



[Include legal name, trade name, phone, fax and e-mail numbers by which consumers may contact the carrier, including at least one toll-free number for Members]

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**SCHEDULE OF PREMIUM RATES AND CLASSIFICATION**

[The monthly premium rates, in U.S. dollars, for the coverage provided under this Contract are:

Covered Employee Only.....\$     ]

[Covered Employee and Spouse..... \$

Covered Employee and Child(ren).....\$

Covered Employee and Family.....\$  
(including Covered Employee, spouse and one or more eligible dependents)]

We have the right to prospectively change any Premium rate(s) set forth above at the times and in the manner established by the provision of this Contract entitled " General Provisions."

[“DC” Note: The premium rates set forth above are for coverage under this HMO Plan only. Refer to the Indemnity Plan issued in conjunction with this HMO Plan, for information on the premium rates applicable to the Indemnity Plan coverage.]

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This Contract’s classifications, and the coverages and amounts which apply to each class are shown below:

**CLASS(ES)**  
[All eligible employees]

**["DC" OVERVIEW OF POINT OF SERVICE PLAN (Copayment, Deductibles, and Coinsurance)**

<b>[NETWORK] (Provided under this HMO Plan)</b>	
Copayment	
For Preventive Care	NONE
For all other Services and Supplies	[\$15], unless otherwise stated
Emergency Room Copayment	\$50, credited toward Inpatient admission if admitted within 24 hours
Coinsurance	0% [except as stated on the Schedule of Services and Supplies for Prescription Drugs]

<b>[NON-NETWORK] (Provided under the Indemnity Plan)</b>	
Cash Deductible (calendar year, all cause)	[\$2,500] per person except as stated for Preventive Care [\$5,000 per family][Note: Must be individually satisfied by 2 separate [Members]] [ \$7,500]
Emergency Room Copayment (waived if admitted within 24 hours)	[\$50]
Coinsurance	
For Preventive Care	NONE
For all other Covered Charges	[30%, 20%]
Maximum Out of Pocket	\$7,500

**MAXIMUM LIFETIME BENEFITS**                      Unlimited,

**SCHEDULE OF SERVICES AND SUPPLIES**

[Using Copayment]

**THE SERVICES OR SUPPLIES COVERED UNDER THIS CONTRACT ARE SUBJECT TO ALL COPAYMENTS [AND COINSURANCE] AND ARE DETERMINED PER CALENDAR YEAR PER [MEMBER], UNLESS OTHERWISE STATED. MAXIMUMS ONLY APPLY TO THE SPECIFIC SERVICES PROVIDED.**

**[SERVICES COPAYMENTS[/COINSURANCE]:**

**HOSPITAL SERVICES:**

**INPATIENT** [\$75, \$100, \$150, \$200, \$300, \$400, \$500] Copayment/day for a maximum of 5 days/admission. Maximum Copayment [\$750, \$1000, \$1,500, \$2,500, \$3,000, \$4,000, \$5,000]/Calendar Year. Unlimited days.

**OUTPATIENT** [\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit

**PRACTITIONER SERVICES RECEIVED AT A HOSPITAL:**

**INPATIENT VISIT** \$0 Copayment

**OUTPATIENT VISIT** [\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit; no Copayment if any other Copayment applies.

**EMERGENCY ROOM** [at the option of the carrier,\$50, \$75 or \$100] Copayment/visit/Member (credited toward Inpatient Admission if Admission occurs within 24 hours)

**Note:** The Emergency Room Copayment is payable in addition to the applicable Copayment and Coinsurance, if any.

**SURGERY:**

**INPATIENT** \$0 Copayment

**OUTPATIENT** [\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit

**HOME HEALTH CARE** Unlimited days, if Pre-Approved; \$0 Copayment.

**HOSPICE SERVICES** Unlimited days, if Pre-Approved; \$0 Copayment.

**MATERNITY (PRE-NATAL CARE)** [at the option of the carrier, \$25 or same amount as primary care physician copayment] Copayment for initial visit only; \$0 Copayment thereafter.

**THERAPEUTIC MANIPULATION** [\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit; maximum 30 visits/Calendar Year

<b>PRE-ADMISSION TESTING</b>	[\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit.
<b>PRESCRIPTION DRUG</b>	50% Coinsurance [May be substituted by Carrier with \$15 Copayment.]
<b>PRIMARY CARE PHYSICIAN</b> For services other than Preventive Care	[\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit.
<b>[OR CARE MANAGER] SERVICES</b> <b>(OUTSIDE HOSPITAL)</b>	
<b>PRIMARY CARE SERVICES</b> other than Preventive Care	[\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit.
<b>PREVENTIVE CARE</b>	\$0 copayment
<b>REHABILITATION SERVICES</b>	Subject to the Inpatient Hospital Services Copayment above. The Copayment does not apply if Admission is immediately preceded by a Hospital Inpatient Stay.
<b>SECOND SURGICAL OPINION</b>	[\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit.
<b>SPECIALIST SERVICES</b>	[\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit.
<b>SKILLED NURSING FACILITY/EXTENDED CARE CENTER</b>	Unlimited days, if Pre-Approved; \$0 Copayment.
<b>THERAPY SERVICES</b>	[\$5, \$10, \$15, \$20, \$30, \$40, \$50] Copayment/visit.
Speech and Cognitive Therapy (Combined), maximum 30 visits per Calendar Year See below for the separate speech therapy benefits available under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision	
Physical and Occupational Therapy (Combined) maximum 30 visits per Calendar Year See below for the separate benefits available under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision	

Charges for speech therapy provided under  
the Diagnosis and Treatment of Autism and Other Developmental  
Disabilities Provision 30 visits per Calendar Year

Charges for physical and occupational provided  
under the Diagnosis and Treatment of Autism and Other  
Developmental Disabilities Provision (combined benefits) 30 visits per Calendar Year

**DIAGNOSTIC SERVICES**

**INPATIENT**

.  
\$0 Copayment

**(OUTPATIENT)**

[\$5, \$10, \$15, \$20, \$30, \$40, \$50]

Copayment/visit

**HEARING AIDS**

for Members age 15 or younger

[\$5, \$10, \$15, \$20, \$30, \$40, \$50]

Copayment with coverage limited to \$1,000  
per hearing impaired ear per 24-month  
period



**SCHEDULE OF SERVICES AND SUPPLIES** [Example Using Deductible, Coinsurance]

**The services or supplies covered under this Contract are subject to the Copayments Deductible and Coinsurance set forth below and are determined per Calendar Year per [Member], unless otherwise stated. Maximums only apply to the specific services provided.**

**COPAYMENT**

For Preventive Care	NONE
For all other Primary Care Physician Visits	[\$5, \$10, \$15, \$20, \$30, \$40, \$50] per visit
Maternity (pre-natal care)	[at the option of the carrier, \$25 or same amount as primary care physician copayment] Copayment/initial visit.
For all other services and supplies	Copayment Not Applicable; Refer to the Deductible and Coinsurance sections

**DEDUCTIBLE PER CALENDAR YEAR**

- For Primary Care Physician Visits including Preventive Care and immunizations and lead screening for children NONE
- Maternity (pre-natal care) NONE.
- for all other Covered Services and Supplies
  - Per Covered Person [\$250 to \$2,500]
  - [Per Covered Family [Dollar amount which is two times the individual Deductible.] **Note:** Must be individually satisfied by 2 separate Members

**COINSURANCE**

For Preventive Care	0%
Prescription Drugs	50%
For all services and supplies to which a Copayment does not apply	[10% - 50%, in 5% increments]
For all services and supplies to which a Copayment applies	None

**EMERGENCY ROOM COPAYMENT** [at the option of the carrier, \$50, \$75, \$100] Copayment/visit/Member (credited toward Inpatient admission if admission occurs within 24 hours as the result of the emergency).

**Note:** The Emergency Room Copayment is payable in addition to the applicable Copayment, Deductible and Coinsurance.

**MAXIMUM OUT OF POCKET**

Maximum Out of Pocket means the annual maximum dollar amount that a Member Person must pay as Copayment, Deductible and Coinsurance for all covered services and supplies in a Calendar Year. All amounts [for services and supplies other than Prescription Drugs] paid as Copayment, Deductible and Coinsurance shall count toward the Maximum Out of Pocket. Once the Maximum Out of Pocket has been reached, the Member has no further obligation to pay any amounts as Copayment, Deductible and Coinsurance for covered services and supplies [other than Prescription Drugs] for the remainder of the Calendar Year.

The **Maximum Out of Pocket** for this Contract is as follows:

- Per Member per Calendar Year [An amount not to exceed \$7,500]
- [Per Member per Calendar Year [Dollar amount equal to two times the per Member Maximum.]  
[Note: Must be individually satisfied by 2 separate Members]]

**Note:** The Maximum Out of Pocket cannot be met with Non-Covered Charges or with charges for Prescription Drugs.

**LIMITATIONS ON SERVICES AND SUPPLIES**

**Home Health Care** Unlimited days, subject to Pre-Approval.

**Hospice Services** Unlimited days, subject to Pre-Approval.

**Speech and Cognitive Therapy (Combined)** 30 visits per Calendar Year  
See below for the separate speech therapy benefits available under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision

**Physical and Occupational Therapy (Combined)** 30 visits per Calendar Year  
See below for the separate benefits available under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision

Charges for speech therapy provided under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision 30 visits per Calendar Year

Charges for physical and occupational provided under the Diagnosis and Treatment of Autism and Other Developmental Disabilities Provision (combined benefits) 30 visits per Calendar Year

**Therapeutic Manipulation** 30 visits per Calendar Year

**Skilled Nursing Facility/**

**Extended Care Center**

Unlimited days, subject to Pre-Approval

**Hearing Aids**

for Members age 15 or younger

[\$5, \$10, \$15, \$20, \$30, \$40, \$50]

Copayment with coverage limited to \$1,000  
per hearing impaired ear per 24-month  
period

**NOTE: NO SERVICES OR SUPPLIES WILL BE PROVIDED IF A [MEMBER] FAILS TO OBTAIN A REFERRAL FOR CARE THROUGH HIS OR HER PRIMARY CARE PHYSICIAN [OR HEALTH CENTER] [OR THE CARE MANAGER]. READ THE [MEMBER] PROVISIONS CAREFULLY BEFORE OBTAINING MEDICAL CARE, SERVICES OR SUPPLIES.**

**REFER TO THE SECTION OF THIS CONTRACT CALLED "NON-COVERED SERVICES AND SUPPLIES" FOR A LIST OF THE SERVICES AND SUPPLIES FOR WHICH A [MEMBER] IS NOT ELIGIBLE FOR COVERAGE UNDER THIS CONTRACT.**

**["DC" THIS HMO PLAN AND THE ASSOCIATED INDEMNITY PLAN MAY BOTH PROVIDE BENEFITS, SERVICES OR SUPPLIES FOR THE SAME SERVICE OR SUPPLY. TO THE EXTENT THAT BENEFITS ARE PROVIDED UNDER THE INDEMNITY PLAN, THE SERVICE OR SUPPLY WILL NOT BE COVERED BY THIS HMO PLAN. SIMILARLY, TO THE EXTENT THAT SERVICES OR SUPPLIES ARE PROVIDED UNDER THIS HMO PLAN, BENEFITS WILL NOT BE PROVIDED UNDER THE INDEMNITY PLAN.**

**FOR ANY SPECIFIC [NETWORK] SERVICES AND SUPPLIES PROVIDED UNDER THIS CONTRACT WHICH ARE SUBJECT TO LIMITATION, ANY SUCH SERVICES OR SUPPLIES THE [MEMBER] RECEIVES UNDER THIS HMO PLAN WILL REDUCE THE CORRESPONDING BENEFIT PROVIDED UNDER THE INDEMNITY PLAN FOR THAT SERVICE OR SUPPLY. SIMILARLY, FOR ANY SPECIFIC BENEFITS PROVIDED UNDER THE INDEMNITY PLAN WHICH ARE SUBJECT TO LIMITATION, ANY SUCH BENEFITS THE [MEMBER] RECEIVES AS INDEMNITY PLAN COVERED CHARGES WILL REDUCE THE CORRESPONDING HMO PLAN SERVICES AND SUPPLIES AVAILABLE FOR THAT SERVICE OR SUPPLY. THE SERVICES AND SUPPLIES SECTION OF THIS HMO PLAN AND THE COVERED CHARGES SECTION OF THE INDEMNITY PLAN CLEARLY IDENTIFY WHICH SERVICES AND SUPPLIES AND COVERED CHARGES ARE AFFECTED BY THIS REDUCTION RULE.]**

## DEFINITIONS

The words shown below have specific meanings when used in this Contract. Please read these definitions carefully. Throughout the Contract, these defined terms appear with their initial letters capitalized. They will help [Members] understand what services and supplies are provided.

**ACCREDITED SCHOOL.** A school accredited by a nationally recognized accrediting association, such as one of the following regional accrediting agencies: Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, or Western Association of Schools and Colleges. An accredited school also includes a proprietary institution approved by an agency responsible for issuing certificates or licenses to graduates of such an institution.

**[ACTIVELY AT WORK or ACTIVE WORK.** Performing, doing, participating or similarly functioning in a manner usual for the task for full pay, at the Contractholder's place of business, or at any other place that the Contractholder's business requires the Employee to go.]

**AFFILIATED COMPANY.** A company defined in subsections (b), (c), (m) or (o) of section 414 of the Internal Revenue Code of 1986. All entities that meet the criteria set forth in the Internal Revenue Code shall be treated as one employer.

**ALLOWED CHARGE.** Means an amount that is not more than the [lesser of:  
• the] allowance for the service or supply as determined by Us, based on a standard approved by the Board[; or  
[• the negotiated fee schedule.]

The Board will decide a standard for what is an Allowed Charge under this Contract.

Please note: The Coordination of Benefits and Services provision includes a distinct definition of Allowed Charge.

**AMBULANCE.** A certified transportation vehicle for transporting Ill or Injured people that contains all life-saving equipment and staff as required by applicable state and local law.

**AMBULATORY SURGICAL CENTER.** A Facility mainly engaged in performing Outpatient Surgery. It must:

- a) be staffed by Practitioners and Nurses, under the supervision of a Practitioner;
- b) have operating and recovery rooms;
- c) be staffed and equipped to give emergency care; and
- d) have written back-up arrangements with a local Hospital for emergency care.

It must carry out its stated purpose under all relevant state and local laws and be either:

- a) accredited for its stated purpose by either the Joint Commission or the Accreditation Association for ambulatory care; or
- b) approved for its stated purpose by Medicare.

A Facility is not an Ambulatory Surgical Center, for the purpose of this Contract, if it is part of a Hospital.

**ANNIVERSARY DATE.** The date which is one year from the Effective Date of this Contract and each succeeding yearly date thereafter.

**[APPROVED CANCER CLINICAL TRIAL.** A scientific study of a new therapy or intervention for the treatment, palliation, or prevention of cancer in human beings that meets the following requirements:

- a) The treatment or intervention is provided pursuant to an approved cancer clinical trial that has been authorized or approved by one of the following: 1) The National Institutes of Health (Phase I, II and III); (2) the United States Food and Drug Administration, in the form of an investigational new drug (IND) exemption (Phase I, II and III); 3) The United States Department of Defense; or 4) The United States Department of Veteran Affairs.
- b) The proposed therapy has been reviewed and approved by the applicable qualified Institutional Review Board.
- c) The available clinical or pre-clinical data to indicate that the treatment or intervention provided pursuant to the Approved Cancer Clinical Trial will be at least as effective as standard therapy, if such therapy exists, and is expected to constitute an improvement in effectiveness for treatment, prevention and palliation of cancer.
- d) The Facility and personnel providing the treatment are capable of doing so by virtue of their experience and training
- e) The trial consists of a scientific plan of treatment that includes specified goals, a rationale and background for the plan, criteria for patient selection, specific directions for administering therapy and monitoring patients, a definition of quantitative measures for determining treatment response and methods for documenting and treating adverse reactions. All such trials must have undergone a review for scientific content and validity, as evidenced by approval by one of the federal entities identified in item a. A cost-benefit analysis of clinical trials will be performed when such an evaluation can be included with a reasonable expectation of sound assessment.]

**BIRTHING CENTER.** A Facility which mainly provides care and treatment for women during uncomplicated pregnancy, routine full-term delivery, and the immediate post-partum period. It must:

- a) provide full-time Skilled Nursing Care by or under the supervision of Nurses;
- b) be staffed and equipped to give emergency care; and
- c) have written back-up arrangements with a local Hospital for emergency care.

It must:

- a) carry out its stated purpose under all relevant state and local laws; or

- b) be approved for its stated purpose by the Accreditation Association for Ambulatory Care; or
- c) be approved for its stated purpose by Medicare.

A Facility is not a Birthing Center, for the purpose of this Contract, if it is part of a Hospital.

**BOARD.** The Board of Directors of the New Jersey Small Employer Health Benefits Program.

**CALENDAR YEAR.** Each successive twelve-month period starting on January 1 and ending on December 31.

**[CARE MANAGER.** An entity designated by Us to manage, assess, coordinate, direct and authorize the appropriate level of health care treatment.]

**[CASH DEDUCTIBLE.** A fixed dollar amount that a Member must pay before [Carrier] provides the Member with coverage for Covered Services or Supplies.]

**CHURCH PLAN.** Has the same meaning given that term under Title I, section 3 of Pub.L.93-406, the “Employee Retirement Income Security Act of 1974”

**[COINSURANCE.** The percentage of Covered Services or Supplies that must be paid by a [Member]. Coinsurance does not include Copayments [or Cash Deductible].]

**CONTRACT.** This contract, including the application and any riders, amendments or endorsements, between the Contractholder and [Carrier].

**CONTRACTHOLDER.** Employer or organization which purchased this Contract.

**COPAYMENT.** A specified dollar amount which [Member] must pay for certain Covered Services or Supplies. **NOTE:** The Emergency Room Copayment, if applicable, must be paid in addition to any other Copayments, Coinsurance or Cash Deductible.

**COSMETIC SURGERY OR PROCEDURE.** Any surgery or procedure which involves physical appearance, but which does not correct or materially improve a physiological function and is not Medically Necessary and Appropriate.

**COVERED EMPLOYEE.** A person who meets all applicable eligibility requirements, enrolls hereunder by making application, and for whom premium has been received.

**COVERED SERVICES OR SUPPLIES.** The types of services and supplies described in the **Covered Services and Supplies** section of this Contract.

Read the entire Contract to find out what We limit or exclude.

**CREDITABLE COVERAGE.** With respect to an Employee [or Dependent], coverage of the Employee [or Dependent] under any of the following: a Group Health Plan; a group or individual Health Benefits Plan; Part A or Part B of Title XVIII of the federal Social Security Act (Medicare); Title XIX of the federal Social Security Act (Medicaid), other than coverage consisting solely of benefits under section 1928 of Title XIX of the federal Social Security Act (the program for distribution of pediatric vaccines); Title XXI of the Social Security Act (State Children’s Health Insurance Program), chapter 55 of Title 10, United States Code (medical and dental care for members and certain former members of the uniformed services and their dependents); a medical care program of the Indian Health Service or of a tribal organization; a state health benefits risk pool; a health plan offered under chapter 89 of Title 5, United States Code; a Public Health Plan as defined by federal regulation; a health benefits plan under section 5(e) of the “Peace Corps Act”; or coverage under any other type of plan as set forth by the Commissioner of Banking and Insurance by regulation.

Creditable Coverage does not include coverage which consists solely of the following: coverage only for accident or disability income insurance, or any combination thereof; coverage issued as a supplement to liability insurance; liability insurance, including general liability insurance and automobile liability insurance; workers’ compensation or similar insurance; automobile medical payment insurance; credit only insurance; coverage for on-site medical clinics; coverage as specified in federal regulation, under which benefits for medical care are secondary or incidental to the insurance benefits; and other coverage expressly excluded from the definition of Health Benefits Plan.

**CURRENT PROCEDURAL TERMINOLOGY (C.P.T.)** The most recent edition of an annually revised listing published by the American Medical Association which assigns numerical codes to procedures and categories of medical care.

**CUSTODIAL CARE.** Any service or supply, including room and board, which:  
a) is furnished mainly to help[Member] meet[Member]'s routine daily needs; or  
b) can be furnished by someone who has no professional health care training or skills.

Even if a Covered Person is in a Hospital or other recognized Facility, We do not provide for that part of the care which is mainly custodial.

**[DEPENDENT.**

An Employee's:

- a) legal spouse which shall include a civil union partner pursuant to P.L. 2006, c. 103 as well as same sex relationships legally recognized in other jurisdictions when such relationships provide substantially all of the rights and benefits of marriage. [and domestic partner pursuant to P.L. 2003, c. 246]; except that legal spouse shall be limited to spouses of a marriage as marriage is defined in the Federal Defense of Marriage Act, 1 U.S.C.A. 7, with respect to:
  - the provisions of the Policy regarding continuation rights required by the Federal Consolidated Omnibus Reconciliation Act of 1986(COBRA), Pub. L. 99-272, as



subsequently amended. (Neither domestic partners nor civil union partners have COBRA rights.) and

- The provisions of this Contract regarding Medicare Eligibility by Reason of Age and Medicare Eligibility by Reason of Disability.
- b) Dependent child who is under age 26; and

Under certain circumstances, an incapacitated child is also a Dependent. See the **Eligibility** section of this Contract.

An Employee's " Dependent child" includes his or her legally adopted child, his or her step-child, the child of his or her civil union partner, [and] [,the child of his or her domestic partner , and] children under a court appointed guardianship. We treat a child as legally adopted from the time the child is placed in the home for purpose of adoption. We treat such a child this way whether or not a final adoption order is ever issued.

At Our discretion, We can require proof that a person meets the definition of a Dependent.]

**[DEPENDENT'S ELIGIBILITY DATE.**

The later of:

- a) the Employee's Eligibility Date; or
- b) the date the person first becomes a Dependent.]

**DEVELOPMENTAL DISABILITY or DEVELOPMENTALLY DISABLED.** A severe, chronic disability that:

- a) is attributable to a mental or physical impairment or a combination of mental and physical impairments;
- b) is manifested before the [Member]:
  1. attains age 22 for purposes of the Diagnosis and Treatment of Autism and Other Developmental Disabilities provision; or
  2. attains age 26 for all other provisions;
- c) is likely to continue indefinitely;
- d) results in substantial functional limitations in three or more of the following areas of major life activity: self-care; receptive and expressive language; learning; mobility; self-direction; capacity for independent living; economic self-sufficiency;
- e) reflects the [Member's] need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or of extended duration and are individually planned and coordinated. Developmental disability includes but is not limited to severe disabilities attributable to mental retardation, autism, cerebral palsy, epilepsy, spina-bifida and other neurological impairments where the above criteria are met.

**DIAGNOSTIC SERVICES.** Procedures ordered by a recognized Provider because of specific symptoms to diagnose a specific condition or disease. Some examples include, but are not limited to:

- a) radiology, ultrasound, and nuclear medicine;

- b) laboratory and pathology; and
- c) EKG's, EEG's, and other electronic diagnostic tests.

**DISCRETION / DETERMINATION / DETERMINE.** Our sole right to make a decision or determination. The decision will be applied in a reasonable and non-discriminatory manner.

**DURABLE MEDICAL EQUIPMENT.** Equipment We Determine to be:

- a) designed and able to withstand repeated use;
- b) used primarily and customarily for a medical purpose;
- c) is generally not useful to a[Member] in the absence of an Illness or Injury; and
- d) suitable for use in the home.

Durable Medical Equipment includes, but is not limited to, apnea monitors, breathing equipment, hospital-type beds, walkers, and wheelchairs.

Among other things, Durable Medical Equipment does not include: adjustments made to vehicles, air conditioners, air purifiers, humidifiers, dehumidifiers, elevators, ramps, stair glides, Emergency Alert equipment, handrails, heat appliances, improvements made to a[Member]'s home or place of business, waterbeds, whirlpool baths, exercise and massage equipment.

**EFFECTIVE DATE.** The date on which coverage begins under this Contract for the Contractholder, or the date coverage begins under this Contract for a [Member], as the context in which the term is used suggests.

**EMERGENCY.** A medical condition manifesting itself by acute symptoms of sufficient severity including, but not limited to, severe pain, psychiatric disturbances and/or symptoms of Substance Abuse such that a prudent layperson, who possesses an average knowledge of health and medicine, could expect the absence of immediate medical attention to result in: placing the health of the individual (or with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; serious impairment to bodily functions; or serious dysfunction of a bodily organ or part. With respect to a pregnant woman who is having contractions, an Emergency exists where: there is inadequate time to effect a safe transfer to another Hospital before delivery; or the transfer may pose a threat to the health or safety of the woman or unborn child.

**EMPLOYEE.** A Full-Time bona-fide Employee (25 hours per week) of the Contractholder. Employees who work on a temporary or substitute basis or who are participating in an employee welfare arrangement established pursuant to a collective bargaining agreement are not considered to be Employees for the purpose of this Contract. Partners, proprietors, and independent contractors will be treated like Employees, if they meet all of this Contract's conditions of eligibility.

**EMPLOYEE'S ELIGIBILITY DATE.**

- a) the date of employment; or

b) [the day] after any applicable waiting period ends.

**EMPLOYER.** [ABC Company].

**ENROLLMENT DATE.** With respect to a [Member], the Effective Date or, if earlier, the first day of any applicable waiting period. If an Employee changes plans or if the Employer transfers coverage to another carrier, the [Member's] Enrollment Date does not change.

**EXPERIMENTAL or INVESTIGATIONAL.**

Services or supplies which We Determine are:

- a) not of proven benefit for the particular diagnosis or treatment of a [Member]'s particular condition; or
- b) not generally recognized by the medical community as effective or appropriate for the particular diagnosis or treatment of a [Member]'s particular condition; or
- c) provided or performed in special settings for research purposes or under a controlled environment or clinical protocol.

Unless otherwise required by law with respect to drugs which have been prescribed for treatment for which the drug has not been approved by the United States Food and Drug Administration (FDA), We will not cover any services or supplies, including treatment, procedures, drugs, biological products or medical devices or any hospitalizations in connection with Experimental or Investigational services or supplies.

We will also not cover any technology or any hospitalization in connection with such technology if such technology is obsolete or ineffective and is not used generally by the medical community for the particular diagnosis or treatment of a [Member]'s particular condition.

Governmental approval of a technology is not necessarily sufficient to render it of proven benefit or appropriate or effective for a particular diagnosis or treatment of a [Member]'s particular condition, as explained below.

We will apply the following five criteria in Determining whether services or supplies are Experimental or Investigational:

1. Any medical device, drug, or biological product must have received final approval to market by the FDA for the particular diagnosis or condition. Any other approval granted as an interim step in the FDA regulatory process, e.g., an Investigational Device Exemption or an Investigational New Drug Exemption, is not sufficient. Once FDA approval has been granted for a particular diagnosis or condition, use of the medical device, drug or biological product for another diagnosis or condition will require that one or more of the following established reference compendia:

I. The American Hospital Formulary Service Drug Information; or

## II. The United States Pharmacopeia Drug Information.

recognize the usage as appropriate medical treatment. As an alternative to such recognition in one or more of the compendia, the usage of the drug will be recognized as appropriate if it is recommended by a clinical study or recommended by a review article in a major peer-reviewed professional journal. A medical device, drug, or biological product that meets the above tests will not be considered Experimental or Investigational.

In any event, any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed will be considered Experimental or Investigational.

2. Conclusive evidence from the published peer-reviewed medical literature must exist that the technology has a definite positive effect on health outcomes; such evidence must include well-designed investigations that have been reproduced by nonaffiliated authoritative sources, with measurable results, backed up by the positive endorsements of national medical bodies or panels regarding scientific efficacy and rationale;
3. Demonstrated evidence as reflected in the published peer-reviewed medical literature must exist that over time the technology leads to improvement in health outcomes, i.e., the beneficial effects outweigh any harmful effects;
4. Proof as reflected in the published peer-reviewed medical literature must exist that the technology is at least as effective in improving health outcomes as established technology, or is usable in appropriate clinical contexts in which established technology is not employable; and
5. Proof as reflected in the published peer-reviewed medical literature must exist that improvements in health outcomes, as defined in paragraph 3, is possible in standard conditions of medical practice, outside clinical investigatory settings.

**EXTENDED CARE CENTER.** See Skilled Nursing Facility.

**FACILITY.** A place which:

- a) is properly licensed, certified, or accredited to provide health care under the laws of the state in which it operates; and
- b) provides health care services which are within the scope of its license, certificate or accreditation.

**FULL-TIME.** A normal work week of 25 or more hours. Work must be at the Contractholder's regular place of business or at another place to which an Employee must travel to perform his or her regular duties for his or her full and normal work hours.

**GOVERNMENT HOSPITAL.** A Hospital operated by a government or any of its subdivisions or agencies, including, but not limited to, a Federal, military, state, county or city Hospital.

**GROUP HEALTH PLAN.** An employee welfare benefit plan, as defined in Title I of section 3 of Pub.L.93-406, the “Employee Retirement Income Security Act of 1974” (ERISA) (29 U.S.C. § 1002(1)) to the extent that the plan provides medical care and includes items and services paid for as medical care to employees or their dependents directly or through insurance, reimbursement or otherwise.

**HEALTH BENEFITS PLAN.** Any hospital and medical expense insurance policy or certificate; health, hospital, or medical service corporation contract or certificate; or health maintenance organization subscriber contract or certificate delivered or issued for delivery in New Jersey by any carrier to a Small Employer group pursuant to section 3 of P.L. 1992. c. 162 (C. 17B: 27A-19) or any other similar contract, policy, or plan issued to a Small Employer, not explicitly excluded from the definition of a health benefits plan. Health Benefits Plan does not include one or more, or any combination of the following: coverage only for accident or disability income insurance, or any combination thereof; coverage issued as a supplement to liability insurance; liability insurance, including general liability insurance and automobile liability insurance; workers’ compensation or similar insurance; automobile medical payment insurance; credit-only insurance; coverage for on-site medical clinics; and other similar insurance coverage, as specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance benefits. Health Benefits Plans shall not include the following benefits if they are provided under a separate policy, certificate or contract of insurance or are otherwise not an integral part of the plan: limited scope dental or vision benefits; benefits for long term care, nursing home care, home health care, community based care, or any combination thereof; and such other similar, limited benefits as are specified in federal regulations. Health Benefits Plan shall not include hospital confinement indemnity coverage if the benefits are provided under a separate policy, certificate or contract of insurance, there is no coordination between the provision of the benefits and any exclusion of benefits under any group Health Benefits Plan maintained by the same Plan Sponsor, and those benefits are paid with respect to an event without regard to whether benefits are provided with respect to such an event under any Group Health Plan maintained by the same Plan Sponsor. Health Benefits Plan shall not include the following if it is offered as a separate policy, certificate or contract of insurance: Medicare supplemental health insurance as defined under section 1882(g)(1) of the federal Social Security Act; and coverage supplemental to the coverage provided under chapter 55 of Title 10, United States Code; and similar supplemental coverage provided to coverage under a Group Health plan.

**[HEALTH CARE CENTER OR HEALTH CENTER.** A place operated by or on behalf of an HMO where [Network][ ] Providers provide Covered Services and Supplies to[Members].]

**HEALTH STATUS-RELATED FACTOR.** Any of the following factors: health status; medical condition, including both physical and mental illness; claims experience; receipt of health care; medical history; genetic information; evidence of insurability, including conditions arising out of acts of domestic violence; and disability.

**["DC" HMO PLAN.** The Small Group Health Maintenance Organization Contract issued by [Carrier].]

**HOME HEALTH AGENCY.** A Provider which provides Skilled Nursing Care for Ill or Injured people in their home under a home health care program designed to eliminate Hospital stays. It must be licensed by the state in which it operates, or it must be certified to participate in Medicare as a Home Health Agency.

**HOSPICE.** A Provider which provides palliative and supportive care for terminally Ill or terminally Injured people. It must carry out its stated purpose under all relevant state and local laws, and it must either:

- a) be approved for its stated purpose by Medicare; or
- b) be accredited for its stated purpose by either the Joint Commission or the National Hospice Organization.

**HOSPITAL.** A Facility which mainly provides Inpatient care for Ill or Injured people. It must carry out its stated purpose under all relevant state and local laws, and it must either:

- a) be accredited as a Hospital by the Joint Commission, or
- b) be approved as a Hospital by Medicare.

Among other things, a Hospital is not a convalescent, rest or nursing home or Facility, or a Facility, or part of it, which mainly provides Custodial Care, educational care or rehabilitative care. A Facility for the aged or substance abusers is not a Hospital.

**ILLNESS or ILL.** A sickness or disease suffered by a[Member] or a description of a [Member] suffering from a sickness or a disease. Illness includes Mental Illness.

**["DC" INDEMNITY PLAN.** The Small Employer Health Benefits Policy issued by [Carrier] in conjunction with this HMO Plan.]

**[INITIAL DEPENDENT.** Those eligible Dependents an Employee has at the time he or she first becomes eligible for Employee coverage. If at the time the Employee does not have any eligible Dependents, but later acquires them, the first eligible Dependents he or she acquires are his or her Initial Dependents.]

**INJURY or INJURED.** Damage to a[Member]'s body, and all complications arising from that damage or a description of a [Member] suffering from such damage.

**INPATIENT.** [Member] if physically confined as a registered bed patient in a Hospital or other recognized health care Facility; or services and supplies provided in such a setting.

**JOINT COMMISSION.** The Joint Commission on the Accreditation of Health Care Organizations.

**LATE ENROLLEE.** An eligible Employee [or Dependent] who requests enrollment under this Contract more than [30] days after first becoming eligible. However, an eligible Employee [or Dependent] will not be considered a Late Enrollee under certain circumstances. See the **Employee Coverage** [and **Dependent Coverage**] subsection[s] of the **Eligibility** section of this Contract.

**MEDICALLY NECESSARY AND APPROPRIATE.** Services or supplies provided by a recognized health care Provider that We [or the Care Manager] Determine to be:

- a) necessary for the symptoms and diagnosis or treatment of the condition, Illness or Injury;
- b) provided for the diagnosis or the direct care and treatment of the condition, Illness or Injury;
- c) in accordance with generally accepted medical practice;
- d) not for a[Member]'s convenience;
- e) the most appropriate level of medical care that a [Member] needs; and
- f) furnished within the framework of generally accepted methods of medical management currently used in the United States.

In the instance of an Emergency, the fact that a Non-Network Provider prescribes, orders, recommends or approves the care, the level of care, or the length of time care is to be received, does not make the services Medically Necessary and Appropriate.

**MEDICAID.** The health care program for the needy provided by Title XIX of the United States Social Security Act, as amended from time to time.

**MEDICARE.** Parts A and B of the health care program for the aged and disabled provided by Title XVIII of the United States Social Security Act, as amended from time to time.

**[MEMBER].** An eligible person who is covered under this Contract (includes Covered Employee[ and covered Dependents, if any]).

**MENTAL HEALTH CENTER.** A Facility that mainly provides treatment for people with Mental Illness. It will be considered such a place if it carries out its stated purpose under all relevant state and local laws, and it is either:

- a) accredited for its stated purpose by the Joint Commission;
- b) approved for its stated purpose by Medicare or
- c) accredited or licensed by the State of New Jersey to provide mental health services.

**MENTAL ILLNESS.** A behavioral, psychological or biological dysfunction. Mental illness includes a biologically-based mental illness as well as a mental illness that is not biologically-based. With respect to mental illness that is biologically based, mental illness means a condition that is caused by a biological disorder of the brain and results in a clinically significant or psychological syndrome or pattern that substantially limits the

functioning of the person with the illness, including but not limited to: schizophrenia; schizoaffective disorder; major depressive disorder; bipolar disorder; paranoia and other psychotic disorders; obsessive-compulsive disorder; panic disorder and pervasive developmental disorder or autism.

The current edition of the Diagnostic and Statistical Manual of Mental Conditions of the American Psychiatric Association may be consulted to identify conditions that are considered mental illness.

**[NETWORK] PROVIDER.** A Provider which has an agreement [directly or indirectly] with Us [or Our associated medical groups] to provide Covered Services or Supplies. The Employee will periodically be given up-to-date lists of [Network] Providers. The up-to date lists will be furnished automatically, without charge.

**[NEWLY ACQUIRED DEPENDENT.** An eligible Dependent an Employee acquires after he or she already has coverage in force for Initial Dependents.]

**NON-COVERED SERVICES.** Services or supplies which are not included within Our definition of Covered Services or Supplies, are included in the list of Non-Covered Services and Supplies, or which exceed any of the limitations shown in this Contract.

**NON- [NETWORK] PROVIDER.** A Provider which is not a [Network] Provider.

**NURSE.** A registered nurse or licensed practical nurse, including a nursing specialist such as a nurse mid-wife or nurse anesthetist, who:

- a) is properly licensed or certified to provide medical care under the laws of the state where the nurse practices; and
- b) provides medical services which are within the scope of the nurse's license or certificate.

**ORTHOTIC APPLIANCE.** A brace or support but does not include fabric and elastic supports, corsets, arch supports, trusses, elastic hose, canes, crutches, cervical collars, dental appliances or other similar devices carried in stock and sold by drug stores, department stores, corset shops or surgical supply facilities.

**OUTPATIENT.** [Member], if **not** confined as a registered bed patient in a Hospital or recognized health care Facility and is not an Inpatient; or services and supplies provided in such Outpatient settings.

**PERIOD OF CONFINEMENT.** Consecutive days of Inpatient services provided to an Inpatient, or successive Inpatient confinements due to the same or related causes, when discharge and re-admission to a recognized Facility occurs within 90 days or less. We [or the Care Manager] Determine if the cause(s) of the confinements are the same or related.

**PLAN SPONSOR.**



Has the meaning given that term under Title I, section 3 of Pub.L.93-406, the ERISA (29 U.S.C. § 1002(16)(B)). That is:

- a) the Small Employer in the case of an employee benefit plan established or maintained by a single employer;
- b) the employee organization in the case of a plan established or maintained by an employee organization; or
- c) in the case of a plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

**PLAN YEAR.** The year that is designated as the plan year in the plan document of a Group Health Plan, except if the plan document does not designate a plan year or if there is no plan document, the Plan Year is a Calendar Year.

**["DC" POINT OF SERVICE PLAN.** Often referred to as a POS plan, a Point of Service Plan provides coverage for the services of [Network] Providers under an HMO plan as well as the services of [Non-Network] Providers under an Indemnity Plan. Whenever a person covered under a POS plan needs to access health care, he or she has the option to use the services of either a [Network] Provider (subject to any necessary authorization from his or her Primary Care Physician) or those of an [Non-Network] Provider. [Non-Network] charges are usually greater than the [Network] charges, and are subject to a Deductible and Coinsurance. In addition, the [Member] may be liable to pay charges that exceed the amount the Indemnity Plan carrier Determines to be the Allowed Charge for a service or supply.]

**PRACTITIONER.** A medical practitioner who:

- a) is properly licensed or certified to provide medical care under the laws of the state where the practitioner practices; and
- b) provides medical services which are within the scope of the practitioner's license or certificate.

For purposes of Applied Behavior Analysis as included in the Diagnosis and Treatment of Autism and Other Developmental Disabilities provision, Practitioner also means a person who is credentialed by the national Behavior Analyst Certification Board as either a Board Certified Behavior Analyst – Doctoral or as a Board Certified Behavior Analyst.

**PRE-APPROVAL or PRE-APPROVED.** Specific direction or instruction from a Network Practitioner or from Us in conformance with Our policies and procedures that authorizes a [Member] to use a Provider for health care services or supplies.

**PRE-EXISTING CONDITION.** For a Member age 19 or older, an Illness or Injury which manifests itself in the six months before a Member's Enrollment Date, and for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the Enrollment Date.

**[PRE-EXISTING CONDITION LIMITATION.** With respect to coverage of a Member who is age 19 or older, a limitation or exclusion of benefits relating to a condition based on the fact that the condition was present before the Enrollment Date, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before that date. Genetic information will not be treated as a Pre-Existing Condition in the absence of a diagnosis of the condition related to that information. Pregnancy will not be treated as a Pre-Existing Condition. See the **Non-Covered Services and Supplies** section of this Contract for details on how this Contract limits the services for Pre-Existing Conditions.]

**PRESCRIPTION DRUGS.** Drugs, biologicals and compound prescriptions which are sold only by prescription and which are required to show on the manufacturer's label the words: "Caution - Federal Law Prohibits Dispensing Without a Prescription" or other drugs and devices as Determined by Us, such as insulin. But We only cover drugs which are:

- a) approved for treatment of the [Member's] Illness or Injury by the Food and Drug Administration;
- b) approved by the Food and Drug Administration for the treatment of a particular diagnosis or condition other than the [Member's] and recognized as appropriate medical treatment for the [Member's] diagnosis or condition in one or more of the following established reference compendia:
  - The American Hospital Formulary Service Drug Information;
  - The United States Pharmacopeia Drug Information; or
- c) recommended by a clinical study or recommended by a review article in a major peer-reviewed professional journal.

Coverage for the above drugs also includes Medically Necessary and Appropriate services associated with the administration of the drugs.

In no event will We pay for:

- a) drugs labeled: "Caution - Limited by Federal Law to Investigational Use"; or
- b) any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed.

**PREVENTIVE CARE.** As used in the Contract preventive care means:

- a) Evidence based items or services that are rated "A" or "B" in the current recommendations of the United States Preventive Services task Force with respect to the [Member];
- b) Immunizations for routine use for [Members] of all ages as recommended by the Advisory Committee on Immunization Practices of the Centers of Disease Control and Prevention with respect to the [Member];
- c) Evidence-informed preventive care and screenings for [Members] who are infants, children and adolescents, as included in the comprehensive guidelines supported by the Health Resources and Services Administration;
- d) Evidence-informed preventive care and screenings for female [Members] as included in the comprehensive guidelines supported by the Health Resources and Services Administration; and

- e) Any other evidence-based or evidence-informed items as determined by federal and/or state law.

Examples of preventive care include, but are not limited to: routine physical examinations, including related laboratory tests and x-rays, immunizations and vaccines, well baby care, pap smears, mammography, screening tests, bone density tests, colorectal cancer screening, and Nicotine Dependence Treatment.

**PRIMARY CARE PHYSICIAN (PCP).** A [Network] Provider who is a doctor specializing in family practice, general practice, internal medicine, [obstetrics/gynecology (for pre and post-natal care, birth and treatment of the diseases and hygiene of females,)] or pediatrics who supervises, coordinates, arranges and provides initial care and basic medical services to a [Member]; initiates a [Member]'s Referral for Specialist Services; and is responsible for maintaining continuity of patient care.

**PRIVATE DUTY NURSING.** Skilled Nursing Care for Covered Persons who require individualized continuous Skilled Nursing Care provided by a registered nurse or a licensed practical nurse.

**PROSTHETIC APPLIANCE.** Any artificial device that is not surgically implanted that is used to replace a missing limb, appendage or any other external human body part including devices such as artificial limbs, hands, fingers, feet and toes, but excluding dental appliances and largely cosmetic devices such as artificial breasts, eyelashes, wigs and other devices which could not by their use have a significantly detrimental impact upon the musculoskeletal functions of the body.

**PROVIDER.** A recognized Facility or Practitioner of health care.

**PUBLIC HEALTH PLAN.** Any plan established or maintained by a State, the U.S. government, a foreign country, or any political subdivision of a State, the U.S. government, or a foreign country that provides health coverage to individuals who are enrolled in the plan.

**REFERRAL.** Specific direction or instruction from a [Member]'s Primary Care Physician [or Health Center] [or Care Manager] in conformance with our policies and procedures that direct a [Member] to a Facility or Practitioner for health care.

**REHABILITATION CENTER.** A Facility which mainly provides therapeutic and restorative services to Ill or Injured people. It must carry out its stated purpose under all relevant state and local laws, and it must either:

- a) be accredited for its stated purpose by either the Joint Commission or the Commission on Accreditation for Rehabilitation Facilities; or
- b) be approved for its stated purpose by Medicare.

In some places a Rehabilitation Center is called a “rehabilitation hospital.”

**ROUTINE FOOT CARE.** The cutting, debridement, trimming, reduction, removal or other care of corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain, dystrophic nails, excrescences, helomas, hyperkeratosis, hypertrophic nails, non-infected ingrown nails, deratomas, keratosis, onychia, onychocryptosis, tyloids or symptomatic complaints of the feet. Routine Foot Care also includes orthopedic shoes, and supportive devices for the foot.

**SERVICE AREA.** A geographic area We define by [ZIP codes] [county].

**SKILLED NURSING CARE.** Services which are more intensive than Custodial Care, are provided by a registered nurse or licensed practical nurse ,and require the technical skills and professional training of a registered nurse or licensed practical nurse

**SKILLED NURSING FACILITY.** A Facility which mainly provides full-time Skilled Nursing Care for Ill or Injured people who do not need to be in a Hospital. It must carry out its stated purpose under all relevant state and local laws, and it must either:

- a) be accredited for its stated purpose by the Joint Commission; or
- b) be approved for its stated purpose by Medicare.

**SMALL EMPLOYER.** In connection with a Group Health Plan with respect to a Calendar Year and a Plan Year, any person, firm, corporation, partnership, or political subdivision that is actively engaged in business that employed an average of at least two but not more than 50 eligible Employees on business days during the preceding Calendar Year and who employs at least two eligible Employees on the first day of the Plan Year, and the majority of the eligible Employees are employed in New Jersey. All persons treated as a single employer under subsection (b), (c), (m) or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as one employer. In the case of an employer that was not in existence during the preceding Calendar Year, the determination of whether the employer is a small or large employer shall be based on the average number of eligible Employees that it is expected that the employer will employ on business days in the current Calendar Year.

**SPECIALIST DOCTOR.** A doctor who provides medical care in any generally accepted medical or surgical specialty or sub-specialty.

**SPECIALIST SERVICES.** Medical care in specialties other than family practice, general practice, internal medicine [or pediatrics][or obstetrics/gynecology (for routine pre and post-natal care, birth and treatment of the diseases and hygiene of females)].

**SUBSTANCE ABUSE.** Abuse of or addiction to drugs or alcohol.

**SUBSTANCE ABUSE CENTER.** A Facility that mainly provides treatment for people with Substance Abuse problems. It must carry out its stated purpose under all relevant state and local laws, and it must either:

- a) be accredited for its stated purpose by the Joint Commission; or
- b) be approved for its stated purpose by Medicare.

**SUPPLEMENTAL LIMITED BENEFIT INSURANCE.** Insurance that is provided in addition to a Health Benefits Plan on an indemnity non-expense incurred basis.

**SURGERY.**

- a) The performance of generally accepted operative and cutting procedures, including surgical diagnostic procedures, specialized instrumentations, endoscopic examinations, and other procedures;
- b) the correction of fractures and dislocations;
- c) pre-operative and post-operative care;
- d) any of the procedures designated by the Current Procedural Terminology Codes as surgery.

**THERAPEUTIC MANIPULATION.** Treatment of the articulations of the spine and musculoskeletal structures for the purpose of relieving certain abnormal clinical conditions resulting from the impingement upon associated nerves causing discomfort. Some examples are manipulation or adjustment of the spine, hot or cold packs, electrical muscle stimulation, diathermy, skeletal adjustments, massage, adjunctive, ultra-sound, doppler, whirlpool , hydrotherapy or other treatment of similar nature.

**TOTAL DISABILITY OR TOTALLY DISABLED.** Except as otherwise specified in this Contract, an Employee who, due to Illness or Injury, cannot perform any duty of his or her occupation or any occupation for which he or she is, or may be, suited by education, training and experience, and is not, in fact, engaged in any occupation for wage or profit. [A Dependent is totally disabled if he or she cannot engage in the normal activities of a person in good health and of like age and sex.] The Employee [or Dependent] must be under the regular care of a Practitioner.

**URGENT CARE.** Care for a non-life threatening condition that requires care by a Provider within 24 hours.

**[WAITING PERIOD.** With respect to a Group Health Plan and an individual who is a potential participant or beneficiary in the Group Health Plan, the period that must pass with respect to the individual before the individual is eligible to be covered for benefits under the terms of the Group Health Plan.]

**[WE, US, OUR.** [Carrier].

**YOU, YOUR, AND YOURS.** The Contractholder.]

## **ELIGIBILITY**

### **EMPLOYEE COVERAGE**

#### **Eligible Employees**

Subject to the Conditions of Eligibility set forth below, and to all of the other conditions of the Contract, all of the Contractholder's Employees[ who are in an eligible class and] who reside in the Service Area will be eligible if [“DC”

- a) ]the Employees are [Actively at Work] Full-Time Employees[.][“DC” and;
- b) the Employees enroll under the associated Indemnity Plan.]

[In certain situations, the Actively at Work requirement will not apply. If an Employee is not Actively at Work due to a Health Status-Related Factor, the Employee will nevertheless be considered an Eligible Employee. In addition, refer to the Exception below.]

For purposes of this Contract, We will treat partners, proprietors and independent contractors like Employees if they meet the Contract's **Conditions of Eligibility**.

#### **Conditions of Eligibility**

##### **Full-Time Requirement**

[Except where an Employee is not Actively at Work due to a Health Status-Related Factor, and except as stated below,] We will not cover an Employee unless the Employee is [an Actively at Work] [a] Full-Time Employee.

##### **Enrollment Requirement**

We will not cover the Employee until the Employee enrolls and agrees to make the required payments, if any. If the Employee does this within [30] days of the Employee's Eligibility Date, coverage will start on the Employee's Eligibility Date.

If the Employee enrolls and agrees to make the required payments, if any:

- a) more than [30] days after the Employee's Eligibility Date; or
- b) after the Employee previously had coverage which ended because the Employee failed to make a required payment,

We will consider the Employee to be a Late Enrollee. Late Enrollees are subject to this Contract's Pre-Existing Conditions limitation, if any applies.

When an Employee initially waives coverage under this Contract, the Plan Sponsor [or We] should notify the Employee of the requirement for the Employee to make a statement that waiver was because he or she was covered under another group plan, if such other coverage was in fact the reason for the waiver, and the consequences of that requirement. If an Employee initially waived coverage under this Contract and the Employee stated at that time that such waiver was because he or she was covered under another group plan, and Employee now elects to enroll under this Contract, We will not

consider the Employee [and his or her Dependents] to be [a] Late Enrollee[s], provided the coverage under the other plan ends due to one of the following events:

- a) termination of employment or eligibility;
- b) reduction in the number of hours of employment;
- c) involuntary termination;
- d) divorce or legal separation or dissolution of the civil union [or termination of the domestic partnership];
- e) death of the Employee's spouse;
- f) termination of the Employer's contribution toward coverage; or
- g) termination of the other plan's coverage.

But, the Employee must enroll under this Contract within 90 days of the date that any of the events described above occur. Coverage will take effect as of the date the applicable event occurs.

If an Employee initially waived coverage under this Contract because he or she had coverage under a Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation provision and the Employee requests coverage under this Contract within 30 days of the date the COBRA continuation ended, We will not consider the Employee to be a Late Enrollee. Coverage will take effect as of the date the COBRA continuation ended.

In addition, an Employee [and any Dependents] will not be considered [a] Late Enrollee[s] if the Employee is employed by an employer which offers multiple Health Benefits Plans and the Employee elects a different plan during the open enrollment period.

[Further, an Employee and his or her Dependent spouse, if any, will not be considered Late Enrollees because the Employee initially waived coverage under this Contract for himself or herself and any then existing Dependents provided the Employee enrolls to cover himself or herself and his or her existing Dependent spouse, if any, under this Contract within 30 days of the marriage, birth, adoption or placement for adoption of a Newly Acquired Dependent.]

### **[The Waiting Period**

This Contract has the following waiting periods:

Employees in an eligible class on the Effective Date, who have completed at least [6 months] of continuous Full-Time service with the Contractholder by that date, are eligible for coverage under this Contract from the Effective Date.

Employees in an Eligible Class on the Effective Date, who have not completed at least [6 months] of continuous Full-Time service with the Contractholder by that date, are eligible for coverage under this Contract from the day after Employees complete [6 months] of continuous Full-Time service.

Employees who enter an eligible class after the Effective Date are eligible for coverage under this Contract from the day after Employees complete [6 months] of continuous Full-Time service with the Contractholder.]

The Contractholder who purchased this Contract may have purchased it to replace a plan the Contractholder had with some other carrier. An Employee may have satisfied part of the eligibility waiting period under the Contractholder's old plan before it ended. If so, the time satisfied will be used to satisfy this Contract's eligibility waiting period if:

- a) the Employee was employed by the Contractholder on the date the Contractholder's old plan ended; and
- b) this Contract takes effect immediately upon termination of the prior plan.

Any lapse in continuous service due to an absence which results from a Health Status-Related Factor will reduce the days of Full-Time service by the number of days of absence. Such lapse in continuous Full-Time service will not require that the period of continuous Full-Time service begin anew.

### **Multiple Employment**

If an Employee works for both the Contractholder and a covered Affiliated Company, or for more than one covered Affiliated Company, We will treat the Employee as if only one entity employs the Employee. And such an Employee will not have multiple coverage under this Contract. But, if this Contract uses the amount of an Employee's earnings or number of work hours to determine class, or for any other reason, such Employee's earnings or number of work hours will be figured as the sum of his or her earnings or number of work hours from all Affiliated Companies.

### **When Employee Coverage Starts**

[Except where an Employee is not Actively at Work due to a Health Status-Related Factor, and except as stated below, an] [An] Employee must be [Actively at Work, and] working his or her regular number of hours, on the date his or her coverage is scheduled to start. And he or she must have met all the conditions of eligibility which apply to him or her. [If an Employee is not Actively at Work on the scheduled Effective Date, and does not qualify for the exception to the Actively at Work requirement, We will postpone the start of his or her coverage until he or she returns to Active Work.]

[Sometimes, a scheduled Effective Date is not a regularly scheduled work day. But an Employee's coverage will start on that date if he or she was Actively at Work, and working his or her regular number of hours, on his or her last regularly scheduled work day.]

The Employee must elect to enroll and agree to make the required payments if any, within [30] days of the Employee's Eligibility Date. If he or she does this within [30] days of the Employee's Eligibility Date, his or her coverage is scheduled to start on the Employee's Eligibility Date. Such Employee's Eligibility Date is the Effective Date of an Employee's coverage.



If the Employee does this more than [30] days after the Employee's Eligibility Date, We will consider the Employee a Late Enrollee. Coverage is scheduled to start on the date We or Our authorized representative or agent receive the signed enrollment form.

**[EXCEPTION to the Actively at Work Requirement**

The Exception applies if the Contractholder who purchased this Contract purchased it to replace a plan the Contractholder had with some other carrier. An Employee who is not Actively at Work due to Total Disability on the date this Contract takes effect will initially be eligible for limited coverage under this Contract if:

- a) the Employee was validly covered under the Contractholder's old plan on the date the Contractholder's old plan ended; and
- b) this Contract takes effect immediately upon termination of the prior plan.

Except as stated below, the coverage under this Contract will be limited to coverage for services or supplies for conditions other than the disabling condition. Such limited coverage under this Contract will end one year from the date the person's coverage under this Contract begins. Coverage for services or supplies for the disabling condition will be provided as stated in an extended health benefits, or like provision, contained in the Contractholder's old plan. Thereafter, coverage will not be limited as described in this provision, but will be subject to the terms and conditions of this Contract. ]

**Exception:** If the coverage under this Contract is richer than the coverage under the Contractholder's old plan, this Contract will provide coverage for services and supplies related to the disabling condition. This Contract will coordinate with the Contractholder's old plan, with this Contract providing secondary coverage, as described in the Coordination of Benefits and Services provision.

**When Employee Coverage Ends**

An Employee's coverage under this Contract will end on the first of the following dates:

- a) [the date] an Employee ceases to be [an Actively at Work] [a] Full-Time Employee for any reason. Such reasons include death, retirement, lay-off, leave of absence, and the end of employment.
- b) [the date] an Employee stops being an eligible Employee under this Contract.
- c) the date this Contract ends,[ or is discontinued for a class of Employees to which the Employee belongs.]
- d) [the date] for which required payments are not made for the Employee, subject to the **Payment of Premiums - Grace Period** section.
- e) [the date] an Employee moves his or her permanent residence outside the Service Area.]
- [“DC” f) [the date] an Employee ceases to be insured under the associated Indemnity Plan.]

**[DEPENDENT COVERAGE**

**Eligible Dependents for Dependent Health Benefits**

[Except as stated below, an] [An] Employee's eligible Dependents are:

- a) The Employee's legal spouse which shall include a civil union partner pursuant to P.L. 2006, c. 103 as well as same sex relationships legally recognized in other jurisdictions when such relationships provide substantially all of the rights and benefits of marriage. [and domestic partner pursuant to P.L. 2003, c. 246]; except that legal spouse shall be limited to spouses of a marriage as marriage is defined in the Federal Defense of Marriage Act, 1 U.S.C.A. 7, with respect to:
- the provisions of the Policy regarding continuation rights required by the Federal Consolidated Omnibus Reconciliation Act of 1996 (COBRA), Pub. L. 99-272, as subsequently amended) (Neither domestic partners nor civil union partners have COBRA rights.) and
  - The provisions of this Contract regarding Medicare Eligibility by Reason of Age and Medicare Eligibility by Reason of Disability.
- b) the Employee's Dependent children who are under age 26; and

[Exception: Any dependent who does not reside in the Service Area is not an eligible Dependent.]

### **Adopted Children and Step-Children**

An Employee's " Dependent children" include the Employee's legally adopted children, his or her step-children, the child of his or her civil union partner, [and] [the child of his or her domestic partner, and] children under a court appointed guardianship. [Carrier] will treat a child as legally adopted from the time the child is placed in the home for the purpose of adoption. [Carrier] will treat such a child this way whether or not a final adoption order is ever issued.

### **Incapacitated Children**

An Employee may have an unmarried child with a mental or physical handicap, or developmental disability, who is incapable of earning a living. Subject to all of the terms of this section and the plan, such a child may stay eligible for Dependent health benefits past this Contract's age limit for eligible Dependents.

The child will stay eligible as long as the child is and remains unmarried and incapable of earning a living, if:

- a) the child's condition started before he or she reached this Contract's age limit;
- b) the child depends on the Employee for most of his or her support and maintenance; and
- c) the child became covered by this Contract or any other policy or contract before the child reached the age limit and stayed continuously covered after reaching such limit.

But, for the child to stay eligible, the Employee must send Us written proof that the child is handicapped or developmentally disabled and depends on the Employee for most of his or her support and maintenance. The Employee has 31 days from the date the child reaches the age limit to do this. We can ask for periodic proof that the child's condition continues. But, after two years, We cannot ask for this more than once a year.

The child's coverage ends when the Employee's coverage does.

### **Enrollment Requirement**

An Employee must enroll his or her eligible Dependents in order for them to be covered under this Contract. ["DC" Only eligible Dependents who the Employee includes for coverage under the associated Indemnity Plan may be enrolled under this HMO Plan.] [Carrier] considers an eligible Dependent to be a Late Enrollee, if the Employee:

- a) enrolls a Dependent [and agrees to make the required payments] more than [30] days after the Dependent's Eligibility Date;
- b) in the case of a Newly Acquired Dependent, has other eligible Dependents whose coverage previously ended because the Employee failed to make the required contributions, or otherwise chose to end such coverage.

Late Enrollees age 19 or older are subject to this Contract's Pre-Existing Conditions limitations section, if any applies.

If the Employee's dependent coverage ends for any reason, including failure to make the required payments, his or her Dependents will be considered Late Enrollees when their coverage begins again.

When an Employee initially waives coverage for a spouse and/or eligible Dependent children under this Contract, the Plan Sponsor [or We] should notify the Employee of the requirement for the Employee to make a statement that waiver was because the spouse and/or eligible Dependent children were covered under another group plan, if such other coverage was in fact the reason for the waiver, and the consequences of that requirement. If the Employee previously waived coverage for the Employee's spouse or eligible Dependent children under this Contract and stated at that time that such waiver was because they were covered under another group plan, and the Employee now elects to enroll them in this Contract, the Dependent will not be considered a Late Enrollee, provided the Dependent's coverage under the other plan ends due to one of the following events:

- a) termination of employment or eligibility;
- b) reduction in the number of hours of employment;
- c) involuntary termination;
- d) divorce or legal separation [or termination of the domestic partnership];
- e) death of the Employee's spouse;
- f) termination of the contribution toward coverage that was being made by the employer that offered the group plan under which the Dependent was covered; or
- g) termination of the other plan's coverage.

But, the Employee's spouse or eligible Dependent children must be enrolled by the Employee within 90 days of the date that any of the events described above occur. Coverage will take effect as of the date the applicable event occurs.

And, We will not consider an Employee's spouse or eligible Dependent children for which the Employee initially waived coverage under this Contract, to be a Late Enrollee, if:

- a) the Employee is under legal obligation to provide coverage due to a court order; and
- b) the Employee's spouse or eligible Dependent children are enrolled by the Employee within 30 days of the issuance of the court order.

Coverage will take effect as of the date required pursuant to the court order.

In addition, if an Employee initially waived coverage under this Contract for the Employee's spouse or eligible Dependent children because the spouse and/or Dependent children had coverage under a Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation provision and the Employee requests coverage for the spouse and/or Dependent children under this Contract within 30 days of the date the COBRA continuation ended, We will not consider the spouse and/or Dependent children to be Late Enrollees. Coverage will take effect as of the date the COBRA continuation ended.

### **When Dependent Coverage Starts**

In order for an Employee's dependent coverage to begin the Employee must already be covered for Employee coverage or enroll for Employee and Dependent coverage at the same time. Subject to all of the terms of this Contract, the date an Employee's dependent coverage starts depends on when the Employee elects to enroll the Employee's Initial Dependents[ and agrees to make any required payments].

If the Employee does this within [30] days of the Dependent's Eligibility Date, the Dependent's Coverage is scheduled to start on the later of:

- a) the Dependent's Eligibility Date, or
- b) the date the Employee becomes covered for Employee coverage.

If the Employee does this more than [30] days after the Dependent's Eligibility Date, We will consider the Dependent a Late Enrollee. Coverage is scheduled to start on the later of:

- a) the date We or Our authorized representative or agent receives the signed enrollment form; or
- b) the date the Employee becomes covered for Employee coverage.

Once an Employee has dependent coverage for Initial Dependents, the Employee must notify Us of a Newly Acquired Dependent within the [30] days after the Newly Acquired Dependent's Eligibility Date. If the Employee does not, the Newly Acquired Dependent is a Late Enrollee.

A Newly Acquired Dependent other than a newborn child or newly adopted child, including a child placed for adoption, will be covered from the later of:

- a) the date the Employee notifies Us [ and agrees to make any additional payments], or
- b) the Dependent's Eligibility Date for the Newly Acquired Dependent.

If the Contractholder who purchased this Contract purchased it to replace a plan the Contractholder had with some other carrier, a Dependent who is Totally Disabled on the date this Contract takes effect will initially be eligible for limited coverage under this Contract if:

- a) the Dependent was validly covered under the Contractholder's old plan on the date the Contractholder's old plan ended; and
- b) this Contract takes effect immediately upon termination of the prior plan.

The coverage under this Contract will be limited to coverage for services or supplies for conditions other than the disabling condition. Such limited coverage under this Contract will end one year from the date the person's coverage under this Contract begins.

Coverage for services or supplies for the disabling condition will be provided as stated in an extended health benefits, or like provision, contained in the Contractholder's old plan. Thereafter, coverage will not be limited as described in this provision, but will be subject to the terms and conditions of this Contract.

### **Newborn Children**

We will cover an Employee's newborn child for 31 days from the date of birth without additional premium. Coverage may be continued beyond such 31-day period as stated below:

- a) If the Employee is already covered for Dependent child coverage on the date the child is born, coverage automatically continues beyond the initial 31 days, provided the premium required for Dependent child coverage continues to be paid. The Employee must notify Us of the birth of the newborn child as soon as possible in order that We may properly provide coverage under this Contract.
- b) If the Employee is not covered for Dependent child coverage on the date the child is born, the Employee must:
  - 1) give written notice to enroll the newborn child[; and
  - 2) pay the premium required for Dependent child coverage within 31 days after the date of birth.]

If the notice is not given and the premium is not paid within such 31-day period, the newborn child's coverage will end at the end of such 31-day period. If the notice is given and the premium paid after that 31-day period, the child will be a Late Enrollee

### **When Dependent Coverage Ends:**

A Dependent's coverage under this Contract will end on the first of the following dates:

- a) [the date]Employee coverage ends;
- [b] the date the Employee stops being a member of a class of Employees eligible for such coverage;]
- [c]. the date this Contract ends;
- [d]. the date Dependent coverage is dropped from this Contract for all Employees eligible for such coverage;
- [e]. the date an Employee fails to pay any required part of the cost of Dependent coverage. It ends on the last day of the period for which the Employee made the required payments, unless coverage ends earlier for other reasons.]

[f)]. at 12:01 a.m. [on the last day of the calendar month following ] [on] the date the Dependent stops being an eligible Dependent.

[g)]. with respect to a Dependent spouse, the date the spouse moves his or her permanent residence outside the Service Area.]

[“DC” h) the date the Dependent ceases to be insured under the associated Indemnity Plan.]]

### **EXTENDED HEALTH BENEFITS**

If this Contract ends and a [Member] is Totally Disabled and under a Practitioner’s care, We will extend health benefits for that person under this Contract as explained below.

This is done at no cost to the [Member].

We will only extend benefits for a [Member] due to the disabling condition. Any services and supplies must be provided before the extension ends. And what We cover is based on all the terms of this Contract.

We do not cover services, supplies or charges due to other conditions. And, We do not cover services, supplies or charges incurred by other family members.

The extension ends on the earliest of:

- a) the date the Total Disability ends;
- b) one year from the date the person’s coverage under this Contract ends; or
- c) the date the person has reached the payment limit, if any, for his or her disabling condition.

The Employee must submit evidence to Us that he or she or his or her Dependent is Totally Disabled, if We request it.

**TERMINATION FOR CAUSE**If any of the following conditions exist, We may give written notice to the [Member] that the person is no longer covered under this Contract:

- a) **Untenable Relationship:** After reasonable efforts, We and/or [Network] Providers are unable to establish and maintain a satisfactory relationship with the [Member] or the [Member] fails to abide by our rules and regulations, or the [Member] acts in a manner which is verbally or physically abusive.
- b) **Misuse of Identification Card:** The [Member] permits any other person who is not authorized by Us to use any identification card We issue to the [Member].
- c) **Furnishing Incorrect or Incomplete Information:** The [Member] furnishes material information that is either incorrect or incomplete in a statement made for the purpose of effecting coverage under this Contract. This condition is subject to the provisions of the **Incontestability of the Contract** section.
- d) **Nonpayment:** The [Member] fails to pay any Copayment [or Coinsurance] or to make any reimbursement to Us required under this Contract.
- e) **Misconduct:** The [Member] abuses the system, including but not limited to; theft, damage to [Our] [Network Provider's] property, forgery of drug prescriptions, and consistent failure to keep scheduled appointments.

f) **Failure to Cooperate:** The [Member] fails to assist Us in coordinating benefits as described in the **Coordination of Benefits and Services** Section.

If We give the [Member] such written notice:

- a) that person will cease to be a [Member] for the coverage under this Contract immediately if termination is occurring due to **Misuse of Identification Card** (b above) or **Misconduct** (e above), otherwise, on the date 31 days after such written notice is given by Us; and
- b) no benefits will be provided to the [Member] under the coverage after that date.

Any action by Us under these provisions is subject to review in accordance with the Appeal Procedures We establish.

## **[MEMBER] PROVISIONS**

### **THE ROLE OF A [MEMBER'S] PRIMARY CARE PHYSICIAN**

A [Member's] Primary Care Physician provides basic health maintenance services and coordinates a [Member's] overall health care. Anytime a [Member] needs medical care, the [Member] should contact his or her Primary Care Physician [or the Care Manager] and identify himself or herself as a [Member] of this program.

In an Emergency, a [Member] may go directly to the emergency room. If a [Member] does, then the [Member] must call his or her Primary Care Physician [or the Care Manager] and [Member] Services within 48 hours. If a [Member] does not call within 48 hours, We will provide services [“DC” under this HMO Plan] only if We [or the Care Manager] Determine that notice was given as soon as was reasonably possible.

[“DC” Note: Under the terms of the associated Indemnity Plan, there is no requirement that the Member contact a Primary Care Physician to access services or supplies, but all benefits are subject to the terms and conditions of the associated Indemnity Plan.]

**[THE ROLE OF THE CARE MANAGER.** The Care Manager will manage a [Member's] treatment for [Mental Illness or, Substance Abuse]. A [Member] must contact the Care Manager or the [Member's] Primary Care Physician when a [Member] needs treatment for one of these conditions.]

### **SELECTING OR CHANGING A PRIMARY CARE PHYSICIAN [OR HEALTH CENTER]**

When an Employee first obtains this coverage, the Employee and each of the Employee's covered Dependents must select a Primary Care Physician [or Health Center].

[Members] select a Primary Care Physician [or Health Center] from Our [Physician or Practitioners Directory]; this choice is solely a [Member's]. However, We cannot guarantee the availability of a particular Practitioner. If the Primary Care Physician initially selected cannot accept additional patients, a [Member] will be notified and given

an opportunity to make another Primary Care Physician selection. [If a [Member] fails to select a Primary Care Physician [or Health Center], We will make a selection on behalf of the [Member].]

[After initially selecting a Primary Care Physician, [Members] can transfer to different Primary Care Physicians if the physician-patient relationship becomes unacceptable. The [[Member] can select another Primary Care Physician from Our [Physician or Practitioners] Directory].

[For a discretionary change of PCP, the new PCP selection will take effect no more than 14 days following the date of the request. For a change necessitated by termination of the prior PCP from the Network, the new PCP selection will take effect immediately.

### **IDENTIFICATION CARD**

The Identification Card issued by Us to [Members] pursuant to this Contract is for identification purposes only. Possession of an Identification Card confers no right to services or benefits under this Contract, and misuse of such Identification Card constitutes grounds for termination of [Member's] coverage. If the [Member] who misuses the card is the Employee, coverage may be terminated for the Employee as well as any of the Employee's Dependents who are [Members]. To be eligible for services or benefits under this Contract, the holder of the card must be a [Member] on whose behalf all applicable premium charges under this Contract have been paid. Any person receiving services or benefits which he or she is not entitled to receive pursuant to the provisions of this Contract shall be charged for such services or benefits at prevailing rates.

If any [Member] permits the use of his or her Identification Card by any other person, such card may be retained by Us, and all rights of such [Member] and his or her Dependents, if any, pursuant to this Contract shall be terminated immediately, subject to the Appeals Procedures.

### **CONFIDENTIALITY**

Information contained in the medical records of [Members] and information received from physicians, surgeons, hospitals or other health professionals incident to the physician-patient relationship or hospital-patient relationship shall be kept confidential by Us; and except for use incident to bona fide medical research and education as may be permitted by law, or reasonably necessary in connection with the administration of this Contract or in the compiling of aggregate statistical data, or with respect to arbitration proceedings or litigation initiated by [Member] against Us, may not be disclosed without the [Member's] written consent, except as required or authorized by law.

### **INABILITY TO PROVIDE [NETWORK] SERVICES AND SUPPLIES**

In the event that due to circumstances not within Our reasonable control, including but not limited to major disaster, epidemic, complete or partial destruction of facilities, riot, civil insurrection, disability of a significant part of Our [Network] Providers or entities with whom We have arranged for services under this Contract, or similar causes, the



rendition of medical or hospital benefits or other services provided under this Contract is delayed or rendered impractical, We shall not have any liability or obligation on account of such delay or failure to provide services. We are required only to make a good faith effort to provide or arrange for the provision of services, taking into account the impact of the event.

### **REFERRAL FORMS**

A [Member] can be Referred for Specialist Services by a [Member's] Primary Care Physician.

**Except in the case of an Emergency, a [Member] will not be eligible for any services [“DC” under this HMO Plan] provided by anyone other than a [Member's] Primary Care Physician (including but not limited to Specialist Services) if a [Member] has not been Referred by his or her Primary Care Physician. Referrals must be obtained prior to receiving services and supplies from any Practitioner other than the [Member’s] Primary Care Physician.**

### **NON-COMPLIANCE WITH MEDICALLY NECESSARY AND APPROPRIATE TREATMENT**

A [Member] has the right under New Jersey law to refuse procedures, medicines, or courses of treatment. A [Member] has the right to participate in decision-making regarding the [Member's] care. Further, a [Member] may, for personal, religious or cultural reasons disagree or not comply with procedures, medicines, or courses of treatment deemed Medically Necessary and Appropriate by a [Network] Practitioner. A [Member] who refuses procedures, medicines or courses of treatment has the right to seek a second opinion from another [Network] Practitioner. If such [Network] Practitioner(s) believe(s) that the recommended procedures, medicines, or courses of treatment are Medically Necessary and Appropriate, the [Network] Practitioner shall inform the [Member] of the consequences of not complying with the recommended procedures, medicines, or courses of treatment and seek to resolve the disagreement with the [Member] and or the [Member's] family or other person acting on the [Member's] behalf. If the [Member] refuses to comply with recommended procedures, medicines, or courses of treatment, We will notify the [Member] in writing that We will not provide further benefits or services for the particular condition or its consequences [“DC” under this HMO Plan]. The [Member's] decision to reject Medically Necessary and Appropriate procedures, medicines, or courses of treatment is subject to the Appeals Procedure and We will continue to provide all benefits covered by the Contract during the pendency of the Appeals Procedure. We reserve the right to expedite the Appeals Procedure. If the Appeals Procedure results in a decision upholding the position of the [Network] Practitioner(s) and the dispute is unresolved, We will have no further responsibility to provide any of the benefits available under this Contract for treatment of such condition or its consequences unless the [Member] asks, in writing and within 7 days of being informed of the result of the Appeals Procedure, to terminate his or her coverage under this Contract. In such event, We will continue to provide all benefits covered by this Contract for 30 days or until the date of termination, whichever comes first, and We and

the [Network] Practitioner will cooperate with the [Member] in facilitating a transfer of care.

### **REFUSAL OF LIFE-SUSTAINING TREATMENT**

A [Member] has the right under New Jersey law to refuse life sustaining treatment. A [Member] who refuses life sustaining treatment remains eligible for all benefits including Home Health and Hospice benefits in accordance with this Contract. We will follow a [Member's] properly executed advance directive or other valid indication of refusal of life sustaining treatment.

### **REPORTS AND RECORDS**

We are entitled to receive from any Provider of services to a [Member], such information We deem is necessary to administer this Contract, subject to all applicable confidentiality requirements as defined in this Contract. By accepting coverage under this Contract, the Employee, for himself or herself, and for all Dependents covered hereunder, authorizes each and every Provider who renders services to the [Member] hereunder to disclose to Us all facts and information pertaining to the care, treatment and physical condition of the [Member] and render reports pertaining to same to Us, upon request, and to permit copying of a [Member's] records by Us.

### **MEDICAL NECESSITY**

[Members] will receive designated benefits under the Contract only when Medically Necessary and Appropriate. We [or the Care Manager] may Determine whether any benefit provided under the Contract was Medically Necessary and Appropriate, and We have the option to select the appropriate [Network] Hospital to render services if hospitalization is necessary. Decisions as to what is Medically Necessary and Appropriate are subject to review by [Our quality assessment committee or its physician designee]. We will not, however, seek reimbursement from an eligible [Member] for the cost of any covered benefit provided under the Contract that is later Determined to have been medically unnecessary and inappropriate, when such service is rendered by a Primary Care Physician or a Provider referred in writing by the Primary Care Physician without notifying the [Member] that such benefit would not be covered under this Contract.

### **LIMITATION ON SERVICES**

Except in cases of Emergency, services ["DC" under this HMO Plan] are available only from Network Providers. We shall have no liability or obligation whatsoever on account of any service or benefit sought or received by a [Member] from any Provider or other person, entity, institution or organization unless prior arrangements are made by Us.

### **PROVIDER PAYMENT**

[[Different] providers in Our Network have agreed to be paid [in different ways by Us. A Member's Provider may be paid] [each time he or she treats the Member ("fee for service")] [, or may be paid] [ a set fee for each month for each Member whether or not the Member actually receives services ("capitation")] [, or may receive] [ a salary].

[These payment methods may include financial incentive agreements to pay some providers more (“bonuses”) or less (“withholds”) based on many factors: Member satisfaction, quality of care, and control of costs and use of services among them.] If a Member desires additional information about how Our Primary Care Physicians or any other Provider in Our Network are compensated, please call Us at [telephone number] or write [address].

The laws of the state of New Jersey, at N.J.S.A. 45:9-22.4 et seq., mandate that a physician, chiropractor or podiatrist who is permitted to make Referrals to other health care Providers in which he or she has a significant financial interest inform his or her patients of any significant financial interest he or she may have in a health care Provider or Facility when making a Referral to that health care Provider or Facility. If a Member wants more information about this the [Member], the [Member] should contact his or her physician, chiropractor or podiatrist. If a Member believes he or she is not receiving the information to which the Member is entitled, contact the Division of Consumer Affairs in the New Jersey Department of Law and Public Safety at (973) 504-6200 OR (800) 242-5846.]

### **APPEAL PROCEDURE**

NOTE TO CARRIERS: Insert Appeals Procedure text here. The Appeal Procedure text must satisfy the requirements of N.J.A.C. 11:24-8.5 et seq. The text must include specific information regarding the Stage 1, Stage 2 and External Appeals process.

In addition, Carriers are reminded that 29 CFR Part 2560 addresses claims procedures. It is expected that the text included in this Appeals Procedure section will include information the Carrier deems necessary to comply with the requirements of 29 CFR Part 2560.

### **[CONTINUATION OF CARE**

We shall provide written notice to each [Member] at least 30 business days prior to the termination or withdrawal from Our Provider Network of a [Member’s] PCP and any other Provider from which the [Member] is currently receiving a course of treatment, as reported to Us. The 30-day prior notice may be waived in cases of immediate termination of a health care professional based on a breach of contract by the health care professional, a determination of fraud, or where Our medical director is of the opinion that the health care professional is an imminent danger to the patient or the public health, safety or welfare.

We shall assure continued coverage of covered services at the contract rate by a terminated health care professional for up to four months in cases where it is Medically Necessary and Appropriate for the [Member] to continue treatment with the terminated health care professional.

In case of pregnancy of a [Member], coverage of services for the terminated health care professional shall continue to the postpartum evaluation of the [Member], up to six weeks

after the delivery. With respect to pregnancy, Medical Necessity and Appropriateness shall be deemed to have been demonstrated.

For a [Member] who is receiving post-operative follow-up care, We shall continue to cover the services rendered by the health care professional for the duration of the treatment or for up to six months, whichever occurs first.

For a [Member] who is receiving oncological treatment or psychiatric treatment, We shall continue to cover services rendered by the health care professional for the duration of the treatment or for up to 12 months, whichever occurs first.

For a [Member] receiving the above services in an acute care Facility, We will continue to provide coverage for services rendered by the health care professional regardless of whether the acute care Facility is under contract or agreement with Us.

Services shall be provided to the same extent as provided while the health care professional was employed by or under contract with Us. Reimbursement for services shall be pursuant to the same schedule used to reimburse the health care professional while the health care professional was employed by or under contract with Us.

If a [Member] is admitted to a health care Facility on the date this Contract is terminated, We shall continue to provide benefits for the [Member] until the date the [Member] is discharged from the Facility or exhaustion of the [Member's] benefits under this Contract, whichever occurs first.

We shall not continue services in those instance in which the health care professional has been terminated based upon the opinion of Our medical director that the health care professional is an imminent danger to a patient or to the public health, safety and welfare, a determination of fraud or a breach of contract by a health care professional. The Determination of the Medical Necessity and Appropriateness of a [Member's] continued treatment with a health care professional shall be subject to the appeal procedures set forth in this Contract. We shall not be liable for any inappropriate treatment provided to a [Member] by a health care professional who is no longer employed by or under contract with Us

If We refer a [Member] to a [Non-Network] provider, the service or supply shall be covered as a [Network] service or supply. We are fully responsible for payment to the health care professional and the [Member's] liability shall be limited to any applicable [Network] Copayment, or Coinsurance for the service or supply.]

## **[COVERAGE PROVISION**

### **The Cash Deductible**

Each Calendar Year, each Member must incur charges for Covered Services or Supplies that exceed the Cash Deductible before We provide coverage for Covered Services or Supplies to that person. The Cash Deductible is shown in the Schedule. The Cash

Deductible cannot be met with Non-Covered Services or Supplies. Only charges for Covered Services or Supplies incurred by the Member while covered by this Contract can be used to meet this Cash Deductible.

Once the Cash Deductible is met, We provide coverage for other Covered Services or Supplies above the Cash Deductible incurred by that Member, less any applicable Coinsurance or Copayments, for the rest of that Calendar Year. But all charges must be incurred while that Member is covered by this Contract. What We cover is based on all the terms of this Contract.]

**[Family Deductible Limit**

This Policy has a family deductible limit of two Cash Deductibles for each Calendar Year. Once two Covered Persons in a family meet their individual Cash Deductibles in a Calendar Year, We provide coverage for Covered Services and Supplies for all Members who are part of the covered family, less any applicable Coinsurance or Copayments, for the rest of that Calendar Year. What We pay is based on all the terms of this Contract.]

**[Maximum Out of Pocket**

Maximum out of pocket means the annual maximum dollar amount that a Member must pay as Copayment, Deductible and Coinsurance for all Covered Services or Supplies in a Calendar Year. All amounts [for services and supplies other than Prescription Drugs] paid as Copayment, Deductible and Coinsurance shall count toward the Maximum Out of Pocket. Once the Maximum Out of Pocket has been reached, the Member has no further obligation to pay any amounts as Copayment, Deductible and Coinsurance for Covered Services or Supplies [other than Prescription Drugs] for the remainder of the Calendar Year.]

[Once two Members in a family meet their individual Maximum Out of Pocket, no other Member in that family will be required to pay any amounts as Copayments, Deductible or Coinsurance for covered services and supplies for the remainder of the Calendar Year.]

**If This Plan Replaces Another Plan**

The Contractholder who purchased this Contract may have purchased it to replace a plan the Contractholder had with some other carrier.

The Member may have incurred charges for covered services and supplies under the Contractholder's old plan before it ended. If so, these charges will be used to meet this Contract's Cash Deductible if:

- a) the charges were incurred during the Calendar Year in which this Contract starts or during the 90 days preceding the effective date, whichever is the greater period;
- b) this Contract would have provided coverage for the charges if this Contract had been in effect;
- c) the Member was covered by the old plan when it ended and enrolled in this Contract on its Effective Date; and
- d) this Contract takes effect immediately upon termination of the prior plan.

Please note: Although Deductible credit is given, there is no credit for Coinsurance.]

Note to carriers: The Coverage Provision section is only to be included in plans where coverage is subject to deductible and coinsurance. ]

## **COVERED SERVICES & SUPPLIES**

[“DC” Under this HMO Plan,] [Members] are entitled to receive the benefits in the following sections when Medically Necessary and Appropriate, subject to the payment by [Members] of applicable copayments [Cash Deductible,][or Coinsurance] as stated in the applicable Schedule of Services and Supplies and subject to the terms, conditions and limitations of this Contract. Read the entire Contract to determine what treatment, services and supplies are limited or excluded.

(a) **OUTPATIENT SERVICES.** The following services are covered only at the Primary Care Physician’s office [or Health Center] selected by a [Member], or elsewhere upon prior written Referral by a [Member]'s Primary Care Physician [or Health Center] [or the Care Manager]:

1. **Office visits** during office hours, and during non-office hours when Medically Necessary and Appropriate.
2. **Home visits** by a [Member]'s Primary Care Physician.
3. **Periodic health examinations** to include:
  - a. Well child care from birth including immunizations;
  - b. Routine physical examinations, including eye examinations;
  - c. Routine gynecologic exams and related services;
  - d. Routine ear and hearing examination; and
  - e. Routine allergy injections and immunizations (but not if solely for the purpose of travel or as a requirement of a [Member]'s employment).
4. **Diagnostic Services.**
5. **Casts and dressings.**
6. **Ambulance service** when certified in writing as Medically Necessary and Appropriate by a [Member]'s Primary Care Physician and Pre-Approved by Us.
7. **Procedures and Prescription Drugs to enhance fertility**, except where specifically excluded in this Contract. We cover charges for: artificial insemination; and standard dosages, lengths of treatment and cycles of therapy of Prescription Drugs. The Prescription Drugs noted in this section are subject to the terms and conditions of the Prescription Drugs section of this Contract.
8. **Orthotic or Prosthetic Appliances** We cover Orthotic Appliances or Prosthetic Appliances if the Member’s Practitioner determines the appliance is medically necessary. The deductible, coinsurance or copayment as applicable to a non-specialist physician visit for treatment of an Illness or Injury will apply to the Orthotic Appliance or Prosthetic Appliance.

The Orthotic Appliance or Prosthetic Appliance may be obtained from any licensed orthotist or prosthetist or any certified pedorthist in Our Network.

Benefits for the appliances will be provided to the same extent as other Covered Services and Supplies under the Contract.

9. **Durable Medical Equipment** when ordered by a [Member]'s Primary Care Physician and arranged through Us.

10. [Subject to Our Pre-Approval, as applicable, ]**Prescription Drugs** [including **contraceptives**] [*Note to carriers: Omit if requested by a religious employer.*] **which require a Practitioner's prescription**, and insulin syringes and insulin needles, glucose test strips and lancets, colostomy bags, belts and irrigators\_ when obtained through a Network Provider.

[A prescription or refill will not include a prescription or refill that is more than:

a) the greater of a 30 day supply or 100 unit doses for each prescription or refill;

or

b) the amount usually prescribed by the [Member's] Network Provider.

A supply will be considered to be furnished at the time the Prescription Drug is received.]

[As explained in the **Orally Administered Anti-Cancer Prescription Drugs** provision below additional benefits for such prescription drugs may be payable.]

[We have identified certain Prescription Drugs for which Pre-Approval is required. We will provide the list of Prescription Drugs for which Pre-Approval is required to each Employee. We will give at least 30 days advance written notice to the Employee before revising the list of Prescription Drugs to add a Prescription Drug to the list.

[If a Member brings a prescription for a Prescription Drug for which We require Pre-Approval to a Pharmacy and Pre-Approval has not yet been secured, [the Member must contact Us to request Pre-Approval.] [the Pharmacy will contact the Practitioner to request that the Practitioner contact Us to secure Pre-Approval.] The Pharmacy will dispense a 96-hour supply of the Prescription Drug. We will review the Pre-Approval request within the time period allowed by law. If We give Pre-Approval, We will notify the Pharmacy and the balance of the Prescription Drug will be dispensed with benefits for the Prescription Drug being paid subject to the terms of this Contract. If We do not give Pre-Approval, the Member may ask that the Pharmacy dispense the balance of the Prescription Drug, with the Member paying for the Prescription Drug. The Member may submit a claim for the Prescription Drug, subject to the terms of this Contract. The Member may appeal the decision by following the Appeals Procedure process set forth in this Contract. ]

We cover Medically Necessary and Appropriate supplies which require a prescription, are prescribed by a Practitioner, and are essential to the administration of the prescription drug.

11. **Nutritional Counseling** for the management of disease entities which have a specific diagnostic criteria that can be verified. The nutritional counseling must be prescribed by a [Member]'s Primary Care Physician and Pre-Approved by Us.
12. **Dental x-rays** when related to Covered Services.
13. **Oral surgery** in connection with bone fractures, removal of tumors and orthodontogenic cysts, and other surgical procedures, as We approve.
14. **Food and Food Products for Inherited Metabolic Diseases:** We cover charges incurred for the therapeutic treatment of inherited metabolic diseases, including the purchase of medical foods (enteral formula) and low protein modified food products as determined to be medically necessary by a [Member's] Practitioner.

For the purpose of this benefit:

“inherited metabolic disease” means a disease caused by an inherited abnormality of body chemistry for which testing is mandated by law;

“low protein modified food product” means a food product that is specially formulated to have less than one gram of protein per serving and is intended to be used under the direction of a Practitioner for the dietary treatment of an inherited metabolic disease, but does not include a natural food that is naturally low in protein; and

“medical food” means a food that is intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation and is formulated to be consumed or administered enterally under the direction of a Practitioner.

**15. Specialized non-standard infant formulas** are covered to the same extent and subject to the same terms and conditions as coverage is provided under this [Contract] for Prescription Drugs. We cover specialized non-standard infant formulas provided:

- a) The Child's Practitioner has diagnosed the Child as having multiple food protein intolerance and has determined the formula to be medically necessary; and
- b) The Child has not been responsive to trials of standard non-cow milk-based formulas, including soybean and goat milk.

We may review continued Medical Necessity and Appropriateness of the specialized infant formula.

16. Unless otherwise provided in the Charges for the Treatment of Hemophilia section below, **Blood, blood products, blood transfusions** and the cost of testing and processing blood. But We do not cover blood which has been donated or replaced on behalf of the Member.

**17. Charges for the Treatment of Hemophilia.** The Providers in Our Network providing Medically Necessary and Appropriate home treatment services for bleeding episodes associated with hemophilia shall comply with standards adopted by the Department of Health and Senior Services in consultation with the Hemophilia Association of New Jersey.

We will cover the services of a clinical laboratory at a Hospital with a state-designated outpatient regional care center regardless of whether the Hospital's clinical laboratory is a [Network] Provider if the Member's Practitioner determines that the Hospital's clinical laboratory is necessary because: a) the results of laboratory tests are medically necessary immediately or sooner than the normal return time for Our network clinical laboratory; or b) accurate test results need to be determined by closely supervised procedures in



venipuncture and laboratory techniques in controlled environments that cannot be achieved by Our Network clinical laboratory.

We will pay the Hospital's clinical laboratory for the laboratory services at the same rate We would pay a Network clinical laboratory for comparable services.

**18. Colorectal Cancer Screening** We provide coverage for colorectal cancer screening provided to a Member age 50 or over and to younger [Members] who are considered to be high risk for colorectal cancer. Coverage will be provided, subject to all the terms of this Contract, and the following limitations:

Subject to the American Cancer Society guidelines, and medical necessity as determined by the [Member's] Practitioner in consultation with the [Member] regarding methods to use, We will cover:

- a) Annual gFOBT (guaiac-based fecal occult blood test) with high test sensitivity for cancer;
- b) Annual FIT (immunochemical-based fecal occult blood test) with high test sensitivity for cancer;
- c) Stool DNA (sDNA) test with high sensitivity for cancer
- d) flexible sigmoidoscopy,
- e) colonoscopy;
- f) contrast barium enema;
- g) Computed Tomography (CT) Colonography
- h) any combination of the services listed in items a – g above; or
- i) any updated colorectal screening examinations and laboratory tests recommended in the American Cancer Society guidelines.

We will provide coverage for the above methods at the frequency recommended by the most recent published guidelines of the American Cancer Society and as determined to be medically necessary by the [Member's] practitioner in consultation with the [Member].

High risk for colorectal cancer means a [Member] has:

- a) A family history of: familial adenomatous polyposis, hereditary non-polyposis colon cancer; or breast, ovarian, endometrial or colon cancer or polyps;
- b) Chronic inflammatory bowel disease; or
- c) A background, ethnicity or lifestyle that the practitioner believes puts the person at elevated risk for colorectal cancer.

**19) Newborn Hearing Screening** We provide coverage up to a maximum of 28 days following the date of birth for screening for newborn hearing loss by appropriate electrophysiologic screening measures. In addition, We provide coverage between age 29 days and 36 months for the periodic monitoring of infants for delayed onset hearing loss.

**20) Hearing Aids** We provide coverage for medically necessary services incurred in the purchase of a hearing aid for a [Member] age 15 or younger. Coverage includes the purchase of one hearing aid for each hearing-impaired ear every 24 months subject to a maximum amount payable for each hearing aid of \$1,000. Coverage for all other medically necessary services incurred in the purchase of a hearing aid is unlimited. Such

medically necessary services include fittings, examinations, hearing tests, dispensing fees, modifications and repairs, ear molds and headbands for bone-anchored hearing implants. The hearing aid must be recommended or prescribed by a licensed physician or audiologist.

The deductible, coinsurance or copayment as applicable to a non-specialist physician visit for treatment of an Illness or Injury will apply to a hearing aid and the medically necessary services incurred in the purchase of a hearing aid.

**21). Orally Administered Anti-Cancer Prescription Drugs** As used in this provision, orally administered anti-cancer prescription drugs means Prescription Drugs that are used to slow or kill the growth of cancerous cells and are administered orally. Such anti-cancer Prescription Drugs does not include those that are prescribed to maintain red or white cell counts, those that treat nausea or those that are prescribed to support the anti-cancer prescription drugs. Any such Prescription Drugs are covered under the Prescription Drugs provision of the Contract.

[We cover orally administered anti-cancer prescription drugs that are Medically Necessary and Appropriate as Network Services and Supplies if the [Member] is receiving care and treatment from a Network Practitioner who writes the prescription for such Prescription Drugs.

[Anti-cancer prescription drugs are covered subject to the terms of the **Prescription Drugs** provision of the Policy as stated above. The [Member] must pay the deductible and/or coinsurance required for Prescription Drugs. Using the receipt from the pharmacy, the [Member] may then submit a claim for the anti-cancer prescription drug under this Orally Administered Anti-Cancer Prescription Drugs provision of the Contract. Upon receipt of such a claim We will compare the coverage for the orally-administered anti-cancer prescription drugs as covered under the Prescription Drugs provision to the coverage the Contract would have provided if the [Member] had received intravenously administered or injected anti cancer medications from the Network to determine which is more favorable to the [Member] in terms of copayment, deductible and/or coinsurance. If the Contract provides different copayment, deductible or coinsurance for different places of service, the comparison shall be to the location for which the copayment deductible and coinsurance is more favorable to the [Member]. If a [Member] paid a deductible and/or coinsurance under the Prescription Drug provision that exceeds the copayment, deductible and/or coinsurance that would have applied for intravenously administered or injected anti cancer medications the [Member] will be reimbursed for the difference.]

*[If a Carrier uses a different procedure to comply with the requirements of P.L. 2001, c.188 the Carrier should omit the above paragraph and insert text consistent with the Carrier's procedure. The bracketed sentence in the Prescription Drugs provision should be included if consistent with the Carrier's procedure.]*

(b) **SPECIALIST DOCTOR BENEFITS.** Services are covered when rendered by a Network specialist doctor at the doctor's office [, or Health Center,] or any other [Network] Facility or a [Network] Hospital outpatient department during office or business hours upon prior written Referral by a [Member]'s Primary Care Physician.

(c) **INPATIENT HOSPICE, HOSPITAL, REHABILITATION CENTER & SKILLED NURSING CENTER BENEFITS.** The following services are covered when hospitalized by a Network Provider upon prior written referral from a [Member]'s Primary Care Physician, only at Network Hospitals and Network Providers (or at Non-Network facilities subject to Our Pre-Approval); however, Network Skilled Nursing Facility services and supplies are limited to those which constitute Skilled Nursing Care and Hospice services are subject to Our Pre-Approval:

1. Semi-private room and board accommodations

Except as stated below, We provide coverage for Inpatient care for:

a) a minimum of 72 hours following a modified radical mastectomy; and

b) a minimum of 48 hours following a simple mastectomy.

**Exception:** The minimum 72 or 48 hours, as appropriate, of Inpatient care will not be covered if the [Member], in consultation with the Network Provider, determine that a shorter length of stay is Medically Necessary and Appropriate.

As an exception to the Medically Necessary and Appropriate requirement of this Contract, We also provide coverage for the mother and newly born child for:

a) up to 48 hours of inpatient care in a Network Hospital following a vaginal delivery; and

b) a minimum of 96 hours of Inpatient care in a Network Hospital following a cesarean section.

We provide such coverage subject to the following:

a) the attending Practitioner must determine that Inpatient care is medically necessary; or

b) the mother must request the Inpatient care.

[As an alternative to the minimum level of Inpatient care described above, the mother may elect to participate in a home care program provided by Us.]

2. Private accommodations [will be provided only when Pre-Approved by Us]. If a [Member] occupies a private room without [such] certification [Member] shall be directly liable to the Hospice, Hospital, Rehabilitation Center or Skilled Nursing Facility for the difference between payment by Us to the Hospice, Hospital, Rehabilitation Center or Skilled Nursing Facility of the per diem or other agreed upon rate for semi-private accommodation established between Us and the Network Hospice, Network Hospital, Network Rehabilitation Center or Network Skilled Nursing Facility and the private room rate.

3. General nursing care

4. Use of intensive or special care facilities

5. X-ray examinations including CAT scans but not dental x-rays

6. Use of operating room and related facilities

7. Magnetic resonance imaging "MRI"

8. Drugs, medications, biologicals

9. Cardiography/Encephalography

10. Laboratory testing and services
11. Pre- and post-operative care
12. Special tests
13. Nuclear medicine
14. Therapy Services
15. Oxygen and oxygen therapy
16. Anesthesia and anesthesia services
17. Blood, blood products and blood processing
18. Intravenous injections and solutions
19. Surgical, medical and obstetrical services; We also cover reconstructive breast Surgery, Surgery to restore and achieve symmetry between the two breasts and the cost of prostheses following a mastectomy on one breast or both breasts. We also cover treatment of the physical complications of mastectomy, including lymphedemas.
21. The following transplants: Cornea, Kidney, Lung, Liver, Heart, Pancreas and Intestines.
22. Allogeneic bone marrow transplants.
- [23. Autologous bone marrow transplants and associated dose intensive chemotherapy: only for treatment of Leukemia, Lymphoma, Neuroblastoma, Aplastic Anemia, Genetic Disorders (SCID and WISCOT Alldrich) and Breast Cancer, when Pre-Approved by Us, if the [Member] is participating in a National Cancer Institute sponsored clinical trial.]
- [23. Autologous Bone Marrow Transplant and Associated Dose-Intensive Chemotherapy, but only if performed by institutions approved by the National Cancer Institute, or pursuant to protocols consistent with the guidelines of the American Society of Clinical Oncologists;
24. Peripheral Blood Stem Cell Transplants, but only if performed by institutions approved by the National Cancer Institute, or pursuant to protocols consistent with the guidelines of the American Society of Clinical Oncologists.]
25. Donor's costs associated with transplants if the donor does not have health coverage that would cover the medical costs associated with his or her role as a donor. We do not cover costs for travel, accommodations, or comfort items.

(d) **BENEFITS FOR MENTAL ILLNESS OR SUBSTANCE ABUSE.** We cover treatment Mental Illness or Substance Abuse the same way We would for any other illness, if such treatment is prescribed by a Network Provider upon prior written referral by a [Member]'s Primary Care Physician [or the Care Manager]. We do not pay for Custodial care, education or training.

Inpatient or day treatment may be furnished by any Network Provider that is licensed, certified or State approved facility, including but not limited to:

- a) a Hospital
- b) a detoxification Facility licensed under New Jersey P.L. 1975, Chapter 305;
- c) a licensed, certified or state approved residential treatment Facility under a program which meets the minimum standards of care of the Joint Commission;
- d) a Mental Health Center; or
- e) a Substance Abuse Center.

(e) **EMERGENCY CARE BENEFITS - WITHIN AND OUTSIDE OUR SERVICE AREA.** The following services are covered [“DC” under this HMO Plan] without prior written Referral by a [Member]'s Primary Care Physician in the event of an Emergency as Determined by Us.

1. A [Member]'s Primary Care Physician is required to provide or arrange for on-call coverage twenty-four (24) hours a day, seven (7) days a week. Unless a delay would be detrimental to a [Member]'s health, [Member] shall call a [Member]'s Primary Care Physician [or Health Center] [or Us] [or the Care Manager] prior to seeking Emergency treatment.

2. We will cover the cost of Emergency medical and hospital services performed within or outside our service area without a prior written Referral only if:

a. Our review Determines that a [Member]'s symptoms were severe and delay of treatment would have been detrimental to a [Member]'s health, the symptoms occurred suddenly, and [Member] sought immediate medical attention.

b. The service rendered is provided as a Covered Service or Supply under this Contract and is not a service or supply which is normally treated on a non-Emergency basis; and

c. We and the [Member]'s Primary Care Physician are notified within 48 hours of the Emergency service and/or admission and We are furnished with written proof of the occurrence, nature and extent of the Emergency services within 30 days. A [Member] shall be responsible for payment for services received unless We Determine that a [Member]'s failure to do so was reasonable under the circumstances. In no event shall reimbursement be made until We receive proper written proof.

3. In the event a [Member] is Hospitalized in a Non-Network Facility, coverage will only be provided until the [Member] is medically able to travel or to be transported to a Network Facility. If the [Member] elects to continue treatment with Non-Network Providers, We shall have no responsibility for payment beyond the date the [Member] is Determined to be medically able to be transported.

In the event that transportation is Medically Necessary and Appropriate, We will cover the amount We Determine to be the Reasonable and Customary cost. Reimbursement may be subject to payment by [Members] of all Copayments which would have been required had similar benefits been provided upon prior written Referral to a Network Provider.

4. Coverage for Emergency services includes only such treatment necessary to treat the Emergency. Any elective procedures performed after a [Member] has been admitted to a Facility as the result of an Emergency shall require prior written Referral or the [Member] shall be responsible for payment.

The Copayment for an emergency room visit will be credited toward the Hospital Inpatient Copayment if a [Member] is admitted as an Inpatient to the Hospital as a result of the Emergency.

6. Coverage for Emergency and Urgent Care include coverage of trauma services at any designated level I or II trauma center as Medically Necessary and Appropriate, which shall be continued at least until, in the judgement of the attending physician, the Member is medically stable, no longer requires critical care, and can be safely transferred to

another Facility. We also provides coverage for a medical screening examination provided upon a Member's arrival in a Hospital, as required to be performed by the Hospital in accordance with Federal law, but only as necessary to determine whether an Emergency medical condition exists. . [Please note that the "911" Emergency response system may be used whenever a Covered person has a potentially life-threatening condition. Information on the use of the "911" system is included on the identification card.]

(f) **THERAPY SERVICES.** The following Services are covered when rendered by a Network Provider upon prior written Referral by a [Member]'s Primary Care Physician [or the Care Manager]. Subject to the stated limits, We cover the Therapy Services listed below. We cover other types of Therapy Services provided they are performed by a licensed Provider, are Medically Necessary and Appropriate and are not Experimental or Investigational.

a. *Chelation Therapy* - means the administration of drugs or chemicals to remove toxic concentrations of metals from the body.

b. *Chemotherapy* - the treatment of malignant disease by chemical or biological antineoplastic agents.

c. *Dialysis Treatment* - the treatment of an acute renal failure or a chronic irreversible renal insufficiency by removing waste products from the body. This includes hemodialysis and peritoneal dialysis.

d. *Radiation Therapy* - the treatment of disease by x-ray, radium, cobalt, or high energy particle sources. Radiation therapy includes rental or cost of radioactive materials. Diagnostic Services requiring the use of radioactive materials are not radiation therapy.

e. *Respiration Therapy* - the introduction of dry or moist gases into the lungs.

f. *Cognitive Rehabilitation Therapy* - the retraining of the brain to perform intellectual skills which it was able to perform prior to disease, trauma, Surgery, or previous therapeutic process; or the training of the brain to perform intellectual skills it should have been able to perform if there were not a congenital anomaly.

g. *Speech Therapy* -except as stated below, treatment for the correction of a speech impairment resulting from Illness, Surgery, Injury, congenital anomaly, or previous therapeutic processes. Exception: For a [Covered Person] who has been diagnosed with a biologically-based mental illness, speech therapy means treatment of a speech impairment.

Coverage for Cognitive Rehabilitation Therapy and Speech Therapy, **combined**, is limited to 30 visits per Calendar Year.

h. *Occupational Therapy* - except as stated below, treatment to restore a physically disabled person's ability to perform the ordinary tasks of daily living. Exception: For a [Covered Person] who has been diagnosed with a biologically-based mental illness, occupational therapy means treatment to develop a [Covered Person's] ability to perform the ordinary tasks of daily living..

i. *Physical Therapy* - except as stated below, the treatment by physical means to relieve pain, restore maximum function, and prevent disability following disease, Injury

or loss of limb. Exception: For a [Covered Person] who has been diagnosed with a biologically-based mental illness, physical therapy means treatment to develop a [Covered Person's] physical function.

Coverage for Occupational Therapy and Physical Therapy, **combined**, is limited to 30 visits per Calendar Year.

- j. Infusion Therapy* - the administration of antibiotic, nutrients, or other therapeutic agents by direct infusion.

Note: The limitations on Therapy Services contained in this Therapy Services provision do not apply to any Therapy Services that are received under the Home Health Care provision or to therapy services received under the Diagnosis and Treatment of Autism or Other Developmental Disabilities provision.

**["DC" NOTE: ANY THERAPY BENEFITS A [MEMBER] RECEIVES UNDER THE ASSOCIATED INDEMNITY PLAN WILL REDUCE THE THERAPY SERVICES AND SUPPLIES AVAILABLE UNDER THIS HMO PLAN.]**

**(g) DIAGNOSIS AND TREATMENT OF AUTISM AND OTHER DEVELOPMENTAL DISABILITIES**

We provide coverage for charges for the screening and diagnosis of autism and other developmental disabilities.

If a Member's primary diagnosis is autism or another developmental disability We provide coverage for the following medically necessary therapies as prescribed through a treatment plan and subject to the benefit limits set forth below:

- a) occupational therapy where occupational therapy refers to treatment to develop a Member's ability to perform the ordinary tasks of daily living;
- b) physical therapy where physical therapy refers to treatment to develop a Member's physical function; and
- c) speech therapy where speech therapy refers to treatment of a Member's speech impairment.

Coverage for occupational therapy and physical therapy combined is limited to 30 visits per Calendar Year. Coverage for speech therapy is limited to 30 visits per Calendar Year. These therapy services are covered whether or not the therapies are restorative. The therapy services covered under this provision do not reduce the available therapy visits available under the Therapy Services provision. .

If a Member's primary diagnosis is autism, and the Member is under 21 years of age, in addition to coverage for the therapy services as described above, We also cover medically necessary behavioral interventions based on the principles of applied behavior analysis and related structured behavioral programs as prescribed through a treatment plan.

The treatment plan(s) referred to above must be in writing, signed by the treating physician, and must include: a diagnosis, proposed treatment by type, frequency and duration; the anticipated outcomes stated as goals; and the frequency by which the treatment plan will be updated. We may request additional information if necessary to determine the coverage under the Contract. We may require the submission of an updated treatment plan once every six months unless We and the treating physician agree to more frequent updates.

Member Person:

- a) is eligible for early intervention services through the New Jersey Early Intervention System; and
- b) has been diagnosed with autism or other developmental disability; and
- c) receives physical therapy, occupational therapy, speech therapy, applied behavior analysis or related structured behavior services

the portion of the family cost share attributable to such services is a Covered Service under this Contract. The deductible, coinsurance or copayment as applicable to a non-specialist physician visit for treatment of an Illness or Injury will apply to the family cost share.

The therapy services a Member receives through New Jersey Early Intervention do not reduce the therapy services otherwise available under this Diagnosis and Treatment of Autism and Other Disabilities provision.

**[“DC” NOTE: ANY AUTISM AND OTHER DEVELOPMENTAL DISABILITIES SERVICES AND SUPPLIES A COVERED PERSON RECEIVES UNDER THE ASSOCIATED INDEMNITY PLAN WILL REDUCE THE AUTISM AND OTHER DEVELOPMENTAL DISABILITIES BENEFITS AVAILABLE UNDER THIS HMO PLAN.]**

(h) **HOME HEALTH CARE.** The following Services are covered upon prior written referral from a [Member]'s Primary Care Physician. When home health care can take the place of Inpatient care, We cover such care furnished to a [Member] under a written home health care plan. We cover all Medically Necessary and Appropriate services or supplies, such as:

- 1) Routine Nursing Care furnished by or under the supervision of a registered Nurse;
- 2) physical therapy;
- 3) occupational therapy;
- 4) medical social work;
- 5) nutrition services;
- 6) speech therapy;
- 7) home health aide services;
- 8) medical appliances and equipment, drugs and medications, laboratory services and special meals to the extent such items and services would have been covered under this Contract if the [Member] had been in a Hospital; and
- 9) any Diagnostic or therapeutic service, including surgical services performed in a Hospital Outpatient department, a Practitioner's office or any other licensed health



care Facility, provided such service would have been covered under the Contract if performed as Inpatient Hospital services.

Payment is subject to all of the terms of this Contract and to the following conditions:

a. The [Member's] Practitioner must certify that home health care is needed in place of Inpatient care in a recognized Facility. Home health care is covered **only** in situations where continuing hospitalization or confinement in a Skilled Nursing Facility or Rehabilitation Center would otherwise have been required if home health care were not provided.

b. The services and supplies must be:

1. ordered by the [Member's] Practitioner;
2. included in the home health care plan; and
3. furnished by, or coordinated by, a Home Health Agency according to the written home health care plan.

The services and supplies must be furnished by recognized health care professionals on a part-time or intermittent basis, except when full-time or 24 hour service is needed on a short-term (no more than three-day) basis.

c. The home health care plan must be set up in writing by the [Member's] Practitioner within 14 days after home health care starts. And it must be reviewed by the [Member's] Practitioner at least once every 60 days.

e. We do not pay for:

1. services furnished to family members, other than the patient; or
2. services and supplies not included in the home health care plan.

Any visit by a member of a home health care team on any day shall be considered as one home health care visit.

**["DC" NOTE: ANY NURSING CARE BENEFITS A [MEMBER] RECEIVES UNDER THE ASSOCIATED INDEMNITY PLAN WILL REDUCE THE NURSING CARE SERVICES AND SUPPLIES AVAILABLE UNDER THIS HMO PLAN.]**

(j)**Hospice Care** if [Members] are terminally Ill or terminally Injured with life expectancy of six months or less, as certified by the [Member]'s Primary Care Physician. Services may include home and Hospital visits by nurses and social workers; pain management and symptom control; instruction and supervision of family members, inpatient care; counseling and emotional support; and other home health care benefits listed above.

I(k) **DENTAL CARE AND TREATMENT.** The following services are covered when rendered by a [Network] Practitioner upon prior Referral by a [Member's] Primary Care Physician. We cover:

- 1) the diagnosis and treatment of oral tumors and cysts; and

2) the surgical removal of bony impacted teeth.

We also cover treatment of an Injury to natural teeth or the jaw, but only if:

- 1) the Injury was not caused, directly or indirectly by biting or chewing; and
- 2) all treatment is finished within 6 months of the date of the Injury.

Treatment includes replacing natural teeth lost due to such Injury. But in no event do We cover orthodontic treatment.

For a [Member] who is severely disabled or who is a Child under age 6, We cover:

- a) general anesthesia and Hospitalization for dental services; and
- b) dental services rendered by a dentist regardless of where the dental services are provided for a medical condition covered by this Contract which requires Hospitalization or general anesthesia.

**(l) TREATMENT FOR TEMPOROMANDIBULAR JOINT DISORDER (TMJ)**

The following services are covered when rendered by a [Network] Practitioner upon prior Referral by a [Member's] Primary Care Physician. We cover services and supplies for the Medically Necessary and Appropriate surgical and non-surgical treatment of TMJ in a [Member]. However, We do not cover any services or supplies for orthodontia, crowns or bridgework.

**(m) THERAPEUTIC MANIPULATION** The following services are covered when rendered by a [Network] Practitioner upon prior Referral by a [Member's] Primary Care Physician [or the Care Manager]. We limit what We cover for therapeutic manipulation to 30 visits per Calendar Year. And We cover no more than two modalities per visit. Services and supplies beyond 30 visits are not covered.

**[“DC” NOTE: ANY THERAPEUTIC MANIPULATION BENEFITS A [MEMBER] RECEIVES UNDER THE ASSOCIATED INDEMNITY PLAN WILL REDUCE THE THERAPEUTIC MANIPULATION SERVICES AND SUPPLIES AVAILABLE UNDER THIS HMO PLAN.]**

**(n) [Cancer Clinical Trial** We cover practitioner fees, laboratory expenses and expenses associated with Hospitalization, administering of treatment and evaluation of the Member during the course of treatment or a condition associated with a complication of the underlying disease or treatment, with are consistent with usual and customary patterns and standards of care incurred whenever a Member receives medical care associated with an Approved Cancer Clinical Trial. We will cover charges for such items and services only if they would be covered for care and treatment in a situation other than an Approved Cancer Clinical Trial.

We do not cover the cost of investigational drugs or devices themselves, the cost of any non-health services that might be required for a Member to receive the treatment or intervention, or the costs of managing the research, or any costs which would not be covered under this Contract for treatments that are not Experimental or Investigational.]

**NON-COVERED SERVICES AND SUPPLIES**

**THE FOLLOWING ARE NOT COVERED SERVICES UNDER THIS CONTRACT.**

Care or treatment by means of **acupuncture** except when used as a substitute for other forms of anesthesia.

The amount of any charge which is greater than an **Allowed Charge**.

Services for **ambulance** for transportation from a Hospital or other health care Facility, unless [Member] is being transferred to another Inpatient health care Facility.

**[Broken Appointments.]**

**Blood or blood plasma** which is replaced by or for a [Member].

Care and/or treatment by a **Christian Science Practitioner**.

**Completion of claim forms.**

Services or supplies related to **Cosmetic Surgery**, except as otherwise stated in this Contract; complications of Cosmetic Surgery; drugs prescribed for cosmetic purposes

Services related to **Custodial** or **domiciliary** care.

**Dental care** or treatment, including appliances and dental implants, except as otherwise stated in this Contract.

Care or treatment by means of **dose intensive chemotherapy**, except as otherwise stated in this Contract.

Services or supplies, the primary purpose of which is **educational** providing the [Member] with any of the following: training in the activities of daily living; instruction in scholastic skills such as reading and writing; preparation for an occupation; or treatment for learning disabilities except as otherwise stated in this Contract.

**Experimental or Investigational** treatments, procedures, hospitalizations, drugs, biological products or medical devices, except as otherwise stated in this Contract.

**Extraction of teeth**, except for bony impacted teeth.

Services or supplies for or in connection with:

- a) except as otherwise stated in this Contract, exams to determine the need for (or changes of) **eyeglasses** or lenses of any type;
- b) eyeglasses or lenses of any type except initial replacements for loss of the natural lens; or

- c) eye surgery such as radial keratotomy or lasik surgery, when the primary purpose is to correct myopia (nearsightedness), hyperopia (farsightedness) or astigmatism (blurring).

Services or supplies provided by one of the following members of the Employee's **family**: spouse, child, parent, in-law, brother, sister or grandparent.

Services or supplies furnished in connection with any procedures to enhance **fertility** which involve harvesting, storage and / or manipulation of eggs and sperm. This includes, but is not limited to the following: a) procedures: in vitro fertilization; embryo transfer; embryo freezing; and Gamete intra-fallopian Transfer (GIFT) and Zygote Intrafallopian Transfer (ZIFT), donor sperm, surrogate motherhood; and b) Prescription Drugs not eligible under the Prescription Drugs section of the Policy.

Except as otherwise stated in the Hearing Aids and Newborn Hearing Screening provisions, services or supplies related to **hearing aids and hearing examinations** to determine the need for hearing aids or the need to adjust them.

Services or supplies related to **herbal medicine**.

Services or supplies related to **hypnotism**.

Services or supplies necessary because the [Member] engaged, or tried to engage, in an **illegal occupation** or committed or tried to commit an indictable offense in the jurisdiction in which it is committed, or a felony. **Exception:** If the coverage under this Policy is richer than the coverage under the Policyholder's old plan, this Policy will provide coverage for services and supplies related to the disabling condition. This Policy will coordinate with the Policyholder's old plan, with this Policy providing secondary coverage, as described in the Coordination of Benefits and Services provision.

**Except as stated below, Illness or Injury**, including a condition which is the result of disease or bodily infirmity, which occurred on the job and which is covered or could have been covered for benefits provided under workers' compensation, employer's liability, occupational disease or similar law;

**Exception:** This exclusion does not apply to the following persons for whom coverage under workers' compensation is optional unless such persons are actually covered for workers' compensation: a self-employed person or a partner of a limited liability partnership, members of a limited liability company or partners of a partnership who actively perform services on behalf of the self-employed business, the limited liability partnership, limited liability company or the partnership.

[“DC”][Services or supplies for which benefits are paid under the associated **Indemnity Plan**.]

**Local anesthesia** charges billed separately if such charges are included in the fee for the Surgery.

**Membership costs** for health clubs, weight loss clinics and similar programs.

Services and supplies related to **marriage, career or financial counseling, sex therapy or family therapy, and related services.**

Any **Non-Covered Service or Supply** specifically limited or not covered elsewhere in this Contract, or which is not Medically Necessary and Appropriate.

**Non-prescription drugs** or supplies, except;

- a) insulin needles and insulin syringes and glucose test strips and lancets;
- b) colostomy bags, belts, and irrigators; and
- c) as stated in this Contract for food and food products for inherited metabolic diseases.

Services provided by a **pastoral counselor** in the course of his or her normal duties as a religious official or practitioner.

**Personal convenience** or comfort items including, but not limited to, such items as TV's, telephones, first aid kits, exercise equipment, air conditioners, humidifiers, saunas, hot tubs.

**[Pre-Existing Condition Limitations:**

**The following "Pre-Existing Conditions" and "Continuity of Coverage" provisions only apply to Contracts issued to Contractholders of at least two but not more than five eligible Employees. These provisions also apply to "Late Enrollees" under the Contracts issued to any Small Employer. However, this provision does not apply to Late Enrollees if 10 or more Late Enrollees request enrollment during any [30] day enrollment period provided for in this Contract. See this Contract's EMPLOYEE COVERAGE [and DEPENDENT COVERAGE] subsection[s] of the ELIGIBILITY section to determine if a [Member] is a Late Enrollee. [The "Pre-Existing Conditions" provision does not apply to a Dependent who is under age 19 or who is an adopted child or who is a child placed for adoption or to a newborn child if the Employee enrolls the Dependent and agrees to make the required payments within [31] days after the Dependent's Eligibility Date.]**

A Pre-Existing Condition is an Illness or Injury which manifests itself in the six months before a [Member's] Enrollment Date, and for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the Enrollment Date.

We do not pay benefits for charges for Pre-Existing Conditions for Members age 19 or older for 180 days measured from the Enrollment Date. This 180 day period may be reduced by the length of time the [Member] was covered under any Creditable Coverage if, without application of any Waiting Period, the Creditable Coverage was continuous to

a date not more than 90 days prior to becoming a [Member]. Refer to the Continuity of Coverage section below.

This limitation does not affect benefits for other unrelated conditions, [or] pregnancy [, or birth defects in a covered Dependent child]. Genetic information will not be treated as a Pre-Existing Condition in the absence of a diagnosis of the condition related to that information. And We waive this limitation for a [Member's] Pre-Existing Condition if the condition was payable under Creditable Coverage which covered the [Member] right before the [Member's] coverage under this Contract started. The next section shows other exceptions.

### **Continuity of Coverage**

#### **[NOTE: COVERAGE UNDER THIS CONTRACT IS SUBJECT TO THE ALTERNATIVE METHOD FOR COUNTING CREDITABLE COVERAGE]**

If a new [Member] was covered under Creditable Coverage prior to enrollment under this Contract and the Creditable Coverage was continuous to a date not more than 90 days prior to the Enrollment Date under this Contract, We will provide credit as follows. [Standard method] [We give credit for the time the [Member] was covered under the Creditable Coverage without regard to the specific benefits included in the Creditable Coverage.] [Alternative method] [We give credit for the time the [Member] was covered under the Creditable Coverage based on coverage for the following [category] [categories] of benefits: [mental health;] [substance abuse treatment;] [prescription drugs;] [dental care;] [or] [vision care]. [We will count a period of Creditable Coverage with respect to a category of benefits if any level of benefits is covered within that category. For all other benefits,] We give credit for the time the [Member] was covered under the Creditable Coverage without regard to the specific benefits included in the Creditable Coverage.] We count the days the [Member] was covered under Creditable Coverage, except that days that occur before any lapse in coverage of more than 90 days are not counted. We apply these days to reduce the duration of the Pre-Existing Condition limitation under this Contract. The person must sign and complete his or her enrollment form within 30 days of the date the Employee's [active] Full-Time service begins. We do not cover any charges actually incurred before the person's coverage under this Contract starts. If the Contractholder has included an eligibility waiting period in this Contract, an Employee must still meet it, before becoming covered.]

Any service provided without prior written Referral by the [Member]'s **Primary Care Physician**, except as specified in this Contract.

Services related to **Private Duty Nursing**, except as provided under the Home Health Care section of this Contract.

Services or supplies related to **rest or convalescent cures**.

**Room and board charges** for a [Member] in any Facility for any period of time during which he or she was not physically present overnight in the Facility.

Services or supplies related to **Routine Foot Care, except:**

- a) an open cutting operation to treat weak, strained, flat, unstable or unbalanced feet, metatarsalgia or bunions;
- b) the removal of nail roots; and
- c) treatment or removal of corns, calluses or toenails in conjunction with the treatment of metabolic or peripheral vascular disease.

**Self-administered services** such as: biofeedback, patient-controlled analgesia on an Outpatient basis, related diagnostic testing, self-care and self-help training.

**Services or supplies:**

- a) eligible for payment under either federal or state programs (except Medicaid and Medicare). This provision applies whether or not the [Member] asserts his or her rights to obtain this coverage or payment for these services;
- b) for which a charge is not usually made, such as a Practitioner treating a professional or business associate, or services at a public health fair;
- c) for which a [Member] would not have been charged if he or she did not have health care coverage;
- d) provided by or in a Government Hospital except as stated below, or unless the services are for treatment:
  - of a non-service Emergency; or
  - by a Veterans' Administration Hospital of a non-service related Illness or Injury;

Exception: This exclusion does not apply to military retirees, their Dependents and the Dependents of active duty military personnel who are covered under both this Contract and under military health coverage and who receive care in facilities of the Uniformed Services.

**Sterilization reversal** - services and supplies rendered for reversal of sterilization.

**Surgery**, sex hormones, and related medical, psychological and psychiatric services to change a [Member]'s sex; services and supplies arising from complications of sex transformation.

**Telephone consultations.**

**Transplants**, except as otherwise listed in the Contract.

**Transportation;** travel.

**Vision therapy.**

**Vitamins and dietary supplements.**

Services or supplies received as a result of a **war**, or an act of war, if the Illness or Injury occurs while the Member is serving in the military, naval or air forces of any country,

combination of countries or international organization and Illness or Injury suffered as a result of special hazards incident to such service if the Illness or Injury occurs while the Member is serving in such forces and is outside the home area...

**Weight reduction or control**, unless there is a diagnosis of morbid obesity; special foods, food supplements, liquid diets, diet plans or any related products except as provided in the Nutritional Counseling and Food and Food Products for Inherited Metabolic Diseases items of this Contract.

**Wigs, toupees, hair transplants, hair weaving or any drug** if such drug is used in connection with baldness.



## COORDINATION OF BENEFITS AND SERVICES

### Purpose Of This Provision

A [Member] may be covered for health benefits or services by more than one Plan. For instance, he or she may be covered by this [Contract] as an Employee and by another plan as a Dependent of his or her spouse. If he or she is covered by more than one Plan, this provision allows Us to coordinate what We pay or provides with what another Plan pays or provides. This provision sets forth the rules for determining which is the Primary Plan and which is the Secondary Plan. Coordination of benefits is intended to avoid duplication of benefits while at the same time preserving certain rights to coverage under all Plans under which the [Member] is covered.

### DEFINITIONS

The words shown below have special meanings when used in this provision. Please read these definitions carefully. [Throughout this provision, these defined terms appear with their initial letter capitalized.]

**Allowable Expense:** The charge for any health care service, supply or other item of expense for which the [Member] is liable when the health care service, supply or other item of expense is covered at least in part under any of the Plans involved, except where a statute requires another definition, or as otherwise stated below.

When this [Contract] is coordinating benefits with a Plan that provides benefits only for dental care, vision care, prescription drugs or hearing aids, Allowable Expense is limited to like items of expense.

[Carrier] will not consider the difference between the cost of a private hospital room and that of a semi-private hospital room as an Allowable Expense unless the stay in a private room is Medically Necessary and Appropriate.

When this [Contract] is coordinating benefits with a Plan that restricts coordination of benefits to a specific coverage, We will only consider corresponding services, supplies or items of expense to which coordination of benefits applies as an Allowable Expense.

**Allowed Charge:** An amount that is not more than the usual or customary charge for the service or supply as determined by Us, based on a standard which is most often charged for a given service by a Provider within the same geographic area .

**Claim Determination Period:** A Calendar Year, or portion of a Calendar Year, during which a [Member] is covered by this [Contract] and at least one other Plan and incurs one or more Allowable Expense(s) under such plans.

**Plan:** Coverage with which coordination of benefits is allowed. Plan includes:

- a) Group insurance and group subscriber contracts, including insurance continued pursuant to a Federal or State continuation law;

- b) Self-funded arrangements of group or group-type coverage, including insurance continued pursuant to a Federal or State continuation law;
- c) Group or group-type coverage through a health maintenance organization (HMO) or other prepayment, group practice and individual practice plans, including insurance continued pursuant to a Federal or State continuation law;
- d) Group hospital indemnity benefit amounts that exceed \$150 per day;
- e) Medicare or other governmental benefits, except when, pursuant to law, the benefits must be treated as in excess of those of any private insurance plan or non-governmental plan.

Plan does not include:

- a) Individual or family insurance contracts or subscriber contracts;
- b) Individual or family coverage through a health maintenance organization or under any other prepayment, group practice and individual practice plans;
- c) Group or group-type coverage where the cost of coverage is paid solely by the [Member] except that coverage being continued pursuant to a Federal or State continuation law shall be considered a Plan;
- d) Group hospital indemnity benefit amounts of \$150 per day or less;
- e) School accident –type coverage;
- f) A State plan under Medicaid.

**Primary Plan:** A Plan whose benefits for a [Member’s] health care coverage must be determined without taking into consideration the existence of any other Plan. There may be more than one Primary Plan. A Plan will be the Primary Plan if either either “a” or “b” below exist:

- a) The Plan has no order of benefit determination rules, or it has rules that differ from those contained in this Coordination of Benefits and Services provision; or
- b) All Plans which cover the [Member] use order of benefit determination rules consistent with those contained in the Coordination of Benefits and Services provision and under those rules, the plan determines its benefits first.

**Secondary Plan:** A Plan which is not a Primary Plan. If a [Member] is covered by more than one Secondary Plan, the order of benefit determination rules of this Coordination of Benefits and Services provision shall be used to determine the order in which the benefits payable under the multiple Secondary Plans are paid in relation to each other. The benefits of each Secondary Plan may take into consideration the benefits of the Primary Plan or Plans and the benefits of any other Plan which, under this Coordination of Benefits and Services provision, has its benefits determined before those of that Secondary Plan.

#### **PRIMARY AND SECONDARY PLAN**

We consider each plan separately when coordinating payments.

The Primary Plan pays or provides services or supplies first, without taking into consideration the existence of a Secondary Plan. If a Plan has no coordination of benefits

provision, or if the order of benefit determination rules differ from those set forth in these provisions, it is the Primary Plan.

A Secondary Plan takes into consideration the benefits provided by a Primary Plan when, according to the rules set forth below, the plan is the Secondary Plan. If there is more than one Secondary Plan, the order of benefit determination rules determine the order among the Secondary Plans. During each Claim Determination Period, the Secondary Plan(s) will pay up to the remaining unpaid allowable expenses, but no Secondary Plan will pay more than it would have paid if it had been the Primary Plan. The method the Secondary Plan uses to determine the amount to pay is set forth below in the **“Procedures to be Followed by the Secondary Plan to Calculate Benefits”** section of this provision.

The Secondary Plan shall not reduce Allowable Expenses for medically necessary and appropriate services or supplies on the basis that precertification, preapproval, notification or second surgical opinion procedures were not followed.

### **RULES FOR THE ORDER OF BENEFIT DETERMINATION**

The benefits of the Plan that covers the [Member] as an employee, member, subscriber or retiree shall be determined before those of the Plan that covers the [Member] as a Dependent. The coverage as an employee, member, subscriber or retiree is the Primary Plan.

The benefits of the Plan that covers the [Member] as an employee who is neither laid off nor retired, or as a dependent of such person, shall be determined before those for the Plan that covers the [Member] as a laid off or retired employee, or as such a person's Dependent. If the other Plan does not contain this rule, and as a result the Plans do not agree on the order of benefit determination, this portion of this provision shall be ignored.

The benefits of the Plan that covers the [Member] as an employee, member, subscriber or retiree, or Dependent of such person, shall be determined before those of the Plan that covers the [Member] under a right of continuation pursuant to Federal or State law. If the other Plan does not contain this rule, and as a result the Plans do not agree on the order of benefit determination, this portion of this provision shall be ignored.

If a child is covered as a Dependent under Plans through both parents, and the parents are neither separated nor divorced, the following rules apply:

- a) The benefits of the Plan of the parent whose birthday falls earlier in the Calendar Year shall be determined before those of the parent whose birthday falls later in the Calendar Year.
- b) If both parents have the same birthday, the benefits of the Plan which covered the parent for a longer period of time shall be determined before those of plan which covered the other parent for a shorter period of time.
- c) Birthday, as used above, refers only to month and day in a calendar year, not the year in which the parent was born.

- d) If the other plan contains a provision that determines the order of benefits based on the gender of the parent, the birthday rule in this provision shall be ignored.

If a child is covered as a Dependent under Plans through both parents, and the parents are separated or divorced, the following rules apply:

- a) The benefits of the Plan of the parent with custody of the child shall be determined first.
- b) The benefits of the Plan of the spouse of the parent with custody shall be determined second.
- c) The benefits of the Plan of the parent without custody shall be determined last.
- d) If the terms of a court decree state that one of the parents is responsible for the health care expenses for the child, and if the entity providing coverage under that Plan has actual knowledge of the terms of the court decree, then the benefits of that plan shall be determined first. The benefits of the plan of the other parent shall be considered as secondary. Until the entity providing coverage under the plan has knowledge of the terms of the court decree regarding health care expenses, this portion of this provision shall be ignored.

If the above order of benefits does not establish which plan is the Primary Plan, the benefits of the Plan that covers the employee, member or subscriber for a longer period of time shall be determined before the benefits of the Plan(s) that covered the person for a shorter period of time.

### **Procedures to be Followed by the Secondary Plan to Calculate Benefits**

In order to determine which procedure to follow it is necessary to consider:

- a) the basis on which the Primary Plan and the Secondary Plan pay benefits; and
- b) whether the provider who provides or arranges the services and supplies is in the network of either the Primary Plan or the Secondary Plan.

Benefits may be based on the Allowed Charge (AC), or some similar term. This means that the provider bills a charge and the [Member] may be held liable for the full amount of the billed charge. In this section, a Plan that bases benefits on an Allowed Charge is called an “AC Plan.”

Benefits may be based on a contractual fee schedule, sometimes called a negotiated fee schedule, or some similar term. This means that although a provider, called a network provider, bills a charge, the [Member] may be held liable only for an amount up to the negotiated fee. In this section, a Plan that bases benefits on a negotiated fee schedule is called a “Fee Schedule Plan.” If the [Member] uses the services of a non-network provider, the plan will be treated as an AC Plan even though the plan under which he or she is covered allows for a fee schedule.

Payment to the provider may be based on a “capitation”. This means that then HMO or other plans pays the provider a fixed amount per [Member]. The [Member] is liable only for the applicable deductible, coinsurance or copayment. If the [Member] uses the

services of a non-network provider, the HMO or other plans will only pay benefits in the event of emergency care or urgent care. In this section, a Plan that pays providers based upon capitation is called a “Capitation Plan.”

In the rules below, “provider” refers to the provider who provides or arranges the services or supplies and “HMO” refers to a health maintenance organization plan.

Primary Plan is an AC Plan and Secondary Plan is an AC Plan

The Secondary Plan shall pay the lesser of:

- a) the difference between the amount of the billed charges and the amount paid by the Primary Plan; or
- b) the amount the Secondary Plan would have paid if it had been the Primary Plan.

When the benefits of the Secondary Plan are reduced as a result of this calculation, each benefit shall be reduced in proportion, and the amount paid shall be charged against any applicable benefit limit of the plan.

Primary Plan is Fee Schedule Plan and Secondary Plan is Fee Schedule Plan

If the provider is a network provider in both the Primary Plan and the Secondary Plan, the Allowable Expense shall be the fee schedule of the Primary Plan. The Secondary Plan shall pay the lesser of:

- a) The amount of any deductible, coinsurance or copayment required by the Primary Plan; or
- b) the amount the Secondary Plan would have paid if it had been the Primary Plan.

The total amount the provider receives from the Primary plan, the Secondary plan and the [Member] shall not exceed the fee schedule of the Primary Plan. In no event shall the [Member] be responsible for any payment in excess of the copayment, coinsurance or deductible of the Secondary Plan.

Primary Plan is an AC Plan and Secondary Plan is Fee Schedule Plan

If the provider is a network provider in the Secondary Plan, the Secondary Plan shall pay the lesser of:

- a) the difference between the amount of the billed charges for the Allowable Expenses and the amount paid by the Primary Plan; or
- b) the amount the Secondary Plan would have paid if it had been the Primary Plan.

The [Member] shall only be liable for the copayment, deductible or coinsurance under the Secondary Plan if the [Member] has no liability for copayment, deductible or coinsurance under the Primary Plan and the total payments by both the primary and Secondary Plans are less than the provider’s billed charges. In no event shall the [Member] be responsible for any payment in excess of the copayment, coinsurance or deductible of the Secondary Plan.

Primary Plan is Fee Schedule Plan and Secondary Plan is an AC Plan

If the provider is a network provider in the Primary Plan, the Allowable Expense considered by the Secondary Plan shall be the fee schedule of the Primary Plan. The Secondary Plan shall pay the lesser of:

- a) The amount of any deductible, coinsurance or copayment required by the Primary Plan; or
- b) the amount the Secondary Plan would have paid if it had been the Primary Plan.

Primary Plan is Fee Schedule Plan and Secondary Plan is an AC Plan or Fee Schedule Plan

If the Primary Plan is an HMO plan that does not allow for the use of non-network providers except in the event of urgent care or emergency care and the service or supply the [Member] receives from a non-network provider is not considered as urgent care or emergency care, the Secondary Plan shall pay benefits as if it were the Primary Plan.

Primary Plan is Capitation Plan and Secondary Plan is Fee Schedule Plan or an AC Plan

If the [Member] receives services or supplies from a provider who is in the network of both the Primary Plan and the Secondary Plan, the Secondary Plan shall pay the lesser of:

- a) The amount of any deductible, coinsurance or copayment required by the Primary Plan; or
- b) the amount the Secondary Plan would have paid if it had been the Primary Plan.

Primary Plan is Capitation Plan or Fee Schedule Plan or an AC Plan and Secondary Plan is Capitation Plan

If the [Member] receives services or supplies from a provider who is in the network of the Secondary Plan, the Secondary Plan shall be liable to pay the capitation to the provider and shall not be liable to pay the deductible, coinsurance or copayment imposed by the Primary Plan. The [Member] shall not be liable to pay any deductible, coinsurance or copayments of either the Primary Plan or the Secondary Plan.

Primary Plan is an HMO and Secondary Plan is an HMO

If the Primary Plan is an HMO plan that does not allow for the use of non-network providers except in the event of urgent care or emergency care and the service or supply the [Member] receives from a non-network provider is not considered as urgent care or emergency care, but the provider is in the network of the Secondary Plan, the Secondary Plan shall pay benefits as if it were the Primary Plan. Except that the Primary Plan shall pay out-of-Network services, if any, authorized by the Primary Plan.

## **SERVICES FOR AUTOMOBILE RELATED INJURIES**

This section will be used to determine a [Member's] coverage under this Contract when services are provided as a result of an automobile related Injury.

### **Definitions**

"Automobile Related Injury" means bodily Injury sustained by a [Member] as a result of an accident:

- a) while occupying, entering, leaving or using an automobile; or
- b) as a pedestrian;

caused by an automobile or by an object propelled by or from an automobile.

"Allowable Expense" means a medically necessary, reasonable and customary item of expense covered at least in part as an eligible expense or eligible services by:

- a) this Contract;
- b) PIP; or
- c) OSAIC.

"Eligible Services" means services provided for treatment of an Injury which is covered under this Contract without application of Cash Deductibles and Copayments, if any or Coinsurance.

"Out-of-State Automobile Insurance Coverage" or "OSAIC" means any coverage for medical expenses under an automobile insurance policy other than PIP. OSAIC includes automobile insurance policies issued in another state or jurisdiction.

"PIP" means personal injury protection coverage provided as part of an automobile insurance policy issued in New Jersey. PIP refers specifically to provisions for medical expense coverage.

### **Determination of primary or secondary coverage.**

This Contract provides secondary coverage to PIP unless health coverage has been elected as primary coverage by or for the [Member] under this Contract. This election is made by the named insured under a PIP policy. Such election affects that person's family members who are not themselves named insureds under another automobile policy. This Contract may be primary for one [Member], but not for another if the person has a separate automobile policy and has made different selection regarding primacy of health coverage.

This Contract is secondary to OSAIC, unless the OSAIC contains provisions which make it secondary or excess to the Contractholder's plan. In that case this Contract will be primary.

If there is a dispute as to which policy is primary, this Contract will pay benefits or provide services as if it were primary.

**Services this Contract will provide if it is primary to PIP or OSAIC.**

If this Contract is primary to PIP or OSAIC it will provide benefits for eligible expenses in accordance with its terms.

The rules of the **COORDINATION OF BENEFITS AND SERVICES** section of this Contract will apply if:

- a) the [Member] is insured or covered for services under more than one insurance plan; and
- b) such insurance plans or HMO Contracts are primary to automobile insurance coverage.

**Benefits this Contract will pay if it is secondary to PIP or OSAIC.**

If this Contract is secondary to PIP or OSAIC the actual benefits payable will be the lesser

of:

- a) the Allowable Expenses left uncovered after PIP or OSAIC has provided coverage after applying Cash Deductibles and Copayments, or
- b) the equivalent value of services if this Contract had been primary.

**GENERAL PROVISIONS**

**AFFILIATED COMPANIES**

If the Contractholder asks Us in writing to include an Affiliated Company under this Contract, and We give written approval for the inclusion, We will treat Employees of that company like the Contractholder's Employees. Our written approval will include the starting date of the company's coverage under this Contract. But each eligible Employee of that company must still meet all the terms and conditions of this Contract before becoming covered.

An Employee of the Contractholder and one or more Affiliated Companies will be considered an Employee of only one of those Employers for the purpose of this Contract. That Employee's service with multiple Employers will be treated as service with that one.

The Contractholder must notify Us in writing when a company stops being an Affiliated Company. As of this date, this Contract will be considered to end for Employees of that Employer. This applies to all of those Employees except those who, on the next day, are employed by the Contractholder or another Affiliated Company as eligible Employees.

**AMENDMENT**

The Contract may be amended, at any time, without a [Member]'s consent or that of anyone else with a beneficial interest in it. The Contractholder may change the type of coverage under this Contract at any time by notifying Us in writing.

We may make amendments to the Contract upon 30 days' notice to the Contractholder, and as provided in (b) and (c) below. An amendment will not affect benefits for a service



or supply furnished before the date of change; and no change to the benefits under this Contract will be made without the approval of the Board.

Only Our officers have authority: to waive any conditions or restrictions of the Contract, to extend the time in which a Premium may be paid, to make or change a Contract, or to bind Us by a promise or representation or by information given or received.

No change in the Contract is valid unless the change is shown in one of the following ways:

- a) it is shown in an endorsement on it signed by one of Our officers.
- b) if a change has been automatically made to satisfy the requirements of any state or federal law that applies to the Contract, as provided in the section of this Contract called **Conformity With Law**, it is shown in an amendment to it that is signed by one of Our officers.
- c) if a change is required by Us, it is accepted by the Contractholder, as evidenced by payment of a Premium on or after the effective date of such change.
- d) if a written request for a change is made by the Contractholder, it is shown in an amendment to it signed by the Contractholder and by one of Our officers.

#### **ASSIGNMENT**

No assignment or transfer by the Contractholder of any of the Contractholder's interest under this Contract or by a [Member] of any of his or her interest under this Contract is valid unless We consent thereto.

#### **CLERICAL ERROR - MISSTATEMENTS**

Except as stated below, neither clerical error nor programming or systems error by the Contractholder, nor Us in keeping any records pertaining to coverage under this Contract, nor delays in making entries thereon, will invalidate coverage which would otherwise be in force, or continue coverage which would otherwise be validly terminated. Upon discovery of such error or delay, an appropriate adjustment of premiums will be made, as permitted by law.

Exception: If an Employee contributed toward the premium payment and coverage continued in force beyond the date it should have been validly terminated as a result of such error or delay, the continued coverage will remain in effect through the end of the period for which the Employee contributed toward the premium payment and no premium adjustment will be made.

Premium adjustments involving return of unearned premium to the Contractholder for such errors or delays will be made only if the Employee did not contribute toward the premium payment. Except as stated in the Premium Refunds section of the **Premium Amounts** provision, such return of premium will be limited to the period of 12 months preceding the date of Our receipt of satisfactory evidence that such adjustments should be made.

If the age or gender of an Employee is found to have been misstated, and the premiums are thereby affected, an equitable adjustment of premiums will be made.

### **CONFORMITY WITH LAW**

Any provision of this Contract which, is in conflict with the laws of the State of New Jersey, or with Federal law, shall be construed and applied as if it were in full compliance with the minimum requirements of such State law or Federal law.

### **CONTINUING RIGHTS**

Our failure to apply terms or conditions does not mean that We waive or give up any future rights under this Contract.

### **EMPLOYEE'S EVIDENCE OF COVERAGE**

We will give the Contractholder an individual evidence of coverage to give each covered Employee. It will describe the Employee's coverage under this Contract. It will include:

- a. to whom We provide services and supplies or pay benefits;
- b. any protection and rights when the coverage ends; and
- c. claim rights and requirements.

In the event this Contract is amended, and such amendment affects the material contained in the evidence of coverage, a rider or revised evidence of coverage reflecting such amendment will be issued to the Contractholder for delivery to affected Employees.

### **GOVERNING LAW**

This entire Contract is governed by the laws of the State of New Jersey.

### **INCONTESTABILITY OF THE CONTRACT**

There will be no contest of the validity of the Contract, except for not paying premiums, after it has been in force for two years.

No statement in any application, except a fraudulent statement, made by the Contractholder or by a [Member] covered under this Contract shall be used in contesting the validity of his or her coverage or in denying benefits after such coverage has been in force for two years during the person's lifetime. Note: There is no time limit with respect to a contest in connection with fraudulent statements.

### **LIMITATION ON ACTIONS**

No action at law or in equity shall be brought to recover on the Contract until 60 days after a [Member] files written proof of loss. No such action shall be brought more than three years after the end of the time within which proof of loss is required.

### **NOTICES AND OTHER INFORMATION**

Any notices, documents, or other information under the Contract may be sent by United States Mail, postage prepaid, addressed as follows:

If to Us: To Our last address on record with the Contractholder.

If to the Contractholder: To the last address provided by the Contractholder on an enrollment or change of address form actually delivered to Us.

If to a [Member]: To the last address provided by the [Member] on an enrollment or change of address form actually delivered to Us.

### **OTHER RIGHTS**

We are only required to provide benefits to the extent stated in this Contract, its riders and attachments. We have no other liability.

Services and supplies are to be provided in the most cost-effective manner practicable as Determined by Us.

We reserve the right to use Our subsidiaries or appropriate employees or companies in administering this Contract.

We reserve the right to modify or replace an erroneously issued Contract.

Information in a Contractholder's application may not be used by Us to void this Contract or in any legal action unless the application or a duplicate of it is attached to this Contract or has been furnished to the Contractholder for attachment to this Contract.

Information in a [Member's] application may not be used by Us to void his or her coverage under this Contract or in any legal action unless the application or a duplicate of it is attached to the Evidence of Coverage issued to a [Member], or has been mailed to a [Member] for attachment to his or her Evidence of Coverage.

### **PARTICIPATION REQUIREMENTS**

At least [75%] of the Employees eligible for insurance must be enrolled for coverage. If an eligible Employee is not covered by this Contract because:

- a. the Employee is covered as a Dependent under a spouse's coverage, other than individual coverage; or
- b. the Employee is covered under any fully-insured Health Benefits Plan [issued by the same carrier] offered by the Contractholder;
- c. the Employee is covered under Medicare;
- d. the Employee is covered under Medicaid or NJ FamilyCare; or
- e. the Employee is covered under another group health benefits plan.

We will count this person as being covered by this Contract for the purposes of satisfying participation requirements.

### **PREMIUM AMOUNTS**

The premium due on each premium due date is the sum of the premium charges for the coverage then provided. Those charges are determined from the premium rates then in effect and the Employees [and Dependents] then covered.

### **Premium Refunds**

If one or more of the premiums paid include charges for an Employee [and or Dependent] whose coverage has ended before the due date of that premium, any refund of premium will depend on whether the Employee contributed toward the premium payment or whether it was paid in full by the Contractholder.

If the Employee contributed toward the premium payment, [Carrier] will not refund the premium and coverage will continue in force through the end of the period for which premium has been contributed by the Employee.

If the premium was paid in full by the Contractholder, any refund of premium will depend on whether claims were incurred during the period of no more than two months for which refund is requested. If no claims have been incurred [Carrier] will refund premiums paid for a maximum of two months prior to the date [Carrier] receives written notice from the Contractholder that the Employee's [and or Dependent's] coverage has ended. If claims have been incurred during the period prior to [Carrier's] receipt of written notice that the Employee [and Dependent's] coverage has ended, [Carrier] shall not be required to refund premium to the Contractholder.

### **PAYMENT OF PREMIUMS - GRACE PERIOD**

Premiums are to be paid by the Contractholder to Us. They are due on each Premium Due Date stated on the first page of the Contract. The Contractholder may pay each Premium other than the first within 31 days of the Premium Due Date. Those days are known as the grace period. The Contractholder is liable to pay Premiums to Us from the first day the Contract is in force

### **[REINSTATEMENT**

If the premium has not been paid before the end of the grace period, this Contract automatically terminates as of the last day of the grace period. The Contractholder may make written request to Us that the Contract be reinstated. If We accept the request for reinstatement, the Contractholder must pay all unpaid premiums back to the date premium was last paid. Such payment is subject to [the payment of the reinstatement fee as established by Us.] [an interest charge, determined as a percentage of the unpaid amount. The percentage will be determined by Us but will not be more than the maximum percentage allowed by law.] ]

### **PREMIUM RATE CHANGES**

The Premium rates in effect on the Effective Date are shown in the Premium Rates and Provisions section of the Contract. We have the right to prospectively change Premium rates as of any of these dates:

- a) any Premium Due Date;
- b) any date that an Employer becomes, or ceases to be, an Affiliated Company.
- c) any date that the extent or nature of the risk under the Contract is changed:
  - 1) by amendment of the Contract; or
  - 2) by reason of any provision of law or any government program or regulation;

d) at the discovery of a clerical error or misstatement as described below.

We will give You 60 days written notice when a change in the Premium rates is made.

#### **RECORDS - INFORMATION TO BE FURNISHED**

We will keep a record of the [Members]. It will contain key facts about their coverage.

At the times set by Us, the Contractholder will send the data required by Us to perform its duties under this Contract, and to Determine the premium rates and certify status as a Small Employer. All records of the Contractholder which bear on this Contract must be open to Us for Our inspection at any reasonable time.

We will not have to perform any duty that depends on such data before it is received in a form that satisfies Us. The Contractholder may correct incorrect data given to Us, if We have not been harmed by acting on it. A person's coverage under this Contract will not be made invalid by failure of the Contractholder, due to clerical error, to record or report the Employee for coverage.

The Contractholder will furnish Us the Employee [and Dependents] eligibility requirements of this Contract that apply on the Effective Date. Subject to Our approval, those requirements will apply to the Employee [and Dependent] coverage under this Contract. The Contractholder will notify Us of any change in the eligibility requirements of this Contract, but no such change will apply to the Employee [or Dependent] coverage under this Contract unless Pre-Approved by Us.

The Contractholder will notify Us of any event, including a change in eligibility, that causes termination of a [Member's] coverage immediately, or in no event later than the last day of the month in which the event occurs. Our liability to arrange or provide benefits for a person ceases when the person's coverage ends under this Contract. [If the Contractholder fails to notify Us as provided above, We will be entitled to reimbursement from the Contractholder of any benefits paid to any person after the person's coverage should have ended.]

#### **STATEMENTS**

No statement will void the coverage, or be used in defense of a claim under this Contract, unless it is contained in a writing signed by a[Member], and We furnish a copy to the[Member].

All statements will be deemed representations and not warranties.

#### **TERM OF THE CONTRACT - RENEWAL PRIVILEGE – TERMINATION**

This Contract is issued for a term of one (1) year from the Effective Date shown on the first page of this Contract. All Contract Years and Contract Months will be calculated from the Effective Date. Plan Years will be measured as stated in the definition of Plan

Year. All periods of insurance hereunder will begin and end at 12:01 am. Eastern Standard Time at the Contractholder's place of business.

The Contractholder may renew this Contract for a further term of one (1) year, on the first and each subsequent Contract Anniversary. All renewals are subject to the payment of premiums then due, computed as provided in this Contract's **Premium Amounts** section and to the provisions stated below.

We have the right to non-renew this Contract on the Contract Anniversary following the date the Contractholder no longer meets the requirements of a Small Employer as defined in this Contract. The Contractholder must certify to Us the Contractholder's status as a Small Employer every year. Certification must be given to Us within 10 days of the date We request it. If the Contractholder fails to do this, We retain the right to non-renew this Contract as of the Contractholder's Contract Anniversary.

We have the right to non-renew this Contract on the Contract Anniversary date following 180 days advance written notice to the Contractholder for the following reasons:

- a) subject to the statutory notification requirements, We cease to do business in the small group market;
- b) subject to the statutory notification requirements, We cease offering and non-renew a particular type of Health Benefits Plan in the small group market; or
- c) the Board terminates a standard plan or a standard plan option.

We have the right to non-renew this Contract on the Contract Anniversary Date subject to 60 days advance written notice to the Contractholder for the following reasons:

- a) the Contractholder moves outside the state of New Jersey;
- b) less than [75%] of the Contractholder's eligible Employees are covered by this Contract. If an eligible Employee is not covered by this Contract because:
  1. the Employee is covered as a Dependent under a spouse's coverage, other than individual coverage; or
  2. the Employee is covered under any fully-insured Health Benefits Plan [issued by the same carrier] offered by the Contractholder;
  3. the Employee is covered under Medicare;
  4. the Employee is covered under Medicaid or NJ FamilyCare; or
  5. The Employee is covered under another group health benefits plan,We will count that Employee as being covered by this Contract for purposes of satisfying participation requirements;
- c) the Contractholder does not contribute at least 10% of the annual cost of the Contract; or
- d) the Contractholder ceases membership in an association or multiple employer trust, but only if coverage is terminated uniformly, without regard to any Health Status-Related Factor relating to any Member

If any premium is not paid by the end of its grace period, this Contract will automatically end when that period ends. The Contractholder may write to Us, in advance, to ask that this Contract be ended at the end of the period for which premiums have been paid or at

any time during the grace period. We are not required to honor a request for a retroactive termination of this Contract. For prospective termination requests, this Contract will end on the date requested. The Contractholder is liable to pay premiums to Us for the time this Contract is in force. We shall give notice of the date of termination to the Contractholder no more than 30 days following the date of the termination.

Immediate cancellation will occur if the Contractholder has performed an act or practice that constitutes fraud, or made an intentional misrepresentation of material fact under the terms of this Contract. Please refer to the **Retroactive Termination of a [Member's] Coverage** provision which also addresses the consequences of fraud or misrepresentation.

### **RETROACTIVE TERMINATION OF A [MEMBER'S] COVERAGE**

We will not retroactively terminate a [Member's] coverage under this Contract after coverage under this Contract take effect unless the [Member] performs an act, practice, or omission that constitutes fraud, or unless the [Member] makes an intentional misrepresentation of material fact. In the event of such fraud or material misrepresentation We will provide at least 30 days advance written notice to each [Member] whose coverage will be retroactively terminated.

If a Contractholder continues to pay the full premium for a [Member] who is no longer eligible to be covered the Contractholder may request a refund of premium as explained in the Premium Refunds provision. If We refund premium to the Contractholder the refund will result in the retroactive termination of the [Member's] coverage. The retroactive termination date will be the end of the period for which premium remains paid. Coverage will be retroactively terminated for the period for which premium is refunded.

### **THE CONTRACT**

The entire Contract consists of:

- [a] the forms shown in the Table of Contents as of the Effective Date;
- b)] the Contractholder's application, a copy of which is attached to the Contract;
- [c)] any riders, [endorsements] or amendments to the Contract; ["DC" and]
- [d)] the individual applications, if any, of all[Members][.]["DC" and]
- e) the associated Indemnity plan.]

### **WORKERS' COMPENSATION**

The health benefits provided under this Contract are not in place of, and do not affect requirements for coverage by Workers' Compensation.

### **CONTINUATION RIGHTS**

### **COORDINATION AMONG CONTINUATION RIGHTS SECTIONS**

As used in this section, COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1985 as enacted, and later amended.

A [Member] may be eligible to continue his or her group health benefits under this Contract's **COBRA CONTINUATION RIGHTS** (CCR) section and under other continuation sections of this Contract at the same time.

Continuation Under CCR and **NEW JERSEY GROUP CONTINUATION RIGHTS** (NJGCR): A [Member] who is eligible to continue his or her group health benefits under CCR is not eligible to continue under NJGCR.

Continuation under CCR and NJGCR and **NEW JERSEY CONTINUATION RIGHTS FOR OVER-AGE DEPENDENTS** (NJCROD): A Dependent who has elected to continue his or her coverage under the group policy under which his or her parent is currently covered pursuant to NJCROD shall not be entitled to further continue coverage under CCR or NJGCR when continuation pursuant to NJCROD ends.

Continuation Under CCR and any other continuation section of this Contract:

If a [Member] elects to continue his or her group health benefits under this Contract's CCR or NJGCR, as applicable, and any other continuation other than NJCROD, the continuations:

- a) start at the same time;
- b) run concurrently; and
- c) end independently on their own terms.

While covered under more than one continuation section, the [Member]:

- a) will not be entitled to duplicate benefits; and
- b) will not be subject to the premium requirements of more than one section at the same time.

## **AN IMPORTANT NOTICE ABOUT CONTINUATION RIGHTS**

**The following COBRA CONTINUATION RIGHTS section may not apply to the Employer's Contract. The Employee must contact his or her Employer to find out if:**

- a) the Employer is subject to the COBRA CONTINUATION RIGHTS section in which case;**
- b) the section applies to the Employee.**

**COBRA CONTINUATION RIGHTS (Generally applies to employer groups with 20 or more employees)**

### **Important Notice**

Under this section, "Qualified Continuee" means any person who, on the day before any event which would qualify him or her for continuation under this section, is covered for group health benefits under this Contract as:

- a) an active, covered Employee;
- b) the spouse of an active, covered Employee; or



- c) the Dependent child (except for the child of the Employee's domestic partner or civil union partner) of an active, covered Employee. Except as stated below, any person who becomes covered under this Contract during a continuation provided by this section is not a Qualified Continuee.

A domestic partner, a civil union partner, and the child of an Employee's domestic partner or civil union partner are never considered Qualified Continuees eligible to elect CCR. They may, however, be a Qualified Continuee eligible to elect under New Jersey Group Continuation Rights (NJGCR). Refer to the NJGCR section for more information.

**Exception:** A child who is born to the covered Employee, or who is placed for adoption with the covered Employee during the continuation provided by this section is a Qualified Continuee.

#### **If An Employee's Group Health Benefits Ends**

If an Employee's group health benefits end due to his or her termination of employment or reduction of work hours, he or she may elect to continue such benefits for up to 18 months, unless he or she was terminated due to gross misconduct.

A Qualified Continuee may elect to continue coverage under COBRA even if the Qualified Continuee:

- a) is covered under another group plan on or before the date of the COBRA election; or
- b) is entitled to Medicare on or before the date of the COBRA election.

The continuation:

- a) may cover the Employee and any other Qualified Continuee; and
- b) is subject to the **When Continuation Ends** section.

#### **Extra Continuation for Disabled Qualified Continuees**

If a Qualified Continuee is determined to be disabled under Title II or Title XVI of the United States Social Security Act on the date his or her group health benefits would otherwise end due to the Employee's termination of employment or reduction of work hours or during the first 60 days of continuation coverage, he or she and any Qualified Continuee who is not disabled may elect to extend his or her 18 month continuation period above for up to an extra 11 months.

To elect the extra 11 months of continuation, the Qualified Continuee or other person acting on his or her behalf must give the Employer written proof of Social Security's determination of his or her disability within 60 days measured from the latest of:

- a) the date on which the Social Security Administration issues the disability determination;
- b) the date the group health benefits would have otherwise ended; or
- c) the date the Qualified Continuee receives the notice of COBRA continuation rights.

If, during this extra 11 month continuation period, the Qualified Continuee is determined to be no longer disabled under the Social Security Act, he or she must notify the

Employer within 30 days of such determination, and continuation will end, as explained in the **When Continuation Ends** section.

An additional 50% of the total premium charge also may be required from the Qualified Continuee by the Employer during this extra 11 month continuation period.

**If An Employee Dies While Insured**

If an Employee dies while insured, any Qualified Continuee whose group health benefits would otherwise end may elect to continue such benefits. The continuation can last for up to 36 months, subject to the **When Continuation Ends** section.

**If An Employee's Marriage Ends**

If an Employee's marriage ends due to legal divorce or legal separation , any Qualified Continuee whose group health benefits would otherwise end may elect to continue such benefits. The continuation can last for up to 36 months, subject to the **When Continuation Ends** section.

**If A Dependent Loses Eligibility**

If a Dependent child's group health benefits end due to his or her loss of dependent eligibility as defined in this Contract, other than the Employee's coverage ending, he or she may elect to continue such benefits. However, such Dependent child must be a Qualified Continuee. The continuation can last for up to 36 months, subject to **When Continuation Ends**.

**Concurrent Continuations**

If a Dependent elects to continue his or her group health benefits due to the Employee's termination of employment or reduction of work hours, the Dependent may elect to extend his or her 18 month continuation period to up to 36 months, if during the 18 month continuation period, either:

- a) the Dependent becomes eligible for 36 months of group health benefits due to any of the reasons stated above; or
- b) the Employee becomes entitled to Medicare.

The 36 month continuation period starts on the date the 18 month continuation period started, and the two continuation periods will be deemed to have run concurrently.

**Special Medicare Rule**

Except as stated below, the “special rule” applies to Dependents of an Employee when the Employee becomes entitled to Medicare prior to termination of employment or reduction in work hours. The continuation period for a Dependent upon the Employee’s subsequent termination of employment or reduction in work hours will be the longer of the following:

- a) 18 months from the date of the Employee’s termination of employment or reduction in work hours; or
- b) 36 months from the date of the Employee’s earlier entitlement to Medicare.

**Exception:** If the Employee becomes entitled to Medicare more than 18 months prior to termination of employment or reduction in work hours, this “special rule” will not apply.

### **The Qualified Continuee's Responsibilities**

A person eligible for continuation under this section must notify the Employer, in writing, of:

- a) the legal divorce or legal separation of the Employee from his or her spouse; or
- b) the loss of dependent eligibility, as defined in this Contract, of an insured Dependent child.

Such notice must be given to the Employer within 60 days of either of these events.

### **The Employer's Responsibilities**

The Employer must notify the Qualified Continuee, in writing, of:

- a) his or her right to continue this Contract's group health benefits;
- b) the monthly premium he or she must pay to continue such benefits; and
- c) the times and manner in which such monthly payments must be made.

Such written notice must be given to the Qualified Continuee within 44 days of:

- a) the date a Qualified Continuee's group health benefits would otherwise end due to the Employee's death or the Employee's termination of employment or reduction of work hours; or
- b) the date a Qualified Continuee notifies the Employer, in writing, of the Employee's legal divorce or legal separation from his or her spouse, or the loss of dependent eligibility of an insured Dependent child.

### **The Employer's Liability**

The Employer will be liable for the Qualified Continuee's continued group health benefits to the same extent as, and in place of, [Carrier], if:

- a) the Employer fails to remit a Qualified Continuee's timely premium payment to [Carrier] on time, thereby causing the Qualified Continuee's continued group health benefits to end; or
- b) the Employer fails to notify the Qualified Continuee of his or her continuation rights, as described above.

### **Election of Continuation**

To continue his or her group health benefits, the Qualified Continuee must give the Employer written notice that he or she elects to continue. An election by a minor Dependent Child can be made by the Dependent Child's parent or legal guardian. This must be done within 60 days of the date a Qualified Continuee receives notice of his or her continuation rights from the Employer as described above. And the Qualified Continuee must pay the first month's premium in a timely manner.

The subsequent premiums must be paid to the Employer, by the Qualified Continuee, in advance, at the times and in the manner specified by the Employer. No further notice of when premiums are due will be given.

The monthly premium will be the total rate which would have been charged for the group health benefits had the Qualified Continuee stayed insured under this Contract on a regular basis. It includes any amount that would have been paid by the Employer. Except as explained in the **Extra Continuation for Disabled Qualified Continuees** section, an additional charge of two percent of the total premium charge may also be required by the Employer.

If the Qualified Continuee fails to give the Employer notice of his or her intent to continue, or fails to pay any required premiums in a timely manner, he or she waives his or her continuation rights.

### **Grace in Payment of Premiums**

A Qualified Continuee's premium payment is timely if, with respect to the first payment after the Qualified Continuee elects to continue, such payment is made no later than 45 days after such election. In all other cases, such premium payment is timely if it is made within 31 days of the specified date.

If timely payment is made to the plan in an amount that is not significantly less than the amount the Employer requires to be paid for the period of coverage, then the amount paid is deemed to satisfy the Employer's requirement for the amount that must be paid, unless the plan notifies the Qualified Continuee of the amount of the deficiency and grants an additional 30 days for payment of the deficiency to be made. An amount is not significantly less than the amount the Employer requires to be paid for a period of coverage if and only if the shortfall is no greater than the lesser of the following two amounts:

- a) Fifty dollars (or such other amount as the Commissioner may provide in a revenue ruling, notice, or other guidance published in the Internal Revenue Code Bulletin); or
- b) Ten percent of the amount the plan requires to be paid.

Payment is considered as made on the date on which it is sent to the Employer.

### **When Continuation Ends**

A Qualified Continuee's continued group health benefits end on the first of the following:

- a) with respect to continuation upon the Employee's termination of employment or reduction of work hours, the end of the 18 month period which starts on the date the group health benefits would otherwise end;
- b) with respect to a Qualified Continuee who has elected an additional 11 months of continuation due to his or her own disability or the disability of a family member, the earlier of:
  - the end of the 29 month period which starts on the date the group health benefits would otherwise end; or
  - the first day of the month which coincides with or next follows the date which is 30 days after the date on which a final determination is made that a disabled Qualified Continuee is no longer disabled under Title II or Title XVI of the United States Social Security Act;

- c) with respect to continuation upon the Employee's death, the Employee's legal divorce or legal separation or the end of an insured Dependent's eligibility, the end of the 36 month period which starts on the date the group health benefits would otherwise end;
- d) with respect to a Dependent whose continuation is extended due to the Employee's entitlement to Medicare, the end of the 36 month period which starts on the date the group health benefits would otherwise end;
- e) the date this Contract ends;
- f) the end of the period for which the last premium payment is made;
- g) the date he or she becomes covered under any other group health plan which contains no limitation or exclusion with respect to any Pre-Existing Condition of the Qualified Continuee or contains a pre-existing conditions limitation or exclusion that is eliminated through the Qualified Continuee's total period of Creditable Coverage.;
- h) the date he or she becomes entitled to Medicare;
- i) termination of a Qualified Continuee for cause (e.g. submission of a fraudulent claim) on the same basis that the Employer terminates coverage of an active employee for cause.

## **NEW JERSEY GROUP CONTINUATION RIGHTS (NJGCR)**

### **Important Notice**

Except as stated below, under this section, "Qualified Continuee" means any person who, on the day before any event which would qualify him or her for continuation under this section, is covered for group health benefits under this Contract as:

- a) a full-time covered Employee;
- b) the spouse of a full-time covered Employee; or
- c) the Dependent child of a full-time covered Employee.

Exception: A Newly Acquired Dependent, where birth, adoption, or marriage occurs after the Qualifying Event is also a "Qualified Continuee" for purposes of being included under the Employee's continuation coverage.

### **If An Employee's Group Health Benefits Ends**

If an Employee's group health benefits end due to his or her termination of employment or reduction of work hours to fewer than 25 hours per week, he or she may elect to continue such benefits for up to 18 months, unless he or she was terminated for cause. The Employee's spouse and Dependent children may elect to continue benefits even if the Employee does not elect continuation for himself or herself.

A Qualified Continuee may elect to continue coverage under NJGCR even if the Qualified Continuee:

- a) is covered under another group plan on or before the date of the NJGCR election; or
- b) is entitled to Medicare on or before the date of the NJGCR election.

The continuation:

- a) may cover the Employee and/or any other Qualified Continuee; and
- b) is subject to the When Continuation Ends section.

### **Extra Continuation for Disabled Qualified Continuees**

If a former Employee who is a Qualified Continuee is determined to be disabled under Title II or Title XVI of the United States Social Security Act on the date his or her group health benefits would otherwise end due to the termination of employment or reduction of work hours to fewer than 25 hours per week or during the first 60 days of continuation coverage, he or she may elect to extend his or her 18-month continuation period for himself or herself and any Dependents who are Qualified Continuees for up to an extra 11 months.

To elect the extra 11 months of continuation, the Qualified Continuee must give the [Carrier] written proof of Social Security's determination of his or her disability before the earlier of:

- a) the end of the 18 month continuation period; and
- b) 60 days after the date the Qualified Continuee is determined to be disabled.

If, during this extra 11 month continuation period, the Qualified Continuee is determined to be no longer disabled under the Social Security Act, he or she must notify the [Carrier] within 31 days of such determination, and continuation will end, as explained in the When Continuation Ends section.

An additional 50% of the total premium charge also may be required from the Qualified Continuee by the Employer during this extra 11 month continuation period.

### **If An Employee Dies While Insured**

If an Employee dies while insured, any Qualified Continuee whose group health benefits would otherwise end may elect to continue such benefits. The continuation can last for up to 36 months, subject to the When Continuation Ends section.

### **If An Employee's Marriage or Civil Union [or Domestic Partnership] Ends**

If an Employee's marriage ends due to legal divorce or legal separation or dissolution of the civil union [or termination of a domestic partnership], any Qualified Continuee whose group health benefits would otherwise end may elect to continue such benefits. The continuation can last for up to 36 months, subject to the When Continuation Ends section.

### **If A Dependent Loses Eligibility**

If a Dependent child's group health benefits end due to his or her loss of dependent eligibility as defined in this Contract, other than the Employee's coverage ending, he or she may elect to continue such benefits for up to 36 months, subject to When Continuation Ends.

### **The Employer's Responsibilities**

Upon loss of coverage due to termination of employment or reduction in work hours, the Employer must notify the former employee in writing, of:

- a) his or her right to continue this Contract's group health benefits;
- b) the monthly premium he or she must pay to continue such benefits; and
- c) the times and manner in which such monthly payments must be made.

Upon being advised of the death of the Employee, divorce, dissolution of the civil union, [termination of domestic partnership] or Dependent child's loss of eligibility, the Employer should notify the Qualified Continuee in writing, of:

- a) his or her right to continue this Contract's group health benefits;
- b) the monthly premium he or she must pay to continue such benefits; and
- c) the times and manner in which such monthly payments must be made.

### **Election of Continuation**

To continue his or her group health benefits, the Qualified Continuee must give the Employer written notice that he or she elects to continue. An election by a minor Dependent Child can be made by the Dependent Child's parent or legal guardian. This must be done within 30 days of the date coverage ends. The first month's premium must be paid within 30 days of the date the Qualified Continuee elects continued coverage.

The subsequent premiums must be paid to the Employer, by the Qualified Continuee, in advance, at the times and in the manner specified by the Employer.

The monthly premium will be the total rate which would have been charged for the group health benefits had the Qualified Continuee stayed insured under this Contract on a regular basis. It includes any amount that would have been paid by the Employer. Except as explained in the Extra Continuation for Disabled Qualified Continuees section, an additional charge of two percent of the total premium charge may also be required by the Employer.

If the Qualified Continuee does not give the Employer notice of his or her intent to continue coverage, or fails to pay any required premiums in a timely manner, he or she waives his or her continuation rights.

### **Grace in Payment of Premiums**

A Qualified Continuee's premium payment is timely if, with respect to the first payment after the Qualified Continuee elects to continue, such payment is made no later than 30 days after such election. In all other cases, such premium payment is timely if it is made within 31 days of the date it is due.

### **The Continued Coverage**

The continued coverage shall be identical to the coverage provided to similarly situated active Employees and their Dependents under the Employer's plan. If coverage is modified for any group of similarly situated active Employees and their Dependents, the coverage for Qualified Continuees shall also be modified in the same manner. Evidence of insurability is not required for the continued coverage.

### **When Continuation Ends**

A Qualified Continuee's continued group health benefits end on the first of the following:

- a) with respect to continuation upon the Employee's termination of employment or reduction of work hours, the end of the 18 month period which starts on the date the group health benefits would otherwise end;
- b) with respect to a Qualified Continuee who has elected an additional 11 months of continuation due to his or her own disability, the end of the 29 month period which starts on the date the group health benefits would otherwise end. However, if the Qualified Continuee is no longer disabled, coverage ends on the later of:
  - the end of the 18-month period; or
  - the first day of the month that begins more than 31 days after the date on which a final determination is made that a disabled Qualified Continuee is no longer disabled under Title II or Title XVI of the United States Social Security Act;
- c) with respect to continuation upon the Employee's death, the Employee's legal divorce or legal separation, dissolution of the civil union, [or termination of the domestic partnership] or the end of an insured Dependent's eligibility, the end of the 36 month period which starts on the date the group health benefits would otherwise end;
- d) the date the Employer ceases to provide any health benefits plan to any active Employee or Qualified Continuee;
- e) the end of the period for which the last premium payment is made;
- f) the date he or she first becomes covered under any other group health benefits plan, as an employee or otherwise, which contains no limitation or exclusion with respect to any Pre-Existing Condition of the Qualified Continuee ; or
- g) the date he or she first becomes entitled to Medicare.

## **NEW JERSEY CONTINUATION RIGHTS FOR OVER-AGE DEPENDENTS**

(Applies to all size groups):

As used in this provision, "Over-Age Dependent" means an Employee's child by blood or law who:

- a) has reached the limiting age under the group plan, but is less than 31 years of age;
- b) is not married or in a domestic partnership or civil union partnership;
- c) has no Dependents of his or her own;
- d) is either a resident of New Jersey or is enrolled as a full-time student at an Accredited School; and
- e) is not covered under any other group or individual health benefits plan, group health plan, church plan or health benefits plan, and is not entitled to Medicare on the date the Over-Age Dependent continuation coverage begins.

### **If A Dependent Is Over the Limiting Age for Dependent Coverage**

If a Dependent Child is over the age 26 limiting age for dependent coverage and:

- a) the Dependent child's group health benefits are ending or have ended due to his or her attainment of age 26; or
- b) the Dependent child has proof of prior creditable coverage or receipt of benefits,



he or she may elect to be covered under the Employer's plan until his or her 31<sup>st</sup> birthday, subject to the Conditions for Election, Election of Continuation and When Continuation Ends sections below.

### **Conditions for Election**

An Over-Age Dependent is only entitled to make an election for continued coverage if all of the following conditions are met.

- a) The Over-Age Dependent must provide evidence of prior creditable coverage or receipt of benefits under a group or individual health benefits plan, group health plan, church plan or health benefits plan or Medicare. Such prior coverage must have been in effect at some time prior to making an election for this Over-Age Dependent coverage.
- b) A parent of an Over-Age Dependent must be enrolled as having elected Dependent coverage at the time the Over-Age Dependent elects continued coverage. Except, if the Employee has no other Dependents, or has a Spouse who is covered elsewhere, the Over-Age Dependent may nevertheless select continued coverage.

### **Election of Continuation**

To continue group health benefits, the Over-Age Dependent must make written election to [the Carrier]. The effective date of the continued coverage will be the later of:

- a) the date the Over-Age Dependent gives written notice to [the Carrier]; or
- b) the date the Over-Age Dependent pays the first premium; or
- c) the date the Dependent would otherwise lose coverage due to attainment of age 26.

For a Dependent whose coverage has not yet terminated due to the attainment of the limiting age, the written election must be made within 30 days prior to termination of coverage due to the attainment of the limiting age if the Dependent child seeks to maintain continuous coverage. The written election may be made later, and if made later would result in a lapse in coverage. See the Application of a Pre-existing Conditions Exclusion section below.

For a Dependent who was not covered on the date he or she reached the limiting age, the written election may be made at any time. See the Application of a Pre-existing Conditions Exclusion section below.

For a person who did not qualify as an Over-Age Dependent because he or she failed to meet all the requirements of an Over-Age Dependent, but who subsequently meets all of the requirements for an Over-Age Dependent, written election may be made at any time after the person meets all of the requirements for an Over-Age Dependent. See the Application of a Pre-existing Conditions Exclusion section below.

### **Application of a Pre-Existing Conditions Exclusion**

An Over-Age Dependent who was covered under prior Creditable Coverage that terminated no more than 90 days prior to making an election for continuation under this section will be given credit for the time he or she was covered under the Creditable

Coverage toward the application of the Pre-Existing Conditions Exclusion under the Policy.

### **Payment of Premium**

The first month's premium must be paid within 30 days of the date the Over-Age Dependent elects continued coverage.

The Over-Age Dependent must pay subsequent premiums monthly, in advance, [at the times and in the manner specified by [the Carrier]] [and will be remitted by the Employer]. The monthly premium will be set by the Carrier, and must be consistent with the requirements of P.L. 2005, c. 375.

### **Grace in Payment of Premiums**

An Over-Age Dependent's premium payment is timely if, with respect to the first payment after the Over-Age Dependent elects to continue, such payment is made no later than 30 days after such election. In all other cases, such premium payment is timely if it is made within 30 days of the date it is due.

### **The Continued Coverage**

The continued coverage shall be identical to the coverage provided to the Over-Age Dependent's parent who is covered as an Employee under the Policy [and will be evidenced by a separate [Certificate] and ID card being issued to the Over-Age Dependent.]. If coverage is modified for Dependents who are under the limiting age, the coverage for Over-Age Dependents shall also be modified in the same manner. Evidence of insurability is not required for the continued coverage.

### **When Continuation Ends**

An Over-Age Dependent's continued group health benefits end on the first of the following:

- a) the date the Over-Age Dependent:
  1. attains age 31
  2. marries or enters into a civil union partnership;
  3. acquires a Dependent;
  4. is no longer either a resident of New Jersey or enrolled as a full-time student at an Accredited School; or
  5. becomes covered under any other group or individual health benefits plan, group health plan, church plan or health benefits plan, or becomes entitled to Medicare
- b) the end of the period for which premium has been paid for the Over-Age Dependent, subject to the Grace Period for such payment;
- c) the date the Policy ceases to provide coverage to the Over-Age Dependent's parent who is the Employee under the Policy.
- d) The date the Policy under which the Over-Age Dependent elected to continue coverage is amended to delete coverage for Dependents.
- e) The date the Over-Age Dependent's parent who is covered as an Employee under the Policy waives Dependent coverage. Except, if the Employee has no other

Dependents, the Over-Age Dependent's coverage will not end as a result of the Employee waiving Dependent coverage.

## **A TOTALLY DISABLED EMPLOYEE'S RIGHT TO CONTINUE GROUP HEALTH BENEFITS**

### **If An Employee is Totally Disabled**

An Employee who is Totally Disabled and whose group health benefits end because his or her active employment or membership in an eligible class ends due to that disability, can elect to continue his or her group health benefits. But he or she must have been covered by this Contract for at least three months immediately prior to the date his or her group health benefits ends. The continuation can cover the Employee, and at his or her option, his or her then covered Dependents.

### **How And When To Continue Coverage**

To continue group health benefits, the Employee must give the Employer written notice that he or she elects to continue such benefits. And he or she must pay the first month's premium. This must be done within 31 days of the date his or her coverage under this Contract would otherwise end.

Subsequent premiums must be paid to the Employer monthly, in advance, at the times and in the manner specified by the Employer. The monthly premium the Employee must pay will be the total rate charged for an active Full-Time Employee, covered under this Contract on a regular basis, on the date each payment is due. It includes any amount which would have been paid by the Employer.

We will consider the Employee's failure to give notice or to pay any required premium as a waiver of the Employee's continuation rights.

If the Employer fails, after the timely receipt of the Employee's payment, to pay Us on behalf of such Employee, thereby causing the Employee's coverage to end; then such Employer will be liable for the Employee's benefits, to the same extent as, and in place of, Us.

### **When This Continuation Ends**

These continued group health benefits end on the first of the following:

- a) the end of the period for which the last payment is made, if the Employee stops paying.
- b) the date the [Member] becomes employed and eligible or covered for similar benefits by another group plan, whether it be an insured or uninsured plan;
- c) the date this Contract ends or is amended to end for the class of Employees to which the Employee belonged; or
- d) with respect to a Dependent, the date he or she stops being an eligible Dependent as defined in this Contract.

## **AN EMPLOYEE'S RIGHT TO CONTINUE GROUP HEALTH BENEFITS DURING A FAMILY LEAVE OF ABSENCE**

### **Important Notice**

**This section may not apply to an Employer's plan. The Employee must contact his or her Employer to find out if:**

- a) the Employer must allow for a leave of absence under Federal law in which case;**
- b) the section applies to the Employee.**

### **If An Employee's Group Health Coverage Ends**

Group health coverage may end for an Employee because he or she ceases Full-Time work due to an approved leave of absence. Such leave of absence must have been granted to allow the Employee to care for a sick family member or after the birth or adoption of a child. If so, his or her medical care coverage will be continued. Dependents' coverage may also be continued. The Employee will be required to pay the same share of premium as before the leave of absence.

### **When Continuation Ends**

Coverage may continue until the earliest of:

- a) the date the Employee returns to Full-Time work;
- b) the end of a total period of 12 weeks in any 12 month period;
- c) the date on which the Employee's coverage would have ended had the Employee not been on leave; or
- d) the end of the period for which the premium has been paid.

## **[A DEPENDENT'S RIGHT TO CONTINUE GROUP HEALTH BENEFITS**

If an Employee dies, any of his or her Dependents who were covered under this Contract may elect to continue coverage. Subject to the payment of the required premium, coverage may be continued until the earlier of:

- a) 180 days following the date of the Employee's death; or
- b) the date the Dependent is no longer eligible under the terms of this Contract.]

## **[CONVERSION RIGHTS FOR DIVORCED SPOUSES**

### **IF AN EMPLOYEE'S MARRIAGE OR CIVIL UNION [OR DOMESTIC PARTNERSHIP] ENDS**

If an Employee's marriage ends by legal divorce or annulment, or the employee's civil union is dissolved [or termination of the domestic partnership], the group health coverage for his or her former spouse ends. The former spouse may convert to an individual contract during the conversion period. The former spouse may cover under his or her individual contract any of his or her Dependent children who were covered under this Contract on the date the group health coverage ends. See **Exceptions** below.

### **Exceptions**

No former spouse may use this conversion right:

- a) if he or she is eligible for Medicare;
- b) if it would cause him or her to be excessively covered; This may happen if the spouse is covered or eligible for coverage providing similar benefits provided by any other plan, insured or not insured. We will Determine if excessive coverage exists using Our standards for excessive coverage. or
- c) [if he or she permanently relocates outside the Service Area.]

### **HOW AND WHEN TO CONVERT**

The conversion period means the 31 days after the date group health coverage ends. The former spouse must apply for the individual contract in writing and pay the first premium for such contract during the conversion period. Evidence of good health will not be required.

### **THE CONVERTED CONTRACT**

The individual contract will provide the medical benefits that We are required to offer. The individual contract will take effect on the day after group health coverage under this Contract ends.

After group health coverage under this Contract ends, the former spouse and any children covered under the individual contract may still receive benefits under this Contract. If so, benefits to be paid under the individual contract, if any, will be reduced by the amount paid or the reasonable cash value of services provided under this Contract.]

### **MEDICARE AS SECONDARY PAYOR**

#### **IMPORTANT NOTICE**

**The following sections regarding Medicare may not apply to the Employer's Contract. The Employee must contact his or her Employer to find out if the Employer is subject to Medicare as Secondary Payor rules.**

**If the Employer is subject to such rules, this Medicare as Secondary Payor section applies to the Employee.**

**If the Employer is NOT subject to such rules, this Medicare as Secondary Payor section does not apply to the Employee, in which case, Medicare will be the primary health plan and this Contract will be the secondary health plan for [Members] who are eligible for Medicare. Benefits will be payable as specified in the COORDINATION OF BENEFITS AND SERVICES section of this Contract.**

The following provisions explain how this Contract's group health benefits interact with the benefits available under Medicare as Secondary Payor rules. A [Member] may be eligible for Medicare by reason of age, disability, or End Stage Renal Disease. Different rules apply to each type of Medicare eligibility, as explained below.

With respect to the following provisions:

- a) "Medicare" when used above, means Part A and B of the health care program for the aged and disabled provided by Title XVIII of the United States Social Security Act, as amended from time to time.
- b) A [Member] is considered to be eligible for Medicare by reason of age from the first day of the month during which he or she reaches age 65. However, if the [Member] is born on the first day of a month, he or she is considered to be eligible for Medicare from the first day of the month which is immediately prior to his or her 65th birthday.
- c) A "primary" health plan pays benefits for a [Member's] Covered Service or Supply or Covered Charge first, ignoring what the [Member's] "secondary" plan pays. A "secondary" health plan then pays the remaining unpaid allowable expenses. See the **COORDINATION OF BENEFITS AND SERVICES** section for a definition of "allowable expense".

**MEDICARE ELIGIBILITY BY REASON OF AGE (Generally applies to employer groups with 20 or more employees)**

**Applicability**

This section applies to an Employee or his or her covered spouse who is eligible for Medicare by reason of age. This section does not apply to an insured civil union partner [or an insured domestic partner] who is eligible for Medicare by reason of age.

Under this section, such an Employee or covered spouse is referred to as a "Medicare eligible".

This section does not apply to:

- a) a [Member], other than an Employee or covered spouse
- b) an Employee or covered spouse who is under age 65, or
- c) a [Member] who is eligible for Medicare solely on the basis of End Stage Renal Disease.

**When An Employee or Covered Spouse Becomes Eligible For Medicare**

When an Employee or covered spouse becomes eligible for Medicare by reason of age, he or she must choose one of the two options below.

Option (A) - The Medicare eligible may choose this Contract as his or her primary health plan. If he or she does, Medicare will be his or her secondary health plan. See the **When This Contract is Primary** section below, for details.

Option (B) - The Medicare eligible may choose Medicare as his or her primary health plan. If he or she does, group health benefits under this Contract will end. See the **When Medicare is Primary** section below, for details.

If the Medicare eligible fails to choose either option when he or she becomes eligible for Medicare by reason of age, We will provide services and supplies and pay benefits as if he or she had' chosen Option (A).

**When this Contract is primary**

When a Medicare eligible chooses this Contract as his or her primary health plan, if he or she incurs a Covered Service and Supply or Covered Charge for which benefits are payable under both this Contract and Medicare, this Contract is considered primary. This Contract provides services and supplies and pays first, ignoring Medicare. Medicare is considered the secondary plan.

**When Medicare is primary**

If a Medicare eligible chooses Medicare as his or her primary health plan, he or she will no longer be covered for such benefits by this Contract. Coverage under this Contract will end on the date the Medicare eligible elects Medicare as his or her primary health plan.

A Medicare eligible who elects Medicare as his or her primary health plan, may later change such election, and choose this Contract as his or her primary health plan.

**MEDICARE ELIGIBILITY BY REASON OF DISABILITY (Generally applies to employer groups with 100 or more employees)****Applicability**

This section applies to a [Member] who is:

- a) under age 65 except for the Employee's civil union partner [or domestic partner] or the child of the Employee's civil union partner [or domestic partner]; and
- b) eligible for Medicare by reason of disability.

Under this section, such [Member] is referred to as a "disabled Medicare eligible".

This section does not apply to:

- a) a [Member] who is eligible for Medicare by reason of age; or
- b) a [Member] who is eligible for Medicare solely on the basis of End Stage Renal Disease or
- c) a [Member] who is the Employee's civil union partner [or domestic partner] or the child of the Employee's civil union partner [or domestic partner]..

**When A [Member] Becomes Eligible For Medicare**

When a [Member] becomes eligible for Medicare by reason of disability, this Contract is the primary plan. This Contract is the secondary plan.

If a [Member] is eligible for Medicare by reason of disability, he or she must be covered by both Parts A and B. Benefits will be payable as specified in the **COORDINATION OF BENEFITS AND SERVICES** section of this Contract.

**MEDICARE ELIGIBILITY BY REASON OF END STAGE RENAL DISEASE (Applies to all employer groups)****Applicability**

This section applies to a [Member] who is eligible for Medicare on the basis of End Stage Renal Disease (ESRD).

Under this section such [Member] is referred to as a "ESRD Medicare eligible".

This section does not apply to a [Member] who is eligible for Medicare by reason of disability.

**When A [Member] Becomes Eligible For Medicare Due to ESRD**

When a [Member] becomes eligible for Medicare solely on the basis of ESRD, for a period of up to 30 consecutive months, if he or she incurs a charge for the treatment of ESRD for which services and supplies are provided or benefits are payable under both this Contract and Medicare, this Contract is considered primary. This Contract provides services and supplies and pays first, ignoring Medicare. Medicare is considered the secondary plan.

This 30 month period begins on the earlier of:

- a) the first day of the month during which a regular course of renal dialysis starts; and
- b) with respect to a ESRD Medicare eligible who receives a kidney transplant, the first day of the month during which such [Member] becomes eligible for Medicare.

After the 30 month period described above ends, if a ESRD Medicare eligible incurs a charge for which services and supplies are provided and benefits are payable under both this Contract and Medicare, Medicare is the primary plan. This Contract is the secondary plan. If a [Member] is eligible for Medicare on the basis of ESRD, he or she must be covered by both Parts A and B. Benefits will be payable as specified in the **COORDINATION OF BENEFITS AND SERVICES** section of this Contract.