

SCHENECTADY CITY SCHOOL DISTRICT

**EMPLOYEE BENEFIT PLAN
PLAN DOCUMENT AND SUMMARY PLAN DESCRIPTION**

EFFECTIVE JANUARY 1, 2017

TABLE OF CONTENTS

GRANDFATHERED HEALTH PLAN DISCLOSURE STATEMENT

SCHEDULE OF MEDICAL BENEFITS

SCHEDULE OF VISION BENEFITS

INTRODUCTION

ARTICLE I -- ELIGIBILITY AND PARTICIPATION	1
A. Who Is Eligible	1
B. Who Pays for Your Benefits	2
C. Enrollment Requirements.....	2
D. Late Enrollment.....	2
E. Special Enrollment Periods	3
F. When Coverage Begins.....	4
G. Acquired Companies	4
H. Genetic Information Nondiscrimination Act (GINA).....	4
I. When Coverage Ends.....	5
J. Family and Medical Leave Act of 1993 (FMLA).....	5
K. Employer Continuation Coverage	5
L. The Uniformed Services Employment and Re-Employment Rights Act (USERRA).....	6
ARTICLE II -- MEDICAL MANAGEMENT PROGRAM	7
A. What Is Medical Management	7
B. Reduced Benefits for Failure to Follow Required Review Procedures.....	7
ARTICLE III -- NETWORK PROVISIONS	8
ARTICLE IV -- MEDICAL BENEFITS	10
A. About Your Medical Benefits.....	10
B. Deductibles.....	11
C. Deductible Carry-Over	11
D. Coinsurance.....	12
E. Out-of-Pocket Limit	12
F. Benefit Maximums.....	12
G. Covered Medical Expenses	12
H. Medical Expenses Not Covered.....	22
ARTICLE V -- VISION CARE BENEFITS	28
A. About Your Vision Benefits	28
B. Benefit Maximums.....	28
C. Covered Vision Expenses.....	28
D. Vision Expenses Not Covered.....	29

ARTICLE VI -- COORDINATION OF BENEFITS (COB)	31
A. General Provisions	31
B. Excess Insurance	31
C. Vehicle Limitation	31
D. Federal Programs	31
E. Application to Benefit Determination	32
F. Order of Benefit Determination	32
G. Right to Make Payments to Other Organizations	33
 ARTICLE VII -- SUBROGATION	 34
 ARTICLE VIII -- OTHER IMPORTANT PLAN PROVISIONS	 36
A. Assignment of Benefits	36
B. Medicare.....	36
C. Medicaid-Eligible Employees and Dependents	37
D. Recovery of Excess Payments.....	37
E. Right to Receive and Release Necessary Information.....	37
F. Alternate Payee Provision	37
G. Severability	38
H. Fraud	38
I. Headings.....	39
J. No Waiver or Estoppel	39
K. Blue Card Pricing Disclosure	39
 ARTICLE IX -- CLAIM SUBMISSION PROCESS	 41
A. What Is a Claim for Benefits.....	41
B. When a Claim for Benefits Should Be Filed.....	42
C. Claim for Benefits Procedure.....	42
D. Notice to Claimant of Adverse Benefit Determination	43
E. Pre-Service and Post-Service Claim Appeal	44
 ARTICLE X -- COBRA CONTINUATION OF BENEFITS	 47
A. Definitions.....	47
B. Right to Elect Continuation Coverage.....	48
C. Notification of Qualifying Event.....	48
D. Length of Continuation Coverage	49
E. Total Disability	49
F. Coordination of Benefits	49
G. Termination of Continuation Coverage	50
H. Multiple Qualifying Events.....	50
I. Continuation Coverage.....	50
J. Carryover of Deductibles and Plan Maximums	51
K. Payment of Premium.....	51

ARTICLE XI -- PROTECTED HEALTH INFORMATION	53
A. Protected Health Information	53
B. Permitted and Required Uses and Disclosure of Protected Health Information.....	53
C. Conditions of Disclosure.....	53
D. Certification of Plan Sponsor	54
E. Permitted Uses and Disclosure of Summary Health Information.....	55
F. Permitted Uses and Disclosure of Enrollment and Disenrollment Information	55
G. Adequate Separation between the Plan and the Plan Sponsor	55
H. Security Standards for Electronic Protected Health Information.....	55
I. Notification Requirements in the Event of a Breach of Unsecured Protected Health Information	56
ARTICLE XII -- DEFINITIONS	58
ARTICLE XIII-- GENERAL INFORMATION	71
ARTICLE XIV -- ERISA STATEMENT OF RIGHTS	73
APPENDIX A -- NOTICE OF NONDISCRIMINATION	

**ESTABLISHMENT OF THE PLAN: ADOPTION OF THE PLAN DOCUMENT AND
SUMMARY PLAN DESCRIPTION**

THIS PLAN DOCUMENT AND SUMMARY PLAN DESCRIPTION (“Plan Document”), made by Schenectady City School District (the “Company” or the “Plan Sponsor”) as of January 1, 2017, hereby sets forth the provisions of the Schenectady City School District Employee Benefit Plan (the “Plan”). Any wording which may be contrary to Federal Laws or Statutes is hereby understood to meet the standards set forth in such. Also, any changes in Federal Laws or Statutes which could affect the Plan are also automatically a part of the Plan, if required.

Effective Date

The Plan Document is effective as of the date first set forth above, and each amendment is effective as of the date set forth therein.

Adoption of the Plan Document

The Plan Sponsor, as the settlor of the Plan, hereby adopts this Plan Document as the written description of the Plan. This Plan Document represents both the Plan Document and the Summary Plan Description, which is required by the Employee Retirement Income Security Act of 1974, 29 U.S.C. et seq. (*ERISA*). This Plan Document amends and replaces any prior statement of the health care coverage contained in the Plan or any predecessor to the Plan.

IN WITNESS WHEREOF, the Plan Sponsor has caused this Plan Document to be executed.

Schenectady City School District

By:

Name

Title

Date

GRANDFATHERED HEALTH PLAN DISCLOSURE STATEMENT

This group health plan believes this Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of *lifetime* limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the *plan administrator*. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

**SCHEDULE OF MEDICAL BENEFITS
PATRIOT BLUE – CLASS 0001**

	In- Network	Out-Of- Network	Limitations and Explanations
Individual Lifetime Maximum Benefit	Unlimited		
Individual Deductible	Not applicable	\$200	The family deductible applies collectively to all covered persons in the same family.
2-Person Deductible	Not applicable	\$300	
Family Deductible	Not applicable	\$400	
Inpatient Hospital Deductible	Not applicable	\$100	
Coinsurance – Outpatient Facility	100%	100%	Coinsurance percentages represent the portion of covered expenses paid by the Plan after satisfaction of any applicable deductible.
Coinsurance – Physician Services	100% after co-pay	80%	
Individual Maximum Out-Of-Pocket Amount	None	Unlimited	Includes deductible. When a covered person or family reaches the annual maximum, the Plan pays 100% of additional covered expenses for the remainder of the calendar year. Penalties do not apply to the out-of-pocket amount.
√ A visit co-pay applies to any physician supervised treatment encounter unless stated otherwise. √ Co-pay applies per provider, per day unless stated otherwise. √ Maximums are combined for in-network and out-of-network services. √ Out-of-network services are paid up to the usual and customary charge.			

Medical Plan – Class 0001	In- Network	Out-Of- Network	Limitations and Explanations
Allergy Testing & Injections	100% after \$15 co-pay	80%*	
Ambulance – Ground	100%	80%*	Limited to emergency transport to nearest hospital. Voluntary ambulance not licensed by the state is not covered.
Ambulance – Air	Paid at the out-of-network level	80%*	
Anesthesia	100%	100%	
Cardiac Rehabilitation	100%	100%	Limited to treatment within 12 weeks of a medical condition related to an acute episode of a heart condition.
Chemotherapy / Radiation Therapy	100% after \$15 co-pay	80%*	
*Deductible applies **Inpatient hospital deductible applies			

Medical Plan – Class 0001	In- Network	Out-Of- Network	Limitations and Explanations
Chiropractic Care	100% after \$15 co-pay	80%*	A review for medical necessity will be required after 15 visits per calendar year.
Diabetic Education	100% after \$15 co-pay	80%*	
Diabetic Equipment & Supplies	100% after \$15 co-pay	80%*	Diabetic medications are covered under the Prescription Drug plan.
Diagnostic Laboratory Services – Outpatient	100%	80%*	
Diagnostic MRI / MRA / PET / CT	100%	80%*	
Diagnostic X-Ray	100%	80%*	
Dialysis	100% after \$15 co-pay	80%*	
Durable Medical Equipment	80%	80%*	Includes coverage for IUDs.
Home Health Care	100% after \$15 co-pay	80%*	Limited to 40 visits per calendar year. Includes home infusion therapy. Each HHC team member = 1 visit; 4 hours = 1 visit.
Hospice Care – Inpatient	100%	100%**	Limited to 210 days per lifetime.
Hospice Care – Outpatient	100%	100%	
Hospice – Bereavement Counseling	100%	80%*	
Hospital – Emergency Room	100% after \$50 co-pay	80%*	The in-network co-pay will only apply in a non-emergency diagnosis.
Hospital – Inpatient Acute Physical Rehabilitation Facility	100%	100%**	
Hospital – Inpatient Treatment of Mental Health & Substance Abuse	100%	100%**	
Hospital – Inpatient Treatment Of Other Covered Conditions	100%	100%**	
Hospital – Outpatient Ambulatory Surgery or Free-Standing Surgical Facility	100%	100%	
*Deductible applies			
**Inpatient hospital deductible applies			

Medical Plan – Class 0001	In- Network	Out-Of- Network	Limitations and Explanations
Hospital – Pre-Admission Testing	100%	100%	Should be performed within 7 days prior to admission.
Hospital – Urgent Care Center	100% after \$15 co-pay	80%*	
Infusion Therapy – Outpatient	100%	100%	
Infusion Therapy – Physician’s Office	100% after \$15 co-pay	80%*	
Medical Supplies	100%	100%	
Orthotics & External Prosthetics	80%	80%*	Replacement of braces or artificial arms and legs is covered only if there is sufficient change in condition.
Osseous Surgery – Office	100% after \$15 co-pay	80%*	
Outpatient Therapy – Mental Health & Substance Abuse	100%	80%*	
Physician Visit – Emergency Room	100%	80%*	Coinsurance is waived if admitted.
Physician Visit – Office/ Clinic/ Home	100% after \$15 co-pay	80%*	
Physician Visit – Inpatient	100%	100%	
Physician – Inpatient or Outpatient Surgeon	100%	100%	
Physician – Office Surgeon	100% after \$15 co-pay	80%*	
Physician – Assistant Surgeon	100%	100%	
Post-Mastectomy Prosthetic	80%	80%*	Limited to 2 per calendar year; 4 per calendar year if bilateral.
Post-Mastectomy Surgical Bra	80%	80%*	Limited to 2 per calendar year.
Private Duty Nursing – Outpatient	100% after \$15 co-pay	80%*	
Prostate Cancer Screening	100%	80%*	Limited to medical necessity. Routine not covered.
Pulmonary Rehabilitation	100%	100%	
Rehabilitative Therapy – Physical / Occupational/ Speech	100% after \$15 co-pay	80%*	
Rehabilitative Therapy – Respiratory	100% after \$15 co-pay	80%*	
Routine Gynecological Exam	100% after \$15 co-pay	80%*	Limited to 2 exams per calendar year.
*Deductible applies			
**Inpatient hospital deductible applies			

Medical Plan – Class 0001	In- Network	Out-Of- Network	Limitations and Explanations
Routine Mammogram	100% after \$15 co-pay	80%*	Limited to 1 baseline for ages 35-39; 1 per calendar year for age 40 and older.
Routine Pap Smear	100%	80%*	
Routine Well Child Visits	100%	100%	Limited to children from birth to age 19.
Routine Well Child Immunizations	100%	100%	
Skilled Nursing Facility	100%	100%**	Must be admitted within 7 days of an inpatient hospital stay. Limited to 60 days per calendar year.
Sleep Studies	100% after \$15 co-pay	80%*	
Transfusion	100%	100%	
Wigs	80%	80%*	Limited to 1 wig per lifetime following chemotherapy.
All Other Covered Expenses	100%	80%*	Limited to covered expenses as described in the Summary Plan Description.
*Deductible applies			
**Inpatient hospital deductible applies			

**SCHEDULE OF MEDICAL BENEFITS
PATRIOT BLUE - CLASS 0002**

	In- Network	Out-Of- Network	Limitations and Explanations
Individual Lifetime Maximum Benefit	Unlimited		
Individual Deductible	Not applicable	\$200	The family deductible applies collectively to all covered persons in the same family.
2-Person Deductible	Not applicable	\$300	
Family Deductible	Not applicable	\$400	
Inpatient Hospital Deductible	Not applicable	\$100	
Coinsurance – Outpatient Facility	100%	100%	Coinsurance percentages represent the portion of covered expenses paid by the Plan after satisfaction of any applicable deductible.
Coinsurance – Physician Services	100% after co-pay	80%	
Individual Maximum Out-Of-Pocket Amount	None	Unlimited	Includes deductible. When a covered person or family reaches the annual maximum, the Plan pays 100% of additional covered expenses for the remainder of the calendar year. Penalties do not apply to the out-of-pocket amount.
√ A visit co-pay applies to any physician supervised treatment encounter unless stated otherwise. √ Co-pay applies per provider, per day unless stated otherwise. √ Maximums are combined for in-network and out-of-network services. √ Out-of-network services are paid up to the usual and customary charge.			

Medical Plan – Class 0002	In- Network	Out-Of- Network	Limitations and Explanations
Allergy Testing & Injections	100% after \$15 co-pay	80%*	
Ambulance – Ground	100%	80%*	Limited to emergency transport to nearest hospital. Voluntary ambulance not licensed by the state is not covered.
Ambulance – Air	Paid at the out-of-network level	80%*	
Anesthesia	100%	100%	
Cardiac Rehabilitation	100%	100%	Limited to treatment within 12 weeks of a medical condition related to an acute episode of a heart condition.
*Deductible applies **Inpatient hospital deductible applies			

Medical Plan – Class 0002	In- Network	Out-Of- Network	Limitations and Explanations
Chemotherapy / Radiation Therapy	100% after \$15 co-pay	80% *	
Chiropractic Care	100% after \$15 co-pay	80% *	A review for medical necessity will be required after 15 visits per calendar year.
Diabetic Education	100% after \$15 co-pay	80% *	
Diabetic Equipment & Supplies	100% after \$15 co-pay	80% *	Diabetic medications are covered under the Prescription Drug plan.
Diagnostic Laboratory Services – Outpatient	100%	80% *	
Diagnostic MRI / MRA / PET / CT	100%	80% *	
Diagnostic X-Ray	100%	80% *	
Dialysis	100% after \$15 co-pay	80% *	
Durable Medical Equipment	80%	80% *	Includes coverage for IUDs.
Home Health Care	100% after \$15 co-pay	80% *	Limited to 40 visits per calendar year. Includes home infusion therapy. Each HHC team member = 1 visit; 4 hours = 1 visit.
Hospice Care – Inpatient	100%	100% **	Limited to 210 days per lifetime.
Hospice Care – Outpatient	100%	100%	
Hospice – Bereavement Counseling	100%	80% *	
Hospital – Emergency Room	100% after \$50 co-pay	80% *	The in-network co-pay will only apply in a non- emergency diagnosis.
Hospital – Inpatient Acute Physical Rehabilitation Facility	100%	100% **	
Hospital – Inpatient Treatment of Mental Health & Substance Abuse	100%	100% **	
Hospital – Inpatient Treatment Of Other Covered Conditions	100%	100% **	
*Deductible applies			
**Inpatient hospital deductible applies			

Medical Plan – Class 0002	In- Network	Out-Of- Network	Limitations and Explanations
Hospital – Outpatient Ambulatory Surgery or Free-Standing Surgical Facility	100%	100%	
Hospital – Pre-Admission Testing	100%	100%	Should be performed within 7 days prior to admission.
Hospital – Urgent Care Center	100% after \$15 co-pay	80%*	
Infusion Therapy – Outpatient	100%	100%	
Infusion Therapy – Physician’s Office	100% after \$15 co-pay	80%*	
Medical Supplies	100%	100%	
Orthotics & External Prosthetics	80%	80%*	Replacement of braces or artificial arms and legs is covered only if there is sufficient change in condition.
Osseous Surgery – Office	100% after \$15 co-pay	80%*	
Outpatient Therapy – Mental Health & Substance Abuse	100%	80%*	
Physician Visit – Emergency Room	100%	80%*	Coinsurance is waived if admitted.
Physician Visit – Office/ Clinic/ Home	100% after \$15 co-pay	80%*	
Physician Visit – Inpatient	100%	100%	
Physician – Inpatient or Outpatient Surgeon	100%	100%	
Physician – Office Surgeon	100% after \$15 co-pay	80%*	
Physician – Assistant Surgeon	100%	100%	
Post-Mastectomy Prosthetic	80%	80%*	Limited to 2 per calendar year; 4 per calendar year if bilateral.
Post-Mastectomy Surgical Bra	80%	80%*	Limited to 2 per calendar year.
Private Duty Nursing – Outpatient	100% after \$15 co-pay	80%*	
Prostate Cancer Screening	100%	80%*	
Pulmonary Rehabilitation	100%	100%	
Rehabilitative Therapy – Physical / Occupational/ Speech	100% after \$15 co-pay	80%*	
Rehabilitative Therapy – Respiratory	100% after \$15 co-pay	80%*	
*Deductible applies			
**Inpatient hospital deductible applies			

Medical Plan – Class 0002	In- Network	Out-Of- Network	Limitations and Explanations
Routine Gynecological Exam	100% after \$15 co-pay	80%*	Limited to 2 exams per calendar year.
Routine Mammogram	100% after \$15 co-pay	80%*	Limited to 1 baseline for ages 35-39; 1 per calendar year for age 40 and older.
Routine Physical Exam	100%	80%	Limited to 1 exam per calendar year. Further limited to \$300 per calendar year. Includes all related lab & x-ray services. Excludes routine adult immunizations.
Routine Pap Smear	100%	80%*	
Routine Well Child Visits	100%	100%	Limited to children from birth to age 19.
Routine Well Child Immunizations	100%	100%	
Skilled Nursing Facility	100%	100%**	Must be admitted within 7 days of an inpatient hospital stay. Limited to 60 days per calendar year.
Sleep Studies	100% after \$15 co-pay	80%*	
Transfusion	100%	100%	
Wigs	80%	80%*	Limited to 1 wig per lifetime following chemotherapy.
All Other Covered Expenses	100%	80%*	Limited to covered expenses as described in the Summary Plan Description.
*Deductible applies			
**Inpatient hospital deductible applies			

**SCHEDULE OF MEDICAL BENEFITS
PATRIOT RED - CLASS 0003**

BENEFITS ARE PAYABLE ONLY WHEN SERVICES ARE RENDERED BY A PARTICIPATING PROVIDER, EXCEPT WHERE OTHERWISE NOTED.

	In- Network	Limitations and Explanations
Individual Lifetime Maximum Benefit	Unlimited	
Co-Pay	\$15	
Individual Deductible	Not applicable	
Family Deductible	Not applicable	
Coinsurance	100%	Coinsurance percentages represent the portion of covered expenses paid by the Plan after satisfaction of any applicable deductible.
Individual Maximum Out-Of-Pocket Amount	Not applicable	
Family Maximum Out-Of-Pocket Amount	Not applicable	
<p>√ A visit co-pay applies to any physician supervised treatment encounter unless stated otherwise. √ Co-pay applies per provider, per day unless stated otherwise.</p>		

Medical Plan – Class 0003	In-Network	Limitations and Explanations
Acupuncture	100% after \$15 co-pay	Limited to 10 visits per calendar year.
Allergy Testing & Injections	100% after \$15 co-pay	No co-pay for allergy serum.
Ambulance – Ground / Air	100% after \$50 co-pay	
Anesthesia	100%	
Applied Behavioral Analysis (ABA) for Autism	100% after \$15 co-pay	Precertification is required.
Assistive Communication Devices (ACD) for Autism	100% after \$15 co-pay	Precertification is required.
Cardiac Rehabilitation	100% after \$15 co-pay	Limited to 36 visits per calendar year in a 12-week period. Additional visits required precertification.
Chemotherapy / Radiation Therapy	100% after \$15 co-pay	

Medical Plan – Class 0003		
	In-Network	Limitations and Explanations
Chiropractic Care	100% after \$15 co-pay	Precertification is required for services rendered by a chiropractor.
Diabetic Education	100% after \$15 co-pay	
Diabetic Equipment & Supplies	100% after \$15 co-pay	Diabetic items are covered only when purchased from a DME provider.
Diagnostic Laboratory Services – Outpatient	100% after \$15 co-pay	
Diagnostic MRI / MRA / PET / CT	100% after \$15 co-pay	Precertification is required.
Diagnostic X-Ray	100% after \$15 co-pay	
Dialysis	100% after \$15 co-pay	
Durable Medical Equipment	80%	Precertification is required for select equipment.
Elective Abortion	100% after \$15 co-pay	
Elective Sterilization	100% after \$15 co-pay	Reversal is not covered.
Home Health Care	100%	Precertification is required.
Hospice Care	100%	Limited to 210 days per lifetime.
Hospital - Emergency Room	100% after \$50 co-pay	Co-pay waived if admitted. Out-of-network services will be paid at the in-network benefit level.
Hospital - Inpatient Acute Physical Rehabilitation Facility	100%	Precertification is required. Limited to 60 days per calendar year.
Hospital - Inpatient Treatment of Mental Health & Substance Abuse	100%	Precertification is required.
Hospital - Inpatient Treatment Of Other Covered Conditions	100%	Precertification is required.
Hospital - Outpatient Ambulatory Surgery or Free-Standing Surgical Facility	100% after \$15 co-pay	Precertification is required for select procedures.
Hospital - Pre-Admission Testing	100% after \$15 co-pay	
Infusion Therapy - Outpatient	100% after \$15 co-pay	
Medical Supplies	100% after \$15 co-pay	

Medical Plan – Class 0003	In-Network	Limitations and Explanations
Orthotics & External Prosthetics	80%	Precertification is required for select items.
Outpatient Therapy – Mental Health & Substance Abuse	100% after \$15 co-pay	Precertification is required.
Physician Visit - Emergency Room	100%	
Physician Visit - Office / Clinic / Home	100% after \$15 co-pay	
Physician Visit - Inpatient	100% after \$15 co-pay	Consultations are limited to 2 consultations by no more than 2 consulting physicians during a single inpatient confinement.
Physician – Inpatient/ Outpatient Surgeon	100%	
Physician - Office Surgeon	100% after \$15 co-pay	
Physician - Assistant Surgeon	100%	
Post-Mastectomy Prosthetic	100%	Limited to 1 per affected breast in any 2 calendar years.
Post-Mastectomy Surgical Bra	100%	Limited to four per calendar year.
Prostate Screening	100%	
Rehabilitative Therapy - Physical	100% after \$15 co-pay	Limited to 120 visits per calendar year.
Rehabilitative Therapy - Occupational	100% after \$15 co-pay	Limited to 120 visits per calendar year.
Rehabilitative Therapy - Speech	100% after \$15 co-pay	Limited to 60 visits per calendar year. Precertification is required after first visit.
Rehabilitative Therapy - Pulmonary	100% after \$15 co-pay	
Rehabilitative Therapy - Respiratory	100% after \$15 co-pay	
Routine Colonoscopy	100%	
Routine Gynecological Exam	100%	Limited to 2 exams per calendar year.
Routine Hearing Examination	100% after \$15 co-pay	
Routine Immunizations – Adult	100% after \$15 co-pay	
Routine Mammogram	100%	
Routine Physical Exam	100%	
Routine Pap Smear	100%	Limited to 1 per calendar year.
Routine Vision Examination	100% after \$15 co-pay	Limited to 1 per every 2 years; 1 per year with documented refractive error for ages 14 and under.

Medical Plan – Class 0003		
	In-Network	Limitations and Explanations
Routine Well Child Visits	100%	Limited to children from birth to age 19.
Routine Well Child Immunizations	100%	
Skilled Nursing Facility	100%	Precertification is required. Limited to 90 days per calendar year.
Sleep Studies	100% after \$15 co-pay	Precertification is required.
Urgent Care Center	100% after \$25 co-pay	
Vision – Contact Lenses	100%	Limited to \$125 per every 24 months. Coverage for contacts is in lieu of eyeglasses.
Vision Hardware – Frames	100%	Limited to \$100 per every 24 months. 20% discount on overages. Coverage for frames/lenses in lieu of contacts.
Vision Hardware – Lenses	100%	Limited to basic plastic lenses (scratch resistant coating included). Further limited to one purchase per every 24 months.
All Other Covered Expenses	100% after \$15 co-pay	Limited to covered expenses as described in the Summary Plan Description.

**SCHEDULE OF MEDICAL BENEFITS
PATRIOT BLUE - CLASS 0004**

	In- Network	Out-Of- Network	Limitations and Explanations
Individual Lifetime Maximum Benefit	Unlimited		
Individual Deductible	Not applicable	\$200	The family deductible applies collectively to all covered persons in the same family.
2-Person Deductible	Not applicable	\$300	
Family Deductible	Not applicable	\$400	
Inpatient Hospital Deductible	Not applicable	\$100	
Coinsurance – Outpatient Facility	100%	100%	Coinsurance percentages represent the portion of covered expenses paid by the Plan after satisfaction of any applicable deductible.
Coinsurance – Physician Services	100% after co-pay	80%	
Individual Maximum Out-Of-Pocket Amount	None	Unlimited	Includes deductible. When a covered person or family reaches the annual maximum, the Plan pays 100% of additional covered expenses for the remainder of the calendar year. Penalties do not apply to the out-of-pocket amount.
√ A visit co-pay applies to any physician supervised treatment encounter unless stated otherwise. √ Co-pay applies per provider, per day unless stated otherwise. √ Maximums are combined for in-network and out-of-network services. √ Out-of-network services are paid up to the usual and customary charge.			

Medical Plan – Class 0004	In- Network	Out-Of- Network	Limitations and Explanations
Allergy Testing & Injections	100% after \$15 co-pay	80%*	
Ambulance – Ground	100%	80%*	Limited to emergency transport to nearest hospital. Voluntary ambulance not licensed by the state is not covered.
Ambulance – Air	Paid at the out-of-network level	80%*	
Anesthesia	100%	100%	
Cardiac Rehabilitation	100%	100%	Limited to treatment within 12 weeks of a medical condition related to an acute episode of a heart condition.
*Deductible applies **Inpatient hospital deductible applies			

Medical Plan – Class 0004	In- Network	Out-Of- Network	Limitations and Explanations
Chemotherapy / Radiation Therapy	100% after \$15 co-pay	80%*	
Chiropractic Care	100% after \$15 co-pay	80%*	A review for medical necessity will be required after 15 visits per calendar year.
Diabetic Education	100% after \$15 co-pay	80%*	
Diabetic Equipment & Supplies	100% after \$15 co-pay	80%*	Diabetic medications are covered under the Prescription Drug plan.
Diagnostic Laboratory Services – Outpatient	100%	80%*	
Diagnostic MRI / MRA / PET / CT	100%	80%*	
Diagnostic X-Ray	100%	80%*	
Dialysis	100% after \$15 co-pay	80%*	
Durable Medical Equipment	80%	80%*	Includes coverage for IUDs.
Home Health Care	100% after \$15 co-pay	80%*	Limited to 40 visits per calendar year. Includes home infusion therapy. Each HHC team member = 1 visit; 4 hours = 1 visit.
Hospice Care – Inpatient	100%	100%**	Limited to 210 days per lifetime.
Hospice Care – Outpatient	100%	100%	
Hospice – Bereavement Counseling	100%	80%*	
Hospital – Emergency Room	100% after \$50 co-pay	80%*	The in-network co-pay will only apply in a non- emergency diagnosis.
Hospital – Inpatient Acute Physical Rehabilitation Facility	100%	100%**	
Hospital – Inpatient Treatment of Mental Health & Substance Abuse	100%	100%**	
Hospital – Inpatient Treatment Of Other Covered Conditions	100%	100%**	
*Deductible applies			
**Inpatient hospital deductible applies			

Medical Plan – Class 0004	In- Network	Out-Of- Network	Limitations and Explanations
Hospital – Outpatient Ambulatory Surgery or Free-Standing Surgical Facility	100%	100%	
Hospital – Pre-Admission Testing	100%	100%	Should be performed within 7 days prior to admission.
Hospital – Urgent Care Center	100% after \$15 co-pay	80%*	
Infusion Therapy – Outpatient	100%	100%	
Infusion Therapy – Physician’s Office	100% after \$15 co-pay	80%*	
Medical Supplies	100%	100%	
Orthotics & External Prosthetics	80%	80%*	Replacement of braces or artificial arms and legs is covered only if there is sufficient change in condition.
Osseous Surgery – Office	100% after \$15 co-pay	80%*	
Outpatient Therapy – Mental Health & Substance Abuse	100%	80%*	
Physician Visit – Emergency Room	100%	80%*	Coinsurance is waived if admitted.
Physician Visit – Office/ Clinic/ Home	100% after \$15 co-pay	80%*	
Physician Visit – Inpatient	100%	100%	
Physician – Inpatient or Outpatient Surgeon	100%	100%	
Physician – Office Surgeon	100% after \$15 co-pay	80%*	
Physician – Assistant Surgeon	100%	100%	
Post-Mastectomy Prosthetic	80%	80%*	Limited to 2 per calendar year; 4 per calendar year if bilateral.
Post-Mastectomy Surgical Bra	80%	80%*	Limited to 2 per calendar year.
Private Duty Nursing – Outpatient	100% after \$15 co-pay	80%*	
Prostate Cancer Screening	100%	80%*	
Pulmonary Rehabilitation	100%	100%	
Rehabilitative Therapy – Physical / Occupational/ Speech	100% after \$15 co-pay	80%*	
Rehabilitative Therapy – Respiratory	100% after \$15 co-pay	80%*	
*Deductible applies			
**Inpatient hospital deductible applies			

Medical Plan – Class 0004	In- Network	Out-Of- Network	Limitations and Explanations
Routine Gynecological Exam	100% after \$15 co-pay	80%*	Limited to 2 exams per calendar year.
Routine Immunizations – Adult	100%	80%*	
Routine Mammogram	100% after \$15 co-pay	80%*	
Routine Physical Exam	100%	80%	Limited to 1 exam per calendar year. Further limited to \$300 per calendar year. Includes all related lab & x-ray services.
Routine Pap Smear	100%	80%*	
Routine Well Child Visits	100%	100%	Limited to children from birth to age 19.
Routine Well Child Immunizations	100%	100%	
Skilled Nursing Facility	100%	100%**	Must be admitted within 7 days of an inpatient hospital stay. Limited to 60 days per calendar year.
Sleep Studies	100% after \$15 co-pay	80%*	
Transfusion	100%	100%	
Wigs	80%	80%*	Limited to 1 wig per lifetime following chemotherapy.
All Other Covered Expenses	100%	80%*	Limited to covered expenses as described in the Summary Plan Description.
*Deductible applies			
**Inpatient hospital deductible applies			

**SCHEDULE OF VISION BENEFITS
CLASSES 0001, 0002 & 0004**

	In-Network	Out-Of-Network	Limitations and Explanations
Eye Exam	\$15 co-pay	\$35 allowance*	Limited to 1 routine eye exam every 12 months.
Frames	\$20 co-pay	\$35 allowance*	Limited to 1 purchase every 24 months. Further limited to Premier Selection or \$45 credit toward another selection of frames.
Lenses			Lenses, exams and contacts are limited to once every 12 months.
- Single Vision	\$20 co-pay	\$35 allowance*	
- Bi-Focal	\$20 co-pay	\$45 allowance*	
- Tri-Focal	\$20 co-pay	\$60 allowance*	
- Lenticular	\$20 co-pay	\$90 allowance*	
- Additional Lens- Coatings	Davis discounts available	Not covered	
Medically Necessary Contacts	100%	\$90 allowance*	Prior approval from Davis is required.
Contacts	\$25 co-pay for standard, soft daily wear; \$45 co-pay for disposable; \$45 allowance for non-plan contacts	\$90 allowance*	Hard, soft, gas permeable daily wear or disposable contact lenses per every 12-month period. Contacts may be purchased at the same time as eyeglasses. Co-pays/allowances will still apply.
*Medical deductible applies			

INTRODUCTION

Schenectady City School District has prepared this document to help you understand your benefits. **PLEASE READ IT CAREFULLY AS YOUR BENEFITS ARE AFFECTED BY CERTAIN LIMITATIONS AND CONDITIONS.** Also, benefits are not provided for certain kinds of treatments or services, even if your *health care provider* recommends them.

This document is written in simple, easy-to-understand language. Technical terms are printed in *italics* and defined in the Definitions section. The headings in the Plan are inserted for convenience of reference only and are not to be construed or used to interpret any of the provisions of the Plan.

As used in this document, the word *year* refers to the *benefit year* which is the 12-month period beginning January 1 and ending December 31. All annual benefit maximums and deductibles accumulate during the *benefit year*. The word *lifetime* as used in this document refers to the period of time a covered person is a participant in this Plan sponsored by Schenectady City School District.

The Plan may be amended from time to time to comply with the requirements of applicable law or to reflect changes in your *employer's* benefits program. If the Plan is amended, you will be advised of any important changes.

ARTICLE I -- ELIGIBILITY AND PARTICIPATION

A. Who Is Eligible

You are eligible to participate in this Plan if you are a:

1. regularly scheduled full-time employee of the company who works a minimum of twenty (20) hours per week, or earn at least \$3,000 per year, or derive more than half of your income from the School District; or
2. a retiree with a minimum of ten (10) years of service with the School District, or eligible for retirement benefits through the New York State Employees Retirement System or New York State Teachers Retirement System.

Your eligible dependents may also participate. Eligible dependents include:

1. A legal spouse, unless legally separated from you.
2. A child from birth to age twenty-six (26).

The term child includes:

- a. your natural child;
- b. a step-child by legal marriage;
- c. a child who is adopted or has been placed with you for adoption by a court of competent jurisdiction;
- d. a child for whom legal guardianship has been awarded;
- e. a child who is the subject of a *Qualified Medical Child Support Order (QMCSO)* dated on or after August 10, 1993. To be “qualified,” a state court medical child support order must specify: the name and last known mailing address of the plan participant and each *alternate recipient* covered by the order, a reasonable description of the type of coverage or benefit to be provided to the *alternate recipient*, the period to which the medical child support order applies, and each plan to which the order applies; and
- f. An unmarried child who is incapable of self-sustaining employment by reason of mental or physical disability and is primarily dependent on you for maintenance and support may continue to be covered under this Plan regardless of age, so long as the disability persists, and the disability began before the child reached age twenty-six (26).

In order to continue coverage, you must furnish written proof of the disability within thirty-one (31) days of the child's twenty-sixth (26th) birthday. The *plan administrator* may require you to furnish periodic proof of the child's continued disability but not more often than annually. If such proof is not satisfactory to the *plan administrator*, coverage for the child will end immediately.

You may not participate in this Plan as an employee and as a dependent. In addition, a person may not participate in this Plan as a dependent of more than one (1) employee.

No one who is on active duty with the armed forces will be eligible for coverage under this Plan.

B. Who Pays for Your Benefits

Schenectady City School District shares the cost of providing benefits for you and your dependents.

C. Enrollment Requirements

If you desire Plan benefits, you must enroll in the Plan by properly completing and returning an enrollment form to Schenectady City School District within thirty-one (31) days of your eligibility date. If you also desire dependent coverage, you must enroll your eligible dependents by this deadline.

If you do not have any eligible dependents at the time of initial enrollment but acquire eligible dependents at a later date, you must enroll dependents, including newborns, by properly completing and returning an enrollment form to Schenectady City School District within thirty-one (31) days of the date they become your dependent(s). Your newborn dependent will be eligible immediately after birth for the first thirty-one (31) days. The newborn infant(s) of your dependent child are not eligible under the Plan, nor will have coverage for the first thirty-one (31) days following birth.

Failure to enroll by the deadline noted above will subject you and your dependents to the Late Enrollment, or Special Enrollment Period provisions below.

D. Late Enrollment

If an eligible employee or dependent declined coverage at the time initially eligible, coverage cannot become effective until the next annual *open enrollment period* unless application for coverage was due to a Special Enrollment as defined under the Special Enrollment Period provision below. The employee or dependent must request enrollment in this Plan within the *open enrollment period*. This provision does not apply to a dependent who becomes eligible for

coverage as the result of a *Qualified Medical Child Support Order*, or who is adopted or is placed with you for adoption by a court of competent jurisdiction, as long as he is enrolled within thirty-one (31) days of his eligibility date.

The effective date for enrollment changes made during the *open enrollment period* is January 1.

E. Special Enrollment Periods

This Plan allows Special Enrollment Periods for eligible employees and dependents who experience certain life events. Special Enrollment Periods apply to the following:

1. Individuals losing other coverage. An employee or dependent that is eligible, but not enrolled in this Plan, may enroll if each of the following conditions is met:
 - a. The employee or dependent was covered under a group health plan, Medicaid including coverage under state funded Children's Health Insurance Plan (CHIP) or had health insurance coverage at the time coverage under this Plan was previously offered to the individual.
 - b. If required by the *plan administrator*, the employee stated in writing at the time that coverage was offered that the other health coverage was the reason for declining enrollment.
 - c. The coverage of the employee or dependent who has lost the coverage was under *COBRA* and the *COBRA* coverage was exhausted, or was not under *COBRA* 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.
 - d. The employee requests enrollment in this Plan not later than:
 - i. thirty (30) days following the termination of coverage or *employer* contributions, as described above;
 - ii. thirty (30) days following the date *COBRA* coverage was exhausted;
 - iii. sixty (60) days following the termination of Medicaid or CHIP.

Coverage begins on the day following the loss of coverage.

If the employee or dependent lost the other coverage as a result of the individual's failure to pay premiums or for cause (such as making a fraudulent claim), that individual does not have a special enrollment right.

2. Dependent beneficiaries. If:

- a. The employee is a participant under this Plan (or has met the *waiting period* applicable to becoming a participant under this Plan and is eligible to be enrolled under this Plan but for a failure to enroll during a previous enrollment period), and
- b. A person becomes a dependent of the employee through marriage, birth, adoption or placement for adoption then the dependent (and if not otherwise enrolled, the employee) may be enrolled under this Plan as a covered dependent of the employee. In the case of the birth or adoption of a child, the spouse of the employee may be enrolled as a dependent of the employee if the spouse is otherwise eligible for coverage.

The special enrollment period is a period of thirty (30) days that begins on the date of the marriage, birth, adoption, placement for adoption. Coverage begins as of the date of the marriage, birth, adoption or placement for adoption.

F. When Coverage Begins

When the enrollment requirements are met, your coverage begins on your date of hire.

Coverage for your eligible dependents begins the later of when your coverage begins or the first day a dependent becomes your dependent.

However, should coverage commence under the Late Enrollment or Special Enrollment Period sections, the provision under these sections will apply.

G. Acquired Companies

Eligible employees of an acquired company who are actively at work and were covered under the prior plan of the acquired company will be eligible for the benefits under this Plan on the date of acquisition. Any *waiting period* previously satisfied under the prior health plan will be applied toward satisfaction of the *waiting period* of this Plan. In the event that an acquired company did not have a health plan, all eligible employees will be eligible on the date of the acquisition.

H. Genetic Information Nondiscrimination Act (GINA)

The Genetic Information Nondiscrimination Act, or *GINA*, prohibits group health plans, issuers of individual health care policies, and employers from discriminating on the basis of *genetic information*.

Genetic information is a form of protected health information as defined by the Health Insurance Portability and Accountability Act of 1996 (*HIPAA*), and is subject to applicable privacy and security standards.

GINA does not prohibit a *health care provider* who is treating an individual from requesting that the patient undergo genetic testing. The rules permit the Plan to obtain genetic test results and use them to make claims payment determinations when necessary to determine whether the treatment provided was medically advisable and/or necessary.

The Plan may request, but not require, genetic testing in certain very limited circumstances involving research, so long as the results are not used for underwriting purposes. Such requests, will be made with written notice to the individual that participation is voluntary and will not affect eligibility for benefits, premiums, or contributions. In addition, the Plan will notify the Health and Human Services secretary of its activities falling within this exception.

I. When Coverage Ends

Your coverage ends the earliest of your last day of full-time regular employment; the date you are no longer eligible to participate in the Plan; the date you fail to make the required contributions; or the date the Plan ends.

Coverage for your dependents ends the earliest of the date your coverage ends; the end of the month following the date a dependent exceeds the age requirements to be covered under the Plan; the end of the month following the date a dependent no longer meets any other eligibility requirements; the date you fail to make the required contributions; or the date the Plan ends.

J. Family and Medical Leave Act of 1993 (FMLA)

If you qualify for an approved family or medical leave of absence (as defined in the Family and Medical Leave Act of 1993 (*FMLA*)), eligibility may continue for the duration of the leave. Failure to make payment within thirty (30) days of the due date established by your *employer* will result in the termination of coverage. If you fail to return to work after the leave of absence, your *employer* has the right to recover from you any contributions that were made on your behalf toward the cost of coverage during the leave.

For more information regarding *FMLA* leave, please refer to your Employee Handbook.

K. Employer Continuation Coverage

If you cease to be eligible for coverage due to a temporary layoff, an approved leave of absence, or a *total disability*, you and your eligible dependents may continue to be covered under the Plan. If you do not return to work at the end of an approved leave of absence, your employment will be deemed to have terminated for purposes of continuation of coverage under *COBRA*.

1. Temporary Layoff

If you are temporarily laid off, eligibility may continue following the date that the layoff began provided you make the required contribution to the Plan. Your employment will be considered terminated for benefit purposes on the day your employer ends the continuance.

2. Leave of Absence

If you are on an approved leave of absence that does not qualify as *FMLA* or is in excess of the time period permitted by *FMLA*, eligibility may continue following the date that the leave of absence began provided you make the required contribution to the Plan. Your employment will be considered terminated for benefit purposes on the day your employer ends the continuance.

Continuation under this section of the Plan is in addition to any period of time determined to be allowable under the Family and Medical Leave Act of 1993.

3. Total Disability

If you are covered under the Plan and your active service terminates due to *total disability*, you may continue to be covered under the Plan. Your employment will be considered terminated for benefit purposes on the day your employer ends the continuance.

Continuation under this section of the Plan may be combined with that period of time determined to be allowable under the Family and Medical Leave Act of 1993.

You may not be engaged in any other occupation for compensation, profit or gain while *totally disabled*. In addition, if you fail to make the required contribution, when due, coverage will terminate at the end of the period for which you made the last required contribution.

L. The Uniformed Services Employment and Re-employment Rights Act (USERRA)

This Plan will comply with the requirement of all the terms of The Uniformed Services Employment And Re-employment Rights Act of 1994 (*USERRA*). This is a federal law which gives members and former members of the U.S. armed forces (active and reserves) the right to return to their civilian job they held before military service.

ARTICLE II -- MEDICAL MANAGEMENT PROGRAM
(Applicable to Class 0003 Only)

A. What Is Medical Management

Schenectady City School District desires to provide you and your family with a health care benefit plan that helps protect you from significant health care expenses and helps to provide you with quality care.

THE PROGRAM IS NOT INTENDED TO DIAGNOSE OR TREAT MEDICAL CONDITIONS, GUARANTEE BENEFITS, OR VALIDATE ELIGIBILITY. The medical professionals who conduct the program focus their review on the appropriateness of treatment. Any questions pertaining to eligibility, Plan limitations or *fee schedules* should be directed to the customer service department.

Your participating *physician* or *provider* is required to call to obtain certification prior to receiving the services requiring precertification, as outlined within the Schedule of Medical Benefits.

B. Reduced Benefits For Failure To Follow Required Review Procedures

When the required review procedures outlined above are followed, your benefits will be unaffected. However, failure to comply with this provision may result in a penalty being applied to eligible expenses related to the treatment:

When services are received from a participating provider, precertification will be obtained by the *health care provider*. If certification is not received, your benefits will be reduced by 50%, up to a maximum penalty amount of \$500.

ARTICLE III -- NETWORK PROVISIONS

Certain *hospitals* and *physicians* have agreements pertaining to payment of covered medical charges. These *hospitals* and *physicians* are called network providers. If you have any questions regarding *hospitals* and *physicians* who participate in the network, call the phone number indicated on your identification card.

Applicable to those enrolled in the Patriot Blue Plan

This Plan pays for covered medical charges, made by both in-network and out-of-network providers. Network providers may not bill for amounts considered to be over the *fee schedule*. Network providers may bill for deductible and coinsurance amounts referred to in this Plan, if any. When you receive health care through a network provider, you incur lower out-of-pocket expenses, and there are no claim forms to fill out.

Benefits are also provided if you choose to receive health care through a provider that is not a network provider. However, the level of benefits will be reduced, and you will be responsible for a greater share of out-of-pocket expenses, and the amount of your expenses could be substantial. You may have to reach a deductible before receiving benefits, and you may be required to file a claim form.

Referrals by in-network providers to out-of-network providers will be considered out-of-network services or supplies and will be payable at the out-of-network benefit level. In order to have services and supplies paid at the in-network benefit level, ask your *physician* to refer you to participating providers (e.g. x-ray specialists, etc.).

Applicable to those enrolled in the Patriot Red Plan

This Plan pays for covered medical charges made by in-network providers only, except where otherwise noted. Network providers may not bill for amounts considered to be over the *fee schedule*. Network providers may bill for deductible and coinsurance amounts referred to in this Plan, if any. When you receive health care through a network provider, you incur lower out-of-pocket expenses, and there are no claim forms to fill out.

Benefits are not provided if you choose to receive health care through a provider that is not a network provider, except in limited circumstances.

Referrals by in-network providers to out-of-network providers will be considered out-of-network services or supplies and will not be payable under the Plan. In order to have services and supplies paid, ask your *physician* to refer you to participating providers (e.g. x-ray specialists, etc.).

Exceptions:

Physician or anesthesia services rendered at an in-network hospital will be reimbursed at the in-network benefit level, regardless of whether the provider is participating with the network.

If you receive emergency room treatment at an in-network facility, any services rendered by a physician during the emergency room encounter will be reimbursed at the network benefit level, regardless of whether the provider is participating with the network.

Benefits for treatment of an *injury* or *medical emergency* as defined by the Plan while outside the service area will be reimbursed at the in-network benefit level, regardless of who renders the services.

If specialist services cannot be obtained through an in-network provider within the service area, benefits for treatment rendered or supplies received from an out-of-network specialty provider will be reimbursed at the in-network benefit level.

ARTICLE IV -- MEDICAL BENEFITS

A. About Your Medical Benefits

All medical benefits provided under this Plan must satisfy some basic terms. The following terms which apply to your Plan's benefits are commonly included in medical benefit plans but often overlooked or misunderstood.

1. Medical Necessity

Medically necessary care is care which according to criteria, is:

- consistent with the symptoms or diagnosis and treatment of your condition, disease, ailment or injury,
- in accordance with standards of good medical practice,
- not for your convenience or that of your physician or other provider,
- the most appropriate supply, level of care, or service which can be safely provided to you.

The *plan administrator* may consult the *Medical Director* of the *claims processor* in order to determine the *medical necessity* of treatment. Medical treatments which are not proven, effective and appropriate are not covered by this Plan unless specifically mentioned.

2. Fee Schedule

The Plan provides benefits only for covered expenses that are equal to or less than the *fee schedule* for this Plan. The *fee schedule* for every procedure covered by this Plan may be obtained from the *plan administrator*. The allowable amount for any covered procedure may be changed from time-to-time. If a procedure is not listed in the *fee schedule*, the *Medical Director* will determine the allowance, if any.

3. Health Care Providers

The Plan provides benefits only for covered services and supplies rendered by a *physician, practitioner, nurse, hospital, or specialized treatment facility* as those terms are specifically defined in the Definitions section.

4. Custodial Care

The Plan does not provide benefits for services and supplies furnished primarily to assist an individual in the activities of daily living. Activities of daily living include such things as bathing, feeding, administration of oral medicines, or other services that can be provided by persons without the training of a *health care provider*.

5. Benefit Year

The word *year*, as used in this document, refers to the *benefit year* which is the 12-month period beginning January 1 and ending December 31. All annual benefit maximums and deductibles accumulate during the *benefit year*.

6. Alternate Benefit Provision

The *plan administrator* may elect to provide alternative benefits which are not listed as covered services in this contract. The alternative covered benefits should be determined on a case by case basis by the *plan administrator* for services which the *plan administrator* deems are *medically necessary*, cost effective and agreeable to the covered person and participating provider. The *plan administrator* shall not be committed to provide these same, or similar alternative benefits for another covered person nor shall the *plan administrator* lose the right to strictly apply the express provisions of this contract in the future.

B. Deductibles

A deductible is the amount of covered expenses you must pay during each *benefit year* before the Plan will consider expenses for reimbursement. The individual deductible applies separately to each covered person. The family deductible applies collectively to all covered persons in the same family. When the family deductible is satisfied, no further deductible will be applied for any covered family member during the remainder of that *benefit year*. Co-payments do not apply to the deductible.

If two (2) or more covered members of your family are injured in a common accident, the deductible will be applied only once to all involved persons for those injuries.

C. Deductible Carry-Over

When covered expenses incurred in the last three (3) months of the *benefit year* are applied to the deductible, that amount will also be used to satisfy the deductible for the following *benefit year*.

D. Coinsurance

Coinsurance percentages represent the portion of covered expenses paid by the Plan after satisfaction of any applicable deductible. These percentages apply only to covered expenses which do not exceed the applicable *fee schedule*.

The coinsurance percentages are shown on the Schedule of Medical Benefits.

E. Out-of-Pocket Limit

An out-of-pocket limit is the maximum amount of covered expenses you must pay during a *benefit year*. The individual maximum out-of-pocket amount applies separately to each covered person. When a covered person or family reaches their annual maximum out-of-pocket amount, the Plan will pay one hundred percent (100%) of additional covered expenses, subject to any applicable co-payments, for that individual during the remainder of that *calendar year*.

The annual individual and family out-of-pocket limits are shown on the Schedule of Medical Benefits.

F. Benefit Maximums

Total plan payments for each covered person are limited to certain maximum benefit amounts. A benefit maximum can apply to specific benefit categories or to all benefits. A benefit maximum amount also applies to a specific time period, such as annual or *lifetime*. Whenever the word *lifetime* appears in this Plan in reference to benefit maximums, it refers to the time you or your dependents are covered by this Plan.

The benefit maximums applicable to this Plan are shown in the Schedule of Medical Benefits.

G. Covered Medical Expenses

When all of the requirements of this Plan are satisfied, the Plan will provide benefits as outlined on the Schedule of Medical Benefits but only for the services and supplies listed in this section.

Hospital Services

1. Room and board, not to exceed the cost of a semiprivate room or other accommodations unless the attending *physician* certifies the *medical necessity* of a private room. If a private room is the only accommodation available, the Plan will cover an amount equal to the prevailing semiprivate room rate in the geographic area.

The Plan may not restrict benefits for any *hospital* length of stay in connection with childbirth for the mother or newborn child to less than forty-eight (48) hours following a normal vaginal delivery, or less than ninety-six (96) hours following a cesarean section, or require that a provider obtain authorization from the Plan for prescribing a length of stay not in excess of the above periods.

The attending provider, after consulting with the mother, may discharge the mother and newborn earlier than forty-eight (48) hours following a vaginal delivery or ninety-six (96) hours following a cesarean section.

2. *Intensive care unit* and coronary care unit charges.
3. Miscellaneous *hospital* services and supplies required for treatment during a *hospital* confinement.
4. Well-baby nursery and *physician* expenses during the initial *hospital* confinement of a newborn.
5. *Hospital* confinement expenses for dental services if the attending *physician* certifies that hospitalization is necessary to safeguard the health of the patient.
6. *Outpatient hospital* services.

Emergency and Urgent Care Services

1. Treatment of an *emergency* in a *hospital* emergency room or other emergency care facility.
2. Treatment at an urgent care facility.
3. Ground transportation provided by a professional ambulance service for the first trip to and from the nearest *hospital* or emergency care facility equipped to treat a condition that can be classified as an *emergency*.
4. Transportation provided by a professional air ambulance service for the first trip to and from the nearest *hospital* or emergency care facility equipped to treat a condition that can be classified as an *emergency*.

Specialized Treatment Facilities

1. A *skilled nursing facility* or extended care facility.
2. An *ambulatory surgical facility*.

3. *A birthing center.*
4. A mental health treatment facility, including a residential treatment facility.
5. A substance abuse treatment facility, including a residential treatment facility.
6. *A hospice facility.*

Surgical Services

1. Surgeon's expenses for the performance of a surgical procedure.
2. Assistant surgeon's expenses not to exceed twenty percent (20%) of the *fee schedule* of the surgical procedure.
3. Two (2) or more surgical procedures performed during the same session through the same incision, natural body orifice or operative field. The amount eligible for consideration is the *fee schedule* for the largest amount billed for one (1) procedure plus fifty percent (50%) of the sum of *fee schedule* for all other procedures performed.
4. Anesthetic services, when performed in connection with a covered surgical procedure.
5. *Oral surgery*, limited to the removal of tumors and cysts; incisions of sinuses, salivary glands, or ducts; frenectomy; cleft lip and palate; extracting partial or completely unerupted teeth; and treatment of an accidental *injury* to sound, natural teeth. Treatment of an accidental *injury* must be completed within twelve (12) months of the date of the *injury*.
6. *Reconstructive surgery*:
 - a. when needed to correct damage caused by a birth defect resulting in the malformation or absence of a body part;
 - b. when needed to correct damage caused by an *illness* or accidental *injury*; or
 - c. breast reconstructive *surgery* in a manner determined in consultation with the attending *physician* and the patient. Coverage includes reconstruction of the breast on which the mastectomy was performed, *surgery* and reconstruction of the other breast to produce a symmetrical appearance, and prostheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas. Nipple/areola reconstruction and nipple tattooing are also covered when the breast reconstruction is considered eligible under the Plan. This Plan is in compliance with the Women's Health and Cancer Rights Act of 1998.

7. Non-*experimental* organ and tissue transplant services to an organ transplant recipient who is covered under this Plan. In addition, benefits will be provided for *inpatient hospital* expenses of the donor of an organ for transplant to a covered recipient and for *physician's* expenses for surgical removal of the donor organ if the donor does not have coverage through another group plan. This benefit begins on the day of *surgery* and continues for up to ten (10) additional consecutive days. No benefits will be provided for organ selection, transportation and storage costs, or when benefits are available through government funding of any kind, or when the recipient is not covered under this Plan.
8. Circumcision.
9. *Outpatient surgery*.
10. Amniocentesis when the attending *physician* certifies that the procedure is *medically necessary*.
11. Surgical treatment of temporomandibular joint dysfunction (TMJ) and other craniomandibular disorders (applicable to Class 0003 only).
12. . Surgical treatment of *morbid obesity* (applicable to Class 0003 only).
13. Voluntary sterilization (applicable to Class 0003 only).
14. Voluntary termination of pregnancy (applicable to Class only).
15. . Gender reassignment *surgery*, when *medically necessary*, for individuals with a documented diagnosis of gender dysphoria.

Mental/Behavioral Health and Substance Abuse Treatment

1. *Inpatient* mental health treatment.
2. *Inpatient* substance abuse detoxification treatment.
3. *Outpatient* mental health and substance abuse treatment.
4. Initial *physician* examination and subsequent *physician* office visits for prescription of medication for the treatment of Attention Deficit Disorder (ADD) and Attention Deficit Hyperactivity Disorder (ADHD).
5. *Outpatient* treatment of substance abuse codependence.

6. *Outpatient* family counseling.
7. Treatment of an eating disorder.
8. Electro-shock therapy.

Medical Services

1. *Physician* office visits relating to a covered *illness* or *injury*.
2. *Inpatient physician* visits by the attending or non-attending *physician*.
3. *Second/third* (if *medically necessary*) *surgical opinions*.
4. Pregnancy and related maternity care for all covered females.
5. Services to achieve the diagnosis of infertility.
6. Private duty nursing care, limited to outpatient services, provided by a registered graduate *nurse* (R.N.) or a licensed practical *nurse* (L.P.N.) if *medically necessary*. (Not applicable to Class 0003.)
7. Dental services received after an accidental *injury* to sound and natural teeth including replacement of such teeth; and any related x-rays and dental services must be completed within twelve (12) months of the date of the *injury*.
8. Radiation therapy.
9. Chemotherapy.
10. . Hemodialysis.
11. Chiropractic services excluding *maintenance care* and palliative treatment.
12. . Acupuncture (applicable to Class 0003 only).
13. . Podiatric services for treatment of an *illness or injury*, or due to metabolic or peripheral vascular disease.
14. . Physical therapy received from a qualified *practitioner* under the direct supervision of the attending *physician*, excluding *maintenance care* and palliative treatment.

15. . Cardiac rehabilitation therapy received from a qualified *practitioner* under the direct supervision of the attending *physician*.
16. . Home health care that is provided by a *home health care agency* (four (4) hours = one (1) visit). The following are defined as covered home health care services and supplies upon referral of the attending *physician*:
 - a. part-time nursing services provided by or supervised by a registered *nurse* (R.N.);
 - b. part-time or intermittent home health aide services;
 - c. physical, occupational, speech or respiratory therapy which is provided by a qualified therapist;
 - d. nutritional counseling that is provided by or under the supervision of a registered dietician;
 - e. laboratory services, drugs, medicines, IV therapy and medical supplies which are prescribed by the doctor.
17. *Hospice care* provided that the covered person has a life expectancy of six (6) months or less and subject to the maximums, if any, as set forth in the Schedule of Benefits. Covered *hospice care*, and bereavement expenses are limited to:
 - a. room and board for confinement in a *hospice facility*;
 - b. ancillary charges furnished by the hospice while the patient is confined therein, including rental of *durable medical equipment* which is used solely for treating an *injury* or *illness*;
 - c. nursing care by a registered *nurse*, a licensed practical *nurse*, or a licensed vocational *nurse* (L.V.N.);
 - d. home health aide services;
 - e. home care charges for home care furnished by a *hospital* or *home health care agency*, under the direction of a hospice, including *custodial care* if it is provided during a regular visit by a registered *nurse*, a licensed practical *nurse*, or a home health aide;
 - f. laboratory services, drugs, medicines, IV therapy and medical supplies which are prescribed by the doctor.

- g. medical social services by licensed or trained social workers, psychologists, or counselors;
 - h. nutrition services provided by a licensed dietician;
 - i. counseling and emotional support services by a licensed social worker or a licensed pastoral counselor;
 - j. bereavement counseling visits by a licensed social worker or a licensed pastoral counselor for the covered person's immediate family following the patient's death;
18. . Speech therapy from a qualified *practitioner* to restore normal speech loss due to an *illness, injury* or surgical procedure. If the loss of speech is due to a birth defect, any required corrective *surgery* must have been performed prior to the therapy.
19. . Occupational therapy but not to include vocational, educational, recreational, art, dance or music therapy.
20. . Pulmonary therapy.
21. . Respiratory therapy.
22. Initial examination for the treatment of eating disorders (e.g., bulimia, anorexia). Subsequent treatment is eligible for consideration as a mental/nervous disorder.
23. . Allergy testing and treatment.
24. . Preparation of serum and injections for allergies.
25. . Sleep studies.
26. Temporomandibular joint dysfunction (TMJ): non-surgical treatment or treatment for prevention of TMJ, craniomandibular disorders, and other conditions of the joint linking the jawbone and skull, muscles, nerves, and other related tissues to that joint (applicable to Class 0003 only).
27. . Diabetes education programs.
28. Charges related to a provider discount for covered medical expenses resulting in savings to this Plan.
29. Non-surgical treatment of morbid obesity, limited to *medical necessity*.

30. Screening, diagnosis, and treatment of Autism Spectrum Disorder, including:

- a. assessments, evaluations, or tests to diagnose whether an individual has Autism Spectrum Disorder,
- b. medical care provided by a licensed *health care provider*,
- c. behavioral health counseling and treatment programs, when provided by a licensed provider, and *applied behavior analysis*, when provided or supervised by a behavior analyst certified pursuant to the behavior analyst certification board, that are necessary to develop, maintain, or restore, to the maximum extent practicable, the functioning of an individual,
- d. rental or purchase of assistive communication devices when ordered or prescribed by a licensed *physician* or a licensed psychologist for individuals who are unable to communicate through normal means (i.e., speech or writing) when the evaluation indicates that an assistive communication device is likely to provide the member with improved communication. Coverage is limited to dedicated devices and software and/or applications that enable a laptop, desktop, or tablet computer to function as a speech-generating device. Installation of the program and/or technical support is not separately reimbursable. Repair, replacement, fitting and adjustments are covered, when made necessary by normal wear and tear or significant change in a member's physical condition,
- e. direct or consultative services provided by a psychiatrist or psychologist, and
- f. therapeutic care provided by licensed or certified speech therapists, occupational therapists, social workers, or physical therapists.

Services for Autism Spectrum Disorder may be denied on the basis that such treatment is being provided to the covered person pursuant to an individualized education plan under Article 89 of New York Education Law. The provision of services pursuant to an individualized family service plan under Section 2545 of New York Public Health Law, an individualized education plan under Article 89 of New York Education Law, or an individualized service plan pursuant to regulations of the Office for Persons With Developmental Disabilities shall not affect coverage under the plan for services provided on a supplemental basis outside of an educational setting if such services are prescribed by a licensed *physician* or licensed psychologist (applicable to Class 0003 only).

Diagnostic X-Ray and Laboratory Services

1. *Diagnostic charges* for x-rays.
2. *Diagnostic charges* for laboratory services.
3. Preadmission testing (PAT).
4. Ultrasounds, prenatal laboratory and pregnancy testing.
5. Genetic testing and counseling.

Equipment, Supplies and Miscellaneous Items

1. *Durable medical equipment*, including expenses related to necessary repairs and maintenance. A statement is required from the prescribing *physician* determining whether the equipment will be rented or purchased. Initial replacement equipment is covered if the replacement equipment is required due to a change in the patient's physical condition; or, purchase of new equipment is less expensive than repair of existing equipment.
2. Artificial limbs and eyes and replacement of artificial eyes and limbs if required due to a change in the patient's physical condition; or, replacement is less expensive than repair of existing equipment.
3. Oxygen and rental of equipment required for its use, not to exceed the purchase price of such equipment.
4. Blood and/or plasma, if not replaced, and the equipment for its administration including autologous blood transfusions when performed at the participating facility where related *surgery* will be performed.
5. Insulin infusion pumps.
6. Initial prescription contact lenses or eye glasses, including the examination and fitting of the lenses, to replace the human lens lost through intraocular *surgery* or when required as the result of an *injury*.
7. Examination for or the purchase or fitting of hearing aids when required as the result of an *injury*.

8. Original fitting, adjustment and placement of orthopedic braces, casts, splints, crutches, cervical collars, head halters and traction apparatus, when prescribed by a *physician*, to replace lost body parts or to aid in their function when impaired. Replacement of such devices only will be covered if the replacement is necessary due to a change in the physical condition of the covered person.
9. Orthotics and external prosthetics.
10. Sterile surgical supplies after *surgery*.
11. Compression garments.
12. Injectable drugs and medicines (including injectible contraceptives), or supplies dispensed through the *physician's* office, for which the patient is charged.
13. Post mastectomy prosthetic and surgical bra.
14. Wig, limited to the initial purchase of a wig due to hair loss directly related to chemotherapy or radiation treatment.
15. . Drugs, medicines, or supplies dispensed through the *physician's* office, for which the patient is charged.

Preventive Care

Preventive care is subject to the limitations and maximums described in the Schedule of Benefits. Preventive care includes the following:

1. Routine physical examination including related laboratory and x-ray testing (applicable to Classes 0002, 0003 & 0004 only).
2. Routine outpatient well child care examinations including immunizations.
3. Routine gynecological examination.
4. Routine Pap test.
5. Routine mammogram.
6. Routine prostate screening (applicable to Classes 0002, 0003 & 0004 only).
7. Routine adult immunizations (applicable to Classes 0003 & 0004 only).

8. Routine colonoscopy (applicable to Class 0003 only).
9. Routine vision examination (applicable to Class 0003 only).
10. Routine hearing examination (applicable to Class 0003 only).

H. Medical Expenses Not Covered

The Plan will not provide benefits for any of the items listed in this section, regardless of *medical necessity* or recommendation of a *health care provider*. This list is intended to give you a general description of expenses for services and supplies not covered by the Plan. The Plan only covers those expenses for services and supplies specifically described as covered in the preceding section. There may be expenses in addition to those listed below which are not covered by the Plan.

General Exclusions

1. Any condition, disability, or expense sustained as a result of being engaged in an activity primarily for wage, profit or gain, and for which the covered person benefits are provided under Worker's Compensation Laws or similar legislation.
2. Communication, transportation expense, or travel time of *physicians* or *nurses*.
3. Educational, vocational, training services, supplies, or treatment except as specifically mentioned in Covered Medical Expenses.
4. Expenses for telephone conversations, charges for failure to keep a scheduled appointment, or charges for completion of medical reports, itemized bills, or claim forms.
5. Expenses resulting from penalties, exclusions or charges in excess of allowable limits imposed by HMO, non-HMO, or PPO providers resulting from failure to follow the required procedures for obtaining services or treatment.
6. *Experimental* equipment, services, or supplies which have not been approved by the United States Department of Health and Human Services, the American Medical Association (AMA), or the appropriate government agency.
7. Mailing and/or shipping and handling expenses.
8. Professional services performed by a person who ordinarily resides in your household or is related to the covered person, such as a spouse, parent, child, brother, sister, or in-law.

9. Services, supplies, or treatment eligible for consideration under any other plan of the *employer*.
10. Services, supplies, or treatment exceeding the *fee schedule* for the geographic area in which services are rendered.
11. Services, supplies, or treatment for which there is no legal obligation to pay, or expenses which would not be made except for the availability of benefits under this Plan.
12. Services, supplies, or treatment furnished by or for the United States Government or any other government, unless payment is legally required.
13. Services or supplies rendered by a facility operated by the Veteran's Health Administration for an *injury* or *illness* determined by the Secretary of Veterans Affairs to have been incurred in, or aggravated during, the performance of uniformed service.
14. Services, supplies, or treatment incurred as the result of an auto accident up to the amount of any state required automobile insurance with respect to those expenses.
15. Services, supplies, or treatment incurred for services rendered prior to the effective date of coverage under this Plan or expenses for services performed after the date coverage terminates.
16. Services, supplies, or treatment not *medically necessary*.
17. Services, supplies, or treatment not prescribed or recommended by a *health care provider*.
18. Services, supplies, or treatment unnecessary for diagnosis of an *illness* or *injury*, except as specifically mentioned in Covered Medical Expenses.
19. Services, supplies, or treatment used to satisfy Plan deductibles, co-pays, or applied as penalties.
20. Services, supplies or treatment as a result of an intentionally self-inflicted injury. This exclusion does not apply if the injury resulted from an act of domestic violence or a medical (including both physical and mental health) condition.
21. Services, supplies care or treatment for injury or sickness resulting from the covered person's voluntary taking of or being under the influence of any controlled substance, drug, hallucinogen or narcotic not administered on the advice of a physician. Expenses will be covered for injured covered persons other than the person using controlled substances. This exclusion does not apply if the injury resulted from an act of domestic violence or a medical (including both physical and mental health) condition.

22. Charges for services received as a result of injury or sickness occurring directly or indirectly, as result of a serious illegal act, or a riot or public disturbance. For purposes of this exclusion, the term “serious illegal act” shall mean any act or series of acts that, if prosecuted as a criminal offense, a sentence to a term of imprisonment in excess of one (1) year could be imposed. It is not necessary that criminal charges be filed, or, if filed, that a conviction result, or that a sentence of imprisonment for a term in excess of one (1) year be imposed for this exclusion to apply. Proof beyond a reasonable doubt is not required. This exclusion does not apply if the injury or sickness resulted from an act of domestic violence or a medical (including both physical and mental health) condition.

Additional Exclusions

The following exclusions are in alphabetical order to assist you in finding information quickly; however, you should review the entire list of exclusions when trying to determine whether a particular treatment or service is covered as the wording of the exclusion may place it in a different location than you might otherwise expect.

1. Acupuncture and/or acupressure (not applicable to Class 0003).
2. Adoption expenses.
3. Ambulance transport except as specifically mentioned in Covered Medical Expenses.
4. Assistive communication devices that are not exclusively dedicated to speech generation, including, but not limited to, laptops, desktops, or tablet computers (applicable to Class 0003 only).
5. Biofeedback.
6. Blood and storage of self-donated blood, except as specifically mentioned in Covered Medical Expenses.
7. Breast prosthetic implant removals whether inserted for cosmetic reasons or due to a mastectomy are not covered, unless the removal is *medically necessary*.
8. *Cosmetic* or reconstructive *surgery* except as specifically mentioned in Covered Medical Expenses.
9. Dental services, extraction of teeth, dental appliances or treatment including hospitalization for dental services, except as specifically mentioned in Covered Medical Expenses.
10. Dispensing fees for drugs, medicines and supplies received in a *physician's* office.

11. Donor expenses except as specifically mentioned in Covered Medical Expenses.
12. . Donor organ selection, transportation and storage costs.
13. . Drugs, medicine, or supplies that do not require a *physician's* prescription.
14. . Education, counseling, or job training for learning disorders or behavioral problems whether or not services are rendered in a facility that also provides medical and/or mental/nervous treatment, except as specifically mentioned in Covered Medical Expenses.
15. Elective abortion (not applicable to Class 0003).
16. Elective sterilization (not applicable to Class 0003).
17. . Equipment such as air conditioners, air purifiers, dehumidifiers, heating pads, hot water bottles, water beds, swimming pools, hot tubs, and any other clothing or equipment which could be used in the absence of an *illness* or *injury*.
18. . Eyeglasses or lenses, vision therapy or supplies unless specifically mentioned in Covered Medical Expenses.
19. Foot treatment, palliative or cosmetic, including flat foot conditions, supportive devices for the foot, orthopedic or corrective shoes, the treatment of subluxations of the foot, care of corns, bunions (except by capsular or bone *surgery*), calluses, toe nails (except *surgery* for ingrown nails), fallen arches, weak feet, chronic foot strain, and symptomatic complaints of the feet.
20. . Gender reassignment *surgery*, except as specified in Covered Medical Expenses.
21. . Hearing examinations, hearing aids, or related supplies except as specifically mentioned in Covered Medical Expenses.
22. . Holistic medical treatment.
23. *Hospital* confinement for physiotherapy, hydrotherapy, convalescent care, or rest care.
24. . Hypnosis.
25. Infertility treatment other than artificial insemination services specifically mentioned in the Covered Medical Expenses section.

26. . Kerato-refractive eye *surgery* (to improve nearsightedness, farsightedness, and/or astigmatism by changing the shape of the cornea including, but not limited to, radial keratotomy and keratomileusis *surgery*).
27. . Marital or pre-marital counseling.
28. . Massage therapy or rolfing.
29. . Methadone maintenance.
30. . Orthodontics for cleft palate.
31. . Personal comfort or service items while confined in a *hospital* including, but not limited to, radio, television, telephone, and guest meals.
32. . Prescription drugs or medicines other than specifically mentioned in any Covered Medical Expenses section.
33. . Preventive care except as specifically mentioned in Covered Medical Expenses.
34. . Private duty nursing except as specifically mentioned in Covered Medical Expenses.
35. *Respite care*.
36. . Reversal of any elective surgical procedure.
37. . Sales tax.
38. . Sanitarium, rest, or *custodial care*.
39. . Smoking cessation programs or *physician's* office visits for smoking cessation treatment.
40. . Surrogate expenses, including use of a surrogate by a covered individual or services as a surrogate by a covered individual.
41. Temporomandibular joint dysfunction (TMJ): surgical and non-surgical treatment or treatment for prevention of TMJ, craniomandibular disorders, and other conditions of the joint linking the jawbone and skull, muscles, nerves, and other related tissues to that joint (not applicable to Class 0003).
42. Vitamins and nutritional supplements, regardless of whether or not a *physician's* prescription is required.

43. Voluntary ambulance charges.
44. Weight reduction or control, including treatments, instructions, activities, or drugs and diet pills, whether or not prescribed by a *physician*, except as specifically mentioned in Covered Medical Expenses.
45. Wigs and artificial hair pieces, except as specifically mentioned in Covered Medical Expenses.

ARTICLE V -- VISION CARE BENEFITS

A. About Your Vision Benefits

All vision benefits provided under this Plan must satisfy some basic conditions. The following conditions, which apply to your Plan's vision benefits, are commonly included in vision benefit plans but are often overlooked or misunderstood.

1. Health Care Provider

The Plan provides benefits only for covered services rendered by a *physician or practitioner* as those terms are defined in the Definitions section.

2. Benefit Year

The word *year*, as used in this document, refers to the *benefit year* which is the 12-month period beginning January 1 and ending December 31. All annual benefit maximums accumulate during the *benefit year*.

B. Benefit Maximums

Total Plan payments for each covered person are limited to certain maximum benefit amounts. A benefit maximum can apply to specific benefit categories. A benefit maximum amount also applies to a specific time period and usually has a frequency limitation.

The benefit maximum amounts and frequency limitations are shown on the Schedule of Vision Care Benefits.

C. Covered Vision Expenses

1. Routine vision examinations by a *physician or practitioner* which include case history, visual acuity (clearness of vision), external examination and measurement; interior examination with ophthalmoscope; pupillary reflexes and eye movements; retinoscopy (shadow test); subjective refraction; coordination measure (far and near); medicating agents for diagnostic purposes; and analysis of findings with recommendations and prescription, if required.
2. Prescription lenses.
3. Prescription eyeglass frames.
4. Prescription contact lenses.

5. Scratch resistant coating.
6. Anti-reflective coating.
7. Ultraviolet coating.
8. Photo-chromatic lenses.
9. Tinting.

D. Vision Expenses Not Covered

The Plan will not provide benefits for any of the items listed in this section. This list is intended to give you a general description of expenses for services and supplies not covered by the Plan. This Plan only covers those expenses specifically described as covered in the preceding section. There may be expenses in addition to those listed below that are not covered by the Plan.

1. Services received more frequently than outlined in the Schedule of Vision Care Benefits.
2. Services in excess of the maximum as stated in the Schedule of Vision Care Benefits.
3. Services or supplies for which there is no legal obligation to pay, or expenses that would not be made except for the availability of benefits under this Plan.
4. Services furnished by or for the U.S. Government or any other government unless payment is legally required.
5. Any condition, disability, or expense sustained as a result of being involved in an automobile accident or any incident for which an automobile insurance policy is liable, whether or not any state mandated automobile coverage policy is in effect.
6. Training or educational instruction and materials.
7. Expenses for telephone conversations, charges for failure to keep a scheduled appointment, or charges for completion of medical reports, itemized bills, or claim forms.
8. Mailing and/or shipping and handling expenses.
9. Charges resulting from penalties, exclusions, or charges in excess of allowable limits imposed by HMO, non-HMO or PPO providers resulting from failure to follow the required procedures for obtaining services or treatment.

10. Professional services performed by a person who ordinarily resides in your household or who is related to the covered person such as a spouse, parent, child, brother, sister, or in-law.
11. *Experimental* equipment, services or supplies that have not been approved by the U.S. Department of Health and Human Services, the American Medical Association (AMA), or the appropriate government agency.
12. Expenses eligible for consideration under any other plan of the *employer*.
13. Services or supplies not prescribed by a *physician* or rendered by a covered *practitioner*.
14. Safety glasses, goggles or sunglasses, including prescription type.
15. Drugs or medications not used for the purpose of examination or tonometry.
16. Medical and/or surgical treatment of the eye.
17. Special procedures such as, but not limited to, orthoptics, vision training, or subnormal vision aids.
18. Replacement of lost, stolen or broken lenses and/or frames unless within the frequency limitations as specifically mentioned in the Schedule of Vision Care Benefits.
19. Examination, or lenses and/or frames ordered before the covered person was eligible for coverage or expenses for services performed or provided after coverage terminated.

ARTICLE VI -- COORDINATION OF BENEFITS (COB)

A. General Provisions

When you and/or your dependents are covered under more than one (1) group health plan, the combined benefits payable by this Plan and all other group plans will not exceed one hundred percent (100%) of the eligible expense incurred by the individual. The plan assuming primary payor status will determine benefits first without regard to benefits provided under any other group health plan. Any group health plan which does not contain a coordination of benefits provision will be considered primary.

When this Plan is the secondary payor, it will reimburse, subject to all Plan provisions, the balance of remaining expenses, not to exceed normal Plan liability.

B. Excess Insurance

If at the time of *injury*, sickness, disease or disability there is available, or potentially available any coverage (including but not limited to coverage resulting from a judgment at law or settlements), the benefits under this Plan shall apply only as an excess over such other sources of coverage.

The Plan's benefits will be excess to, whenever possible:

1. Any primary payer besides the Plan;
2. Any first party insurance through medical payment coverage, personal injury protection, no-fault coverage, uninsured or underinsured motorist coverage;
3. Any policy of insurance from any insurance company or guarantor of a third party;
4. Workers' compensation or other liability insurance company; or
5. Any other source, including but not limited to crime victim restitution funds, any medical, disability or other benefit payments, and school insurance coverage.

C. Vehicle Limitation

Benefits payable under this Plan will be coordinated with benefits provided or required by any no-fault automobile coverage statute, whether or not a no-fault policy is in effect, and/or any other vehicle insurance coverage. This Plan will be secondary to any state mandated automobile coverage for services and supplies eligible for consideration under this Plan.

D. Federal Programs

The term "group health plan" includes the Federal programs *Medicare* and *Medicaid*. The regulations governing these programs take precedence over the order of determination of this Plan. For more information, see the Medicare and Medicaid sections under Other Important Plan Provisions.

E. Application to Benefit Determinations

The plan that pays first according to the rules in the section entitled “Order of Benefit Determination” will pay as if there were no *other plan* involved. The secondary and subsequent plans will pay the balance due up to one hundred percent (100%) of the total Allowable Expenses.

This Plan will always be considered the secondary carrier regardless of the individual’s election under personal injury protection (PIP) coverage with the automobile insurance carrier.

F. Order of Benefit Determination

For the purposes of the section entitled “Application to Benefit Determinations,” the rules establishing the order of benefit determination are:

1. A plan without a coordinating provision will always be the primary plan;
2. The benefits of a plan which covers the person on whose expenses claim is based, other than as a dependent, shall be determined before the benefits of a plan which covers such person as a dependent;
3. If the person for whom claim is made is a dependent child covered under both parents’ plans, the plan covering the parent whose birthday (month and day of birth, not year) falls earlier in the year will be primary, except:
 - a. When the parents are separated or divorced, and the parent with the custody of the child has not remarried, the benefits of a plan which covers the child as a dependent of the parent with custody will be determined before the benefits of a plan which covers the child as a dependent of the parent without custody; or
 - b. When the parents are divorced and the parent with custody of the child has remarried, the benefits of a plan which covers the child as a dependent of the parent with custody shall be determined before the benefits of a plan which covers that child as a dependent of the stepparent, and the benefits of a plan which covers that child as a dependent of the stepparent will be determined before the benefits of a plan which covers that child as a dependent of the parent without custody.

Notwithstanding the above, if there is a court decree which would otherwise establish financial responsibility for the child’s health care expenses, the benefits of the plan which covers the child as a dependent of the parent with such financial responsibility shall be determined before the benefits of any *other plan* which covers the child as a dependent child; and

4. When the rules above do not establish an order of benefit determination, the benefits of a plan which has covered the person on whose expenses claim is based for the longer period of time shall be determined before the benefits of a plan which has covered such person the shorter period of time.

G. Right to Make Payments to Other Organizations

Whenever payments which should have been made by this Plan have been made by any *other plan(s)*, this Plan has the right to pay the *other plan(s)* any amount necessary to satisfy the terms of this coordination of benefits provision.

Amounts paid will be considered benefits paid under this Plan and, to the extent of such payments, the Plan will be fully released from any liability regarding the person for whom payment was made.

ARTICLE VII -- SUBROGATION

This Plan will be reimbursed 100% of any amounts paid whenever another party or parties is legally responsible or agrees to pay money due to an *illness* or *injury* suffered by you or your dependent(s).

Any settlement or recovery received shall first be deemed for reimbursement of medical expenses paid by the Plan, without reduction for attorney's fees, costs, comparative negligence, limits of collectability or responsibility, provisions of state law or otherwise.

Acceptance of benefits under this Plan is constructive notice of this provision in its entirety and that you, your covered dependent, your representative, your covered dependent's representative or anyone else who might derive financial gain from a settlement agrees:

1. That you will notify the *plan administrator* of any settlement with any party and notify the *plan administrator* of any lawsuit or claim filed by you or on your behalf, or on behalf of any heirs or otherwise interested parties against any party.
2. To fully cooperate with the terms and conditions of this Plan. If you or your covered dependent, heir or otherwise interested party choose not to act to recover money from any source, the *plan administrator* reserves the right to initiate its own direct action to obtain reimbursement.
3. That the benefits paid or to be paid by this Plan will be secondary, not primary.
4. That reimbursement to this Plan will be 100% of amounts paid without reduction for attorney's fees, costs, comparative negligence, limits of collectability or responsibility, provisions of state law or otherwise.
5. That reimbursement to this Plan will be made immediately upon collection of any sum(s) recovered regardless of its legal, financial or other sufficiency.
6. That you or any attorney that is retained by you will not assert the Common Fund or Made-Whole Doctrine;
7. That any amount recovered by a dependent minor or on behalf of a dependent minor by a trustee, guardian, parent or other representative of the minor shall be reimbursed to the Plan regardless of whether the minor's representative has access or control of any recovery funds.
8. To sign any documents requested by the *plan administrator*, or any representative of the *plan administrator* including but not limited to reimbursement and/or subrogation agreements. In addition, you agree to furnish any other information that might be requested by the *plan administrator* or representative of the *plan administrator*. Failure or refusal to execute such agreements or furnish information does not preclude the *plan administrator* or any representative of the *plan administrator* from exercising its right to subrogation or obtaining full reimbursement.

9. To take no action which will, in any way, prejudice the rights of the Plan. (If it becomes necessary for the *plan administrator* or any representative of the *plan administrator* to enforce this provision by initiating any action against you, your covered dependent, your representative, your covered dependent's representative or anyone else, you will be responsible to pay the fees of the *plan administrator's* attorney and all costs associated with the action regardless of the outcome of the action.)
10. That any portion of the lien not satisfied will be deducted from any covered family member's future claims regardless of whether they are accident related. The plan may withhold future benefits from any family member until the lien is repaid.
11. The term settlement or recovery shall include funds recovered through a wrongful death action regardless of whether state law precludes the inclusion of medical expenses as part of the claim.

Any claims related to the accident or *illness* made after satisfaction of this obligation shall be the responsibility of the covered person, not the Plan.

ARTICLE VIII -- OTHER IMPORTANT PLAN PROVISIONS

A. Assignment of Benefits

All benefits payable by the Plan may be assigned to the provider of services or supplies at your option. Payments made in accordance with an assignment are made in good faith and release the Plan's obligation to the extent of the payment.

B. Medicare

Applicable to Active Employees and Their Spouses Ages 65 and Over:

If you remain actively at work after reaching age sixty-five (65), you or your spouse may choose to elect or reject coverage under this Plan. If you or your spouse elects coverage under this Plan, the benefits of this Plan shall be determined before any benefits provided by *Medicare*. If you reject coverage under this Plan, benefits listed herein will not be payable even as secondary coverage to *Medicare*.

Applicable to All Other Participants Eligible for Medicare Benefits:

To the extent required by Federal regulations, this Plan will pay before any *Medicare* benefits. There are some circumstances under which *Medicare* would be required to pay its benefits first. In these cases, benefits under this Plan would be calculated as secondary payor (as described in the Article entitled Coordination of Benefits).

If you are entitled to *Medicare* for any reason but chose not to enroll under *Medicare* Parts A and B when entitled, this Plan will process your claims as though *Medicare* Parts A and B had been elected. If the Plan determines that *Medicare* would have been the primary payor, if enrolled, this plan will calculate the amount that Traditional *Medicare* Parts A and B would have paid and coordinate benefits accordingly.

Applicable to Medicare Services Furnished to End Stage Renal Disease (ESRD) Participants Who Are Covered Under This Plan:

If any Plan participant is eligible for *Medicare* benefits because of ESRD, the benefits of this Plan will be determined before *Medicare* benefits for the first eighteen (18) months of *Medicare* entitlement (with respect to charges incurred on or after February 1, 1991 and before August 5, 1997), and for the first thirty (30) months of *Medicare* entitlement (with respect to charges incurred on or after August 5, 1997), unless applicable Federal law provides to the contrary, in which event the benefits of the Plan will be determined in accordance with such law.

Applicable to Participants enrolled in a Medicare Part D Plan:

This Plan will not coordinate benefits for prescription drugs for an individual enrolled in a *Medicare* D plan. If you or your dependent enrolls in a *Medicare* D plan, benefits available under this Prescription Drug Plan will be terminated—such termination may result in termination of all Plan coverage.

C. Medicaid-Eligible Employees and Dependents

If you or your dependents are Medicaid-eligible, you will be entitled to the same coverage under the Plan as all other employees and dependents. The benefits of this Plan will be primary to those payable through Medicaid.

D. Recovery of Excess Payments

Whenever payments have been made in excess of the amount necessary to satisfy the provisions of this Plan, the Plan has the right to recover excess payments from any individual (including yourself), insurance company, or other organization to whom the excess payments were made or to withhold payment on future benefits until the overpayment is recovered.

If excess payments were made for services rendered to your dependent(s), the Plan has the right to withhold payment on your future benefits until the overpayment is recovered.

Further, whenever payments have been made based on fraudulent information provided by you, the Plan will exercise the right to withhold payment on future benefits until the overpayment is recovered.

E. Right to Receive and Release Necessary Information

The *plan administrator* may, without notice to or consent of any person, release to or obtain any information from any insurance company or other organization or person any information regarding coverage, expenses, and benefits which the *plan administrator*, at its sole discretion, considers necessary to determine and apply the provisions and benefits of this Plan. In so acting, the *plan administrator* shall be free from any liability that may arise with regard to such action. Any participant claiming benefits under this Plan shall furnish to the *plan administrator* such information as requested and as may be necessary to implement this provision.

F. Alternate Payee Provision

Under normal conditions, benefits are payable to you and can only be paid directly to another party upon signed authorization from you. If conditions exist under which a valid release or assignment cannot be obtained, the Plan may make payment to any individual or organization that has assumed the care or principal support for you and is equitably entitled to payment.

The Plan may also honor benefit assignments made prior to your death in relation to remaining benefits payable by the Plan.

Any payment made by the Plan in accordance with this provision will fully release the Plan of its liability to you.

G. Severability

The provisions of this Plan will be considered severable; therefore, if a provision is deemed invalid or unenforceable, that decision will not affect the validity and enforceability of the other provisions of the Plan.

H. Fraud

Under this Plan, coverage may be retroactively canceled or terminated (rescinded) if a participant acts fraudulently or intentionally makes material misrepresentations of fact. It is a participant's responsibility to provide accurate information and to make accurate and truthful statements, including information and statements regarding family status, age, relationships, etc. It is also a participant's responsibility to update previously provided information and statements. Failure to do so may result in coverage of participants being canceled, and such cancellation may be retroactive.

A determination by the Plan that a rescission is warranted will be considered an *adverse benefit determination* for purposes of review and appeal. A participant whose coverage is being rescinded will be provided a 30-day notice period as described under The Patient Protection and Affordable Care Act (PPACA) and regulatory guidance. Claims incurred after the retroactive date of termination shall not be further processed and/or paid under the Plan. Claims incurred after the retroactive date of termination that were paid under the Plan will be treated as erroneously paid claims under this Plan.

If a participant, or any other entity, submits or attempts to submit a claim for or on behalf of a person who is not a participant of the Plan; submits a claim for services or supplies not rendered; provides false or misleading information in connection with enrollment in the Plan; or provides any false or misleading information to the Plan as it relates to any element of its administration; that shall be deemed to be fraud. If a participant is aware of any instance of fraud, and fails to bring that fraud to the *plan administrator's* attention, that shall also be deemed to be fraud. Fraud will result in immediate termination of all coverage under this Plan for the participant and their entire family unit of which the participant is a member.

I. Headings

The headings used in this Plan Document are used for convenience of reference only. Participants are advised not to rely on any provision because of the heading.

J. No Waiver or Estoppel

All parts, portions, provisions, conditions, and/or other items addressed by this Plan shall be deemed to be in full force and effect, and not waived, absent an explicit written instrument expressing otherwise, executed by the *plan administrator*. Absent such explicit waiver, there shall be no estoppel against the enforcement of any provision of this Plan. Failure by any applicable entity to enforce any part of the Plan shall not constitute a waiver, either as it specifically applies to a particular circumstance, or as it applies to the Plan's general administration. If an explicit written waiver is executed, that waiver shall only apply to the matter addressed therein, and shall be interpreted in the most narrow fashion possible.

K. Blue Card Pricing Disclosure

When you obtain health care services from a participating provider outside the geographic area BlueCross BlueShield of Western New York and BlueShield of Northeastern New York serves, the amount you pay for covered services is calculated on either:

- The billed charges for your covered services, or
- The negotiated price that the on-site BlueCross and/or BlueShield Licensee (“Host Blue”) passes on to us.

Often, this “negotiated price” will consist of a simple discount which reflects the actual price considered by the Host Blue. But sometimes it is an estimated price that factors into the actual price, expected settlements, withholds, any other contingent payments arrangements and non-claims transactions with your *health care provider* or with a specified group of providers. The negotiated price may also be billed charges reduced to reflect an average expected savings with your *health care provider* or with a specified group of providers. The price that reflects average savings may result in greater variation (more or less) from the actual price paid than will the estimated price. The negotiated price will also be adjusted in the future to correct for over or underestimation of past prices, however, the amount you pay is considered a final price.

Statutes in a small number of states may require the Host Blue to use a basis for calculating Participant 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 Participant liability calculation methods that differ from the usual Blue Card method

noted above in paragraph one of this Exhibit or require a surcharge, BlueCross BlueShield of Western New York and BlueShield of Northeastern New York would then calculate your liability for any covered health care services in accordance with the applicable state statute in effect at the time you received your care.

You will be entitled to benefits for health care services received by you either inside or outside the geographic area BlueCross BlueShield of Western New York and BlueShield of Northeastern New York serves, if this plan covers those health care services. Due to variations in Host Blue medical practice protocols, you may also be entitled to benefits for some health care services obtained outside the geographic area BlueCross BlueShield of Western New York and BlueShield of Northeastern New York serves, even though you might not otherwise have been entitled to benefits if you had received those health care services inside the geographic area BlueCross BlueShield of Western New York and BlueShield of Northeastern New York serves. But in no event will you be entitled to benefits for health care services, whenever you receive them, which are specifically excluded or limited from coverage by this plan.

ARTICLE IX -- CLAIM SUBMISSION PROCESS

A. What Is a Claim for Benefits

Pre-Service Claims:

Pre-service claims are claims for which advance approval is required. Pre-service claims may be submitted by telephone or in writing.

Refer to your medical ID card for contact information.

Post-Service Claims:

A post-service claim is defined as any request for Plan benefits that complies with the Plan's procedure for making a claim for benefits. A participating *health care provider* will submit a claim directly to the Plan on your behalf. If you desire Plan benefits, you must submit a claim when services are rendered by a *health care provider* that does not participate in the network.

A claim for benefits includes:

1. Employee information: name, address, plan name, group number.
2. Patient information: patient name, address, birth date.
3. Treatment information: date(s) of service, procedure code, description of each supply or service, diagnosis code, charge for each supply or service.
4. *Health care provider* information: name, address, telephone number, federal tax identification number.

Send the complete claim for benefits to the address indicated on your ID card.

The *plan administrator* will determine if enough information has been submitted to enable proper consideration of the claim for benefits. If not, more information may be requested from the claimant.

The *plan administrator* reserves the right to have a Plan participant seek a second medical opinion.

B. When a Claim for Benefits Should Be Filed

Pre-Service Claim:

When precertification of a claim is required, you should follow the procedures outlined in the Health Care Management Program article of this Plan.

If you desire a predetermination of Plan benefits, you should notify the *claims processor* at least 15 calendar days prior to receiving services.

Post-Service Claims:

A claim for benefits must be filed within 12 months of the date of service. A claim for benefits filed after that date may be declined or reduced unless:

1. It is not reasonably possible to submit the claim within 12 months of the date of service; or
2. The claimant is not legally capable of submitting the claim within 12 months of the date of service.

C. Claim for Benefits Procedure

There are different kinds of claim for benefits and each one has a specific timetable for approval, payment, request for further information, or denial. The period of time begins on the date the claim is filed. The following is a summary of the maximum response times allowed for each type of claim.

Pre-Service Urgent Care Claims

Notice to claimant of:

Insufficient information on the claim for benefits	24 hours
Extension for claimant to provide required information	48 hours
Benefit determination	72 hours

Pre-Service Non-Urgent Care Claims

Notice to claimant of:

Insufficient information on the claim for benefits	5 calendar days
Extension for claimant to provide required information	45 calendar days
Benefit determination	15 calendar days

Post-Service Claims

Notice to claimant of:

Benefit determination (all required information received)	30 calendar days
Extension for claimant to provide required information	45 calendar days
Benefit determination (requested information provided)	15 calendar days

D. Notice to Claimant of Adverse Benefit Determination

The *plan administrator* shall provide written or electronic notice of any *adverse benefit determination*. The notice will state the following:

1. The specific reason(s) for the adverse determination.
2. Reference to the specific Plan provisions on which the determination was based.
3. A description of any additional information necessary for the claimant to perfect the claim for benefits, and an explanation of why such material or information is necessary.
4. A description of the Plan's appeal procedures, including a statement of the claimant's right to bring a civil action under section 502 of *ERISA*.
5. A statement that upon request, the claimant is entitled to receive, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim.
6. A statement that other voluntary dispute resolution options are available, such as mediation.

If the *adverse benefit determination* was based on an internal guideline, protocol, or other similar criterion, the specific guideline, protocol, or criterion will be provided. If this is not practical, a statement will be included that such a guideline, protocol, or criterion was relied upon in making the *adverse benefit determination*, and a copy will be provided free of charge to the claimant upon request.

If the *adverse benefit determination* is based on the *medical necessity*, *experimental*, or *investigational* exclusions of the Plan, an explanation of the clinical judgment for the determination will be provided. If this is not practical, a statement will be included that such explanation will be provided free of charge, upon request.

E. Pre-Service and Post-Service Claim Appeal

You may appeal an *adverse benefit determination*. When a claimant receives an *adverse benefit determination* for a claim, the claimant has 180 days following receipt of the notification to appeal the decision. Otherwise, the initial *adverse benefit determination* shall be the final decision of the Plan.

When a claimant receives an *adverse benefit determination* for a pre-service claim, a grievance can be filed with the *claims processor* orally or in writing. A grievance for a post-service claim must be submitted in writing.

This Plan provides for two levels of appeals. If the *adverse benefit determination* is partially or fully upheld, a claimant may appeal the initial grievance decision. If the claimant decides to appeal the initial grievance decision, the next step is to submit a second level appeal to the Plan Sponsor. The decision of the Plan Sponsor shall be considered the final decision of the Plan. The following is a summary of the maximum response times allowed for each type of claim appeal.

Pre-Service Urgent Care Claims

Initial internal appeal	72 hours for phone response (written response within 3 business days of phone response)
Second internal appeal	72 hours for phone response (written response within 3 business days of phone response)

Pre-Service Non-Urgent Care Claims

Initial internal appeal	15 calendar days
Second appeal	15 calendar days

Post-Service Claims

Initial internal appeal	30 calendar days
Second appeal	30 calendar days

The period of time within which the Plan must make a benefit determination for an appeal begins at the time an appeal is filed in accordance with the procedures of the Plan. During voluntary dispute resolution, any statute of limitations or other defense based on timeliness is tolled during the time any appeal is pending.

For any appeal, a claimant may submit written comments, documents, records, and other information related to the claim for benefits. If the claimant requests, he or she will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits.

A document, record, or other information shall be considered relevant to a claim for benefits if it:

1. Was relied upon in making the benefit determination;
2. Was submitted, considered, or generated in the course of making the benefit determination;
3. Demonstrated compliance with the administrative processes and safeguards designed to ensure that benefit determinations are made in accordance with Plan documents, and that Plan provisions have been applied consistently with respect to all claimants; or
4. Constituted a statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit.

Any review shall take into account all information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The review will not afford deference to the initial *adverse benefit determination*, and will be conducted by a Plan representative who is neither the individual who made the adverse determination nor a subordinate of that individual. The *claims processor* may hold a hearing of all parties involved, if the *claims processor* deems such hearing to be necessary.

If the determination was based on a medical judgment, including determinations with regard to whether a particular service or supply is *experimental*, *investigational*, or not *medically necessary* or appropriate, the representative of the Plan will consult with a health care professional who was not involved in the original benefit determination. This health care professional will have appropriate training and experience in the applicable field of medicine. Additionally, the Plan will identify medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the initial determination.

A written explanation of a claim appeal determination will include the following information:

1. The specific reason or reasons for the decision, including a response to any information and comments submitted by you or your duly authorized representative;
2. Reference to Plan provisions and records on which the decision is based;
3. A statement that you and your duly authorized representative are entitled to receive, upon request and free of charge, access to and copies of all documents, records and other information relevant to the benefit claim; and

No action at law or in equity can be brought to recover under this Plan after the expiration of three years after the claim has been filed with the *plan administrator*.

ARTICLE X -- COBRA CONTINUATION OF BENEFITS
(Consolidated Omnibus Budget Reconciliation Act)

A. Definitions

For purposes of this section, the terms listed below shall be defined as follows:

1. **COBRA.** The Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.
2. **Code.** The Internal Revenue Code of 1986, as amended.
3. **Continuation Coverage.** The Plan coverage elected by a qualified beneficiary under *COBRA*.
4. **Covered Employee.** Covered *employee* has the same meaning as that term is defined in *COBRA* and the regulations thereunder.
 1. **Qualified Beneficiary.**
 - a. A covered *employee* whose employment terminates (other than for gross misconduct) or whose hours are reduced, rendering him ineligible for coverage under the Plan;
 - b. A covered spouse or *dependent* who becomes eligible for coverage under the Plan due to a qualifying event, as defined below; or
 - c. A newborn or newly adopted child of a covered *employee* who is continuing coverage under *COBRA*.
 2. **Qualifying Event.** The following events which, but for continuation coverage, would result in the loss of coverage of a qualified beneficiary:
 - a. termination of a covered *employee's* employment (other than for gross misconduct) or reduction in his hours of employment;
 - b. the death of the covered *employee*;
 - c. the divorce or legal separation of the covered *employee* from his spouse;
 - d. A child ceasing to be eligible as a dependent child under the terms of the group health plan; or
 - e. your *employer* filing a Chapter 11 bankruptcy petition. Coverage may continue for covered retirees and or their dependents if coverage ends or is substantially reduced within one year before or after the initial filing for bankruptcy.

B. Right to Elect Continuation Coverage

If a qualified beneficiary loses coverage under the Plan due to a qualifying event, he may elect to continue coverage under the Plan in accordance with *COBRA* upon payment of the monthly contribution specified by the *company*. A qualified beneficiary must elect the coverage within the 60-day period beginning on the later of:

1. The date of the qualifying event; or
2. The date he was notified of his right to continue coverage.

If you are considered an eligible worker, in accordance with the Trade Adjustment Assistance Reform Act (TAA), you may be entitled to elect *COBRA* Continuation Coverage during the 60-day period beginning on the first day of the month in which you begin receiving Trade Adjustment Assistance provided that the election is made within the six (6) month period immediately following the date of the TAA-related loss of coverage.

C. Notification of Qualifying Event

If the qualifying event is divorce, legal separation, or a dependent child's loss of eligibility, the qualified beneficiary must notify the *company* of the qualifying event within sixty (60) days of the event in order for coverage to continue. You must report the qualifying event to the *plan administrator* in writing. The statement must include:

1. Your name;
2. Your identification number;
3. The dependent's name;
4. The dependent's last known address;
5. The date of the qualifying event; and
6. A description of the event.

In the case of a request for extension of the *COBRA* period as a result of a finding of disability by the Social Security Administration, you must also submit the disability determination. In addition, a totally disabled qualified beneficiary must notify the *company* in accordance with the section below entitled Total Disability in order for coverage to continue.

Failure to provide such notice(s) will result in a loss of *COBRA* entitlement hereunder.

D. Length of Continuation Coverage

1. A qualified beneficiary who loses coverage due to the reduction in hours or termination of employment (other than for gross misconduct) of a covered *employee* may continue coverage under the Plan for up to eighteen (18) months from the date of the qualifying event.
2. A qualified beneficiary who loses coverage due to the covered *employee's* death, divorce, or legal separation, or dependent children who have become ineligible for coverage may continue coverage under the Plan for up to thirty-six (36) months from the date of the qualifying event.

E. Total Disability

1. A qualified beneficiary who is determined under Title II or XVI of the Social Security Act (hereinafter the "Act") to have been totally disabled within sixty (60) days of a qualifying event (if the qualifying event is termination of employment or reduction in hours) may continue coverage (including coverage for dependents who were covered under the continuation coverage). Coverage may continue for a total of twenty-nine (29) months as long as the qualified beneficiary notifies the *employer* that he was disabled as of the date of the qualifying event:
 - a. Prior to the end of eighteen (18) months of continuation coverage; and
 - b. Within sixty (60) days of the determination of total disability under the Act.
2. The *employer* will charge the qualified beneficiary an increased premium for continuation coverage extended beyond eighteen (18) months pursuant to this section.
3. If, during the period of extended coverage for total disability (continuation coverage months 19-29), a qualified beneficiary is determined to be no longer totally disabled under the Act, the qualified beneficiary shall notify the *employer* of this determination within thirty (30) days. Continuation coverage shall terminate the last day of the month following thirty (30) days from the date of the final determination under the Act that the qualified beneficiary is no longer totally disabled.

F. Coordination of Benefits

Benefits will be coordinated with any federal program, automobile coverage or group health plan in accordance with the provisions described in the Article entitled - Coordination of Benefits.

G. Termination of Continuation Coverage

Continuation coverage will automatically end earlier than the applicable 18-, 29-, or 36-month period for a qualified beneficiary if:

1. The required monthly contribution for coverage is not received by the *company* within thirty (30) days following the date it is due;
2. The qualified beneficiary becomes covered under any other group health plan as an employee or otherwise.
3. For totally disabled qualified beneficiaries continuing coverage for up to twenty-nine (29) months, the last day of the month coincident with or following thirty (30) days from the date of a final determination by the Social Security Administration that such beneficiary is no longer totally disabled;
4. The qualified beneficiary becomes entitled to *Medicare* benefits; or
5. The *company* ceases to offer any group health plans.

H. Multiple Qualifying Events

If a qualified beneficiary is continuing coverage due to a qualifying event for which the maximum continuation coverage is eighteen (18) or twenty-nine (29) months, and a second qualifying event occurs during the 18- or 29- month period, the qualified beneficiary may elect, in accordance with the section entitled Right To Elect Continuation Coverage, to continue coverage under the group health plan for up to thirty-six (36) months from the date of the first qualifying event.

I. Continuation Coverage

The continuation coverage elected by a qualified beneficiary is subject to all of the terms, conditions, limitations and exclusions which are applicable to the Plan offered to similarly situated covered *employees* and their dependents. The continuation coverage is also subject to the rules and regulations under *COBRA*. If *COBRA* permits qualified beneficiaries to add dependents for continuation coverage, such dependents must meet the definition of dependent under the Plan.

J. Carryover of Deductibles and Plan Maximums

If continuation coverage under the group health plan is elected by a qualified beneficiary under *COBRA*, expenses already credited to the Plan's applicable deductible and co-pay features for the year will be carried forward into the continuation coverage elected for that year.

Similarly, If continuation coverage under the Plan is elected by a qualified beneficiary under *COBRA*, expenses already credited to the Plan's applicable maximum for the year will be carried forward into the continuation coverage elected for that year.

K. Payment of Premium

1. The Group Health Plan will determine the amount of premium to be charged for Continuation Coverage for any period, which will be a reasonable estimate of the cost of providing coverage for such period for similarly situated individuals, determined on an actuarial basis and considering such factors as the Secretary of Labor may prescribe.

a. The Group Health Plan may require a Qualified Beneficiary to pay a contribution for coverage that does not exceed 102 percent of the applicable premium for that period.

The American Recovery Reinvestment Act of 2009 (ARRA) temporarily provides federally subsidized *COBRA* premium assistance in the amount of 65%. This provision applies to those who were involuntarily terminated during the period as defined by ARRA.

b. For Qualified Beneficiaries whose coverage is continued pursuant to the section entitled "Total Disability" of this provision, the Group Health Plan may require the Qualified Beneficiary to pay a contribution for coverage that does not exceed 150 percent of the applicable premium for Continuation Coverage months 19-29.

c. Contributions for coverage may, at the election of the Qualified Beneficiary, be paid in monthly installments.

2. If Continuation Coverage is elected, the monthly contribution for coverage for those months up to and including the month in which election is made must be made within forty-five (45) days of the date of election.

3. Without further notice from the Company, the Qualified Beneficiary must pay each following monthly contribution for coverage by the first day of the month for which coverage is to be effective. If payment is not received by the Company within thirty (30) days of the payment's due date, Continuation Coverage will terminate in accordance with the section entitled "Termination of Continuation Coverage", Subsection A. This 30-day grace period does not apply to the first contribution required under Subsection B.

4. No claim will be payable under this provision for any period for which the contribution for coverage is not received from or on behalf of the Qualified Beneficiary.

ARTICLE XI -- PROTECTED HEALTH INFORMATION

The Plan provides you with a separate Notice of Privacy Practices. This Notice describes how the Plan uses and discloses your personal health information. It also describes certain rights you have regarding this information. Additional copies of our Notice of Privacy Practices are available by contacting your Human Resources Department.

A. Protected Health Information

This Plan collects and maintains a great deal of personal health information about you and your dependents. Federal *HIPAA* regulations on privacy and confidentiality limit how a plan and its *plan administrator* may use and disclose this information. This article describes provisions that protect the privacy and confidentiality of your personal health information and complies with applicable federal law.

B. Permitted and Required Uses and Disclosure of Protected Health Information

Subject to obtaining written certification this Plan may disclose *protected health information* to the *plan sponsor*, provided the *plan sponsor* does not use or disclose such *protected health information* except for the following purposes:

1. performing administrative functions which the *plan sponsor* performs for the Plan;
2. obtaining bids for providing employee coverage under this Plan; or
3. modifying, amending, or terminating the Plan.

Notwithstanding the provisions of this Plan to the contrary, in no event shall the *plan sponsor* be permitted to use or disclose *protected health information* in a manner that is inconsistent with the regulation.

C. Conditions of Disclosure

The Plan or any *employee* coverage with respect to the Plan, shall not disclose *protected health information* to the *plan sponsor* unless the *plan sponsor* agrees to:

1. Not use or further disclose the *protected health information* other than as permitted or required by the Plan or as required by law.
2. Ensure that any agents, including a subcontractor, to whom it provides *protected health information* received from the Plan, agree to the same restrictions and conditions that apply to the *plan sponsor* with respect to *protected health information*.

3. Not use or disclose the *protected health information* for employment-related actions and decisions or in connection with any other benefit or benefit plan of the *plan sponsor*.
4. Report to the Plan any use or disclosure of the information that is inconsistent with the uses or disclosures provided for of which it becomes aware.
5. Make available to a *participant* who requests access the *participant's protected health information* in accordance with the regulation.
6. Make available to a *participant* who requests an amendment to the *participant's protected health information* and incorporate any amendments to the *participant's protected health information* in accordance with the regulation.
7. Make available to a *participant* who requests an accounting of disclosures of the *participant's protected health information* the information required to provide an accounting of disclosures in accordance with the regulation.
8. Make its internal practices, books, and records relating to the use and disclosure of *protected health information* received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with the regulation.
9. If feasible, return or destroy all *protected health information* received from the Plan that the *plan sponsor* still maintains in any form and retain no copies of such information when no longer needed for the purpose for which the disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information feasible.
10. . Ensure that the adequate separation between the Plan and the *plan sponsor* required in the regulation is satisfied.

D. Certification of Plan Sponsor

The Plan shall disclose *protected health information* to the *plan sponsor* only upon the receipt of a certification by the *plan sponsor* that the Plan has been amended to incorporate the provisions of the regulation, and that the *plan sponsor* agrees to the conditions of disclosure set forth in the section Conditions of Disclosure.

E. Permitted Uses and Disclosure of Summary Health Information

The Plan may disclose *summary health information* to the *plan sponsor*, provided such *summary health information* is only used by the *plan sponsor* for the purpose of:

1. obtaining bids for providing *employee* coverage under this Plan; or
2. modifying, amending, or terminating the Plan.

F. Permitted Uses and Disclosure of Enrollment and Disenrollment Information

The Plan or a health insurance issuer or HMO with respect to the Plan, may disclose enrollment and disenrollment information and information on whether individuals are participating in the Plan to the *plan sponsor*, provided such enrollment and disenrollment information is only used by the *plan sponsor* for the purpose of performing administrative functions that the *plan sponsor* performs for the Plan.

G. Adequate Separation between the Plan and the Plan Sponsor

The *plan sponsor* shall limit access to *protected health information* to only those employees authorized by the *plan sponsor*. Such employees shall only have access to and use such *protected health information* to the extent necessary to perform the administration functions that the *plan sponsor* performs for the Plan. In the event that any such employees do not comply with the provisions of this section, the employee shall be subject to disciplinary action by the *plan sponsor* for non-compliance pursuant to the *plan sponsor's* employee discipline and termination procedures.

H. Security Standards for Electronic Protected Health Information

HIPAA and other applicable law shall override the following wherever there is a conflict, or a term or terms is/are not hereby defined. The Security Rule imposes regulations for maintaining the integrity, confidentiality, and availability of *protected health information* that it creates, receives, maintains, or maintains electronically that is kept in electronic format as required under *HIPAA*.

Where *electronic protected health information* will be created, received, maintained, or transmitted to or by the *plan sponsor* on behalf of the Plan, the *plan sponsor* shall reasonably safeguard the *electronic protected health information* as follows:

1. The *plan sponsor* shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the *electronic protected health information* that the *plan sponsor* creates, receives, maintains, or transmits on behalf of the Plan;

2. The *plan sponsor* shall ensure that the adequate separation that is required by the regulation is supported by reasonable and appropriate security measures;
3. The *plan sponsor* shall ensure that any agent, including a subcontractor, to whom it provides *electronic protected health information*, agrees to implement reasonable and appropriate security measures to protect such information; and
4. The *plan sponsor* shall report to the Plan any *security incidents* of which it becomes aware as described below:
 - a. The *plan sponsor* shall report to the Plan within a reasonable time after *plan sponsor* becomes aware, any *security incident* that results in unauthorized access, use, disclosure, modification, or destruction of the Plan's *electronic protected health information*; and
 - b. The *plan sponsor* shall report to the Plan any other *security incident* on an aggregate basis every month, or more frequently upon the Plan's request.

This Plan will comply with the requirement of 45 C.F.R. / 164.314 (b)(1) and (2) of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, 45 C.F.R. Parts 160, 162, and 164.

I. Notification Requirements in the Event of a Breach of Unsecured Protected Health Information

The required breach notifications are triggered upon the discovery of a breach of unsecured *protected health information*. A breach is discovered as of the first day the breach is known, or reasonably should have been known.

When a breach of unsecured *protected health information* is discovered, the Plan will:

1. Notify the member whose *protected health information* has been, or is reasonably believed to have been, assessed, acquired, used, or disclosed as a result of the breach, in writing, without unreasonable delay and in no case later than sixty (60) calendar days after discovery of the breach. Breach notification must be provided to individual by:
 - a. Written notice by first-class mail to the member (or next of kin) at last known address or, if specified by participant, e-mail;
 - c. If Plan has insufficient or out-of-date contact information for the member, the member must be notified by a substitute form;
 - d. If an urgent notice is required, the Plan may contact the member by telephone.

The breach notification will have the following content:

- a. Brief description of what happened, including date of breach and date discovered;
 - b. Types of unsecured *protected health information* involved (e.g., name, Social Security number, date of birth, home address, account number);
 - c. Steps the member should take to protect from potential harm;
 - d. What the Plan is doing to investigate the breach, mitigate losses, and protect against further breaches;
2. Notify the media if the breach affected more than five hundred (500) residents of a state or jurisdiction. Notice must be provided to prominent media outlets serving the state or jurisdiction without unreasonable delay and in no case later than sixty (60) calendar days after the date the breach was discovered;
 3. Notify the HHS Secretary if the breach involves five hundred (500) or more individuals, contemporaneously with the notice to the affected individual and in the manner specified by HHS. If the breach involves less than five hundred (500) individuals, an internal log or other documentation of such breaches must be maintained and annually submitted to HHS within sixty (60) days after the end of each calendar year; and
 4. When a Business Associate, which provides services for the Plan and comes in contact with *protected health information* in connection with those services discovers a breach has occurred, that Business Associate will notify the Plan without unreasonable delay and in no case later than sixty (60) calendar days after discovery of a breach so that the affected members may be notified. To the extent possible, the Business Associate should identify each individual whose unsecured *protected health information* has been, or is reasonably believed to have been, breached.

ARTICLE XII -- DEFINITIONS

The following terms define specific wording used in this Plan. These definitions should not be interpreted to extend coverage unless specifically provided for under Covered Medical Expenses and Covered Vision Expenses.

Adverse Benefit Determination

Any of the following:

- A denial in benefits;
- A reduction in benefits;
- A rescission of coverage;
- A termination of benefits; or
- A failure to provide or make payment (in whole or in part) for a benefit, including any such denial, reduction, termination, or failure to provide or make payment that is based on a determination of a Claimant's eligibility to participate in the Plan.

Alternate Recipient

Any child of a participant who is recognized under a medical child support order as having a right to enrollment under this Plan as the participant's eligible dependent. For purposes of the benefits provided under this Plan, an *alternate recipient* shall be treated as an eligible dependent, but for purposes of the reporting and disclosure requirements under *ERISA*, an *alternate recipient* shall have the same status as a participant.

Ambulatory Surgical Facility

A public or private facility, licensed and operated according to the law, which does not provide services or accommodations for a patient to stay overnight. The facility must have an organized medical staff of *physicians*; maintain permanent facilities equipped and operated primarily for the purpose of performing surgical procedures; and supply registered professional nursing services whenever a patient is in the facility.

Applied Behavior Analysis

The design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement, and functional analysis of the relationship between environment and behavior.

Benefit Year

The 12-month period beginning January 1 and ending December 31. All annual deductibles and benefit maximums accumulate during the *benefit year*.

Birthing Center

A public or private facility, other than private offices or clinics of *physicians*, which meets the free standing *birthing center* requirements of the State Department of Health in the state where the covered person receives the services.

The *birthing center* must provide: A facility which has been established, equipped, and operated for the purpose of providing prenatal care, delivery, immediate postpartum care and care of a child born at the center; supervision of at least one (1) specialist in obstetrics and gynecology; a *physician* or certified nurse midwife at all births and immediate post partum period; extended staff privileges to *physicians* who practice obstetrics and gynecology in an area *hospital*; at least two (2) beds or two (2) birthing rooms; full-time nursing services directed by an R.N. or certified *nurse* midwife; arrangements for diagnostic x-ray and lab services; the capacity to administer local anesthetic or to perform minor *surgery*.

In addition, the facility must only accept patients with low risk pregnancies, have a written agreement with a *hospital* for emergency transfers, and maintain medical records on each patient and child.

Claims Processor

BlueShield of Northeastern New York.

Cosmetic Surgery

Any expenses incurred in connection with the care and treatment of, or operations which are performed for plastic, reconstructive, or cosmetic purposes or any other service or supply which are primarily used to improve, alter, or enhance appearance of a physical characteristic which is within the broad spectrum of normal but which may be considered displeasing or unattractive, except when required by an *injury*.

Custodial Care

Services and supplies furnished primarily to assist an individual in the activities of daily living. Activities of daily living include such things as bathing, feeding, administration of oral medicines, or other services that can be provided by persons without the training of a *health care provider*.

Dental Care Provider

A *dentist, dental hygienist, physician, or nurse* as those terms are specifically defined in this section.

Dental Hygienist

A person trained and licensed to perform dental hygiene services, such as prophylaxis (cleaning of teeth), under the direction of a licensed *dentist*.

Dentist

A person acting within the scope of his/her license, holding the degree of Doctor of Medicine (M.D.), Doctor of Dental Surgery (D.D.S.), or Doctor of Dental Medicine (D.M.D.), and who is legally entitled to practice dentistry in all its branches under the laws of the state or jurisdiction where the services are rendered.

Diagnostic Charges

The *fee schedule* for x-ray or laboratory examinations made or ordered by a *physician* in order to detect a medical condition.

Durable Medical Equipment

Equipment and/or supplies ordered by a *health care provider* for everyday or extended use which:

- Can withstand repeated use;
- Is primarily and customarily used to serve a medical purpose; and
- Generally is not useful to a person in the absence of an *illness* or *injury*.

Emergency

A situation or medical condition with symptoms of sufficient severity (including severe pain) so that a prudent layperson, who possesses an average knowledge of health and medicine, would reasonably expect the absence of immediate medical attention to result in: (a) serious jeopardy to the health of the individual (or, with respect to a pregnant woman, the woman's unborn child); (b) serious impairment to bodily functions; or (c) serious dysfunction of any bodily organ or part.

An *emergency* includes, but is not limited to, suspected heart attack or severe chest pain, actual or suspected poisoning, unconsciousness, hemorrhage, acute appendicitis, heat exhaustion, convulsion, or such other acute medical conditions as determined to be *medical emergencies* by the *plan administrator*.

Employer

Schenectady City School District.

ERISA

The Employee Retirement Income Security Act of 1974, as amended.

Experimental/Investigational

Expenses for treatments, procedures, devices or drugs which the *plan administrator* determines, in the exercise of its discretion, are *experimental, investigational* or done primarily for research. Such treatments, procedures, devices or drugs are excluded under this Plan unless:

Approval of the U.S. Food and Drug Administration for marketing the drug or device has been given at the time it is furnished, if such approval is required by law; and, reliable evidence shows that the treatment, procedure, device or drug is not the subject of ongoing phase I, II or III clinical trials or under study to determine its maximum tolerated dose, toxicity, safety, efficacy, or efficacy as compared with the standard means of treatment or diagnoses; and

Reliable evidence shows that the consensus of opinion among experts regarding the treatment, procedure, device or drug is that further studies or clinical trials are not necessary to determine its maximum tolerated dose, toxicity, safety, efficacy, or efficacy as compared with the standard means of treatment or diagnoses.

Reliable evidence includes anything determined to be such by the *plan administrator*, within the exercise of its discretion, and may include published reports and articles in the medical and scientific literature generally considered to be authorized by the national medical professional community.

Fee Schedule

The *fee schedule* is the calculation of the maximum amount payable toward any claim of benefits. The *fee schedule* is the negotiated price for local participating providers and a participating provider outside the geographic area that the network serves. The *fee schedule* reflects the maximum amount payable toward a covered expense. Participating providers can only bill you for the difference between the benefit paid and the *fee schedule* for any service. Allowed expense for non-participating providers is based on the usual and customary charge in the geographic area where the services or supplies are provided. The usual and customary charge is the charge most frequently made to the majority of patients for the same service or procedure. The charge must be within the range of the charges most frequently made in the same or similar medical service area for the service or procedure as billed by *physicians, health care providers* or *dentists*.

FMLA

The Family and Medical Leave Act of 1993, as amended.

General Anesthesia

An agent introduced into the body which produces a condition of loss of consciousness.

Genetic Information

The information about genes, gene products and inherited characteristics that may derive from an individual or a family member. This includes information regarding carrier status and information derived from laboratory tests that identify mutations in specific genes or chromosomes, physical medical examinations, family histories and direct analysis of genes or chromosomes.

GINA

The Genetic Information Nondiscrimination Act of 2008 (Public Law No. 110-233), which prohibits group health plans, issuers of individual health care policies, and employers from discriminating on the basis of *genetic information*.

Health Care Provider

A *physician, practitioner, nurse, hospital or specialized treatment facility* as those terms are specifically defined in this section.

HIPAA

The Health Insurance Portability and Accountability Act of 1996, as amended.

Home Health Care Agency

An agency or organization that provides a program of home health care and that:

1. is approved as a *home health care agency* under *Medicare*;
2. is established and operated in accordance with the applicable laws in the jurisdiction in which it is located and, where licensing is required, has been licensed and approved by the regulatory authority having responsibility for licensing under the law; or

3. meets all of the following requirements:
 - a. it is an agency which holds itself forth to the public as having the primary purpose of providing a home health care delivery system bringing supportive services to the home;
 - b. it has a full-time administrator;
 - c. it maintains written records of services provided to the patient;
 - d. its staff includes at least one registered *nurse* or it has nursing care by a registered *nurse* available; and
 - e. its employees are bonded and it provides malpractice and malplacement insurance.

Hospice Care

A program approved by the attending *physician* for care rendered in the home, *outpatient* setting or institutional facility to a terminally ill covered person with a medical prognosis that life expectancy is six (6) months or less.

Hospice Facility

A public or private organization, licensed and operated according to the law, primarily engaged in providing palliative, supportive, and other related care for a covered person diagnosed as terminally ill with a medical prognosis that life expectancy is six (6) months or less.

The facility must have an interdisciplinary medical team consisting of at least one (1) *physician*, one (1) registered *nurse*, one (1) social worker, one (1) volunteer and a volunteer program.

A *hospice facility* is not a facility or part thereof which is primarily a place for rest, *custodial care*, the aged, drug addicts, alcoholics, or a hotel or similar institution.

Hospital

The term *hospital* means:

1. an institution constituted, licensed, and operated in accordance with the laws pertaining to *hospitals*, which maintains on its premises all the facilities necessary to provide for the diagnosis and medical and surgical treatment of an *injury* or *illness*, and which provides such treatment for compensation, by or under the supervision of *physicians* on an *inpatient* basis with continuous 24-hour nursing service by registered *nurses*;

2. an institution which qualifies as a *hospital* and a provider of services under *Medicare*, and is accredited as a *hospital* by the Joint Commission on the Accreditation of Health Care Organizations;
3. a *rehabilitation facility*.

The term *hospital* shall also include a *residential treatment* facility specializing in the care and treatment of mental/nervous conditions or substance abuse treatment, provided such facility is duly licensed if licensing is required, or otherwise lawfully operated if licensing is not required.

Regardless of any other Plan provision or definition, the term *hospital* will not include an institution which is other than incidentally, a place of rest, place for the aged or a nursing home.

Illness

Any bodily sickness, disease or mental/nervous disorder. For the purposes of this Plan, pregnancy will be considered an *illness*.

Injury

A condition which results independently of an *illness* and all other causes and is a result of an externally violent force or accident.

Inpatient

Treatment in an approved facility during the period when charges are made for room and board.

Intensive Care Unit

A section, ward, or wing within a *hospital* which is operated exclusively for critically ill patients and provides special supplies, equipment and constant observation and care by registered graduate *nurses* or other highly trained personnel. This excludes, however, any *hospital* facility maintained for the purposes of providing normal post-operative recovery treatment or service.

Late Enrollee

An individual who enrolls under the Plan other than during the first 31-day period in which the individual is eligible to enroll under the Plan or during a Special Enrollment Period.

Lifetime

The period of time you or your eligible dependents participate in this Plan.

Maintenance Care

Services and supplies primarily to maintain a level of physical or mental function.

Medical Director

A *physician*, compensated by the *Claims Processor*, who provides health care utilization advise to the *plan administrator*. In addition, the Medical Director:

- Monitors and evaluates health care utilization including quality of care and safety issues, adherence to clinical guidelines, protocols, etc.
- Provides guidance of case management, utilization management, medical management, treatment plans, quality and safety related to appropriate utilization and review of an *adverse benefit determination*.
- Establishes best practices and documents appropriate guidelines.
- Reviews and evaluates new applications of existing technology and new medical procedures for medical policy.

Medically Necessary (Medical Necessity)

Medically necessary, medical necessity, and similar language refers to health care services ordered by a *physician* exercising prudent clinical judgment provided to a participant for the purposes of evaluation, diagnosis or treatment of that patient's *illness or injury*. *Medically necessary* services must be clinically appropriate in terms of type, frequency, extent, site, and duration for the diagnosis or treatment of the patient's *illness or injury*. Further, to be considered *medically necessary*, services must be no more costly than alternative interventions, and are at least as likely to produce equivalent therapeutic or diagnostic results for the diagnosis or treatment of the patient's *illness or injury* without adversely affecting the patient's medical condition.

A *medically necessary* service must meet all of the following criteria:

- It must not be maintenance therapy or maintenance treatment;
- Its purpose must be to restore the patient's health;
- It must not be primarily custodial in nature; and
- It must not be a listed item or treatment not allowed for reimbursement by CMS (Medicare).

The Plan reserves the right to incorporate CMS (Medicare) guidelines in effect on the date of treatment as additional criteria for determination of *medical necessity*.

Merely because a *health care provider* recommends, approves, or orders certain care does not mean that it is *medically necessary*. The determination of whether a service, supply, or treatment is or is not *medically necessary* may include findings of the American Medical Association and the *plan administrator's* own medical advisors.

Medicare

Title XVIII (Health Insurance for the Aged) of the United States Social Security Act as amended.

Morbid Obesity

A condition in which the body weight exceeds the normal weight by either 100 pounds, or is twice the normal weight of a person the same height, and conventional weight reduction measures have failed.

The excess weight must cause a medical condition such as physical trauma, pulmonary and circulatory insufficiency, diabetes, or heart disease.

Nurse

A person acting within the scope of his/her license and holding the degree of Registered Graduate *Nurse* (R.N.), Licensed Vocational *Nurse* (L.V.N.) or Licensed Practical *Nurse* (L.P.N.).

Open Enrollment Period

A designated period each year as determined by the employer, with a coverage effective date of January 1.

Oral Surgery

Necessary procedures for *surgery* in the oral cavity, including pre- and post-operative care.

Other Plan

Plans including, but not limited to:

1. Any primary payer besides the Plan;
2. Any other group health plan;
3. Any other coverage or policy covering a claimant;
4. Any first party insurance through medical payment coverage, personal injury protection, no-fault coverage, uninsured or underinsured motorist coverage;
5. Any policy of insurance from any insurance company or guarantor of a responsible party;

6. Any policy of insurance from any insurance company or guarantor of a third party;
7. Workers' compensation or other liability insurance company; or
8. Any other source, including but not limited to crime victim restitution funds, any medical, disability or other benefit payments, and school insurance coverage.

Outpatient

Treatment either outside a *hospital* setting or at a *hospital* when room and board charges are not incurred.

Physically or Mentally Handicapped

The inability of a person to be self-sufficient as the result of a condition such as, but not limited to, mental retardation, cerebral palsy, epilepsy or another neurological disorder and diagnosed by a *physician* as a permanent and continuing condition preventing the individual from being self-sufficient or other *illness* as approved by the *plan administrator*.

Physician

A person acting within the scope of his/her license and holding the degree of Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.), and who is legally entitled to practice medicine under the laws of the state or jurisdiction where the services are rendered.

Plan Administrator

The *plan administrator*, Schenectady City School District, is the sole fiduciary of the Plan, and exercises all discretionary authority and control over the administration of the Plan and the management and disposition of the Plan assets. The *plan administrator* shall have the sole discretionary authority to determine eligibility for Plan benefits or to construe the terms of the Plan.

The *plan administrator* has the right to amend, modify or terminate the Plan in any manner, at any time, regardless of the health status of any Plan participant or beneficiary.

The *plan administrator* may hire someone to perform claims processing and other specified services in relation to the Plan. Any such contractor will not be a fiduciary of the Plan and will not exercise any other discretionary authority and responsibility granted to the *plan administrator*, as described above.

Plan Sponsor

Schenectady City School District.

Plan Year

The 12-month period for Schenectady City School District, beginning July 1 and ending June 30.

Practitioner

A *physician* or person acting within the scope of applicable state licensure/certification requirements and/or holding the degree of Doctor of Dental Surgery (D.D.S.), Doctor of Dental Medicine (D.M.D.), Doctor of Podiatric Medicine (D.P.M.), Doctor of Chiropractic (D.C.), Doctor of Optometry (O.D.), Optician, Certified Nurse Midwife (C.N.M.), Registered Physical Therapist (R.P.T.), Psychologist (Ph.D., Psy.D.), Licensed Clinical Social Worker (L.C.S.W.), Master of Social Work (M.S.W.), Speech Therapist or Registered Respiratory Therapist.

Professional Components

Services rendered by a professional technician (e.g. radiologist, pathologist, anesthesiologist) in conjunction with services rendered at a *hospital, ambulatory surgical facility* or *physician's* office.

Qualified Medical Child Support Order

A medical child support order that either creates or recognizes the right of an *alternate recipient* (i.e., a child of a covered participant who is recognized under the order as having a right to be enrolled under the Plan) or assigns to the *alternate recipient* the right to receive benefits for which a participant or other beneficiary is entitled under the Plan.

A “medical child support order” is a judgment, decree or order (including a settlement agreement) issued by a court of competent jurisdiction or through an administrative process established under state law that has the force and effect of law in that state, that provides for child support related to health benefits with respect to the child of a group health plan participant, or required health benefit coverage of such child in such plan, and is ordered under state domestic relations law, or that enforces a state medical child support law enacted under Section 1908 of the Social Security Act with respect to a group health plan.

Rehabilitation Facility

A legally operating institution or distinct part of an institution which has a transfer agreement with one or more *hospitals*, and which is primarily engaged in providing comprehensive multidisciplinary physical restorative services, post acute *hospital* and rehabilitative *inpatient* care and is duly licensed by the appropriate governmental agency to provide such services. It does not include institutions which provide only minimal care, *custodial care*, ambulatory or part time care services, or an institution which primarily provides treatment of mental/nervous conditions, substance abuse treatment or tuberculosis except if such facility is licensed, certified or approved as a *rehabilitative*

facility for the treatment of medical conditions, mental/nervous conditions or substance abuse treatment in the jurisdiction where it is located, or is credited as such a facility by the Joint Commission on the Accreditation of Health Care Organizations or the Commission for the Accreditation of Rehabilitation Facilities.

Respite Care

Respite care rendered through a licensed *hospice facility* for home custodial care which provides relief to an immediate family in caring for the day to day needs of a terminally ill individual.

Second/Third Surgical Opinion

Examination by a *physician* who is certified by the American Board of Medical Specialists in a field related to the diagnosis of the proposed *surgery* to evaluate alternatives and/or the medical advisability of undergoing a surgical procedure.

Skilled Nursing Facility/Extended Care Facility/Convalescent Nursing Hospital

An institution that:

1. primarily provides skilled (as opposed to custodial) nursing service to patients;
2. is approved by the Joint Commission on the Accreditation of Healthcare Organizations (JCAH) and/or *Medicare*.

In no event shall such term include any institution or part thereof that is used principally as a rest facility or facility for the aged or, any treatment facility for mental/nervous condition or substance abuse treatment.

Special Enrollee

A *special enrollee* is an employee or dependent who is entitled to and who requests special enrollment:

1. within thirty-one (31) days of losing other health coverage because their COBRA coverage is exhausted, they cease to be eligible for other coverage, or employer contributions are terminated;
2. for a newly acquired dependent, within thirty-one (31) days of the marriage, birth, adoption, or placement for adoption; or
3. within sixty (60) days of losing other health coverage through Medicaid or CHIP.

Specialized Treatment Facility

Specialized treatment facilities as the term relates to this Plan include *birthing centers, ambulatory surgical facilities, hospice facilities, or skilled nursing facilities* as those terms are specifically defined.

Surgery

Any operative or diagnostic procedure performed in the treatment of an *injury* or *illness* by instrument or cutting procedure through any natural body opening or incision. Surgery includes closed reduction of fractures, dislocation of bones, endoscopic procedures, and any incision or puncture of the skin or other tissue except for inoculation, vaccination, collection of blood, drug administration or injection.

Total Disability (Totally Disabled)

The inability to perform all the duties of the covered person's occupation as the result of an *illness* or *injury*. *Total disability* means the inability to perform the normal duties of a person of the same age.

USERRA

The Uniformed Services Employment and Reemployment Rights Act of 1994.

Usual and Customary Charge

The charge most frequently made to the majority of patients for the same service or procedure. The charge must be within the range of the charges most frequently made in the same or similar medical service area for the service or procedure as billed by other *physicians, practitioners* or *dentists*.

Waiting Period

A period of continuous, full-time employment before an employee or dependent is eligible to participate in the Plan, or for purposes of determining *creditable coverage*, the *waiting period* under any other health plan.

Year

See *Benefit Year*.

ARTICLE XIII -- GENERAL INFORMATION

Name and Address of the Plan Sponsor

Schenectady City School District
108 Education Drive
Schenectady, NY 12303

Name and Address of the Plan Administrator

Schenectady City School District
108 Education Drive
Schenectady, NY 12303

Name and Address of the Agent for Service of Legal Process

Schenectady City School District
108 Education Drive
Schenectady, NY 12303

Claims Processor

BlueShield of Northeastern New York
P.O. Box 80
Buffalo, NY 14240

Internal Revenue Service and Plan Identification Number

The corporate tax identification number assigned by the Internal Revenue Service is 14-6004188. The plan number is 501.

Plan Year

The 12-month period for Schenectady City School District, beginning July 1 and ending June 30.

Method of Funding Benefits

The funding for the benefits is derived from the funds of the *employer* and contributions made by covered employees. The Plan is not insured.

Plan Status

Grandfathered.

Plan Modification and Termination

The *plan administrator* intends to continue the Plan indefinitely. Nevertheless, Schenectady City School District reserves the right to amend, modify, or terminate the Plan at any time, which may result in the termination or modification of your coverage. The *plan administrator* will notify all covered persons as soon as possible, but in no event later than sixty (60) days after the effective date the Plan change was adopted. Expenses incurred prior to the Plan termination, modification or amendment will be paid as provided under the terms of the Plan prior to its termination, modification or amendment.

Discretion of Plan Administrator

The *plan administrator* shall be the sole determiner of all matters concerning medical benefits and coverage under this Plan. The *plan administrator* shall have broad discretion in interpreting the provisions of this Plan, which discretion shall be exercised in good faith. The *plan administrator's* discretionary authority includes, but is not limited to, resolving questions of coverage and benefits, determining matters relating to eligibility, deciding questions of administration, and deciding other questions under the Plan.

Not a Contract

This Plan Document and any amendments constitute the provisions of coverage under this Plan. The Plan Document is not to be construed as a contract between the Company and any participant or to be consideration for, or an inducement or condition of, the employment of any employee. Nothing in this Plan Document shall be deemed to give any employee the right to be retained in the company's service or to interfere with the company's right to discharge an employee at any time; provided, however, that the foregoing shall not be deemed to modify the provisions of any collective bargaining agreements which may be entered into by the Company and bargaining representatives of any employees.

ARTICLE XIV -- ERISA STATEMENT OF RIGHTS
(Employee Retirement Income Security Act of 1974)

As a participant in the Schenectady City School District Employee Benefit Plan, you are entitled to the following rights and protections under the Employee Retirement Income Security Act of 1974 (*ERISA*). *ERISA* provides that all Plan participants shall be entitled to:

1. Examine, without charge, at the *plan administrator's* office and at other specified locations, all plan documents, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports.
2. Obtain copies of all plan documents and other Plan information upon written request to the *plan administrator*. The Administrator may make a reasonable charge for the copies.
3. In some cases, the law may require the *plan administrator* to provide you with a summary of the Plan's annual financial report.

In addition to creating rights for Plan participants, *ERISA* imposes duties upon the people who operate the plan. These people are called fiduciaries and have a duty to act prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your *employer*, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under *ERISA*.

If your claim for a benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the *plan administrator* review and reconsider your claim.

Under *ERISA*, there are steps you can take to enforce the above rights. For instance, if you make a written request for materials from the Plan and do not receive them within thirty (30) days, you may file suit in a federal court. In such a case, the court may require the *plan administrator* to provide the materials, and pay up to \$110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the *plan administrator*.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file a suit in federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file a suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the *plan administrator*. If you have any questions about this statement or about your rights under *ERISA*, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210.

Notice of Nondiscrimination



BlueShield of Northeastern New York complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. BlueShield of Northeastern New York does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

BlueShield of Northeastern New York:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
 - Qualified sign language interpreters
 - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
 - Qualified interpreters
 - Information written in other languages

If you need these services, please call the customer service number on the back of your ID card or contact the Director, Corporate Compliance and Privacy Officer.

If you believe that BlueShield of Northeastern New York has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Director, Corporate Compliance and Privacy Officer, 257 West Genesee Street, Buffalo, NY 14202, 1-800-798-1453, (716) 887-6056 (fax), complaint.compliance@bsneny.com. You can file a grievance in person or by mail, fax, or email. You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at U.S. Department of Health and Human Services, 200 Independence Avenue SW, Room 509F, HHH Building, Washington, DC 20201, 1-800-368-1019, 1-800-537-7697 (TDD).

Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

Notice of Nondiscrimination



For assistance in English, call customer service at the number listed on your ID card.

Para obtener asistencia en español, llame al servicio de atención al cliente al número que aparece en su tarjeta de identificación.

請撥打您 ID 卡上的客服號碼以尋求中文協助。

Обратитесь по номеру телефона обслуживания клиентов, указанному на Вашей идентификационной карточке, для помощи на русском языке.

Rele nimewo sèvis kliyantèl ki nan kat ID ou pou jwenn èd nan Kreyòl Ayisyen.

한국어로 도움을 받고 싶으시면 ID 카드에 있는 고객 서비스 전화번호로 문의해 주십시오.

Per assistenza in italiano chiamate il numero del servizio clienti riportato nella vostra scheda identificativa.

פאר הילף אין אידיש, רופט די קאסטומער סערוויס אויפן נומער וואס שטייט אויף אייער ID קארטל.

বাংলায় সহায়তার জন্য, আপনার আইডি কার্ডে তালিকাভুক্ত নম্বরে ফ্রোতা পরিষেবায় ফোন করুন।

Aby uzyskać pomoc w języku polskim, należy zadzwonić do działu obsługi klienta pod numer podany na identyfikatorze.

اردو میں مدد کے لیے، کسٹمر سروس آپ کے شناختی کارڈ پر درج کردہ نمبر پر کال کریں

Pour une assistance en français, composez le numéro de téléphone du service à la clientèle figurant sur votre carte d'identification.

اردو زبان میں مدد کے لئے، کسٹمر سروس کو اپنے آئی ڈی کارڈ پر درج نمبر پر کال کریں۔

Para sa tulong sa Tagalog, tumawag sa numero ng serbisyo sa customer na nasa inyong ID card.

Για βοήθεια στα ελληνικά, καλέστε το τμήμα εξυπηρέτησης πελατών στον αριθμό που αναφέρεται στην ταυτότητά σας.

Për ndihmë në gjuhën shqipe, merrni në telefon shërbimin klientor në numrin e renditur në kartën tuaj të identitetit.