonable description of the type of Coverage to be provided by the plan to each such Alternate Recipient, or the manner in which such type of Coverage is to be determined;
3. the period to which such order applies; and
4. each plan to which such order applies.

NOTE: An Alternate Recipient is any child of a participant in a Group Health Plan who is recognized under a medical child support order as having a right to enrollment under the plan with respect to such participant.

Additionally, a Medical Child Support Order becomes a Qualified Medical Child Support Order only if such order does not require a plan to provide any type or form of benefit or any option not otherwise provided under the plan, except to the extent necessary to meet the requirements of a law relating to medical child support described in section 1908 of the Social Security Act (as added by section 13822 of the Omnibus Budget Reconciliation Act of 1993).

### **11.03 Procedural Requirements**

1. **Establishment of Procedures for Determining Qualified Status of Orders.** The Employer as the plan administrator of the Group Health Plan shall establish reasonable procedures to determine whether a Medical Child Support Order is a Qualified Medical Child Support Order and to administer the provision of benefits under such qualified order.

Such procedures shall:

- A. be in writing;
- B. provide for the notification of each person specified in a Medical Child Support Order as eligible to receive benefits under the plan (at the address included in the Medical Child Support Order) of such procedures promptly upon receipt by the plan of the Medical Child Support Order; and
- C. permit an Alternate Recipient to designate a representative for receipt of copies of notices that are sent to the Alternate Recipient with respect to a Medical Child Support Order.

2. **Timely Notifications and Determinations.** In the case of any Medical Child Support Order received by a Group Health Plan:
  - A. the Employer as the plan administrator shall promptly notify the Employee and each Alternate Recipient of the receipt of such order and the plan's procedures for determining whether a Medical Child Support Order is a Qualified Medical Child Support Order; and
  - B. within a reasonable period after receipt of such order, the Employer/plan administrator shall determine whether such order is a Qualified Medical Child Support Order and notify the Employee and each Alternate Recipient of such determination.
3. **Actions Taken by Plan Administrators.** If a plan administrator acts in accordance with these procedural requirements in treating a Medical Child Support Order as being (or not being) a Qualified Medical Child Support Order, then the plan's obligation to the participant and each Alternate Recipient shall be discharged to the extent of any payment made pursuant to such act.

#### **11.04 Participation of Alternate Recipients**

1. A person who is an Alternate Recipient under any Medical Child Support Order shall be considered a participant under the plan only for purposes of the reporting and disclosure requirements of ERISA.
2. A person who is an Alternate Recipient under a Qualified Medical Child Support Order shall be considered a beneficiary under the plan for purposes of any provision of ERISA.
3. Any payment for benefits made by a Group Health Plan pursuant to a Medical Child Support Order in reimbursement for expenses paid by an Alternate Recipient or an Alternate Recipient's custodial parent or legal guardian shall be made to the Alternate Recipient or the Alternate Recipient's custodial parent or legal guardian.
4. If an Employee remains Covered under a Group Health Plan but fails to enroll an Alternate Recipient under this plan after receiving notice of the Qualified Medical Child Support Order from the Employer/plan administrator, the Group Health Plan shall enroll the Alternate Recipient and deduct the additional Premium from the participant Employee's paycheck.
5. Except for any Coverage continuation rights otherwise available under this Contract, Coverage for the Alternate Recipient shall end on the earliest of:
  - A. the date the Employee's Coverage ends;
  - B. the date the Qualified Medical Child Support Order is no longer in effect;
  - C. the date the Employee obtains other comparable health coverage through another insurer or plan to cover the Alternate Recipient; or
  - D. the date the Employer eliminates family health coverage for all Employees under all of the Employer's Group Health Plans.

## SECTION 12 CONTACT US

### 12.01 Resolution of a Question

Questions or concerns about Coverage may be directed to Member Services through the Web site at:

[www.BlueChoiceSC.com](http://www.BlueChoiceSC.com)

or by calling:

786-8476 in Columbia; or  
1-800-868-2528 outside the Columbia area.

Representatives are available between 8:30 a.m. and 8:30 p.m., Monday through Friday, to answer questions or discuss concerns.

Members may also write to:

BlueChoice HealthPlan  
Member Services (AX-435)  
P. O. Box 6170  
Columbia, SC 29260-6170

Please include your ID number, name, address, and telephone number in your correspondence.

### 12.02 Complaints and Grievances

Our goal is for Members to be completely satisfied with the benefits and services associated with their BlueChoice HealthPlan coverage. However, if you are dissatisfied, we want to hear from you. A complaint is any dissatisfaction you have regarding services or benefits you receive from us. To file a complaint, you may e-mail, call or write a Member Services representative (see above for addresses). If the complaint involves a representative of BlueChoice HealthPlan, the request should be addressed to the chief operating officer of BlueChoice HealthPlan of South Carolina, Inc. If a complaint is related to the quality of care received by a Member, it is considered a grievance. You should submit a description of the problem in writing to a Member Services representative.

## **SECTION 13 DEFINITIONS**

This section defines the terms used throughout this certificate and is not intended to describe Covered and non-Covered Services. The terms defined in this section or in the following sections of this certificate shall have their defined meaning whenever they are capitalized in this certificate. Any term in this certificate which has a different medical and non-medical meaning and which is undefined in this certificate is intended to have the medical meaning.

**Actively At Work** - To be considered Actively-at-work, the Employee must: 1) have begun work and not be absent from work because of leave of absence or temporary lay-off, unless the absence is due to a Health Status-related Factor other than substance abuse or chemical dependency; and 2) be performing the normal duties of his or her occupation at one of the Employer's places of business or at a location to which the Employee must travel to do his or her job. If the Employee does not meet this requirement, coverage will begin on the first day of the next Contract Month after the Employee has returned to active, full-time work.

**Alternate Facility** - a non-Hospital healthcare facility, or an attached facility designated as such by a Hospital, that provides one or more of the following services on an outpatient basis pursuant to the law of jurisdiction in which treatment is received: prescheduled surgical services, Emergency Covered Services, Urgent Care Services or prescheduled rehabilitative, laboratory or diagnostic services.

**Alternate Recipient** - any child of an Employee who is recognized under a Medical Child Support Order as having a right to enrollment under this Contract with respect to such Employee.

**Authorize or Authorization** - prior approval by BlueChoice HealthPlan for a Provider of healthcare services to provide certain Covered Services to a Member. Such approval must be on file with BlueChoice HealthPlan before the service is considered Authorized.

**Benefit Period** - the period of time within which benefits are administered, including the determination of certain limitations. The Benefit Period is shown in the Schedule of Benefits.

**BlueCard<sup>®</sup> Program** - the national program in which all Blue Cross and Blue Shield Licensees participate, including BlueChoice HealthPlan. This national program benefits BlueChoice HealthPlan Members who receive Covered Services outside South Carolina.

**BlueChoice HealthPlan** – trade name for BlueChoice HealthPlan of South Carolina, Inc.

**Brand-name Drug** - a Prescription Medication that is manufactured under a registered trade name or trademark. A Brand-name Drug may be a Preferred Drug or a Non-preferred Drug.

**Coinsurance** - the percentage of expenses for a Covered Service payable by the Member. Coinsurance is based on the lesser of the negotiated rate or the Provider's charge.

**Contract (Master Group Contract)** - the legal agreement between BlueChoice HealthPlan and the Employer including all sections of this Certificate of Coverage, the Master Group Contract, the Master Group Application, attached amendments, addenda, riders, or endorsements, if any, which constitute the entire Contract between both parties.

**Contract Effective Date** - the date this Contract between the Employer and BlueChoice HealthPlan becomes effective.

**Copayment** - the fixed amount, if any and as indicated in the Schedule of Benefits, that is payable by the Member to the Provider each time the Member receives a Covered Service.

**Coverage or Covered** - the entitlement by a Member to receive benefits for Covered Services provided under the Contract, subject to the terms, conditions, limitations and exclusions of the Contract.

**Covered Service** - a healthcare service for which benefits are provided under this Contract subject to the terms, conditions, limitations and exclusions of the Contract, including but not limited to, the following conditions:

1. Covered Services must be provided when the Contract is in effect;
2. Covered Services must be provided prior to the date of termination of Coverage;
3. Covered Services must be provided only when the recipient is a Member and meets all eligibility requirements specified in the Contract; and
4. Covered Services must be Authorized when required under this Contract.

**Creditable Coverage** – coverage of an individual under any of the following:

1. A Group Health Plan;
2. Health Insurance coverage;
3. Medicare Part A or B;
4. Medicaid, other than coverage consisting solely of benefits under Section 1928;
5. Military, TRICARE OR CHAMPUS;
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool, including the South Carolina Health Insurance Pool (SCHIP);
8. The Federal Employee Health Benefits Program;
9. A public health plan (any plan established or maintained by a State, the U.S. government, a foreign country or any political subdivision of a State, the U.S. government, or a foreign country that provides health coverage); or
10. A health benefit plan under the Peace Corps Act;
11. Short Term Health; or
12. A State Children's Health Insurance Program (S-CHIP).

Creditable Coverage does not include coverage consisting solely of those benefits excepted from the definition of Health Insurance Coverage.

**Crisis Intervention and Evaluation** - those Covered Services that are Medically Necessary to provide immediate treatment of acute mental health conditions on a short-term basis.

**Custodial Care** - care provided primarily for maintenance of the patient or care designed essentially to assist the patient in meeting his or her activities of daily living. Custodial Care includes, but is not limited to, help in walking, bathing, dressing, feeding, preparation of special diets, and supervision over self-administration of medications that do not require the technical skills or professional training of medical or nursing personnel in order to be performed safely and effectively. Custodial Care is not primarily provided for therapeutic value in the treatment of a sickness, injury, disease, or condition.

**Deductible** - the amount of Covered expenses, as indicated in the Schedule of Benefits, that the Member must incur each Benefit Period before benefits are payable for certain Covered Services.

**Dependent** - Member of a Subscriber's family who is eligible and enrolled for Coverage; and for whom BlueChoice HealthPlan has received the required Premium. The term Dependent also includes a child for whom healthcare Coverage is required through a Qualified Medical Child Support Order, as determined by the Employer.

**Designated Transplant Facility** - a Hospital, named as such by BlueChoice HealthPlan, which has entered into an agreement with or on behalf of BlueChoice HealthPlan to render Medically Necessary and medically appropriate Covered transplant services. A Designated Transplant Facility may or may not be located within BlueChoice HealthPlan's geographic area.

**Durable Medical Equipment** - medical equipment that can withstand repeated use, is not disposable, is used to serve a medical purpose, is generally not useful to a person in the absence of a sickness or injury, and is appropriate for use in the home. Such equipment must be necessary for, or be used in, the course of treatment of disease and/or disorders. Durable Medical Equipment also includes oxygen, a feeding pump, and nutritional supplements when administered through a feeding pump.

**Eligibility Date** - the date when all of the eligibility requirements are met by an Employee or Dependent.

**Emergency Covered Services** - those healthcare services and supplies necessary for the treatment of an Emergency Medical Condition, subject to the terms and conditions of this Contract.

**Emergency Medical Condition (Emergency)** - a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that a prudent layperson who possesses an average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in: (1) placing the health of the individual, or with respect to a pregnant woman, the health of the woman or her unborn child, in serious jeopardy; or (2) serious impairment to bodily functions; or (3) serious dysfunction of any bodily organ or part.

**Employee** - any individual employed by an Employer or Member of an association who is eligible for Coverage and who is so designated to BlueChoice HealthPlan by the Employer.

**Employer** - an Employer or association with whom BlueChoice HealthPlan has a Contract, by virtue of which Employees of the Employer or Members of the association, as the case may be, and their Dependents are eligible for the benefits described herein.

**Enrollment Date** - the date of enrollment under the Group Health Plan or, if earlier, the first day of the Waiting Period for the enrollment.

**Expense Incurred** - the liability incurred by a Member for a service as of the date the service is rendered.

**Experimental, Investigational or Unproven Services** – medical, surgical, diagnostic, psychiatric, substance abuse or other healthcare technologies, supplies, treatments, procedures, drug therapies or devices that at the time provided, or sought to be provided, are determined by BlueChoice HealthPlan to be:

1. not approved by the U.S. Food and Drug Administration ("FDA") to be lawfully marketed for the proposed use or not identified in the American Hospital Formulary Service, or the United States Pharmacopoeia Drug Information or
2. subject to review and approval by any Institutional Review board for the proposed use; or

3. the subject of an ongoing clinical trial that meets the definition of a Phase 1, 2 or 3 Clinical Trial set forth in the FDA regulations, regardless of whether the trial is actually subject to FDA oversight; or
4. not supported by at least two or more peer reviewed full length articles in respected national professional medical journals with results of good quality controlled clinical studies indicating the service is safe, effective and accepted for the treatment of the specific medical condition for which it was prescribed.

**Fee Schedule** - the negotiated amount to be paid by BlueChoice HealthPlan to Participating Providers for Covered Services.

**Full-Time Student** - a person enrolled in, and attending on a full-time basis, a recognized course of study or training at an accredited high school or vocational school; an accredited college or university; or a licensed technical school, beautician school, automotive school or similar training school. Full-time Student status is determined in accordance with the standards set forth by the educational institution.

**Generic Drug** - A Prescription Medication that has the same active ingredients as the Brand-name Drug but is not manufactured under a registered brand name or trademark.

**Genetic Information** - information about genes, gene products, and inherited characteristics that may derive from the Member. This includes information regarding carrier status and information derived from laboratory tests that identify mutations in specific genes of chromosomes, physical medical examinations, family histories, and direct analysis of genes or chromosomes.

**Group Health Plan** - Health Insurance Coverage for eligible Employees and their Dependents and/or retirees of the same Employer and their Dependents. Benefits usually include coverage for hospital, medical or other healthcare services and supplies as defined under the terms of the contract with the health plan.

**Health Insurance Coverage** - benefits consisting of medical care provided directly, through insurance or reimbursement, or otherwise and including items and services paid for as medical care under any Hospital or medical service policy or certificate, Hospital or medical service plan contract, or health maintenance organization contract offered by a health insurance issuer, except:

1. coverage only for accident, or disability income insurance, or any combination of accident and disability income insurance;
2. coverage issued as a supplement to liability insurance;
3. liability insurance, including general liability insurance and automobile liability insurance;
4. workers' compensation or similar insurance;
5. automobile medical payment insurance;
6. credit-only insurance;
7. coverage for on-site medical clinics;
8. other similar insurance coverage, under which benefits for medical care are secondary or incidental to other insurance benefits;
9. if offered separately:
  - A. limited scope dental or vision benefits;
  - B. benefits for long-term care, nursing home care, home healthcare, community-based care, or any combination of these; or
  - C. other similar, limited benefits;

10. if offered as independent, non-coordinated benefits:
  - A. coverage only for a specified disease or illness;
  - B. hospital indemnity or other fixed indemnity insurance;
11. if offered as a separate insurance policy:
  - A. Medicare supplemental health insurance;
  - B. coverage supplemental to the coverage provided under military, TRICARE or CHAMPUS; and
  - C. similar supplemental coverage under a group health plan.

**Health Services** - healthcare services and supplies Covered under the Contract.

**Health Status Related Factor** - any of the following factors in relation to the Member:

1. health status;
2. medical condition, including both physical and mental illnesses;
3. claims experience;
4. receipt of healthcare;
5. medical history;
6. Genetic Information;
7. evidence of insurability, including conditions arising out of domestic violence; or
8. disability.

**Hospital** - a short-term, acute care (1) general Hospital, (2) children's Hospital, (3) eye, ear, nose and throat Hospital, (4) maternity Hospital, or (5) any other type of short-term acute care Hospital licensed by the state in which it operates, that for compensation from its patients and on an inpatient basis, is engaged primarily in providing diagnostic and therapeutic facilities for the medical or surgical diagnosis and treatment of injured or sick persons, by or under the supervision of a staff of Physicians duly licensed to practice medicine, and which provides continuous 24 hour-a-day services by licensed, registered, graduate nurses physically present and on duty. A Hospital may participate in a teaching program. This means that a Member may be seen or treated by a medical student, intern, or resident participating in such a teaching program.

**Identification Card (ID Card)** - the card most recently issued by BlueChoice HealthPlan showing the Member's identification number.

**In-Network Coverage** – benefits for Covered Health Services or supplies obtained from Providers who have entered into a written agreement with BlueChoice HealthPlan to provide Covered Services to Members.

**Incapacitated Dependent** - an unmarried child who is: (1) incapable of self-support because of mental retardation, mental illness or physical incapacity which began before the child reached the limiting age; and (2) dependent upon the Employee for at least 51% of support and maintenance and who has fulfilled the requirements of Section 6.01, Eligibility, paragraph 2.C. of this certificate.

**Late Enrollee** - an eligible Employee or Dependent who enrolls under this plan other than during the first period in which the individual is eligible to enroll under the plan if the initial enrollment period is a period of at least 30 days; or a Special Enrollment Period.

**Local Service Area** - the geographic area served by BlueChoice HealthPlan and approved by the appropriate regulatory body in the state of South Carolina.

**Long-Term Acute Care Facility** - a facility that meets the definition of a Hospital providing care to patients whose average length of stay is greater than 25 consecutive days as set out in the American Hospital Association Guide to the Health Care Field, published annually.

**Medical Child Support Order** - any judgment, decree, or order (including approval of a settlement agreement) issued by a court of competent jurisdiction which:

1. provides for child support with respect to a child of a Subscriber under this Contract or provides for health benefit coverage to such a child, is made pursuant to a State domestic relations law (including a community property law), and relates to benefits under this Contract; or
2. enforces a law relating to medical child support described in section 1908 of the Social Security Act (as added by section 13822 of the Omnibus Budget Reconciliation Act of 1993) with respect to a Group Health Plan.

**Medically Necessary or Medical Necessity** - health care services that a Physician, exercising prudent clinical judgment, would provide to a patient for the purpose of preventing, evaluating, diagnosing or treating an illness, injury, disease or its symptoms, and that are

1. in accordance with generally accepted standards of medical practice; and
2. clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient's illness, injury or disease; and
3. not primarily for the convenience of the patient, physician, or other health care provider; and
4. not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury or disease.

For these purposes, "generally accepted standards of medical practice" means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, Physician Specialty Society recommendations and the views of Physicians practicing in relevant clinical areas and any other relevant factors.

**Medically Necessary Leave of Absence** - a leave of absence from a postsecondary educational institution or other change in enrollment, of a member who is a Full-time Student. A leave of absence must:

1. commence while the Full-time Student is suffering from a serious injury or illness;
2. be Medically Necessary;
3. cause the Child to lose student status under this Plan of Benefits; and
4. be certified by the treating physician in writing.

**Member** - an Employee or Covered Dependent whose Notice of Election has been accepted by BlueChoice HealthPlan and for whom BlueChoice HealthPlan has received the required Premium.

**Member's Effective Date** - the date (beginning at 12:01 a.m.) on which the Member is enrolled and eligible for benefits under the terms of this Contract. See Section 6.03, Effective Date of Coverage, for further details.

**Mental Health Services** - the treatment of those mental health or psychiatric diagnostic categories of the Diagnostic and Statistical Manual of Mental Disorders, IV, Revised unless specifically excluded from Coverage.

**New Hire** - any Employee who, on the Contract Effective Date, has less than 12 months of continuous full-time employment with the Employer.

**Non-Preferred Drug** - a Prescription Medication that has not been chosen by BlueChoice HealthPlan, or its designated Pharmacy Benefit Manager, to be a Preferred Drug. This includes any Brand-name Drug with an “A” rated Generic Drug available.

**Notice of Election** - any mechanism agreed upon by BlueChoice HealthPlan and the Employer for transmitting the necessary enrollment information from its Employees to BlueChoice HealthPlan.

**Out-of-Network Coverage** - benefits for non-Emergency, self-referred Covered Services or supplies obtained from non-Participating Providers.

**Participating** - the status of a Provider of Covered Services who has entered into a written agreement with BlueChoice HealthPlan to provide Covered Services to Members and to join BlueChoice HealthPlan’s network of Providers. The Participating status of a Provider may change from time to time. Providers who take part in the BlueCard Program are considered to be Participating Providers in the context of this Certificate of Coverage.

**Physician** - a person, other than the Subscriber or a Dependent, who is licensed under state law to perform, within the scope of that license, a Covered Service and who customarily bills for such service.

**Pre-Existing Condition** - a physical or mental condition present before the Enrollment date, whether or not any medical advice, diagnosis, care or treatment was received or recommended before that day. Genetic Information may not be treated as a Pre-existing Condition in the absence of a diagnosis of the condition related to the information. Pregnancy may not be treated as a Pre-existing Condition.

**Preferred Drug** - a Prescription Medication that has been reviewed for cost, clinical effectiveness, quality and the availability of generic or over-the-counter alternatives. The Preferred Drug List is subject to periodic review and updates by BlueChoice HealthPlan without prior notice to members.

**Preferred Drug List** - a listing of Prescription Medications approved for a specified level of benefits by BlueChoice HealthPlan. This list shall be subject to periodic review and modification by BlueChoice HealthPlan. The most up-to-date version of the Preferred Drug list is always available on the BlueChoice HealthPlan Web site.

**Premium** - the amount paid by the Employee or by the Employer on the Employee's behalf for benefits under this Contract.

**Prescription Medication** - a drug, including insulin, which has been determined to be safe and effective by the Food and Drug Administration (FDA) and which can, under Federal or State law, only be dispensed when ordered by a Physician who is duly licensed to prescribe such medication. The benefit for Prescription medication also includes:

1. Syringes and related supplies for conditions such as diabetes also are considered to be Prescription Medications and
2. Specific classes of over-the-counter medications designated as Prescription Medication at the sole discretion of BlueChoice HealthPlan. If so designated, these classes of over-the-counter medications must be purchased at a Participating pharmacy with a prescription from a Participating Physician. The

designated over-the counter medications will be listed in the Preferred Drug List.

Specialty Pharmaceuticals are not Covered under the Prescription Medication benefit.

**Primary Care Physician** - a Participating Physician whose practice predominantly includes family practice, internal medicine, pediatrics, gynecology, or obstetrics/gynecology; or a nurse-practitioner.

**Provider** - any person licensed in, or legally engaged in the practice of, or performing duties associated with, any of the following: medicine; surgery; dentistry; pharmacy; optometry; osteopathy; podiatry; chiropractic; radiology; nursing; physiotherapy; pathology; anesthesiology; laboratory analysis; psychiatry; psychology; physical therapy; Substance Abuse treatment; home healthcare; an Alternate Facility; Hospital; Long-Term Acute Care Facility; Skilled Nursing Facility; or Rehabilitation Hospital. A Provider may participate in a teaching program. This means that a Member may be seen or treated by a medical student, intern, or resident participating in such a teaching program.

**Qualified Medical Child Support Order (QMCSO)** - any judgment, decree or order (including approval of a settlement agreement) issued by a court of competent jurisdiction that creates or recognizes the right of a plan participant's child (an Alternate Recipient) to receive benefits under this plan.

**Reasonable and Customary Fee Schedule** - the allowance established by BlueChoice HealthPlan for Covered Services performed by non-Participating Providers. In the event the Reasonable and Customary Fee Schedule does not apply for a specific service or supply, the allowance will be the actual charge as submitted or the Fee Schedule for Participating Providers, whichever is less.

**Rehabilitation Hospital** - a licensed facility that is engaged primarily in providing rehabilitation care to patients on an inpatient basis. Rehabilitation care consists of the combined use of medical, educational, and vocational services to enable patients disabled by disease or injury to achieve the highest possible level of functional ability. Services are provided by or under the supervision of an organized staff of Physicians. Continuous nursing services are provided under the supervision of a registered nurse.

**Residential Treatment Center** - a non-acute, 24 hour-a-day treatment setting for Mental Health Services or Substance Abuse conditions.

**Schedule of Benefits** - the pages, so titled and a part of this certificate, that specify the amount of Coverage provided and any applicable maximums, Copayments, Coinsurance, and Deductibles.

**Skilled Nursing Facility** - an institution that is recognized under Medicare as a Skilled Nursing Facility, primarily engaged in providing skilled nursing care, rehabilitation services and related care. A Skilled Nursing Facility is not a facility or institution which is primarily a place for rest or residence.

**Special Enrollee** - an eligible Employee or Dependent who enrolls under the plan during a Special Enrollment Period.

**Special Enrollment Periods** - enrollment periods during which an Employee who is eligible, but not enrolled, for Coverage under the terms of the Contract, or a dependent of the Employee if the dependent is eligible but not enrolled, for Coverage under such terms, may enroll for Coverage under the terms of the Contract. See Section 6.04, Special Enrollment Periods, for additional details.

**Specialty Pharmaceuticals** - Prescription Medications that treat a complex clinical condition 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 diseases; and specialty oral drugs.

**Subscriber** - the individual whose employment or other status, except for family dependency, is the basis for eligibility for enrollment under this Contract, and who is in fact enrolled.

**Substance Abuse** - the use of drugs or alcohol to the extent that medical services are required.

**Surgical Assistant** - any person legally engaged in, the practice of rendering first assistant- at- surgery to a Physician and who hold the certification of Medical Doctor, Doctor of Osteopathy, Physician's Assistant-Certified, Clinical Nurse Specialist, or Nurse Practitioner.

**Transplant Benefit Period** - for transplants other than bone marrow/stem cell transplants, the period begins on the Admission Date on which a transplant is performed and continues for 12 consecutive months. For bone marrow, the period begins on the first date of mobilization therapy, the date of bone marrow/stem cell harvest, or the inpatient Admission date for the transplant procedure, whichever occurs first, and continues for 12 consecutive months.

**Transplant Lifetime Maximum** - the maximum amount of benefits provided in a lifetime for each Member for any or all of the transplants listed in the Schedule of Benefits. Once the Transplant Lifetime Maximum has been met, no additional transplant benefits are available for that Member.

**Urgent Care Services** - Covered Services required as the result of a sudden illness or injury and in order to prevent significant deterioration of a Member's health.

**Waiting Period** - the period of time that an Employee must wait before the Employee is eligible to be Covered under this Contract.

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