



**Tri-County
Schools
Insurance
Group**

Employee Health Care Plan

Effective: July 1, 2008

PREFACE

Tri-County Schools Insurance Group (TCSIG) has been established to provide benefit programs for its participating Employers' eligible Employees and their eligible Dependents. TCSIG creates and establishes the Employee Health Care Plan, hereinafter referred to as the "Plan" and this document thereafter referred to as the "Plan Document."

The purpose of this Plan Document is to set forth the provisions of the Plan which provide for the payment or reimbursement for all or a portion of covered medical expenses.

TCSIG assures the eligible Employees, that during the continuance of the Plan, all benefits hereinafter discussed shall be paid to them in the event that they and/or their eligible Dependent(s) incur allowable medical expenses. The Plan is subject to all terms, provisions and conditions recited on the following pages.

This Plan Document shall be the sole document used in determining benefits to which Covered Persons are eligible and may be amended from time to time by TCSIG. Any change so made shall be binding on each individual covered and on any other individual or individuals referred to in this Plan Document.

Wherever used in this Plan Document, masculine pronouns shall include both masculine and feminine genders unless the context indicates otherwise.

The self-funded benefits offered by the Plan do not constitute the act of insurance. The self-funded benefits are not guaranteed and may be amended at any time by TCSIG, or withdrawn at any time by TCSIG or the Employer, without the consent of any Covered Person or any other party.

TCSIG has caused this Plan Document to take effect as of the first day of July 2008, at Yuba City, California.

TRI-COUNTY SCHOOLS INSURANCE GROUP

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PLAN INFORMATION

Name of Plan:

Tri-County Schools Insurance Group (TCSIG) Employee Health Care Plan.

Plan Administrator/Agent For Service of Legal Process:

Tri-County Schools Insurance Group (TCSIG)
1445 Butte House Road, Suite A
Yuba City, CA 95993
(530) 822-5299
(866) 822-5299

Type of Plan:

Employee Welfare Benefit Plan: medical and prescription drug.

Type of Administration:

Contract administration: The processing of claims for benefits under the terms of the Plan is provided through a company contracted by TCSIG and shall hereinafter be referred to as the Claims Administrator. The designated Claims Administrator is:

Delta Health Systems
1234 West Oak Street
P. O. Box 1147
Stockton, CA 95201-1147
(800) 422-6099
(800) 464-7627 Claims Department/Customer Service

PLAN HIGHLIGHTS

This section is provided as an overview of the key provisions of the Plan. For complete details, refer to specified sections of the Plan.

Definitions:

This document contains terms that have specific meaning with regard to the intent of this Plan. (See *Definitions*.) All such terms with the first letter capitalized are defined.

Eligibility and Effective Date of Coverage:

TCSIG deems all Employee Groups to be eligible to participate in the Plan. However, it is at the discretion of each Employer to determine which Employee Groups shall be eligible to participate in this Plan. Coverage for eligible Employee Groups shall begin as determined by the written policies of the Employer but no sooner than the first of the month following the date of employment.

As specified in the *Eligibility* section of this Plan, family members are eligible for Dependent coverage under the Plan, and their coverage will usually begin at the same time as the Employee's coverage. (See *Eligibility, Application for Enrollment and Effective Date of Coverage*.)

Cost of Coverage:

The participating Employers shall maintain discretion as to whether or not an Employee Group shall contribute toward the cost of coverage under this Plan. The same rate structure, i.e., composite or tiered, shall apply for all active Employees in a group. Retirees shall be placed on the tiered rate structure or may be placed, with their Employer's approval, on a composite rate if they enroll two or more dependents and their former, active group is also composite. If a Retiree enrolls in both Medicare Parts A and B, TCSIG may provide a reduced contribution schedule, provided the Plan is secondary payor to Medicare. Individuals who continue their coverage under the *Continuation of Coverage* provision may be required to pay the entire cost of that coverage, plus an additional fee as allowed by Federal law.

Benefits Provided:

The Plan provides medical and prescription drug benefits for participating Employers' eligible Employees and their Dependents. For medical benefits, Covered Persons have the choice of using either a Preferred Provider or a Non-Preferred Provider. Benefits are usually greater when utilizing the services of a Preferred Provider than those available when using the services of a Non-Preferred Provider. TCSIG has contracted with PPO Networks in order to provide the best services at the best rate to Covered Persons. The Networks are divided into the following categories: medical, prescriptions and managed mental health care/Chemical Dependency. It is the responsibility of the Covered Person to assure services to be rendered are performed by Preferred Provider Physicians, Practitioners, facilities and other ancillary services in order to receive the Preferred Provider level of benefits. Referrals to a Non-Preferred Provider are covered as Non-Preferred Provider services and supplies except as otherwise provided.

Before the Plan will pay on any Preferred Provider medical claim, the Covered Person must have paid from "his own pocket" the PPO "Deductible" of Covered Expenses for the Calendar Year. The PPO Deductible requirement shall also be satisfied for every Covered Person in the family when the total PPO Deductible payments for the family has been made for the Calendar Year.

After the PPO Deductible has been satisfied, the Plan will usually pay the appropriate PPO Benefit Percentage until the maximum Out-of-Pocket expense has been met. Thereafter, the Plan shall pay one hundred percent (100%) for the remainder of the Calendar Year except as otherwise indicated. Percentages represent the Plan's payment of the Negotiated Rate for Covered Expenses. Certain benefits are limited, refer to the *Schedule of Benefits* and *Medical Expense Benefit* for more information.

Before the Plan will pay on any Non-Preferred Provider medical claim, the Covered Person must have paid from "his own pocket" the Non-PPO "Deductible" of Covered Expenses for the Calendar Year. The Non-PPO Deductible requirement shall also be satisfied for every Covered Person in the family when the total of Non-PPO Deductible payments for the family has been made for the Calendar Year.

After the Non-PPO Deductible has been satisfied, the Plan will usually pay the Non-PPO Benefit Percentage of Covered Expenses incurred during the Calendar Year for the Covered Person until the maximum Out-of-Pocket has been met. Thereafter, the Plan

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shall pay one hundred percent (100%) for the remainder of the Calendar Year except as otherwise indicated. Percentages represent the Plan's payment of Customary and Reasonable Charges for Covered Expenses. Certain benefits are limited, refer to the Schedule of Benefits and Medical Expense Benefit for more information.

Pre-Certification:

The Plan requires Pre-certification for the following:

- Hospitalization
- Hospice Care
- Skilled Nursing Facility
- Home Health Care
- Home Infusion Therapy
- Organ or Tissue Transplants
- Durable Medical Equipment over \$2,000
- Mental Health Disorders/Chemical Dependency for Inpatient, Outpatient Services
- *Pregnancy

The Utilization Review Organization (URO) must be notified and provided certain information on any of the above procedures or services. If the hospitalization or Outpatient Surgery is planned in advance, the call must be made prior to admission. If it is an Emergency Admission, the call must be made within forty-eight (48) hours of admission, or the next business day.

*Pre-certification is required for Hospital services in excess of forty-eight (48) hours for a normal vaginal delivery and ninety-six (96) hours for a cesarean section.

All treatment, Inpatient and Outpatient, for Mental Health Disorders and Chemical Dependency must be Pre-certified by the managed psychiatric health care and Chemical Dependency services Network. For Emergency Admission, the Covered Person or their designated representative must obtain certification within seventy-two (72) hours.

If the required Pre-certification is not obtained, the benefits payable shall be reduced by fifty percent (50%). (See *Cost Containment*.)

Exclusions:

There are expenses that are not covered by the Plan. A general listing of services and items excluded from the Plan can be found in *Plan Exclusions*.

Filing Claims:

Claims must be submitted to the Claims Administrator within ninety (90) days after the occurrence or commencement of any loss covered by the Plan, or as soon thereafter as reasonably possible. The provider of service may submit claims to the Claims Administrator on behalf of the Employee or their Dependents. However, the Employee is ultimately responsible to ensure claims are submitted in a timely manner. To obtain reimbursement for Covered Expenses that have already been paid by the Covered Person, an itemized bill and claim form must be submitted to the Claims Administrator. (See *Claim Procedure and Payment of Benefits*.)

Continuation of Coverage:

If coverage under the Plan ceases for certain reasons, coverage may be continued at the Covered Person's expense, in accordance with the Public Health Services Act. Dependents covered by the Plan are also entitled to continuation of coverage under certain circumstances. (See *Continuation of Coverage*.)

Coordination of Benefits:

This Plan is designed to help the Covered Person meet the cost of Illness or Injury. It shall not provide benefits greater than actual expenses. Therefore, the Plan shall take into account and coordinate with the benefits of any other plan which provides medical benefits so that the combined benefits of the plans do not exceed one hundred percent (100%) of the allowable Covered Expenses incurred during the claim determination period. The benefits paid under this Plan shall not exceed those which would be payable in the absence of any other plan.

When more than one coverage exists, the primary plan is required to pay its benefits first, then the secondary plan may pay a reduced benefit. If this Plan is secondary, the primary coverage must be used first. If the Covered Person does not abide by the primary plan's guidelines for Pre-certification and contracted providers, this Plan will exclude the expenses incurred for any penalty and/or reduction of benefits incurred for the failure to obtain Pre-certification, or for non-participating services.

Subrogation/Third Party Liability Reimbursement:

As a condition of receiving benefits under the Plan, the Covered Person agrees to the Plan's right to reimbursement of benefits paid on behalf of the Covered Person for expenses incurred due to the actions or inactions of a third party. (Refer to *Subrogation/Third Party Liability Reimbursement*.)

SCHEDULE OF COINSURANCE AND DEDUCTIBLES

Benefits	Premier Plus	Premier	Standard	Basic
Maximum Lifetime	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Calendar Year Deductible				
PPO Individual	\$75	\$250	\$500	\$1,000
PPO Family	\$225	\$750	\$1,500	\$3,000
Non-PPO Individual	\$150	\$500	\$1,000	\$2,000
Non-PPO Family	\$300	\$1,500	\$3,000	\$6,000
PPO Individual	20% to \$400	10% to \$1,500	20% to \$3,000	50% to \$5,000
Plan Pays	80% to \$1,600 thereafter, 100% excluding Copays	90% to \$13,500 thereafter, 100% excluding Copays	80% to \$12,000 thereafter, 100% excluding Copays	50% to \$5,000 thereafter, 100% excluding Copays
PPO Family	20% to \$800	10% to \$3,000	20% to \$6,000	50% to \$10,000
Plan Pays	80% to \$3,200 thereafter, 100% excluding Copays	90% to \$27,000 thereafter, 100% excluding Copays	80% to \$24,000 thereafter, 100% excluding Copays	50% to \$10,000 thereafter, 100% excluding Copays
Office Visits Copays				
Non-PPO Individual	40% to \$1,200	30% to \$4,500	40% to \$9,000	60% to \$20,000
Plan Pays	60% to \$1,800 thereafter, 100% excluding Copays	70% to \$10,500 thereafter, 100% excluding Copays	60% to \$13,500 thereafter, 100% excluding Copays	40% to \$13,334
Non-PPO Family	40% to \$2,400	30% to \$9,000	40% to \$18,000	60% to \$40,000
Plan Pays	60% to \$3,600 thereafter, 100% excluding Copays	70% to \$21,000 thereafter, 100% excluding Copays	60% to \$27,000 thereafter, 100% excluding Copays	40% to \$26,668 thereafter, 100% excluding Copays
PPO Individual	\$10	\$15	\$20	Subject to Deductible & Coinsurance
Non-PPO Individual	\$20	Subject to Deductible & Coinsurance	Subject to Deductible & Coinsurance	Subject to Deductible & Coinsurance

***Plan pays one hundred percent (100%) of allowable medically necessary charges at PPO Provider discount or Customary and Reasonable for Non-PPO Provider except required Copays, Emergency Room Deductibles and Transplant Deductibles, after individual or family Deductible and Coinsurance has been met.**

SCHEDULE OF BENEFITS

The following Schedule of Benefits is designed as a reference. Percentages represent Plan payment of the Negotiated Rate for Preferred Providers, and Customary and Reasonable Charges for Non-Preferred Providers. **Covered Services will be subject to the appropriate Copay or Deductible and Coinsurance.**

BENEFITS	COVERED SERVICES	PRE-CERTIFICATION
Hospital – Inpatient Page 26	Room and board, medically necessary accommodations and miscellaneous Hospital services, supplies and treatment.	Yes
Outpatient Surgery Page 26	Ambulatory Surgical Centers Hospital based Outpatient Surgical Centers	No No
Hospital Emergency Room Page 27	Subject to a \$50, per occurrence, Emergency Room Deductible	No
Pregnancy Page 29	Pre-certification is required for Hospital services in excess of forty-eight (48) hours for a normal vaginal delivery and ninety-six (96) hours for a cesarean section.	Yes
Birthing Center Page 29	Services and supplies rendered at a Birthing Center, as defined.	No
Pre-Admission Testing Page 27	Pre-admission Testing for Medically Necessary tests shall be covered.	No
Physician/Practitioner Services Page 28	Subject to Copay or Deductible and Coinsurance for Home or Office Visits as listed in the <i>Schedule of Coinsurance and Deductibles</i> .	No
Surgery and Anesthesiology Page 28	Covered subject to Deductible and Coinsurance.	Yes
Assistant Surgeon Page 28	No greater than 20% of the primary surgeon's Covered Expenses.	No
Diagnostic X-Ray & Lab Page 30	Covered Expenses shall include services and supplies for diagnostic services.	No
Durable Medical Equipment Page 32	Rental or purchase, whichever is less costly, of necessary Durable Medical Equipment that is prescribed by a Physician and required for therapeutic use by the Covered Person.	Yes
Skilled Nursing Facility Page 30	Medically necessary skilled care, not custodial care, in a Skilled Nursing Facility, up to 100 days per calendar year.	Yes

Pre-certification is required as listed on the above services. The benefits payable shall be reduced by fifty percent (50%) if Pre-certification is not obtained from the Utilization Review Organization (URO). Refer to *Cost Containment* for more information.

BENEFITS	COVERED SERVICES	PRE-CERTIFICATION
Home Health Care Page 31	Medically necessary skilled care, not custodial care, furnished by a Home Health Agency or visiting nurse association, up to 100 visits per calendar year.	Yes
Routine Annual Physical Examination Including Routine Laboratory Page 33	One routine physical examination/visit per Calendar Year for Employee, covered spouse and eligible Dependents as recommended by U.S. Preventive Services Task Force. Payable in-network at 100% of contract rate; non-network subject to Non-PPO deductible and coinsurance based on UCR.	No
Sigmoidoscopy and Colonoscopy	Covered, subject to deductible and coinsurance, if need indicated by colorectal exam as recommended by the U.S. Preventive Services Task Force.	May be subject to review for medical necessity.
Well Baby/Preventive Child Care Page 29	Charges for Well Baby and preventive child care. Payable in-network at 100% of the contract rate; non-network subject to Non-PPO deductible and coinsurance based on UCR.	No
Immunizations Pages 29 and 33	As preventive care for children, adolescence and adults subject to the Center for Disease Control (CDC) recommendations. Does not include immunizations for foreign travel.	No
Transplants Page 28	Additional \$10,000 Deductible for Non-PPO Providers in all Plans.	Yes
Physical Therapy/Occupational Therapy Page 33	When a Covered Person utilizes the services of the approved network for transplants, the Deductible is waived. Maximum Benefit is one treatment per day.	No
Speech Therapy Page 33	Covered if ordered by a physician to aid restoration due to Illness or Injury. Limitations and Exclusions apply.	No
Chiropractic Care Page 35	\$20 Office visit Copay for PPO Providers and \$40 for Non-PPO Providers in all Plans. Maximum Benefit is 26 visits per Calendar Year.	No
Hospice Care Page 32	Maximum Benefit is \$10,000 in a lifetime.	Yes
Bereavement Counseling Page 32	Maximum Benefit is \$25 per visit to a Maximum of four visits.	No

Pre-certification is required as listed on the above services. The benefits payable shall be reduced by fifty percent (50%) if Pre-certification is not obtained from the Utilization Review Organization (URO). Refer to *Cost Containment* for more information.

BENEFITS	COVERED SERVICES	PRE-CERTIFICATION
Ambulance Page 27	Medical necessity to and from a Hospital.	No
Temporomandibular Joint Syndrome (TMJ) Page 33	Maximum lifetime benefit \$1,000	No
Mental Health Page 35	In-patient Hospitalization, Residential Treatment and Day Treatment Centers: Maximum Benefit for Mental Health and Chemical Dependency is 30 days per Calendar Year and 90 days while covered by this Plan.	Yes
	Non-PPO Providers are NOT Covered	
	Out-patient: PPO Provider 50% to a Maximum of \$50. One visit per day, Maximum Benefit for In-patient and Outpatient is 52 visits per Calendar Year.	Yes
	Non-PPO Provider 50% to a Maximum of \$25. One visit per day, 52 visits per Calendar Year (The Office visit Copay does not apply to this service.) Maximum payable for treatment is 50% to a Maximum of \$50 for PPO Providers and 50% to a Maximum of \$25 for Non-PPO Providers.)	Yes
Chemical Dependency Page 35	Maximum Benefit is \$10,000 per Calendar Year and \$20,000 in a lifetime.	Yes

Pre-certification is required as listed on the above services. The benefits payable shall be reduced by fifty percent (50%) if Pre-certification is not obtained from the Utilization Review Organization (URO). Refer to *Cost Containment* for more information.

Pre-certification is required. TCSIG has contracted with a managed psychiatric health care and Chemical Dependency services Network (Network) to provide Covered Persons with services and supplies for the treatment of Mental Health Disorders/Chemical Dependency. Services and supplies for treatment of Inpatient Mental Health Disorders/Chemical Dependency shall only be payable for Network providers. Services and supplies for treatment of Outpatient Mental Health Disorders/Chemical Dependency shall only be payable for Network providers unless a Non-network provider is certified by the Network, and complies with the Network's managed care guidelines and procedures. In such a case, benefits for the Non-network provider shall be payable as specified in the *Schedule of Benefits*. The Covered Person is responsible for all remaining charges. Refer to *Cost Containment* for more information.

BENEFITS	COVERED SERVICES	PRE-CERTIFICATION
<p>Prescription Drugs Page 35</p>	<p>Retail: 31-Day supply \$7 Copay for Generic 25% to a maximum of \$35 for Preferred Brand 45% to a maximum of \$70 for Non-Preferred Brand</p> <p>Limitation: Not to exceed a thirty-one (31) day supply of generic/formulary when available.</p> <p>Retail: 90-Day supply \$14 Copay for Generic \$50 Copay for Preferred Brand \$90 Copay for Non-Preferred Brand</p> <p>Should the Covered Person request a brand name drug when the generic is available and the Physician has NOT provided evidence of medical necessity, the Covered Person will be liable for the difference between the brand name and the generic in addition to the brand name Copay.</p> <p>Limitation: Not to exceed a ninety (90) day supply of generic/formulary when available</p> <p>Participating pharmacies for the 90-Day Retail program are limited and subject to change.</p> <p>Mail Order: 90-Day supply \$14 Copay for Generic \$50 Copay for Preferred Brand \$90 Copay for Non-Preferred Brand</p> <p>Limitation: Not to exceed a ninety (90) day supply of generic/formulary when available.</p> <p>Should the Covered Person request a brand name drug when the generic is available and the Physician has NOT provided evidence of medical necessity, the Covered Person will be liable for the difference between the brand name and the generic in addition to the brand name Copay.</p>	<p>Requires the use of a Network Pharmacy or there is NO benefit.</p> <p>Currently available at the following pharmacies: CVS, Longs, Raley's and Walgreens.</p> <p>Requires the use of the contracted Mail Order company or there is NO benefit.</p> <p>If the Covered Person does not use the services of a Network Pharmacy, or if the service is not processed through the Network, the Covered Person is responsible for the applicable Copay plus the difference in cost between the contract rate and the invoiced rate.</p>

Pre-certification is required as listed on the above services. The benefits payable shall be reduced by fifty percent (50%) if Pre-certification is not obtained from the Utilization Review Organization (URO). Refer to *Cost Containment* for more information.

TCSIG has contracted with a pharmaceutical Network to provide prescription drugs and medicines. The dispensing limitation is the amount normally prescribed by a Physician, but not to exceed a thirty-one (31) day supply. TCSIG has also contracted with a company to provide maintenance drugs at a discounted rate through a mail order program. If the Covered Person requires a maintenance type drug, the Physician may write the prescription for up to a ninety (90) day supply. For more information on the prescription program, contact your Employer or TCSIG

COST CONTAINMENT

Cost containment is a means of monitoring services for medical necessity to help ensure cost-effective care. Properly administered, cost containment can eliminate unnecessary services, hospitalizations, and shorten Confinements, while improving quality of care and reducing costs to the Covered Person and the Plan. Cost containment as administered by the Utilization Review Organization (URO) includes Pre-certification and managed care.

Certification of medical necessity by the Utilization Review Organization (URO) does not establish eligibility under the Plan nor guarantee benefits. Charges not deemed to be Medically Necessary by the Utilization Review Organization (URO) shall be denied.

PRE-CERTIFICATION:

Hospital/Surgery/Hospice:

All Hospital admissions and Hospice care MUST be certified IN ADVANCE (Pre-certification) by the Utilization Review Organization (URO), except for emergencies. The Covered Person or their designated representative should call the Utilization Review Organization (URO) at least three (3) days prior to admission.

Emergency Hospital admissions MUST be reported to the Utilization Review Organization (URO) within forty-eight (48) hours following admission or surgery, or on the next business day.

The benefits payable for covered facility charges for Hospital Confinement shall be reduced by fifty percent (50%) if Pre-certification is not obtained. The benefits payable for Hospice care and all related Hospice charges shall be reduced by fifty percent (50%) if Pre-certification is not obtained.

After admission to the Hospital, the Utilization Review Organization (URO) will continue to evaluate the Covered Person's progress through Concurrent Review to monitor the length of Confinement. If the Utilization Review Organization (URO) disagrees with the length of Confinement recommended by the Physician, the Covered Person and the Physician will be advised. If the Utilization Review Organization (URO) determines that continued Confinement is no longer necessary, additional days will not be certified.

Phase II and Phase III Clinical Trials:

Certain Phase II and Phase III Clinical Trials may be considered a covered expense if the treatment is not for an expense which is expressly excluded; if it is sponsored by the National Cancer Institute, National Institutes of Health or the Food and Drug Administration (FDA); if it is approved by a recognized institutional review board; if it is not funded for routine costs by the National Cancer Institute, National Institutes of Health, FDA or any other organization; and if it is confirmed by a three-panel review that it is the standard of care for the treatment of the patient's medical condition. Pre-certification must be performed by the Utilization Review Organization (URO) in consult with the Plan Administrator.

Transplants:

Pre-certification by the Utilization Review Organization (URO) is required for all transplants. The Covered Person or their designated representative should call the Utilization Review Organization (URO). **Benefits payable shall be reduced by fifty percent (50%) if Pre-certification is not obtained.**

Additional \$10,000 Deductible for Non-PPO Providers.

Skilled Nursing Facility/Home Health Care/Home Infusion Services:

Pre-certification by the Utilization Review Organization (URO) is required for Skilled Nursing Facility, Home Health Care and Home Infusion Services. The Covered Person or their designated representative should call the Utilization Review Organization (URO) at least three (3) business days prior to the Confinement or service. **Benefits payable shall be reduced by fifty percent (50%) if Pre-certification is not obtained.**

Mental Health Disorders/Chemical Dependency:

Pre-certification by the managed psychiatric health care and Chemical Dependency services Network is required for all treatment, Inpatient and Outpatient, for Mental Health Disorders and Chemical Dependency to be eligible for full Plan benefits. However, in the case of an Emergency Admission, the Covered Person or their designated representative must obtain certification within seventy-two (72) hours following admission or initial Outpatient treatment. **The benefits payable shall be reduced by fifty percent (50%) if Pre-certification is not obtained.**

Pregnancy:

Pre-certification is required for Hospital services in excess of forty-eight (48) hours for a normal vaginal delivery and ninety-six (96) hours for a cesarean section.

Durable Medical Equipment:

Pre-certification is required for Durable Medical Equipment over \$2,000. Prior to ordering the Durable Medical Equipment the Covered Person or their designated representative should call the Utilization Review Organization (URO). **Benefits payable shall be reduced by fifty percent (50%) if Pre-certification is not obtained.**

PRE-CERTIFICATION APPEAL PROCESS:

In the event certification is denied by the Utilization Review Organization (URO), the Covered Person or provider of service may submit an appeal to the Utilization Review Organization (URO). The Covered Person may call the Utilization Review Organization (URO) or TCSIG for more information concerning the appeal process.

The managed psychiatric health care and Chemical Dependency Network (Network) provides Covered Persons with a separate appeal process. Either the Covered Person or the provider of service may submit an appeal to the Network. The Covered Person may call the Network or TCSIG for more information concerning the appeal process.

CASE MANAGEMENT/ALTERNATE TREATMENT:

TCSIG may arrange for review and/or case management services from a professional organization qualified to perform such services. Case management may apply to both Inpatient and Outpatient. The TCSIG Executive Committee or its designated representative shall have the right to alter or waive the normal provisions of the Plan when it is reasonable to expect a cost effective result while maintaining the quality of care.

Benefits provided under this section are subject to all other Plan provisions. Alternative care shall be determined on the merits of each individual case, and any care or treatment provided shall not be considered as setting any precedent or creating any future liability, with respect to that Covered Person or any other Covered Person.

PREFERRED PROVIDER OR NON-PREFERRED PROVIDER

Covered Persons have the choice of using either a Preferred Provider or a Non-Preferred Provider. A Preferred Provider is a Physician, Practitioner, Hospital or ancillary service which has an agreement in effect with the Preferred Provider Organization (PPO) to accept a Negotiated Rate as payment in full. A Non-Preferred Provider does not have an agreement in effect with the Preferred Provider Organization (PPO).

PPO – Preferred Providers:

Because the Covered Person and the Plan save money when services or supplies are obtained from a provider participating in the Preferred Provider Organization (PPO), benefits are usually greater than those available when using the services of a Non-Preferred Provider. TCSIG has contracted with three (3) separate PPO Networks in order to provide the best services at the best rate to Covered Persons. The Networks are divided into the following categories:

- Medical
- Prescription Drugs and Medications
- Managed psychiatric health care and Chemical Dependency

When choosing a Preferred Provider Hospital to schedule medical treatment that will require the services of ancillary providers, **confirmation of the contract status for these providers is advised and is the sole responsibility of the Covered Person.** As Hospitals periodically "contract out" for ancillary services, these providers may not be employed by the Hospital and, therefore, would not be obligated to accept the Negotiated Rate. The Covered Person may be responsible for additional charges incurred by utilizing a Non-Preferred Provider.

Non-PPO - Non-Preferred Providers:

This Plan does not limit the choice of a health care provider, such as a Physician or Hospital, as long as the provider is qualified in accordance with the terms defined in this Plan. However, the Covered Person may have more Out-of-pocket expense by using Non-Preferred Provider services.

Inpatient Mental Health Services: If services and supplies for the treatment of Inpatient, residential Treatment Centers or day treatment for Mental Health Disorders/Chemical Dependency are rendered by a Non-network Provider, NO benefit is payable.

Outpatient Mental Health Services: If services and supplies for the treatment of Mental Disorders/Chemical Dependency are rendered by a Non-network Provider, the Non-network Provider must be certified by the Network, and comply with the Network's managed care guidelines and procedures.

Referrals:

Referrals to Non-Preferred Providers are covered as Non-Preferred Provider services and supplies. It is the responsibility of the Covered Person to assure services to be rendered are performed by a Preferred Provider in order to receive the Preferred Provider level of benefits.

Exceptions:

The following listing of exceptions represents services, supplies or treatments rendered by a Non-PPO facility or Provider where Covered Expenses shall be payable at the PPO Provider level of Benefit Percentage of Customary and Reasonable after the appropriate PPO Deductible.

1. Emergency treatment rendered at a Non-PPO facility. If the Covered Person is admitted to the Hospital for Emergency treatment, Covered Expenses shall be payable at the PPO Provider level. If the Covered Person receives such initial care from a Non-PPO Provider Hospital, in order to receive full benefits, the Covered Person shall be relocated to a PPO Provider Hospital, as soon as the Covered Person can be safely moved. If the Covered Person does not relocate to a participating Provider Hospital, the Plan's payment shall be in accordance with the Non-PPO Provider level of benefit.
2. Emergency services provided by other than a Hospital.
3. Non-PPO anesthesiologist if the operating surgeon is a PPO Provider.
4. Radiologist or pathologist services for interpretation of x-rays and laboratory tests rendered by a Non-PPO Provider when the facility rendering such services is a PPO Provider.
5. While confined to a PPO Provider Hospital, the PPO Provider Physician requests a consultation from a Non-PPO Provider.
6. Covered Persons who do not have access to PPO Providers within fifty (50) miles by the shortest route to a PPO Provider from the Covered Person's residence or employment site. If the Covered Person travels to an area that has PPO Providers, the Covered Person must use the PPO Providers to receive the PPO level of benefits. Services for Mental Health Disorders/Chemical Dependency must be pre-certified by the managed psychiatric health care and Chemical Dependency service Network and comply with the Network's managed care guidelines and procedures. This fifty (50) mile provision does not apply to Inpatient, residential Treatment Centers and day Treatment Centers for Mental Health Disorders/Chemical Dependency services.

ELIGIBILITY

EMPLOYEE ELIGIBILITY:

TCSIG deems all Employee Groups to be eligible to participate in the Plan provided: (1) the Employee regularly works twenty (20) hours or more per work week or, (2) is a contracted certified (academic) Employee with a fifty percent (50%) or greater full-time equivalent workload. However, it is at the discretion of each Employer to determine which Employee Groups shall be eligible to participate in the Plan.

Subject to the Employer's bargaining agreement(s) or policies, Retired Employees may be eligible to participate in the Plan provided: (1) they are eligible for, and receiving pension benefits from the Public Employees' Retirement System (P.E.R.S.) or the State Teachers' Retirement System (S.T.R.S.), and (2) they were covered under a TCSIG Plan on the date immediately prior to retirement. Retired Employees are considered part of the Employee Group they were in just prior to retirement.

Eligibility for active elected officials is at the option of each Employer. Retired elected officials who have completed one or more terms of office shall be eligible for coverage under this Plan provided: (1) the Employer has a policy that allows Retired elected officials to participate as an eligible group, (2) they were covered under a TCSIG Plan on the date immediately prior to retirement, and (3) Retired elected officials are considered part of the Employee Group they were in just prior to retirement. If the Employer elects to provide coverage to active or Retired elected officials, all Plan provisions shall apply.

DEPENDENT(S) ELIGIBILITY:

Every eligible Employee may enroll as Dependents his or her spouse and each unmarried child from birth to the child's nineteenth (19th) birthday. The Plan may require proof of Dependent status as specified below.

1. The term "spouse" means the spouse or domestic partner of the Employee under a legally valid existing marriage or domestic partnership as determined by the State of California. However, if the Employee and spouse or domestic partner are legally separated, the spouse's or domestic partner's eligibility shall cease.
2. The term "child" means the Employee's unmarried natural child and/or legally adopted child and/or ward. An Employee's natural child or adopted child or ward who lives with the Employee's former spouse shall be eligible for coverage. An adopted child or ward shall be considered a "child" from the moment the child is placed in the custody of the parents for adoption or guardianship. Legal evidence of adoption or guardianship of the person (ward) or intent to adopt is required. "Child" shall also mean an unmarried stepchild who resides in the Employee's household in a regular parent-child relationship and is principally dependent on the Employee for support and maintenance.
3. Upon written notice an unmarried child who has reached his or her nineteenth (19th) birthday may also be included herein as a Dependent until the child's twenty-fifth (25th) birthday, if he or she is:
 - A. Principally dependent upon the Employee for support and maintenance; and
 - B. Is a full-time student in an accredited high school, college, university, technical or trade school.

T.C.S.I.G requires written notification of this status within thirty-one (31) days of the date the Dependent became eligible for coverage in order for coverage to be in force.

Eligibility will be discontinued on the date the Dependent no longer satisfies the two eligibility conditions above.

4. A child who has a physical disability and/or mental retardation that existed without interruption prior to age nineteen (19) and continues to the present time shall remain eligible for coverage provided:
 - A. The child is unmarried; and
 - B. The child is incapable of self-sustaining employment due to mental retardation or physical disability; and
 - C. The child is principally dependent upon the Employee for support and maintenance. (Named as an exemption on the Employee's most current Federal Income Tax Return. Proof may be required.); and
 - D. The child was covered under a plan offered by TCSIG prior to reaching the maximum age limit for Dependent eligibility.

A physical disability is a bodily impairment that prevents or interferes with normal bodily activities or achievement. Proof of incapacitation must be provided at the Employee's expense within thirty-one (31) days of the child's nineteenth (19th) birthday and thereafter as requested by TCSIG or the Claims Administrator, but not more than once every two (2) years. The Dependent must have been covered under the Plan before attaining the limiting age in order to be eligible for continued coverage.

Eligibility may not be continued beyond the earliest of the following:

- A. Cessation of the physical disability;
- B. Failure to furnish any required proof of mental retardation and/or physical disability or to submit to any required examination.

Eligible Dependents do not include:

1. Children of a Dependent son or daughter.
2. Dependents who are, or become, a full-time member of the armed forces of any country.
3. Grandchildren or foster children, unless legally adopted.

ENROLLMENT

APPLICATION FOR ENROLLMENT:

An Employee must file a written application with the Employer for coverage hereunder for himself and his eligible Dependents within thirty-one (31) days of becoming eligible for coverage; and within thirty-one (31) days of marriage or the acquiring of children or birth of a child. The Employee shall have the responsibility of timely forwarding to the Employer all applications for enrollment hereunder and any required contribution.

LATE ENROLLMENT:

With the exception of the provisions identified in *Special Enrollment Period* below, applications for Employee or Dependent coverage which are not filed with the Employer within such **thirty-one (31) days** of meeting the Plan's eligibility requirements shall be subject to this *Late Enrollment* provision. Employees and/or eligible Dependents who were eligible for coverage, but elected not to enroll shall be able to enroll for coverage during the Plan's annual open enrollment period.

SPECIAL ENROLLMENT PERIOD (OTHER COVERAGE):

An Employee or Dependent who previously declined coverage under this Plan because he was covered under other group coverage or had health insurance coverage at the time he was initially eligible for coverage under this Plan, may request a special enrollment period if he is no longer eligible for the other coverage. Special enrollment periods will be granted if the individual's loss of eligibility is due to:

1. Termination of the other coverage (including exhaustion of COBRA benefits).
2. Cessation of employer contributions toward the other coverage.

However, loss of eligibility does not include a loss due to failure of the individual to pay premiums or contributions on a timely basis or termination of coverage for cause (such as making a fraudulent claim or an intentional misrepresentation of a material fact in connection with the other coverage.)

The Employee or Dependent must properly file an application for enrollment and enroll no later than thirty-one (31) days from the date of loss of other coverage.

The Effective Date of coverage as the result of a special enrollment shall be the first day of the first calendar month following the Employer's receipt of the completed enrollment form and any required contribution.

SPECIAL ENROLLMENT PERIOD (DEPENDENT ACQUISITION):

This *Special Enrollment Period (Dependent Acquisition)* allows an eligible Employee to enroll when he marries or has a new child (as a result of marriage, birth, adoption, or placement for adoption). A spouse of an Employee can be enrolled at the time of

marriage or when a child is born, adopted or placed for adoption. A child who becomes a Dependent of an Employee as a result of marriage, birth, adoption or placement for adoption may be enrolled when the child becomes an eligible Dependent.

The Employee must properly file an application for enrollment and enroll within thirty-one (31) days of the acquisition of the Dependent. The Effective Date of coverage as the result of a special enrollment shall be:

1. In the case of marriage, the date of marriage;
2. In the case of a Dependent's birth, the date of such birth;
3. In the case of adoption, placement for adoption or guardianship (ward), the date of such adoption, placement for adoption or guardianship occurred.

The monthly contribution for coverage will not be pro-rated for any portion of a month.

STATUS CHANGE:

1. For Employee's who have an employment status change with the Employer (e.g., 10 hours to 40 hours) coverage will be effective on the first of the month following receipt of written application for enrollment and any required contribution.
2. Dependent children who cease to qualify for full-time student status and whose coverage terminated shall upon returning to full-time student status be reinstated. The Employee must properly file an application for enrollment and enroll the Dependent within thirty-one (31) days of the date the Dependent became eligible. The Employee must provide proof of full-time student status acceptable to TCSIG. Dependent coverage will be effective with the date school commences and any required contribution is received.
3. If an Employee is removed from active employment due to total disability, the Employer shall notify T.C.S.I.G the same business day of the action.

Once enrolled in the Plan, **it is the responsibility of the Employee to notify the Employer** of any change in eligibility of Dependents including the birth of a child that is to be covered and adding or deleting any other Dependents.

OPEN ENROLLMENT

The annual open enrollment is to allow Employees, Retirees, and their eligible Dependents who are currently enrolled in a TCSIG medical benefits plan the opportunity to enroll in any TCSIG medical plan offered by their Employer. In addition, Employees may enroll their eligible Dependents who are not currently enrolled under a TCSIG plan. Retirees and Retired elected officials and any Dependents of Retirees and Retired elected officials that discontinue coverage cannot re-enroll in this Plan. The period of the annual open enrollment and the Effective Date of coverage after open enrollment shall be determined by TCSIG. Enrollment is for a period of twelve (12) months subject to the Plan provisions. Participation by individual Employers in the annual open enrollment shall be at the sole discretion of each Employer.

CONTRIBUTIONS

The participating Employers shall maintain discretion as to whether or not an Employee Group shall contribute toward the cost of coverage under this Plan. The same rate structure, (i.e., composite or tiered,) shall apply for all Employees in an Employee Group.

All covered Retirees age sixty-five (65) and older who are eligible for Medicare Part A must enroll in Medicare A and B. If any retired Covered Person is eligible for Medicare Parts A and B and fails to enroll, benefits will be paid as though he had enrolled. If the Employer elects Retirees to be eligible to participate, contributions may be Retiree or Employer paid at the discretion of the Employer. Retirees shall be placed on the tiered rate structure or may be placed, with their Employer's approval, on a composite rate if they enroll two or more dependents and their former, active group is also composite. If a Retiree enrolls in both Medicare Parts A and B, TCSIG may provide a discounted contribution schedule, provided the Plan is secondary payor to Medicare.

EFFECTIVE DATE OF COVERAGE

Employees and Dependents who are covered under the Employer's Prior Plan as of the day immediately prior to the Effective Date of the Employer adopting this Plan, shall be covered hereunder on the date of adoption provided they have elected coverage under this Plan.

EMPLOYEE(S) EFFECTIVE DATE:

Eligible Employees, as defined in *Eligibility*, are covered under the Plan as determined by the written policies of the Employer, but not any sooner than the first of the month following the date of employment.

DEPENDENT(S) EFFECTIVE DATE:

Eligible Dependent(s), as defined in *Eligibility*, shall become covered under the Plan on the later of the following dates, provided the Employee has enrolled them in the Plan:

1. The date the Employee's coverage becomes effective.
2. The date the Dependent is acquired provided the Employee enrolls that Dependent within thirty-one (31) days following the date acquired. If an Employee's Dependent is employed and covered under a group plan or plans sponsored by the Dependent's employer, the day immediately following the date such coverage terminates due to the termination of the Dependent's employment may also be deemed to be the date the Employee first acquires that Dependent and any other Dependent covered under such group plan or plans.
3. When an Employee has family coverage, an eligible newborn will be covered as of the date of birth, but no claims will be processed until the application for enrollment and any required contribution is received; the 31-day requirement to enroll a newborn Dependent will be waived. If an Employee does not have family coverage at the time of birth, the 31-day requirement to enroll a newly acquired Dependent shall apply. (Refer to *Enrollment*.)

TERMINATION OF COVERAGE

When coverage of an Employee and/or Dependent terminates, benefits shall not be provided for any services, supplies or treatment after termination of coverage even though such services, supplies or treatment are furnished as a result of an Illness or Injury which occurred before termination of coverage.

Except as otherwise provided herein, coverage shall terminate on the earliest of the following occurrences:

EMPLOYEE(S) TERMINATION:

1. The date the Employer terminates the Plan and offers no other group health plan.
2. The date the Employee ceases to meet the eligibility requirements of the Plan.
3. The last day of the month in which employment terminates. In the case of an Employee working the night shift, the Employee's termination date is determined by the date the shift begins.
4. The date the Employee becomes a full-time, active member of the armed forces of any country, other than scheduled drills or other training not exceeding one month in any Calendar Year.
5. The last day of the month in which any required contributions have been made on the Employee's behalf.
6. The first day an Employee fails to return to work following an approved Leave of Absence.

Employees whose contract expires with the close of the current school year may be covered until the beginning of the following school year at the discretion of the Employer.

The Employer must signify an Employee's termination of employment by notifying TCSIG

DEPENDENT(S) TERMINATION:

1. The date the Employer terminates the Plan and offers no other group health plan.
2. The date the Employee's coverage terminates.
3. The date such individual ceases to meet the eligibility requirements of the Plan.
4. Cessation of full-time school attendance for Dependent children age nineteen (19) or older shall terminate coverage on the earliest of the following provisions:
 - A. If cessation is due to termination of full-time student status, coverage shall terminate on the last day of the month in which there was a change of status, or
 - B. If cessation is due to school vacation, coverage shall terminate on the day the school reconvenes, or
 - C. If cessation is due to graduation, from an accredited high school, college, university, technical or trade school, coverage shall terminate at the expiration of the third calendar month following such graduation, or
 - D. If cessation is due to disability which prevents the student's full-time attendance, the Physician must submit a written statement to the Claims Administrator. The Dependent must maintain an acceptable number of credit hours as approved by TCSIG. If approved, the coverage under this provision shall terminate on the first day of the school's next regular session which follows the date established by a Physician's written statement to the Claims Administrator that the student is capable of full-time school attendance.
5. The last day of the month in which any required contributions have been made on his behalf.
6. The date the Dependent becomes an active, full-time member of the armed forces of any country.
7. The date Dependent coverage is discontinued under the Plan.
8. The date the Employee requests that Dependents' coverage be terminated.

LEAVE OF ABSENCE:

If an Employee is absent from work because of an approved extended Leave of Absence due to Illness or Injury, coverage may be considered to continue until terminated by the Employer, but for no longer than twelve (12) months following the calendar month in which the absence started, provided the Employer and/or Employee makes the required contributions.

If an Employee is absent from work because of an approved sabbatical Leave of Absence, coverage may be considered to continue until terminated by the Employer, but for no longer than twelve (12) months following the calendar month in which the absence started, provided the Employer and/or Employee makes the required contributions.

If an Employee is absent from work because of an approved temporary Leave of Absence, coverage may be considered to continue until terminated by the Employer, but for no longer than twelve (12) months following the calendar month in which the leave started, provided the Employer and/or Employee makes the required contributions.

If an Employee is absent from work because of an approved Leave of Absence under the provisions of the Family Medical Leave Act of 1993, coverage shall be continued for the Employee and covered Dependents, but for no longer than twelve (12) weeks during any twelve (12) month period, provided the Employer and/or Employee makes the required contributions. The *Break in Coverage* provision below shall not apply to an Employee returning to work from an approved leave under the Act.

BREAK IN COVERAGE:

A break in coverage occurs whenever an Employee remains employed by the Employer, but coverage under the Plan terminates for either the Employee or Dependents. After a break in coverage, the Employee and/or Dependents may only re-enroll in the Plan during the annual open enrollment, unless there is a status change. (Refer to *Status Change*.)

If the Employee fails to make the required contributions, coverage shall terminate the last day of the month in which contributions were made. When coverage terminates, the Break in Coverage provision shall apply.

REINSTATEMENT:

If an Employee terminates employment with the Employer and coverage under the Plan ceases, the Employee will be subject to all Plan provisions as a new Employee. Retirees and Retired elected officials and any Dependents of Retirees and Retired elected officials that discontinue coverage cannot re-enroll in this Plan. The Break in Coverage provision shall not apply.

SURVIVORS' BENEFITS

Subject to the terms and conditions in effect for each Employer, surviving Dependents may be eligible to continue coverage under the Plan after the death of the Employee. Survivors' benefits shall be continued after the Employee's death while contributions are continued, if required. Surviving spouse and Dependents shall be considered part of the Employee Group they were in just prior to becoming eligible for survivors' benefits.

However, coverage shall not be continued beyond the earliest of the following occurrences:

1. The date the Employer terminates the Plan and offers no other group health plan.
2. Termination of Dependent coverage under this Plan.
3. The end of the period for which contributions (if required) have been paid.
4. When the surviving spouse remarries.
5. When the surviving spouse becomes eligible for any other group health coverage.
6. When the child ceases to meet the eligibility requirements, or becomes eligible for other group health coverage.

Survivor benefits may be provided under this Plan to an Employee's child who is born after the Employee's death, as long as coverage for the Employee's other Dependents is being continued under this Section.

For the purposes of filing a claim and payment of claims, the Employee's spouse, if living, will be considered as the Employee, otherwise the child (or the legal guardian) claiming benefits will be so considered.

This Section will not apply to a Dependent for whom a greater period of coverage is provided elsewhere in this Plan.

CONTINUATION OF COVERAGE

Government entities are subject to the continuation of coverage provisions of the Public Health Services Act which essentially duplicates the provisions of the Consolidated Omnibus-Budget Reconciliation Act (COBRA). The following is intended to comply with the Public Health Services Act.

The coverage which may be continued under this provision consists of health coverage. It does not include life insurance benefits, accidental death and dismemberment benefits, or income replacement benefits. Health coverage includes medical benefits as provided under the Plan.

QUALIFYING EVENTS:

Under this provision, the following Covered Persons whose coverage would otherwise end, may continue coverage under the Plan:

1. Covered Dependents of a covered Employee who dies.
2. A covered Employee and his covered Dependents upon the Employee's termination of employment (other than termination for gross misconduct) or whose work hours have been reduced to less than the minimum required for coverage under the Plan.
3. A covered spouse (and any affected covered Dependents) upon divorce or legal separation.
4. Covered Dependents of a covered Employee whose termination from the Plan is due to the covered Employee becoming eligible for benefits under Medicare.
5. A covered Dependent child who becomes married, attains the maximum age at which Dependent children may be covered under the Plan, or otherwise becomes ineligible under the Plan's terms because of age or Dependent status.
6. A covered Retiree and their covered beneficiaries whose benefits were substantially reduced within one year of the Employer filing for Chapter 11 bankruptcy.
7. The last day of a leave under the Family Medical Leave Act.
8. The call-up of reservist in the United States military or National Guard to active duty.

NOTIFICATION REQUIREMENTS:

1. When eligibility for continuation of coverage results from a spouse being divorced or legally separated from a covered Employee or a child's marriage or attainment of the maximum age for coverage under the Plan, the Employee or Dependent must notify the Employer of that event within sixty (60) days of the event. **Failure to provide notification to the Employer will result in the person forfeiting their right to continued coverage.**
2. The Employer must submit such notice to TCSIG or its designated representative within thirty (30) days of receipt.
3. Within fourteen (14) days of receiving notice, TCSIG or its designated representative shall advise the Employee or Dependent of his or her rights to continue coverage.
4. After receiving notice, the Employee or Dependent has sixty (60) days to decide whether to elect continued coverage. This sixty (60) day period begins on the later of:
 - A. The date coverage under the Plan would otherwise end; or
 - B. The date the person receives the notice from TCSIG or its designated representative of his or her rights to continuation of coverage.

If the Employee or Dependent chooses to have continuation of coverage, he must advise TCSIG or its designated representative in writing of this choice. TCSIG or its designated representative must receive this written notice no later than the last day of the sixty (60) day period. If the election is mailed, the election must be postmarked on or before the last day of the sixty (60) day period.

5. Within forty-five (45) days after the date the person notifies TCSIG or its designated representative that he has chosen continuation of coverage, the person must pay the initial premium. The initial payment shall be the amount needed to provide coverage from the date continued benefits begin to the date that the election was made. Thereafter, premiums for the continued coverage are to be paid monthly, and are due in advance, on the first day each month.
6. The Employee, Dependent or their designated representative must pay the premium for the coverage being continued.

FAMILY MEMBERS ACQUIRED DURING CONTINUATION:

A spouse or Dependent child newly acquired during continuation of coverage is eligible to be enrolled as a Dependent. The standard enrollment provision of the Plan applies to enrollees during continuation of coverage. A child born to or placed for adoption with the covered Employee during the period of continuation of coverage shall be eligible for an extension of continuation of coverage due to a second qualifying event. A child born to or placed for adoption with the former spouse of a covered Employee shall not be eligible for the extension of continuation of coverage due to a second qualifying event. The Plan shall provide a special thirty (30) day enrollment period to enroll such child(ren).

SUBSEQUENT QUALIFYING EVENTS:

Once covered under continuation of coverage, it is possible for a second qualifying event to occur, including:

1. Death of an Employee.
2. Divorce or legal separation from an Employee.
3. Employee's entitlement to Medicare.
4. Child's loss of Dependent status.

If one of these subsequent qualifying events occurs, a Dependent may be entitled to a second continuation period. This period will in no event continue beyond thirty-six (36) months from the date of the first qualifying event.

Except as specified in *Family Members Acquired During Continuation* above, only a person covered prior to the original qualifying event is eligible for the second continuation period as the result of a subsequent qualifying event. A Dependent acquired during continuation of coverage is not eligible to continue coverage as the result of a subsequent qualifying event.

For example: (1) Continuation may begin due to termination of employment. During the continuation, if a child reaches the upper age limit of the Plan, the child is eligible for a second continuation period. This second continuation would end no later than thirty-six (36) months from the date of the first qualifying event, (i.e., the termination of employment). (2) An Employee terminates and elects continuation of coverage for himself and his spouse. They would be allowed continuation of coverage for up to eighteen (18) months. If during the eighteen (18) months, the Employee becomes entitled to Medicare, the spouse would be eligible for additional continuation up to a total of thirty-six (36) months from the date of the first qualifying event.

WHEN CONTINUATION OF COVERAGE BEGINS:

When continuation of coverage is elected and the premium paid, coverage is reinstated back to the date of the loss of coverage, so that no break in coverage occurs. However, for an Employee on an approved leave under the Family Medical Leave Act, continuation of coverage shall begin on the last day of the leave. Coverage for Dependents acquired and properly enrolled during the continuation period begins in accordance with the enrollment provisions of the Plan.

END OF CONTINUATION:

Continuation shall end on the earliest of the following dates:

1. Eighteen (18) months from the date continuation began for an Employee whose coverage ended because of a reduction of hours or termination of employment.
2. Thirty-six (36) months from the date continuation began for Dependents whose coverage ended because of the death of the Employee, divorce or legal separation from the Employee, or the marriage or attainment of the maximum age of eligibility by a Dependent.
3. The end of the period for which premium is paid if the Covered Person fails to make a premium payment on the date specified by TCSIG
4. The date coverage under this Plan ends and the Employer offers no other group health benefit plan.
5. The date the Covered Person becomes entitled to Medicare.
6. The date the Covered Person becomes covered under any other group health plan, with exception of the Pre-existing provision below.
7. In the case of bankruptcy proceeding, the period until the death of the Retiree, and widows or widowers of Retirees who died before the Employer's bankruptcy are entitled to lifetime continuation of coverage. However, if a Retiree dies after the Employer's bankruptcy, the surviving spouse and Dependent children may only elect an additional thirty-six (36) months of continuation of coverage after the death.

In the event an Employer terminates its participation in this Plan, all persons under continuation of coverage through that Employer shall transfer to the Employer's new plan, and continuation of coverage under this Plan shall cease.

PRE-EXISTING CONDITIONS:

In the event that a Covered Person becomes eligible for coverage under another employer-sponsored group health plan, and that group health plan has a Pre-existing limitation or exclusion, the Covered Person may remain covered under this Plan with continuation of coverage and elect coverage under the other employer's group health plan.

Coverage under this Plan for the Pre-existing Condition shall terminate upon the earliest of the following:

1. The Pre-existing Condition limitation under another employer-sponsored group health plan no longer applies to the individual; or
2. The maximum period of coverage under continuation of coverage expires; or
3. The individual is no longer afflicted by the condition.

Coordination of benefits may occur in certain situations when a benefit limitation rather than exclusion applies to the Pre-existing Condition under the other employer's plan.

EXTENSION FOR DISABLED INDIVIDUALS:

Continuation of coverage may extend from eighteen (18) months to twenty-nine (29) months if the qualified beneficiary receives a determination from the Social Security Administration that the person was disabled at the time of the qualifying event, or within sixty (60) days of the qualifying event. The disabled person and the family members who were covered prior to the qualifying event are eligible for up to twenty-nine (29) months of continuation of coverage. In order to be eligible for the additional eleven (11) month extension, the qualified beneficiary must submit proof of the determination of disability by the Social Security Administration to TCSIG or the Claims Administrator within the initial eighteen (18) month continuation of coverage period and no later than sixty (60) days after the Social Security Administration's determination. Extended coverage will end the month that begins thirty (30) days after the person is no longer considered disabled.

MEDICARE

The term "Medicare" means the program of medical care benefits provided under Title XVIII of the Social Security Act of 1965, as amended.

Individuals who have earned the required number of quarters for Social Security benefits within the specified timeframe are eligible for Medicare Part A at no cost. Ineligible individuals age sixty-five (65) and over may purchase Medicare Part A by making application to Social Security Administration and paying the full cost. Participation in Medicare Part B is available to all individuals who make application and pay the full cost of the coverage.

1. When an Employee reaches age sixty-five (65) and is still actively at work, the following options are available:
 - A. Continue health coverage under this Plan at the same level of benefits and contribution rate that applied before reaching age sixty-five (65), or
 - B. Discontinue health coverage under this Plan and enroll under the Medicare Program.

An individual is considered to be age sixty-five (65) on the first day of the month in which his/her sixty-fifth (65th) birthday falls.

2. If the Employee elects option "A" above:
 - A. And is also enrolled in Medicare, as secondary payor, Medicare may pay for some expenses not covered by this Plan.
 - B. The Employee may elect to continue under this Plan as primary payor until retirement.
3. If the Employee elects option "1.B" above, no health benefits will be paid under this Plan. Medicare shall be primary payor.
4. Federal legislation also requires that the spouse, age sixty-five (65) and over of any active Employee be given the option to elect the employer's Plan as primary payor, or Medicare as primary payor. If the affected spouse elects the benefits of this Plan as primary, the Plan shall provide benefits equivalent to the benefits available to Covered Persons under age sixty-five (65). If the spouse elects Medicare, no benefits shall be available under this Plan.

All Retirees age sixty-five (65) and older who are eligible for Medicare Part A must enroll in Medicare A and B. If any retired Covered Person is eligible for Medicare Parts A and B and fails to enroll, benefits will be paid as though he had enrolled. If the Employer elects Retirees to be eligible to participate, contributions may be Retiree or Employer paid at the discretion of the Employer. Eligible Retirees, upon retirement, shall be placed on the tiered rate structure or may be placed, with their Employer's approval, on a composite rate if they enroll two or more dependents and their former, active group is also composite. If a Retiree enrolls in both Medicare Parts A and B, TCSIG may provide a discounted contribution schedule, provided the Plan is secondary payor to Medicare.

MEDICAL EXPENSE BENEFIT

Medical expenses otherwise referred to as "Covered Expenses" means the expenses actually incurred by or on behalf of a Covered Person for the expenses listed in this Section, but only if the expenses are incurred while such person is covered under the Plan and only to the extent that the services or supplies provided are Medically Necessary for the care and treatment of the Illness or Injury suffered by the Covered Person. However, Covered Expense shall also include certain procedures which are not Medically Necessary and are specified herein.

The extent of benefits paid by the Plan for Covered Expenses is subject to the Copayment (Copay), Deductible, Benefit Percentage, and Maximum Benefit as shown in the *Schedule of Benefits*.

COPAYMENT (COPAY):

The Copayment is the amount payable by the Covered Person for services rendered by a provider. The Copayments are shown in the *Schedule of Benefits*. The Covered Person elects a provider and pays the provider the Copayment. The Plan pays the remaining Covered Expenses at the Negotiated Rate for PPO Providers or up to the Customary and Reasonable rate for Non-PPO Providers. Any amounts above Customary and Reasonable charges are the responsibility of the Covered Person. The Copayment must be paid each time the service is rendered. The Copayment will not be applied toward the following:

1. The Deductible.
2. The Benefit Percentage (Coinsurance).
3. The maximum Out-of-pocket expense limit.
4. Prescription Copays

DEDUCTIBLE AND BENEFIT PERCENTAGE (COINSURANCE):

Individual Deductible:

The Calendar Year Deductible is the amount of Covered Expense which the Covered Person incurs and pays Out-of-pocket during each Calendar Year before any Benefit Percentage applies for services and supplies rendered. Charges which are not covered under the Plan, Copayments, or charges which exceed the Customary and Reasonable Charges for the service or supply rendered may not be used to satisfy the Deductible.

Family Deductible:

If in any Calendar Year covered members of a family shall have cumulatively incurred sufficient Covered Expenses to satisfy the Deductible specified, the Deductible shall be deemed to be satisfied for all covered members of the family in that Calendar Year.

Transplant or Tissue Deductible:

For all services, supplies and treatment related to a human organ or tissue transplant procedure by a Non-PPO, the Covered Person is responsible for an additional Deductible as specified in the *Schedule of Benefits*.

Common Accident:

If two or more covered family members are injured in the same accident, those injured must meet only one individual Deductible among them for expenses related to that accident. This Deductible feature is applied to Covered Expenses for the Calendar Year for the same accident.

Deductible Carry-Over:

Amounts incurred during October, November, and December and credited to the Deductible shall be applied to the following year's Calendar Year Deductible.

Prior Deductible and Benefit Percentage:

This Plan will provide credit for any Deductible and Benefit Percentage satisfied under a prior TCSIG Plan in the same Plan year. If this Plan's Calendar Year Deductible and/or Coinsurance is greater than the prior TCSIG Plan, the Covered Person must satisfy the remaining Deductible and/or Coinsurance requirement of this Plan.

Benefit Percentage:

The Benefit Percentage is the portion of the Customary and Reasonable Charge that the Plan will pay as a Covered Expense rendered by a Non-PPO or the percentage of the Negotiated Rate for PPO services. Once the Deductible is satisfied, or any applicable Copayment, the Plan shall pay benefits for Covered Expenses incurred during the remainder of the Calendar Year at the applicable Benefit Percentage. The Covered Person is responsible for paying the remaining percentage. The Covered Person's remaining percentage of the Covered Expenses and the Deductible applies toward their Out-of-pocket expense.

The portion of the Non-PPO's bill in excess of the Customary and Reasonable Charge is not a Covered Expense under this Plan and is the responsibility of the Covered Person.

OUT-OF-POCKET:

After the Covered Person has paid an amount equal to the Out-of-pocket expense the Plan shall pay one hundred percent (100%) of Covered Expenses for the remainder of the Calendar Year, subject to the limitations below.

If in any Calendar Year covered members of a family shall have cumulatively incurred sufficient Out-of-pocket Covered Expenses to satisfy the family Out-of-pocket expense limit, the Plan shall pay one hundred percent (100%) of Covered Expenses for the remainder of the Calendar Year for all covered family members, subject to the limitations below.

If any part of the Out-of-pocket expense limit has been paid under the prior TCSIG Plan, the Out-of-pocket expense limit of this Plan shall be reduced by that amount.

The following items do not apply toward the Out-of-pocket expense limit:

1. Any expense not covered under this Plan.
2. Expense incurred as a result of failure to obtain Pre-certification nor shall it be payable at the one hundred percent (100%) Benefit Percentage.
3. Physician/Practitioner Copay.
4. The prescription drug Copay.
5. Transplant Deductible.
6. Emergency Room Deductible.
7. Expenses incurred for Outpatient services, supplies or treatment of Mental Health Disorders/Chemical Dependency; however, Inpatient Covered Expenses applied toward satisfaction of the Calendar Year Deductible and/or Coinsurance shall apply toward the Out-of-pocket expense limit.

MAXIMUM BENEFIT:

The Maximum Benefit payable on behalf of each Covered Person is stated in the *Schedule of Benefits*. This Maximum Benefit applies to the entire time he is covered under the Plan, either as an Employee or Dependent. If the Covered Person's coverage under the Plan terminates and he subsequently returns to coverage under the Plan, the Maximum Benefit will be calculated on the sum of benefits paid by the Plan during each period of coverage.

In the event the Covered Person changes coverage between any of the plans offered by TCSIG, the benefits paid on behalf of the Covered Person under this Plan shall apply to the Maximum Benefit limitations of the new plan. Such accumulation of benefits shall apply to each Covered Person for the duration the person is covered by any plan sponsored by TCSIG

The *Schedule of Benefits* contains separate Maximum Benefit limitations for specified conditions. The Maximum Benefit limitations may be limited to services and/or supplies during a Calendar Year, or to the entire time the person is covered under this Plan. Once the Maximum Benefit under the Plan has been paid, no additional benefits for the limited services and/or supplies shall be paid by the Plan, except for the beginning of a new Calendar Year as applicable. Any separate Maximum Benefit is part of, and not in addition to, the medical Maximum Benefit.

Automatic Restoration:

On the first day of each Calendar Year, the Plan restores the lesser of five thousand dollars (\$5,000.00) or the used portion of the Covered Person's lifetime medical Maximum Benefit. However, the Plan will not restore benefits for services and supplies for treatment of Mental Health Disorders/Chemical Dependency, Hospice and temporomandibular joint syndrome.

HOSPITAL/AMBULATORY SURGICAL CENTER/URGENT CARE FACILITY:

Inpatient Hospital admissions are subject to Pre-certification. Failure to obtain Pre-certification shall result in a reduction of benefits. (Refer to *Cost Containment*.)

Covered Expenses shall include:

1. Room and Board for treatment in a Hospital, including Intensive Care units (ICU), cardiac care units (CCU) and similar Medically Necessary accommodations.
2. Miscellaneous Hospital services, supplies and treatments including, but not limited to:
 - A. Admission fees and other fees assessed by the Hospital for rendering Medically Necessary services, supplies and treatments;
 - B. Use of operating, treatment or delivery rooms;
 - C. Anesthesia, anesthesia supplies and its administration by an employee of the Hospital;
 - D. Medical and surgical dressings and supplies, casts and splints;
 - E. Blood transfusions, including the cost of whole blood, the administration of blood, blood processing and blood derivatives. **(Excluded: Donated blood or replaced blood is not a Covered Expense. Donor charges are not covered. Autologous blood or related charges such as storage fees or preparation are not Covered.)**
 - F. Drugs and medicines **(Excluded: Drugs not used or consumed in the Hospital);**
 - G. X-ray and diagnostic laboratory procedures and services;
 - H. Oxygen and other gas therapy and the administration thereof;
 - I. Physical, occupational and speech therapy services.
3. The daily Hospital rate shall be as follows:

Routine Care:	average Semiprivate rate
Private Room:	average Semiprivate rate
ICU or CCU:	all Medically Necessary charges

 - A. If the Hospital only has private room facilities, private room charges will be considered Semiprivate charges.

- B. If a private room is Medically Necessary for isolation purposes, the private room charge will be considered as Semiprivate upon written verification of the attending Physician.
4. Services, supplies and treatments described above furnished by an Ambulatory Surgical Center, or Urgent Care Facility including follow-up care provided within seventy-two (72) hours of a procedure.

EMERGENCY:

If a Covered Person receives Emergency care, the Plan will pay as specified in the *Schedule of Benefits* for Physician, Hospital, diagnostic x-ray and laboratory services, supplies and treatment associated with the initial Emergency treatment and/or Confinement subject to a \$50, per occurrence, Emergency Room Deductible and remaining Benefit Percentage (Coinsurance) at the Preferred Provider level of benefit.

If the Covered Person receives such initial care from a Non-PPO Hospital, in order to receive full benefits, the Covered Person shall be relocated to a PPO Hospital, as soon as it is reasonable. If the Covered Person does not relocate to a Participating Provider Hospital, the Plan's payment shall be in accordance with the Non-PPO level of benefit.

PRE-ADMISSION TESTING:

Pre-admission Testing enables the Covered Person to have necessary tests done as an Outpatient prior to a scheduled admission or Outpatient Surgery. Pre-admission Testing for Medically Necessary tests shall be covered provided the following conditions are met:

1. The tests are ordered by a Physician.
2. The tests are performed on an Outpatient basis.
3. The tests are performed within seven (7) days prior to a Hospital Confinement or Outpatient Surgery.

AMBULANCE/EMERGENCY TREATMENT TRANSPORTATION:

1. Professional, licensed ambulance service for air or ground transportation to the nearest Hospital or Ambulatory Surgical Center able to provide the necessary services.
2. In the event that a condition requires specialized Emergency treatment not available at a local Hospital, Medically Necessary transportation for such treatment is covered when ordered by a Physician. The transportation is within the United States and Canada only and must be by a regularly scheduled airline, railroad, or by licensed, air or ground ambulance. Covered transportation is only from the initial Hospital to the nearest Hospital qualified to render the special treatment.
3. Emergency services actually provided by an advance life support unit, even though the unit does not provide transportation.

INPATIENT REHABILITATION SERVICES:

Charges made by a Rehabilitation Facility are eligible under the Plan provided:

1. The Covered Person was first confined in a Hospital for at least three (3) consecutive days for the same or related condition;
2. The attending Physician recommends Inpatient rehabilitation services;
3. The rehabilitation Confinement begins within fourteen (14) days after discharge from that Hospital Confinement, or within fourteen (14) days after a related rehabilitation care Confinement; and

4. The facility is licensed in the state of jurisdiction.

Covered Expenses are:

1. Room and Board (including regular daily services and supplies furnished by the Rehabilitation Facility); and
2. Other Medically Necessary services and supplies, except professional services, ordered by a Physician and furnished by the Rehabilitation Facility including physical therapy.

PHYSICIAN/PRACTITIONER SERVICES:

For Physician/Practitioner services subject to an Office visit Copay or Deductible and Coinsurance as listed in the *Schedule of Coinsurance and Deductibles*. All other Physician/Practitioner Services are subject to the Deductible and Coinsurance.

1. Charges of a Physician or Practitioner for medical and/or surgical services, supplies and treatment.
2. Surgical assistance provided by a Physician or Practitioner.
3. Charges of a Physician or professional anesthetist for furnishing and administering anesthetics.
4. Consultation charges requested by the attending Physician.
5. Radiologist or pathologist services for interpretation of x-rays and laboratory tests necessary for diagnosis and treatment.
6. Charges of a radiologist or laboratory for diagnosis or treatment.
7. Radiation therapy and Chemotherapy.
8. Nursing care by a licensed nurse except for private duty nursing.
9. Charges for acupuncture therapy rendered by an M.D., D.O., D.C. or Licensed Acupuncturist for treatment of chronic pain associated with migraines, arthritis, neuritis, sprains or strains.
10. Allergy shots and allergy testing.
11. Following appropriate diagnostic alternatives and documented failure of conventional medical evaluation, biofeedback may be considered Medically Necessary in the treatment of the following conditions: chronic pain, organic muscle abnormalities, chronic anorectal dysfunction associated with incontinence and constipation, chronic pelvic muscular dysfunction associated with urinary incontinence and Raynaud's phenomena. All other uses of biofeedback are considered Experimental/Investigational and are not a Covered Expense.

TRANSPLANT COVERAGE:

Subject to Pre-certification. Failure to obtain Pre-certification shall result in a reduction of benefits.

Services, supplies and treatment in connection with human organ or tissue transplant procedures are covered, subject to the following conditions:

1. All other conventional methods of treatment have been engaged, but were unsuccessful.
2. A second opinion may be required prior to undergoing any transplant procedure.
3. If the recipient is covered under this Plan, eligible medical expenses incurred by the recipient shall be considered for benefits.

4. If the donor is covered under this Plan, eligible medical expenses incurred by the donor shall be considered for benefits provided the recipient is also covered under this Plan. Eligible medical expenses incurred by each person shall be treated separately for each person. (If the recipient is not covered by this Plan, the donor expenses shall not be covered by this Plan.)
5. Expenses incurred by the donor, who is not ordinarily covered under this Plan according to eligibility requirements, shall be Covered Expenses to the extent that such expenses are not payable by any other form of health coverage, including any government plan or individual policy of health coverage, and provided the recipient is covered under this Plan. The donor's expense shall be applied to the recipient's Maximum Benefit. In no event will benefits be payable in excess of the Maximum Benefit still available to the recipient.
6. Covered Expenses of the donor which are incurred as the direct result of and within three (3) months of the transplant shall be considered expenses incurred by the donor to the extent that benefits are not provided under any other group health plan. Any fee or charge made by the donor for such organ(s) shall not be considered a covered medical expense.
7. The Customary and Reasonable Charge of securing an organ from a cadaver or tissue bank, including the surgeon's charge for removal of the organ and a Hospital's charge for storage or transportation of the organ, shall be considered a Covered Expense.
8. Transplant coverage is subject to the provisions of large case management. The facility to perform the transplant procedure must be pre-certified by the Utilization Review Organization (URO).

FAMILY PLANNING:

Family planning for the Employee, covered spouse and eligible Dependent shall include Covered Expenses incurred for abortions and elective sterilization. Infertility testing is limited to x-rays and laboratory examinations performed solely for the purpose of diagnosing infertility.

PREGNANCY:

Expenses incurred for medical care and treatment rendered to an Employee, their enrolled spouse or eligible Dependent for Pregnancy shall be considered for benefits under this Plan subject to all of the Plan's terms and conditions applicable to medical care and treatment of an Illness.

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

The attending Physician, after consultation with the mother, may release the mother before these time periods have expired.

BIRTHING CENTER:

Services and supplies rendered at a Birthing Center, as defined herein, to include care provided by a certified nurse midwife with supervision by a Physician or by nurses with specialized training to monitor labor, delivery, and after delivery care shall be a Covered Expense and payable as shown in the *Schedule of Benefits*.

WELL BABY CARE/PREVENTIVE CHILD CARE:

The Plan shall cover charges for Well Baby and preventive child care including routine examinations through age seven (7) and immunizations through age seven (7), as recommended by the Center for Disease Control (CDC).

NEWBORN SERVICES:

Covered Expenses for a well newborn child incurred for Hospital services to include routine nursery charges, initial Physician examination and circumcision, while the mother is confined for delivery shall be added to Covered Expenses of the mother to determine allowable benefits payable (one Deductible) provided the natural mother is enrolled under the Plan.

Payment for Covered Expenses for an ill newborn child incurred for Hospital and Physician services shall be made on the same basis as for any other Illness for the first thirty-one (31) days immediately following birth. After the thirty-first (31st) day, benefits shall be payable only if the Employee has properly enrolled the newborn child for Dependent benefits and paid any required contributions.

DIAGNOSTIC SERVICES AND SUPPLIES:

Covered Expenses shall include services and supplies for diagnostic laboratory, pathology, ultrasound, nuclear medicine, magnetic imaging and x-ray.

CHRISTIAN SCIENCE SERVICES:

Services rendered in accordance with the healing practices of Christian Science (except those rendered primarily for rest or spiritual guidance):

1. Present treatment and absent treatment by a Christian Science Practitioner subject to the same terms and conditions as if such charges had been made by a Physician;
2. Room and Board during Confinement for healing purposes in a Christian Science Sanatorium subject to the same terms and conditions as if such charges had been incurred in a Hospital;
3. Private duty nursing services by a Christian Science Nurse subject to the same terms and conditions as if such charges had been made by a Registered Nurse (R.N.).

SKILLED NURSING FACILITY:

Subject to Pre-certification. Failure to obtain Pre-certification shall result in a reduction of benefits.

Charges made by a Skilled Nursing Facility are eligible under the Plan provided:

1. The Covered Person was first confined in a Hospital for at least three (3) consecutive days;
2. The attending Physician recommends skilled nursing Confinement for a convalescence from a condition which caused that Hospital Confinement, or a related condition;
3. The skilled nursing Confinement begins with fourteen (14) days after discharge from a Hospital Confinement, or within fourteen (14) days after a related skilled nursing Confinement; and
4. The Covered Person is under a Physician's continuous care and he certifies that the Covered Person must have twenty-four (24) hours-per-day nursing care.

If the Covered Person is discharged from the Skilled Nursing Facility and again becomes an Inpatient in such facility within fourteen (14) days of the original discharge, it is considered one (1) period of Confinement.

Covered Expenses shall include:

1. Room and Board (including regular daily services and supplies furnished by the Skilled Nursing Facility); and
2. Other services and supplies, except for professional services, ordered by a Physician and furnished by the Skilled Nursing Facility for Inpatient medical care.

The Plan shall cover up to the lesser of the facility's regular daily Semiprivate rate or fifty percent (50%) of the most common daily Semiprivate rate of the Hospital in which most recently confined.

HOME HEALTH CARE:

Subject to Pre-certification. Failure to obtain Pre-certification shall result in a reduction of benefits.

Home Health Care enables the Covered Person to receive treatment by a Home Health Care Agency in his home for an Illness or Injury in lieu of being confined in a Hospital or Skilled Nursing Facility. Home Health Care services include:

1. Part-time or intermittent nursing care by or under the supervision of a graduate registered nurse (R.N.);
2. Part-time or intermittent Home Health Aide Services consisting primarily of caring for the Covered Person;
3. Physical therapy, occupational therapy and speech therapy;
4. Social services counseling;
5. Drugs, medicines, dressings, and laboratory tests ordered by a Physician.

Home Health Care shall be limited to the number of visits shown in the *Schedule of Benefits*. A visit by a member of a Home Health Care Agency and four (4) hours of Home Health Aide Service shall each be considered one Home Health Care visit.

The Covered Person must be under the continuing care of a Physician. The attending Physician must certify that the proper treatment of the Illness or Injury would require Confinement as an Inpatient in the absence of Home Health Care.

The Plan will not pay for:

1. Any services of a Close Relative or someone who normally lives in the Covered Person's home;
2. Any Custodial Care (services which are provided primarily to assist an individual in the activities of daily living, e.g., meals and personal grooming);
3. Private duty nursing care in excess of the part-time or intermittent care defined herein;
4. Any food, food supplements, home delivered meals, transportation expense, or housekeeping services.

HOME INFUSION THERAPY:

Subject to Pre-certification. Failure to obtain Pre-certification shall result in a reduction of benefits.

Home infusion therapy provider services are subject to Pre-certification to determine medical necessity. (See *Cost Containment*.) The following services and supplies when provided by a home infusion therapy provider in the home for the intravenous administration related to Illness or Injury, chemotherapy, antibiotic therapy, aerosol therapy, tocolytic therapy, special therapy, intravenous hydration, or pain management:

1. Medication, ancillary medical supplies and supply delivery (not to exceed a fourteen (14) day supply); however, medication which is delivered but not administered is not covered;
2. Pharmacy compounding and dispensing services (including pharmacy support) for intravenous solutions and medications;
3. Hospital and home clinical visits related to the administration of infusion therapy, skilled nursing services including those provided for: (a) patient or alternative care giver training; and (b) visits to monitor the therapy;
4. Rental and purchase charges for Durable Medical Equipment; maintenance and repair charges for such equipment;
5. Laboratory services to monitor the patient's response to therapy regimen.

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HOSPICE CARE:

Subject to the Pre-certification. Failure to obtain Pre-certification shall result in a reduction of benefits.

Hospice benefits for Inpatient Confinement and Home Health Care shall be covered only if the Covered Person's attending Physician certifies that:

1. The Covered Person is terminally ill, and
2. The Physician has certified the life expectancy is less than six (6) months.

Covered Expenses are:

1. Confinement in a Hospice.
2. Ancillary charges furnished by the Hospice while the person is confined.
3. Medical supplies, appliances, drugs and medicines prescribed by the attending Physician, but only to the extent such items are necessary for pain control and management of the terminal condition.
4. Physician services and/or nursing care by a registered nurse, a licensed practical nurse, or a licensed vocational nurse.
5. Home Health Aide Services.
6. Nutrition services.
7. Counseling services by a Practitioner or a licensed pastoral counselor.
8. Physical therapy, occupational therapy and speech therapy.
9. Respite care under the Hospice program is a short-term Inpatient stay in a facility. The Inpatient Confinement gives temporary relief, a respite, to the person who regularly assists with home care. Each Inpatient respite care stay is limited to no more than five (5) days in a row.
10. Bereavement counseling is a supportive service to Covered Persons in the deceased's immediate family after the death of such terminally ill person. Such visits are to assist the Covered Persons in adjusting to the death. Benefits shall be payable for bereavement care provided:
 - A. On the date immediately before death, the terminally ill person was covered under the Plan, a member of the covered family, and receiving Hospice care benefits, and
 - B. Charges for such services are incurred by the Covered Persons within three (3) months of the terminally ill person's death.

Hospice benefits are limited as stated in the *Schedule of Benefits*.

No benefits are payable for Hospice care or services which are excluded under the Plan's limitations and exclusions. Any Covered Expense paid under Hospice benefits will not be considered a Covered Expense under any other provision of this Plan.

DURABLE MEDICAL EQUIPMENT:

Subject to Pre-certification. Failure to obtain Pre-certification shall result in a reduction of benefits.

Pre-certification is required on Durable Medical Equipment over one thousand dollars (\$2,000.00).

Rental or purchase, whichever is less costly, of necessary Durable Medical Equipment which is prescribed by a Physician and required for therapeutic use by the Covered Person shall be a Covered Expense. Equipment ordered prior to the Covered Person's

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Effective Date of coverage is not covered, even if delivered after the Effective Date of coverage. Repair or replacement of purchased Durable Medical Equipment which is Medically Necessary due to normal use, or growth of a child will be considered a Covered Expense.

Equipment containing features of an aesthetic nature or features of a medical nature which are not required by the Covered Person's condition, or where there exists a reasonably feasible and medically appropriate alternative piece of equipment which is less costly than the equipment furnished, will be covered based on the usual charge for the equipment which meets the Covered Person's medical needs. Any charges over the usual charge will be the responsibility of the Covered Person.

ROUTINE PHYSICAL EXAMINATION:

Coverage for one (1) routine physical examination/visit per Calendar Year for the Employee, covered spouse and eligible Dependents to include Physician services, diagnostic laboratory, and x-ray services which shall be limited for each as specified in the *Schedule of Benefits*. Immunizations will be included as recommended by the Center for Disease Control for children and adults. **Foreign travel immunizations are not covered.**

Virtual physical (full-body CAT scan), CT body scanning, coronary artery scoring, high resolution-low dose lung screening, full body screening, brain scan, vital views and full body scans or similar named scans will not be a Covered Expense. Scans ordered/referred by a Physician for an active diagnosis that requires this type of scan will be a Covered Expense.

PHYSICAL THERAPY/OCCUPATIONAL THERAPY:

Physical therapy and occupational therapy services are subject to a Maximum Benefit as specified in the *Schedule of Benefits*. The following services provided by a Physician under a treatment plan which offers a reasonable expectation of significant improvement are covered:

1. Physical therapy provided on an Outpatient basis for treatment of Illness or Injury include the therapeutic use of heat, cold, exercise, electricity, ultra violet radiation, manipulation of the spine, or massage for the purpose of improving circulation, strengthening muscles, or encouraging the return of motion. (This includes many types of care which are customarily provided by chiropractors, physical therapists and osteopaths.)
2. Occupational therapy provided on an Outpatient basis when the ability to perform daily life tasks has been lost or reduced by Illness or Injury including programs which are designed to rehabilitate mentally, physically or emotionally handicapped persons. Occupational therapy programs are designed to maximize or improve a patient's upper extremity function, perceptual motor skills and ability to function in daily living activities.

Benefits are not payable for care provided to relieve general soreness or for conditions that may be expected to improve without treatment.

SPEECH THERAPY:

Speech therapy must be ordered by a Physician to aid restoration due to Illness or Injury. Covered Expenses shall include services of a speech therapist. Covered Expenses for speech therapy shall not include services for an impairment due to mental, psychoneurotic or personality disorder.

For Physician/Practitioner services a Office visit Copay or Deductible and Coinsurance will apply. All other Physician/Practitioner Services are subject to the Deductible and Coinsurance.

TEMPOROMANDIBULAR JOINT DYSFUNCTION:

Surgical and non-surgical treatment and/or services related to temporomandibular joint (TMJ), or myofacial pain syndrome, or other associated disorders, except for orthodontia, shall be a Covered Expense. TMJ shall have a Maximum Benefit payable per Covered Person as shown in the *Schedule of Benefits*. This limitation shall apply whether treatment is provided by a Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of Dental Medicine (D.M.D.), Dentist (D.D.S.) or Hospital.

ORAL SURGERY:

Oral surgery shall be limited to the following procedures:

1. Excision of tumors or cysts from the mouth;
2. Excision of exostoses of the jaws and hard palate (provided that this procedure is not done in preparation for dentures);
3. Treatment of fractures of facial bones;
4. External incision and drainage of cellulitis;
5. Incision of accessory sinuses, salivary glands or ducts.

DENTAL SERVICES:

Charges in connection with dental work, dental x-rays, dental examination, or oral surgery (including Hospital Room and Board, necessary services and supplies, and charges of a Physician and surgeon) for repair of sound natural teeth or other body tissue provided:

1. It is a result of an accidental bodily Injury occurring while covered, and
2. The treatment is complete within six (6) months after the Injury.

A sound natural tooth is free of decay, but may be restored by fillings, has a live root and does not have a cap or crown.

PROSTHESES:

Purchase of a prosthesis (other than dental) provided for functional reasons when replacing all or part of a missing body part (including contiguous tissue) or to replace all or part of the function of a permanently inoperative or malfunctioning body organ. An external breast prosthesis shall be covered once every three (3) Calendar Years, the support garment two (2) in each six (6) month period, up to a maximum of \$50 each, and the first permanent internal breast prosthesis necessary because of a mastectomy shall also be a Covered Expense. A prosthesis ordered prior to the Covered Person's Effective Date of coverage is not covered, even if delivered after the Effective Date of coverage. Repair or replacement of a prosthesis which is Medically Necessary due to normal use, or growth of a child will be considered a Covered Expense. Wigs or artificial hair pieces as a result of chemotherapy or radiation therapy will be considered a Covered Expense, up to a maximum of \$250.

SPECIAL EQUIPMENT AND SUPPLIES:

Covered Expenses shall include Medically Necessary special equipment and supplies including, but not limited to: casts; splints; braces; trusses; surgical and orthopedic appliances; colostomy bags and supplies required for their use; catheters; test strips and blood sugar measurement devices; allergy serums; crutches; electronic pacemakers; oxygen and the administration thereof; the initial pair of eyeglasses or contact lenses due to cataract surgery; soft lenses or sclera shells intended for use in the treatment of Illness or Injury of the eye; support stockings, such as Jobst stockings and surgical dressings ordered by a professional provider in connection with medical treatment. **Common first aid supplies and over-the-counter products are not Covered Expenses.**

COSMETIC SURGERY:

Cosmetic Surgery shall be a Covered Expense provided:

1. A Covered Person's Injury resulted from an accident which occurred while covered for benefits hereunder and, as a result requires surgery. Cosmetic Surgery and treatment must be for the purpose of restoring the Covered Person to his normal body functions immediately prior to the accident.
2. It is required to correct a congenital disease, developmental condition or anomaly (which has resulted in a functional defect) of a Dependent child.

3. Reconstruction of the breast on which the mastectomy was performed, surgery and reconstruction of the other breast to produce a symmetrical appearance and prostheses and physical complications for all stages of mastectomy, including lymphedemas. The replacements of such items which are not Medically Necessary are not Covered Expenses.

MENTAL HEALTH DISORDERS/CHEMICAL DEPENDENCY:

Mental Health Disorders/Chemical Dependency benefits are limited as shown in the *Schedule of Benefits*. Benefits are subject to the Plan *Exclusions*.

TCSIG has contracted with a managed psychiatric health care and Chemical Dependency services Network (Network) to provide Covered Persons with services and supplies for the treatment of Mental Health Disorders/Chemical Dependency.

All treatment, Inpatient and Outpatient, for Mental Health Disorders and Chemical Dependency must be pre-certified by the managed psychiatric health care and Chemical Dependency services Network. For Emergency Admission, the Covered Person or their designated representative must obtain certification within seventy-two (72) hours.

Inpatient Services include day treatment, residential treatment or partial hospitalization which provides all the treatment and services of Inpatient Mental Health Disorders or Chemical Dependency treatment, except the Covered Person does not remain in the facility overnight. The Covered Person is treated in the facility for at least four (4) hours, but not greater than seventeen (17) continuous hours per treatment day. The Covered Person is treated in a structured Outpatient program through a licensed treatment facility and the treatment is pre-certified by the Network.

SPINAL MANIPULATION:

Covered Expense includes initial consultation, x-rays and treatment (but not maintenance care), subject to the Maximum Benefit as specified in the *Schedule of Benefits*.

PRESCRIPTIONS:

The Plan requires the use of a Network pharmacy.

Prescription drugs and medications prescribed by a Physician or Practitioner, including insulin, test strips, lancets, syringes and needles for insulin which are purchased through the prescription program shall be a Covered Expense. **Vitamins, baby formula, food or nutritional supplements, infertility medications or contraceptives, other than birth control pills, are not covered.**

A generic or formulary drug will automatically be substituted for a brand name unless there are health reasons and the Physician indicates "Dispense as Written". A letter of medical necessity will be required from the prescribing Physician.

If the Covered Person requests a brand name drug when a generic is available and Physician has NOT provided written evidence of medical necessity, the Covered Person will be liable for the difference in cost between the name brand and the generic in addition to the brand name Copay.

Pharmacy Network:

TCSIG has contracted with a pharmaceutical Network to provide prescription drugs and medicines. The Plan shall pay the Covered Expenses after the Covered Person has paid the applicable Copay as specified in the *Schedule of Benefits*. Quantities are limited to a thirty-one (31) day supply.

Mail Order Program:

TCSIG has also contracted with a company to provide maintenance prescription drugs at a discounted rate through a mail order program. If the Covered Person requires a maintenance type drug, the Physician may write the prescription for up to a ninety (90) day supply.

PODIATRY SERVICES:

Covered Expenses shall include surgical podiatry services, including incision and drainage of infected tissues of the foot, removal of lesions of the foot, removal or debridement of infected toenails, surgical removal of nail root, and treatment of fractures or dislocations of bones of the foot.

SURCHARGES:

Any excise tax, sales tax, surcharge, (by whatever name called) assessed by a governmental entity for services, supplies and/or treatments rendered by a professional provider; Physician; Hospital; facility or any other health care provider shall be a Covered Expense under the terms of the Plan.

PLAN EXCLUSIONS

No payment will be made under this Plan for expenses incurred by a Covered Person for the following:

1. Charges for services, supplies or treatment from any Hospital or agency owned or operated by any United States federal, state, or local governmental agency, or any government outside the United States unless payment is legally required.
2. Charges for services, supplies or treatment for Illness or Injury which is caused by or attributed to war or any act of war, participation in a riot, civil disobedience or insurrection. "War" means declared or undeclared war, whether civil or international, or any substantial armed conflict between organized forces of a military nature.
3. Any condition for which benefits of any nature are recovered or are found to be recoverable, either by adjudication or settlement, under any Workers' Compensation law, employer's liability law, or occupational disease law, even though the Covered Person fails to claim rights to such benefits.
4. Charges in connection with any Illness or Injury arising out of, or in the course of, any employment for wage or profit.
5. Charges made for services and supplies which are not Medically Necessary for the treatment of Illness or Injury, or which are not recommended and approved by the attending Physician, except as specifically stated herein, or to the extent that the charges exceed Customary and Reasonable Charges or the Negotiated Rate.
6. Charges for treatment of any intentionally self-inflicted Illness or Injury, whether the individual treated was sane or insane at the time the incident occurred, including suicide or attempted suicide.
7. Charges resulting from, or occurring during the commission of, or attempt to commit a crime by the Covered Person, while engaged in an illegal occupation, felonious act or aggravated assault.
8. Charges resulting from the release of nuclear energy, whether or not the result of war, when government funds are available for treatment of Illness or Injury arising from such release of nuclear energy.
9. To the extent that payment under this Plan is prohibited by any law of the jurisdiction in which the Covered Person resides at the time the expenses are incurred.
10. Charges for treatment, services, or supplies that are provided due to a court order.
11. Charges for services rendered and/or supplies received prior to the Effective Date or after the termination date of an individual's coverage.
12. Any services or supplies for which the Covered Person is not legally required to pay or which no charge is made to the Covered Person in the absence of coverage.
13. Medical or surgical procedures, drugs, medical supplies, medical devices or medical equipment which are Experimental, Investigational, or do not meet accepted standards of medical practice. TCSIG shall maintain discretionary authority to determine whether a particular procedure or treatment is Experimental or Investigational. TCSIG shall rely upon competent medical opinion and reference manuals utilized by the Claims Administrator and the Utilization Review Organization (URO) in making a determination.
14. Charges incurred outside the United States if the Covered Person traveled to such a location for the purpose of obtaining medical services, prescription drugs or supplies.
15. Charges for services rendered by a Physician or Practitioner if such professional is a Close Relative of the Covered Person or resides in the same household of the Covered Person.
16. Charges for services, supplies or treatment rendered by Physicians or professional providers beyond the scope of their license; for any treatment, Confinement or service which is not recommended by or performed by an appropriate professional provider.

17. Charges for injuries suffered by a Covered Person which are subject to third party liability or subrogation rights if the Covered Person fails to provide information as specified in *Subrogation/Third Party Liability*.
18. Reversal of sterilization procedures.
19. In vitro fertilization, artificial insemination, induced ovarian hyperstimulation, or embryonic implantation procedures, and other direct attempts to induce Pregnancy.
20. Expenses for the medical treatment of infertility or infertility drugs. Infertility testing is subject to the provisions under *Medical Expense Benefit*.
21. Over-the-counter birth control devices, contraceptives or medications used for contraceptive purposes; however, prescribed birth control pills and other prescribed hormonal contraceptive methods, as well as the implantation of an intrauterine device (IUD) are covered.
22. Charges for services, supplies or treatment for transsexualism, gender dysphoria or sexual reassignment or change, including medications, implants, hormone therapy, surgery, medical or psychiatric treatment or charges in connection with sexual dysfunction or inadequacies.
23. If this Plan is secondary, the primary coverage must be used first. If the Covered Person does not abide by the primary plan's guidelines for Pre-certification and contracted providers, this Plan will exclude the expenses incurred for any penalty and/or reduction of benefits incurred for the failure to obtain Pre-certification, or for non-participating services.
24. Charges not deemed to be Medically Necessary by the Utilization Review Organization (URO).
25. Hospital Confinement principally for observation, diagnostic evaluations, physical therapy, x-rays or laboratory tests when such services or procedures can be safely done on an Outpatient basis.
26. Charges for services, supplies or treatment for hyperkinetic syndromes, attention deficit disorders, behavior or conduct disorders, development delay, hyperactivity, learning disorders, mental retardation, autistic disease or hospitalization for environmental change. However, the initial examination, office visit and initial diagnostic testing to determine the Illness shall be a Covered Expense.
27. Charges for services, supplies or treatments which are primarily educational in nature; charges for services for educational or vocational testing or training and work hardening programs regardless of diagnosis or symptoms; charges for self-help training or other forms of non-medical self-care.
28. Charges for occupational therapy unless it is being done to restore a physical function
29. Except as specifically stated in *Medical Expense Benefit*, charges for or in connection with: treatment of Injury or disease of the teeth; oral surgery; treatment of gums or structures directly supporting or attached to the teeth; removal or replacement of teeth; or dental implants.
30. Optometric services, dispensing optician's services, orthoptics, eyeglasses, contact lenses, routine eye examination and eye refractions for the fitting of glasses, except as specifically stated under *Medical Expense Benefit*. Any eye surgery solely for the purpose of correcting refractive defects of the eye such as near-sightedness (myopia) and astigmatism; contact lenses and eyeglasses required as a result of this surgery.
31. Routine foot care including treatment of weak, strained, flat, unstable or unbalanced feet, metatarsalgia, corns, calluses, fallen arches and trimming of toenails (except the removal of nail roots), bunions (except open cutting operations).
32. Charges for services or supplies which constitute personal comfort, hygiene or beautification items; television or telephone use; education, training, and bed and board while confined to an institution for training; a place of rest, a place for the aged, a nursing home or institution of like character, nor for Custodial Care.
33. Charges for telephone consultations, completion of claim forms, charges associated with missed appointments.

34. Expenses for nonprescription drugs and medicines, vitamins, cosmetic and dietary aids, food or nutritional supplements, baby formula and Nicorette even though a prescription number has been assigned. Amphetamines when prescribed as a dietary aid will not be considered a Covered Expense.
35. Charges for orthopedic shoes (except when they are an integral part of a leg brace), shoe inserts, orthotic appliances or other supportive devices.
36. Charges incurred for air purifiers, air conditioners, humidifiers, exercise equipment, water purifiers, whirlpools, heating pads, hot water bottles, allergenic pillows or mattresses, and waterbeds.
37. Charges incurred for escalators or elevators, saunas or swimming pools, professional medical equipment such as blood pressure kits, or supplies or attachments for any of these items.
38. Charges incurred for therapeutic devices or appliances, including support garments and other non-medical substances, regardless of intended use.
39. Expenses in connection with the care or treatment of, or surgery performed for a cosmetic procedure, except as specifically provided for herein.
40. Services, supplies or treatment for weight reduction by diet control, surgery or behavior modification with or without medication.
41. Replacement of casts, splints, braces or similar devices damaged as a result of negligence.
42. Charges for examination to determine hearing loss or the fitting, purchase, repair or replacement of a hearing aid.
43. Premarital examinations, pre-employment examinations, sports physicals or aviation examinations unless concurrent with annual Routine Physical Examination.
44. Any treatment or service which is covered by no-fault (automobile) state provisions or other similar legislation.
45. Charges for marriage counseling.
46. Immunizations and inoculations if given for foreign travel.
47. Christian Science treatment or services rendered primarily for rest or spiritual guidance.
48. Charges for services, supplies and treatment for smoking cessation programs, or related to the treatment of nicotine addiction, including smoking deterrent patches.
49. Charges for services or supplies merely for the convenience of the Covered Person, the Physician, or Practitioner.
50. Any prescription provided by a pharmacy other than through the contracted pharmacy Network or the mail order program, except as otherwise specified for out of service area.
51. Any prescription which does not have FDA approval. Any prescription filled in excess of the amount specified by the Physician or any prescription or refill dispensed after one year from the Physician's original order. Dispensing limitation: The amount normally prescribed by a Physician, but not to exceed a thirty-one (31) day supply. However, the mail order drug program may provide for up to a ninety (90) day supply.
52. Charges for a naturopathy, homeopathy treatment or drugs, hypnotism, massage therapy or aversion therapy.
53. Home nursing care except as provided under Home Health Care or Hospice.
54. Private duty nursing care.

55. Charges for organ donor expenses unless the recipient is covered under this Plan.
56. Virtual physical (full-body CAT scan), CT body scanning, coronary artery scoring, high resolution-low dose lung screening, full body screening, brain scan, vital views and full body scans or similar named scans will not be a Covered Expense. Scans ordered/referred by a Physician for an active diagnosis that requires this type of scan will be a Covered Expense.
57. Covered Expenses for speech therapy shall not include services for an impairment due to mental, psychoneurotic or personality disorder.
58. Common first aid supplies and over-the-counter products are not Covered Expenses.
59. The replacement of items which are not Medically Necessary are not Covered Expenses.

CLAIM PROCEDURE AND PAYMENT OF BENEFITS

Claims must be submitted to the Claims Administrator within ninety (90) days after the occurrence or commencement of any loss covered by the Plan, or as soon thereafter as reasonably possible. The provider of service may submit claims to the Claims Administrator on behalf of the Employee or their Dependents. However, the Employee is ultimately responsible to ensure claims are submitted in a timely manner.

Claims for benefits under the Plan shall conform to the following procedures:

1. A medical claim form must be submitted for all claims where the Covered Person paid the provider directly.
2. Employees must provide to the Claims Administrator any information concerning any other group health coverage for all covered family members.
3. All bills submitted for benefits must contain the following:
 - A. Name of patient.
 - B. Name of Employee.
 - C. Name, address and tax identification number of provider.
 - D. Employee Social Security number or Identification number.
 - E. Date of service.
 - F. Diagnosis.
 - G. Description of service or procedure number.
 - H. Charge for service.
4. Claims submitted for prescription drugs must include the pharmacy receipt which contains the following:
 - A. Name of the patient.
 - B. Name of Employee.
 - C. Employee Social Security number or identification number.
 - D. Name and address of the pharmacy.
 - E. Date of purchase.
 - F. The cost.
 - G. Prescription number and name of prescription.

Cash register receipts, credit card copies, labels from containers and canceled checks are not acceptable.

5. Claims not submitted within twelve (12) months of the date of incurred liability shall be denied.

NOTICE OF CLAIM:

Failure to file a claim form and an itemized bill within ninety (90) days shall not invalidate or reduce any claim for benefits if it shall be shown that: (1) it was not reasonably possible to file within that time; (2) and that the claim was filed as soon as possible, but no later than twelve (12) months after the loss occurred or commenced, unless the claimant is legally incapacitated. Upon termination of the Plan, final claims must be received within thirty (30) days of termination.

PAYMENT OF BENEFITS:

Benefits are payable to the Employee whose Illness or Injury, or whose Dependent's Illness or Injury is the basis of an incurred claim under this Plan. Subject to any written direction of the Employee through an application or otherwise, all or a portion of any benefits provided by the Plan for medical services may, at the Plan's option, and if assignment of benefits has been made by the Covered Person, be paid directly to the provider of service.

CLAIMS REVIEW PROCEDURES:

The Claims Administrator shall approve, partially approve, or deny the claim within ninety (90) days after all necessary information is received to determine the validity of the claim.

If a Covered Person's initial claim for Plan benefits is denied in whole or in part, the Covered Person may request a review of the denied claim by the Claims Administrator. The request for review of the denied claim must be in writing and received by the Claims Administrator within sixty (60) days after the claim was denied. The request for review shall contain the reasons for the request and any additional information or documentation to support the claim for benefits. The Claims Administrator shall consider the request for review and notify the Covered Person of its decision within sixty (60) days of its receipt of the request. The Claims Administrator's decision shall be in writing and shall set forth:

- A. The specific reason or reasons for the denial;
- B. Specific reference to pertinent Plan provisions on which denial is based;
- C. A description of any additional material or information necessary for the claimant to perfect the claim; and
- D. An explanation of the Plan's claim appeal procedure.

If the decision of the Claims Administrator is to deny the claim, the Employee may appeal that denial to TCSIG. The appeal must be in writing and received by TCSIG within sixty (60) days after the receipt of the decision of the Claims Administrator.

A decision on the appeal shall be made within sixty (60) days after receipt of the appeal by TCSIG. The decision shall be in writing and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. At the discretion of TCSIG, this second appeal may be presented to the TCSIG Executive Committee. The Executive Committee's decision is final.

FOREIGN CLAIMS:

In the event a Covered Person incurs a Covered Expense in a foreign country, the Covered Person shall be responsible for providing the following to the Claims Administrator before payment of any benefits due are payable:

1. The claim form, provider invoice and any other documentation required to process the claim must be submitted in the English language.
2. The charges for services must be converted into dollars at the conversion rate applicable as of the date of service.
3. A current conversion chart validating the conversion from the foreign country's currency into dollars.

INCAPACITY:

If in the opinion of the Claims Administrator, a Covered Person for whom a claim has been made is incapable of furnishing a valid receipt of payment due him and in the absence of written evidence to TCSIG of the qualification of a guardian or personal representative for his estate, TCSIG may, at its discretion, direct any and all such payments to be made to the provider of medical services or other person providing for the care and support of such individual. Any payment so made will constitute a complete discharge of the Plan's obligation to the extent of such payment and the Claims Administrator will not be required to see to the application of the money so paid.

RECOVERY FOR OVERPAYMENT:

Whenever payments have been made by TCSIG in any amount, at any time, in excess of the maximum amount of payment necessary at that time to satisfy the intent of these provisions, TCSIG shall have the right to recover such payments, to the extent of such excess, from among one or more of the following, as TCSIG shall determine: any individual to or for or with respect to whom such payments were made, any insurance companies, and any other organizations. TCSIG has the right to apply recovery to any additional benefits payable under this Plan.

PHYSICAL EXAMINATIONS REQUIRED BY THE PLAN:

The Plan, at its own expense, shall have the right to require an examination of an individual covered under this Plan by a Physician designated by TCSIG when and as often as it may reasonably require during the pendency of a claim.

LEGAL ACTIONS:

No action at law or in equity shall be brought to recover on the Plan prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of the Plan. No such action shall be brought after the expiration of three (3) years after the time written proof of loss is required to be furnished.

COORDINATION OF BENEFITS

The Coordination of Benefits provision is intended to prevent duplication of benefits. It applies when the Covered Person is also covered by any Other Plan(s). When more than one coverage exists, one plan normally pays its benefits in full, referred to as the primary plan. The Other Plan(s), referred to as secondary plans, pay a reduced benefit. When Coordination of Benefits occurs, the total benefit payable by all plans shall not exceed one hundred percent (100%) of "Allowable Expenses." Only the amount paid by this Plan shall be charged against the Maximum Benefit.

The Coordination of Benefits provision applies whether or not a claim is filed under the Other Plan(s). If another plan provides benefits in the form of services rather than cash, the reasonable value of the service rendered shall be deemed the benefit paid.

DEFINITIONS APPLICABLE TO THIS PROVISION:

"Allowable Expenses" means any reasonable, necessary, and customary Covered Expenses incurred while covered under this Plan, part or all of which could be covered under any Other Plan(s). Allowable Expenses do not include expenses contained in the *Plan Exclusions* section of this Plan.

"Other Plan(s)" means any plan, policy or coverage providing benefits or services for, or by reason of health, medical or dental care treatment. Such Other Plan(s) may include, without limitation:

1. Group insurance or any other arrangement for coverage for Covered Persons in a group whether on an insured or uninsured basis, including but not limited to, Hospital indemnity benefits and Hospital reimbursement-type plans;
2. Hospital or medical service organization on a group basis, group practice and other group pre-payment plans;
3. Hospital or medical service organization on an individual basis having a provision similar in effect to this provision;

4. A licensed Health Maintenance Organization (HMO);
5. Any coverage under a government program and any coverage required or provided by any statute;
6. Group automobile insurance;
7. Automobile insurance coverage on an automobile leased or owned by the Employer;
8. Individual automobile insurance coverage based upon the principles of "No-fault" coverage;
9. Any plan or policies funded in whole or in part by an employer or deductions made by an employer from a person's compensation or retirement benefits;
10. Labor/management trustee, union welfare, employer organization or Employee benefit organization plans.

"This Plan" shall mean that portion of the Employer's Plan which provides benefits that are subject to this provision.

"Claim Determination Period" means a Calendar Year or that portion of a Calendar Year during which the Covered Person for whom a claim is made has been covered under this Plan.

EFFECT ON BENEFITS:

This provision shall apply in determining the benefits for a Covered Person for each claim determination period for the Allowable Expenses incurred. The benefits paid under this Plan shall be reduced so that the sum of benefits paid by all plans do not exceed one hundred percent (100%) of total Allowable Expenses incurred.

If the rules set forth below would require this Plan to determine its benefits before such Other Plan, then the benefits of such Other Plan will be ignored for the purposes of determining the benefits under this Plan.

ORDER OF BENEFIT DETERMINATION:

Each plan shall make its claim payment according to the following order of benefits determination:

1. No Provisions for Coordination of Benefits
If the Other Plan contains no provisions for Coordination of Benefits, then its benefits shall be paid before all other plans.
2. Employee/Dependent
The plan which covers the claimant as an Employee (or named insured) pays as though no Other Plan existed. Remaining recognized charges are paid under a plan which covers the claimant as a Dependent.
3. Dependent Children of Parents not Separated or Divorced
The plan covering the parent whose birthday (month and day) occurs earlier in the year pays first. The plan covering the parent whose birthday falls later in the year pays second. If both parents have the same birthday, the plan that covered a parent longer pays first. A parent's year of birth is not relevant in applying this rule.
4. Dependent Children of Separated or Divorced Parents
Subject to the *Eligibility* provisions of this Plan, when parents are separated or divorced, the birthday rule does not apply. The following shall apply:
 - A. If a court decree has given one parent financial responsibility for the child's health care, the plan of such parent pays first. The plan of the step-parent, if any, married to the parent with financial responsibility pays second. The plan of the other natural parent pays third.
 - B. In the absence of such a court decree, the plan of the parent with custody pays first. The plan of the step-parent, if any, married to the parent with custody pays second. The plan of the parent without custody pays third.

5. Active/Inactive
The plan covering a person as an active (not laid off or retired) Employee, or as that person's Dependent pays first. The plan covering that person as a laid off or retired Employee, or as that person's Dependent pays second.
6. Longer/Shorter Length of Coverage
If none of the above rules determine the order of benefits, the plan covering a person longer pays first. The plan covering that person for a shorter time pays second.
7. Dual TCSIG Plans
If both spouses are employed by the same Employer or by separate participating Employers of TCSIG, and are covered as participants, these provisions will apply for all covered family members in the same manner as if the spouses were covered under two different plans.
8. Continuation of Coverage
If a person is covered by another group health plan, but is also covered under this Plan for continuation of coverage due to the other plan's limitation for Pre-existing Conditions, the other plan shall be primary for all expenses which are not related to the limited Pre-existing Condition.

COORDINATION WITH MEDICARE:

Notwithstanding all other provisions of this Plan, all retired Covered Persons who are eligible for Medicare benefits, will be entitled to benefits under this Plan in addition to Medicare. However, any benefits of this Plan will be coordinated with Medicare. If any retired Covered Person is eligible for Medicare Parts A and B and fails to enroll, benefits will be paid as though he had enrolled.

RIGHT TO RECEIVE AND RELEASE NECESSARY INFORMATION:

For the purposes of determining the applicability of and implementing the terms of this provision, TCSIG may, without the consent of or notice to any person, release to or obtain from any insurance company or any other organization or person any information with respect to any person. Any person claiming benefits under this Plan shall furnish to TCSIG such information as may be necessary to implement the Coordination of Benefits provision.

FACILITY OF BENEFIT PAYMENT:

Whenever payments which would have been made under this Plan in accordance with this provision have been made under any Other Plan, TCSIG shall have the right, exercisable alone and in its sole discretion, to pay over to any organization making such other payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision. Amounts so paid shall be deemed to be benefits paid under this Plan and, to the extent of such payments, TCSIG shall be fully discharged from liability under this Plan.

RIGHT TO RECOVERY:

Whenever payments have been made by TCSIG with respect to Allowable Expenses in any amount, at any time, in excess of the maximum amount of payment necessary at that time to satisfy the intent of these provisions, TCSIG shall have the right to recover such payments, to the extent of such excess, from among one or more of the following, as TCSIG shall determine: any individual to or for or with respect to whom such payments were made, any insurance companies, and any other organizations. TCSIG has the right to apply recovery to any additional benefits payable under this Plan.

SUBROGATION/THIRD PARTY LIABILITY

It is the intent of this Plan that any Covered Person will not be reimbursed for more than one hundred percent (100%) of his/her Allowable Expenses (as defined in the Coordination of Benefits provision). Therefore, the Plan maintains the right to seek reimbursement on its own behalf; the right of subrogation. The Plan also reserves the right to reimbursement upon a Covered Person's receipt of settlement, judgment or award; the right of third party liability reimbursement.

When the Covered Person or covered Dependents, or anyone who received benefits under this Plan is injured and entitled to receive money from any source, including but not limited to any party's liability insurance and uninsured/underinsured motorist proceeds, then the benefits provided or to be provided by this Plan are secondary, not primary. Any recovery will be deemed as compensation for medical expenses.

This provision allows the Plan to receive reimbursement for past, present and future medicals from the Covered Person or covered Dependents paid by any source resulting from the accident or Injury. Reimbursement shall be made immediately upon collection of any sum(s) recovered regardless of its legal, financial or other sufficiency, without reduction for costs, comparative negligence, limits on collectability or responsibility, or otherwise. Reimbursement shall be made regardless of whether the Covered Person has been fully compensated, or "made whole" by their recovery.

The Plan will not pay any fees or costs unless expressly agreed to in writing and in advance, nor is it responsible for the Covered Person's court costs and attorney fees if the Plan needs to file suit to recover benefits paid on claims related to the third party Injury.

As a condition of receiving benefits under the Plan, the Covered Person agrees to the Plan's right to recovery under third party liability or subrogation rights against any third party up to the amount of expenses incurred by the Plan. Payment of benefits will be contingent upon the Covered Person's cooperation with the Claims Administrator by providing the Plan with all required information and assistance in the recovery of such payment or over-payment to the extent of such payment by this Plan. The term "information" includes any instruments and documents as TCSIG may reasonably require to enforce its rights.

The Plan shall pay up to one thousand dollars (\$1,000.00) of Covered Expenses for any one incident involving a third party. Thereafter, the Covered Person must furnish the required information. Failure to provide the information shall result in denial of any additional related claims. Upon settlement, judgment or award, the Plan shall be reimbursed for all benefits paid including the first one thousand dollars (\$1,000.00) paid on behalf of the Covered Person.

The Covered Person or Dependent will not take any action that would prejudice these reimbursement rights and will cooperate in doing whatever is reasonably necessary to assist in any recovery effort.

If the Covered Person takes no action to recover money from any source, then the Employee or Covered Person agrees to allow the Plan to initiate its own direct action for reimbursement.

TCSIG has delegated to the Claims Administrator and others the right to perform ministerial functions required to assert the Plan's rights, however, TCSIG shall retain discretionary authority with regard to asserting third party liability reimbursement and subrogation rights of the Plan.

GENERAL PROVISIONS

ADMINISTRATION OF THE PLAN:

Tri-County Schools Insurance Group (TCSIG) is the Plan Administrator of this Plan. The Plan Administrator shall be in charge of and responsible for the operation and administration of this Plan.

The Plan Administrator is hereby designated the named fiduciary with respect to the administration of the Plan and the Trustee, if any, is designated as the named fiduciary with respect to the investment and management of the assets of the Plan. The Plan Administrator shall have the right from time to time to delegate to such persons or entities such Plan administration duties and responsibilities as the Plan Administrator deems appropriate. The Plan Administrator shall maintain such records as shall be necessary for the administration of the Plan. The Plan Administrator shall file all reports and documents which are required by law to be filed by the Plan Administrator. The Plan Administrator shall adopt and implement such procedures including, but not limited to, utilization review and case management procedures, as are deemed necessary in the sole discretion of the Plan Administrator to administer the Plan.

TCSIG has appointed a Claims Administrator to receive and initially review and process claims for Plan benefits. Any appeals of denied claims for Plan benefits shall be directed to the Claims Administrator for determination. TCSIG shall maintain complete authority for final review of all denied claims for benefits under the Plan including, but not limited to, the denial of certification of the medical necessity of Hospital or medical treatment. In exercising its fiduciary responsibilities, TCSIG shall have discretionary authority to determine whether and to what extent Covered Persons are entitled to benefits and to construe and interpret Plan provisions. TCSIG shall be deemed to have properly exercised such authority unless it has abused its discretion hereunder by acting arbitrarily and capriciously.

ASSIGNMENT:

The Covered Person's benefits may not be assigned without consent of the Employee, other than to suppliers of medical services.

BENEFITS NOT TRANSFERABLE:

No person other than an eligible Covered Person is entitled to receive services and benefits under this Plan. Such right to services and benefits are not transferable.

CLERICAL ERROR:

No clerical error on the part of the Employer, TCSIG or Claims Administrator shall operate to defeat any of the rights, privileges or services and benefits of any Employee or any Dependent(s) hereunder, nor create or continue coverage which would not otherwise validly become effective or continue in force hereunder. An equitable adjustment of contributions and/or benefits shall be made when the error or delay is discovered, if appropriate at the sole discretion of TCSIG

CONFORMITY WITH FEDERAL AND STATE STATUTES:

Any provision of the Plan which on its Effective Date is in conflict with federal or state statute(s), which apply to this Plan, is hereby amended to conform to the minimum requirements of said statute(s).

EFFECTIVE DATE OF THE PLAN:

The Effective Date of this Plan is July 1, 2008.

FREE CHOICE OF HOSPITAL AND PHYSICIAN:

Nothing contained in this Plan shall in any way or manner restrict or interfere with the right of any individual entitled to Hospital service and care hereunder to select a Hospital or to make a free choice of the attending Physician, who shall be the holder of a valid and unrevoked Physician's certificate and who is a member of, or acceptable to, the attending staff and board of directors of the Hospital in which said Hospital services are to be provided and rendered. However, benefits will be paid in accordance with this Plan.

INCONTESTABILITY:

All statements made by TCSIG, Employers or by the Employee covered under this Plan shall be deemed representations and not warranties. Such statements shall not void or reduce the benefits under this Plan or be used in defense to a claim unless they are contained in writing, signed by TCSIG

INDEPENDENT HEALTH CARE PROVIDERS:

The Hospitals, Physicians, pharmacies, laboratories, and other health care providers furnishing care to the Covered Person do so as independent providers of service. Neither TCSIG nor the Employer shall be liable for any claim or demand due to damages arising out of, or in any manner connected with, any injuries suffered by the Covered Person while receiving care from a health care provider.

Neither TCSIG nor the Employer shall be responsible for the furnishing of Hospital care, Skilled Nursing, Home Health Care, professional or medical services, nor for the quality thereof.

HEADINGS:

The headings of the Plan are for reference only and shall not determine the interpretation or construction of this Plan.

LIABILITY IN EXCESS OF BENEFITS:

Liability hereunder is limited to the services and benefits specified and TCSIG shall not be liable for any obligation of the Covered Person incurred in excess thereof.

MEDICAL NECESSITY:

The benefits of this Plan are provided only for services that are Medically Necessary. The services and supplies must be ordered by the attending Physician for the direct care and treatment of a covered Illness or Injury, except for routine care as specifically stated herein. The services and supplies must be standard medical practice for the Illness or Injury being treated and must be legal in the United States. When an Inpatient Confinement is necessary, services are limited to those which could not have been performed on an Outpatient basis. The fact that any particular Physician may prescribe, order, recommend, or approve a service or supply does not, in and of itself, make the service or supply Medically Necessary.

NONDISCRIMINATION:

In the administration of this Plan, TCSIG shall act so as not to discriminate unfairly between individuals in similar situations at the time of the action. The Claims Administrator shall be entitled to rely on any such action, without being obliged to inquire into the circumstances.

NO VESTING:

The benefits provided under this Plan to Covered Persons are neither guaranteed nor vested benefits.

PLAN IS NOT A CONTRACT:

The Plan shall not be deemed to constitute a contract between TCSIG, Employers and any Employee or to be a consideration for, or an inducement or condition of, the employment of any Employee. Nothing in the Plan shall be deemed to give any Employee the right to be retained in the service of TCSIG or the Employer, or to interfere with the right of TCSIG or the Employer to terminate the employment of any Employee at any time.

PLAN MODIFICATION AND AMENDMENT:

TCSIG may modify or amend the Plan from time to time at its sole discretion and such amendments or modifications shall be evidenced by a written instrument signed by TCSIG. Any Plan changes which affect Covered Persons shall be communicated to the Covered Persons through their Employer.

PLAN TERMINATION:

TCSIG may terminate the Plan at any time. The Employer may terminate participation in the Plan in accordance with the TCSIG Joint Powers Agreement, Bylaws and policies. Upon termination, the rights of the Covered Persons to benefits are limited to claims incurred and due up to the date of termination. Any termination of the Plan shall be communicated to the Covered Persons through their Employer.

PROTECTION OF COVERAGE:

The Employer shall not have the right to cancel or terminate coverage of any individual Employee hereunder while this Plan remains in effect with the Employer and while said Employee remains eligible.

SEVERABILITY:

In the event that any provision of the Plan shall be held to be illegal or invalid for any reason by a court of competent jurisdiction, such illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if such illegal or invalid provision had never been contained in the Plan.

TIME EFFECTIVE:

The effective time with respect to any dates used in the Plan shall be 12:00 a.m. (midnight) Daylight Savings Time or Standard Time as may be legally in effect at the address of TCSIG.

TERMS OF COVERAGE:

In order for a person to be entitled to benefits under the Plan, both the Plan and the person's coverage under the Plan must be in effect on the date the expense giving rise to a claim for benefits is incurred.

The benefits to which a Covered Person may be entitled will depend on the terms of coverage in effect on the date the expense giving rise to a claim for benefits is incurred. An expense is incurred on the date the Covered Person receives the service or supply for which the charge is made.

WORKERS' COMPENSATION NOT AFFECTED:

This Plan is not in lieu of, and does not affect any requirement for coverage by Workers' Compensation Insurance.

DEFINITIONS

Certain words and terms used herein shall be defined as follows and begin with a capital letter throughout the document:

ALLOWABLE EXPENSE(S):

Any reasonable, necessary and customary Covered Expense incurred while covered under this Plan, however, Allowable Expense does not include any expense contained in the exclusions section of this Plan or excluded in any other section of the Plan.

AMBULATORY SURGICAL CENTER:

A specialized facility where coverage of such facility is mandated by law, has been licensed by the regulatory authority having responsibility for such licensing under the laws of the jurisdiction in which it is located; or where coverage of such facility is not mandated by law, meets all of the following requirements:

1. It is established, equipped and operated in accordance with the applicable laws in the jurisdiction in which it is located primarily for the purpose of performing surgical procedures.
2. It is operated under the supervision of a licensed doctor of medicine (M.D.) or doctor of osteopathy (D.O.) who is devoting full-time to such supervision and permits a surgical procedure to be performed only by a duly qualified Physician who, at the time the procedure is performed, is privileged to perform such procedure in at least one Hospital (as defined) in the area.
3. It requires in all cases other than those requiring only local infiltration anesthetics that a licensed anesthesiologist (M.D., D.O.) administer the anesthetics and remain present throughout the surgical procedure.
4. It provides at least two operating rooms and at least one post-anesthesia recovery room; is equipped to perform diagnostic x-rays, and laboratory examinations; and has available to handle foreseeable emergencies, trained personnel, and necessary equipment.
5. It provides the full-time services of one or more graduate registered nurses (R.N.) for patient care in the operating rooms and in the post-anesthesia recovery room.
6. It maintains a written agreement with at least one Hospital in the area for immediate acceptance of patients who develop complications or require postoperative Confinement.
7. It maintains an adequate medical record for each patient, such record to contain an admitting diagnosis including, for all patients except those undergoing a procedure under local anesthesia, a preoperative examination report, medical history and laboratory tests and/or x-rays, an operative report and a discharge summary.

BENEFIT PERCENTAGE (COINSURANCE):

The percentage payable by the Plan for covered benefits that are provided under the Plan. The Benefit Percentage is applied to Covered Expenses after the Deductible has been met.

BIRTHING CENTER:

A facility that meets professionally recognized standards and all of the tests that follow:

1. It mainly provides an Outpatient setting for childbirth following a normal, uncomplicated Pregnancy.
2. It has: (a) at least two delivery rooms; (b) all the medical equipment needed to support the services furnished by the facility; (c) laboratory diagnostic facilities; and (d) Emergency equipment, trays and supplies for use in life threatening events.
3. It has a medical staff that: (a) is supervised full-time by a Physician; and (b) includes a registered nurse at all times when patients are in the facility.

4. If it is not part of a Hospital, it has written agreement(s) with a local Hospital(s) and a local ambulance company for the immediate transfer of patients who require greater care than can be furnished at the facility.
5. It admits only patients who: (a) have undergone an educational program to prepare them for the birth; and (b) have records of adequate prenatal care.
6. It maintains a medical record for each patient.
7. It complies with all licensing and other legal requirements that apply.
8. It is not the office or clinic of one or more Physicians or a specialized facility other than a Birthing Center.

CALENDAR YEAR:

A twelve (12) month period starting each January 1st at 12:00 a.m. (midnight) Standard time as may be in effect at the address of TCSIG and ending December 31st at 11:59 p.m.

CHEMICAL DEPENDENCY:

A physiological or psychological dependency, or both, on a chemical substance, alcohol, or other mind altering drugs. It is further characterized by a frequent or intense pattern of pathological use to the extent the user exhibits a loss of self-control over the amount and circumstances of use; develops symptoms of tolerance or physiological and/or psychological withdrawal if the use of the chemical substance or alcoholic beverage is reduced or discontinued; and the user's health is substantially impaired or endangered, or the user's social or economic function is substantially disrupted. Diagnosis of these conditions will be determined based on standard DSM-III-R (diagnostic and statistical manual of mental disorders) criteria. Dependence upon tobacco, nicotine, and caffeine are not included in this definition.

CHRISTIAN SCIENCE NURSE:

A Christian Science Nurse who is listed in the issue of the Christian Science Journal in effect at the time treatment and services are rendered.

CHRISTIAN SCIENCE PRACTITIONER:

A Christian Science Practitioner who is listed in the issue of the Christian Science Journal in effect at the time treatment and services are rendered.

CHRISTIAN SCIENCE SANATORIUM:

A facility accredited by the Department of Care of the First Church of Christ Scientist in Boston, Massachusetts at the time treatment and services are rendered.

CLAIMS ADMINISTRATOR (THIRD PARTY ADMINISTRATOR):

The firm contracted by TCSIG which is responsible for the processing of claims and other services deemed necessary for the operation of the Plan.

CLOSE RELATIVE:

The Employee's spouse, children, brothers, sisters or parents; or the children, brothers, sisters or parents of the Employee's spouse.

COINSURANCE (BENEFIT PERCENTAGE):

The percentage payable by the Plan for covered benefits that are provided under the Plan. The Benefit Percentage is applied to Covered Expenses after the Deductible has been met.

COMPLICATIONS OF PREGNANCY:

A disease, disorder or condition which is diagnosed as distinct from Pregnancy, but is adversely affected by or caused by Pregnancy. Some examples are:

1. Intra-abdominal surgery (but not elective Cesarean Section).
2. Ectopic Pregnancy.
3. Toxemia with convulsions (Eclampsia).
4. Pernicious vomiting (hyperemesis gravidarum).
5. Nephrosis.
6. Cardiac Decompensation.
7. Missed Abortion.
8. Miscarriage.

These conditions are not included: false labor; occasional spotting; rest during Pregnancy even if prescribed by a Physician; morning sickness; or like conditions that are not medically termed as Complications of Pregnancy.

CONCURRENT REVIEW:

Concurrent Review occurs during the Covered Person's Hospital Confinement to determine if continued Inpatient care is Medically Necessary.

CONFINEMENT:

A continuous stay in a Hospital, Skilled Nursing Facility, Hospice facility or at home due to an Illness or Injury diagnosed by a Physician. Later stays shall be deemed part of the original Confinement unless there was either complete recovery during the interim from the Illness or Injury causing the initial stay, or unless the later stay results from a cause or causes unrelated to the Illness or Injury causing the initial stay.

COPAYMENT (COPAY):

A cost sharing arrangement whereby a Covered Person pays a set amount for a specific service or supply at the time that service or supply is provided.

COSMETIC SURGERY:

The surgical alteration of hard and soft tissue for the improvement of a person's appearance rather than the improvement or restoration of bodily functions.

COVERED EXPENSE(S):

The expenses incurred by or on behalf of a Covered Person for the expenses covered under this Plan, but only if the expenses are incurred while such person is covered under the Plan, and only to the extent that the services or supplies provided are Medically Necessary for the care and treatment of the Illness or Injury suffered by the Covered Person. However, Covered Expense includes certain routine care as specified herein.

COVERED PERSON(S):

An eligible Employee or the Employee's eligible Dependent(s) who is (are) covered hereunder and any qualified beneficiary who has elected continuation of coverage.

CREDITABLE COVERAGE:

Coverage of an individual under any of the following:

1. A group health plan, including governmental plans and church plans.
2. Health insurance, either group or individual insurance, including COBRA continuation of coverage.
3. Part A or B of Title XVIII of the Social Security Act (Medicare).
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under section 1928 of the Social Security Act (the program for distribution of pediatric vaccines).
5. Title 10 U.S.C. Chapter 55 (medical and dental care for members and certain former members of the uniformed services, and for their Dependents; for purposes of Title 10 U.S.C. Chapter 55, uniformed services means the armed forces and the Commissioned Corps of the National Oceanic and Atmospheric Administration and of Public Health Service).
6. A medical care program of the Indian Health Service or of a tribal organization.
7. A state health benefits risk pool.
8. The Federal Employees Health Benefits Plan (FEHBP).
9. A public health plan as defined in HCFA regulations.
10. Any health benefit plan under Peace Corps Act §5(e).

CUSTODIAL CARE:

That type of care or service, wherever furnished and by whatever name called, which is designed primarily to assist a Covered Person, whether or not Totally Disabled, in the activities of daily living. Such activities include, but are not limited to: bathing, dressing, feeding, preparation of special diets, assistance in walking or getting in and out of bed, and supervision over medication which can normally be self-administered.

Room and Board and skilled nursing services are not, however, considered Custodial Care if:

1. Provided during Confinement in an institution for which coverage is available under this Plan, and
2. Combined with other necessary therapeutic services, under accepted medical standards, which can reasonably be expected to substantially improve the individual's medical condition.

CUSTOMARY AND REASONABLE CHARGES (UCR):

1. Customary is the fee that falls within the range of prevailing fees charged by Physicians of similar training or experience for a procedure in a given geographic region.
2. Reasonable is the fee that meets the requirement of customary and is justified considering the complexity or the severity of treatment for a specific case.

DEDUCTIBLE:

The accumulated amount of Covered Expenses incurred throughout the Calendar Year which the Covered Person must pay before any Benefit Percentage applies.

DEPENDENT(S):

Dependents shall be the legal spouse of the Employee (unless legally separated) and unmarried natural children, adopted children from birth to their nineteenth (19th) birthday and children placed under guardianship (ward) until their eighteenth (18th) birthday. Children shall also include an unmarried stepchild who resides in the Employee's household in a regular parent-child relationship and is principally dependent upon the Employee for support and maintenance.

Unmarried children age nineteen (19) or over are also eligible as Dependents provided they depend primarily on the Employee for support and maintenance and are full-time students in an accredited high school, college, university, technical or trade school until their twenty-fifth (25th) birthday.

The term "full-time student" means an Employee's Dependent child who is enrolled in and regularly attending an accredited high school, college, university, technical or trade school for the minimum number of credit hours required by that institution in order to maintain full-time student status.

For further definition of Dependents, refer to *Eligibility*.

DURABLE MEDICAL EQUIPMENT:

Medical equipment which can withstand repeated use; is not disposable; is used to serve a medical purpose; is not useful to a person in the absence of an Illness or Injury; and is appropriate for use in the home.

EFFECTIVE DATE:

The date of this Plan, or the date the Employer adopts this Plan, or the date on which the Covered Person's coverage commences, whichever occurs last.

EMERGENCY:

The sudden onset of a medical condition where the symptoms are of such severity that the absence of immediate medical attention could reasonably result in:

1. Placing the Covered Person's life in jeopardy, or
2. Causing other serious medical consequences, or
3. Causing serious impairment to bodily functions, or
4. Causing serious dysfunction of any bodily organ or part.

EMERGENCY ADMISSION:

An Emergency Admission occurs when a Covered Person is admitted to the Hospital as an Inpatient due to an Emergency, as defined.

EMPLOYEE OR EMPLOYEE GROUP:

An Employee is a person directly involved in the regular business of and compensated for services by the Employer, who is regularly scheduled to work not less than twenty (20) hours per work week, or is a contracted certified (academic) Employee with a fifty percent (50%) or greater full-time equivalent workload.

An Employee Group is any group defined under existing applicable collective bargaining law. The elected officials (e.g., Board), superintendent, management Employees, confidential Employees, classified Employees, certified (academic) Employees and Retirees will always be considered individual Employee Groups even in Agency where there are no organized bargaining groups.

For the purpose of this document, the term "Employee" shall include all eligible Retirees, Retired elected officials, Employees under continuation of coverage, and Employee Groups.

EMPLOYER:

Agencies, as defined in the TCSIG Joint Powers Agreement and Bylaws, who have elected to participate in this Plan.

ENROLLMENT DATE

The earliest of (1) the date of application for enrollment, or (2) the beginning of the waiting period for coverage.

EXPERIMENTAL/INVESTIGATIVE PROCEDURES:

Experimental Procedures are (1) those that have not yet been used frequently enough to establish a track record; (2) procedures that have not yet achieved a success rate high enough to be considered safe or efficient; (3) procedures that have progressed to limited use on humans, but which are not widely accepted as proven and effective by the Health Care Financing Administration.

FAMILY DEDUCTIBLE:

The accumulated amount of Covered Expenses incurred throughout the Calendar Year which the covered family must pay before any Benefit Percentage applies.

HOME HEALTH AIDE SERVICES:

Those services which may be provided by an individual, other than a registered nurse, which are Medically Necessary for the proper care and treatment of an individual and are provided at home.

HOME HEALTH CARE:

A Home Health Care Agency program for continued care and treatment of the family member established and approved in writing by such Covered Person's attending Physician which begins within seven (7) days following termination of a Hospital Confinement or Skilled Nursing Facility Confinement as a resident Inpatient and is for the same or related condition for which the Covered Person was confined. The attending Physician must certify that the proper treatment of the Illness or Injury would require continued Confinement as a resident Inpatient in a Hospital or Skilled Nursing Facility in the absence of the services and supplies provided as part of the Home Health Care plan.

HOME HEALTH CARE AGENCY:

An agency or organization which meets fully every one of the following requirements:

1. It is primarily engaged in and duly licensed, if such licensing is required by the appropriate licensing authority to provide skilled nursing and other therapeutic services.
2. It has a policy established by a professional group associated with the agency or organization to govern the services provided. This professional group must include at least one Physician and at least one graduate registered nurse. It must provide for full-time supervision of such services by a Physician or graduate registered nurse.
3. It maintains a complete medical record on each patient.
4. It has a full-time administrator.
5. It qualifies as a reimbursable service under Medicare.

HOSPICE:

An agency that provides counseling and medical services and may provide Room and Board to a terminally ill patient and which meets all of the following tests:

1. It has obtained any required state or governmental Certificate of Need approval.
2. It provides service twenty-four (24) hours-per-day, seven (7) days a week.
3. It is under the direct supervision of a Physician.
4. It has a nurse coordinator who is a registered nurse.
5. It has a social service coordinator who is licensed.
6. It is an agency that has as its primary purpose the provision of Hospice services.
7. It has a full-time administrator.
8. It maintains written records of services provided to the patient.
9. It is licensed if licensing is required.

HOSPITAL:

An institution which is engaged primarily in providing medical care and treatment of Illness and Injury on an Inpatient basis at the patient's expense and which fully meets all the tests set forth in 1, 2, and 3 below:

1. It is an institution which is accredited as a Hospital under the Hospital Accreditation Program of the Joint Commission on the Accreditation of Health Care Organizations.
2. It is an institution qualified to participate and eligible to receive payments under and in accordance with the provisions of Medicare.
3. It is an institution which fully meets the following criteria: (a) operates lawfully in the jurisdiction where it is located, and (b) maintains on the premises diagnostic and therapeutic facilities for surgical and medical diagnosis and treatment of Illness or Injury by or under the supervision of a staff of duly qualified Physicians and continuously provides on the premises twenty-four (24) hours-per-day nursing service by or under the supervision of graduate registered nurses and maintains facilities for surgery, except that the requirement of facilities for surgery shall not apply to a mental institution or other institution operated primarily for the therapeutic treatment of the chronically ill.

Hospital shall also include a facility providing treatment for Chemical Dependency which operates lawfully and/or is accredited as an alcoholic treatment or drug abuse facility by the Joint Commission on the Accreditation of Health Care Organizations.

Hospital shall also include Birthing Centers which are either a part of a Hospital or are "freestanding" as defined herein.

Hospital shall not include such facilities as a convalescent, nursing or rest home, or a home for the aged; a facility providing custodial or educational care.

ILLNESS:

A bodily disorder, disease, physical sickness, or Pregnancy of an eligible Covered Person. A recurrent Illness will be considered one Illness. Concurrent Illnesses will be considered one Illness unless the concurrent Illnesses are totally unrelated. All such disorders existing simultaneously which are due to the same or related causes shall be considered one Illness.

INCURRED DATE:

With respect to a Covered Expense, the date the services or supplies are rendered.

INJURY:

A physical harm or disability which is the result of a specific unexpected incident caused by an external force. The physical harm or disability must have occurred at an identifiable time and place. Injury does not include Illness or infection of a wound.

INPATIENT:

A Covered Person confined in a Hospital, Skilled Nursing Facility, or Hospice as a registered bed patient and charges are made for Room and Board to the Covered Person as a result of admission.

INTENSIVE CARE:

A service which is reserved for critically and seriously ill patients requiring constant audio-visual surveillance which is prescribed by the attending Physician. Additionally provides Room and Board, and care by graduate registered nurses or other highly trained Hospital personnel utilizing special equipment and supplies immediately available on a standby basis. Services are rendered at a location segregated from the rest of the Hospital's facilities. This term does not include care in a surgical recovery room.

LEAVE OF ABSENCE:

A period of time during which the Employee does not work, but which is of a stated duration after which time the Employee is expected to return to active work. If an Employee is on an approved Leave of Absence, he should contact his Employer for information regarding his right to continue coverage during such period.

MAXIMUM BENEFIT:

Any one of the following, or any combination of the following:

1. The maximum amount paid under any T.C.S.I.G Plan for any one Covered Person during the entire time he is covered by any TCSIG Plan.
2. The maximum amount paid by any TCSIG Plan for any one Covered Person for a specific Covered Expense. This maximum amount can be for:
 - A. The entire time the Covered Person is covered under any TCSIG Plan, or
 - B. A specified period of time, such as Calendar Year.
3. The "maximum number" the Plan acknowledges as a Covered Expense. The maximum number relates to the number of:
 - A. Treatments during a specified period of time, or
 - B. Days of Confinement.
 - C. Visits by a Home Health Care Agency.

MEDICALLY NECESSARY:

A health care service, supply or treatment which is appropriate and consistent with the diagnosis and which, in accordance with usually accepted medical standards, could not have been omitted without adversely affecting the patient's condition or the quality of medical care rendered.

A service, supply or treatment will not be considered Medically Necessary if: (1) it is provided only as a convenience to the Covered Person or provider; (2) it is part of a plan of treatment that is Experimental, unproven or related to a research protocol. The fact that any particular Physician may prescribe, order, recommend, or approve a service or supply does not, in and of itself, make the service or supply Medically Necessary.

MENTAL HEALTH DISORDERS:

Mental Health Disorder refers to a behavioral disturbance with no demonstrable organic or physical basis. Conditions affect the mental state of an individual; or cause nervous disorders and specified psychological dysfunctions; such as: disorders of infancy, childhood and adolescence, cognitive disorders, mental disorders caused by general medical conditions, substance-related disorders, schizophrenic and other psychotic disorders, mood disorders, anxiety disorders, somatoform disorders, factitious disorders, eating disorders, sleep disorders, impulse-control disorders, adjustment disorders and personality disorders. The previous conditions are listed in either the DSM-IV or ICD-9 CM. Mental Health Disorder diagnosis would include, but is not limited to the ICD-9 codes 290-319.

NEGOTIATED RATE:

The rate Network providers or PPOs have contracted to accept as payment in full for Covered Expenses of the Plan.

NETWORK:

As used in this Plan, the term Network may refer to any of the following:

1. The contracted medical service providers.
2. The contracted providers of service for managed psychiatric health care and Chemical Dependency services, or
3. The contracted pharmacies.

Network providers agree to accept the Negotiated Rate as payment in full.

NON-NETWORK:

Any psychiatric health care provider or Chemical Dependency treatment provider who is not contracted with the managed psychiatric health care and Chemical Dependency Network, or any pharmacy not contracted with the pharmaceutical Network to provide reduced rates.

NON-PPO DEDUCTIBLE:

The accumulated amount of Covered Expenses incurred throughout the Calendar Year for services and supplies rendered by a Non-PPO which the Covered Person must pay before any Benefit Percentage applies to Non-PPO services and supplies.

NON-PREFERRED PROVIDER (NON-PPO):

A Physician, Hospital, or other health care provider which does not have an agreement in effect with the Preferred Provider Organization (PPO) at the time services are rendered.

ONE PERIOD OF CONFINEMENT:

All periods of Confinement regardless of cause or causes unless they are separated by a return to active work for an Employee or by a period of twenty-eight (28) days. However, if readmission to a Hospital is necessary as a result of Injury that Confinement will be considered a new period of Confinement for that Injury.

OUT-OF-POCKET:

Expenses incurred by the Covered Person for their portion of Covered Expenses, including any Deductible, subject to limitations as specified in *Medical Expense Benefit*.

OUTPATIENT:

A Covered Person shall be considered to be an "Outpatient" if treated at (1) a Hospital as other than a registered bed patient, (2) Physician's office or (3) an Ambulatory Surgical Center; and Confinement is less than eighteen (18) consecutive hours.

OUTPATIENT SURGERY:

Elective (non-Emergency) surgery performed in a surgical facility other than Confinement in a Hospital as a registered bed patient.

PHYSICIAN:

1. A Doctor of Medicine (M.D.) or a Doctor of Osteopathy (D.O.) who is licensed to practice medicine or osteopathy where the care is provided, or
2. One of the following providers, but only when the provider is licensed to practice where the care is provided, who is rendering a service within the scope of that license, and is providing a service for which benefits are specified in this Plan and when benefits would be payable if the services were provided by a Physician as defined in (1) above:
 - A. A dentist (D.D.S.) (D.M.D.)
 - B. An optometrist (O.D.)
 - C. A dispensing optician
 - D. A podiatrist or chiropractist (D.P.M., D.S.P. or D.S.C.)
 - E. A psychologist (Ph.D.)
 - F. A chiropractor (D.C.)

The Physician may not be a Close Relative of the Covered Person.

PHYSICIAN VISIT:

A personal interview between the patient and a Physician and does not include telephone calls or interviews in which the Physician does not see the patient for treatment.

PLAN:

"Plan" refers to the benefits and provisions for payment of same as described herein, otherwise known as Employee Health Care Plan .

PLAN ADMINISTRATOR:

The Plan Administrator is responsible for the day-to-day functions and management of the Plan. The Plan Administrator may employ persons or firms to perform services for the Plan, such as, process claims and perform other Plan connected services. The Plan Administrator is Tri-County Schools Insurance Group (TCSIG).

PRACTITIONER:

A Physician or person acting within the scope of applicable state licensure/certification requirements and holding the degree of Certified Nurse Midwife (C.N.M.), Certified Registered Nurse Anesthetists (C.R.N.A.), Registered Nurse (R.N.), Licensed Practical Nurse (L.P.N.), Registered Physical Therapist (P.T. or R.P.T.), Licensed Acupuncturist, Physician's Assistant, Registered or Certified Respiratory Therapist, Occupational Therapist, Speech Therapist, Speech Pathologist, Masters prepared Social Worker (M.S.W.), a Clinical Social Worker (C.S.W. or L.C.S.W.), a Marriage, Family and Child Counselor (M.F.C.C.), Marriage Family Therapist (M.F.T.), Christian Science Practitioner, or Nurse Practitioner.

PRE-ADMISSION TESTING:

Testing prescribed by a Physician in connection with a planned Hospital Confinement or Outpatient Surgery. The testing must be:

1. Performed in a covered facility on an Outpatient basis;
2. Necessary to diagnose and treat the condition for which Confinement is planned; and
3. Performed within seven (7) days prior to a Hospital Confinement or Outpatient Surgery.

PRE-CERTIFICATION:

Certification of medical necessity by the Utilization Review Organization (URO) or the managed psychiatric health care and Chemical Dependency Network.

PRE-EXISTING CONDITIONS:

A condition for which medical advice, diagnosis, care or treatment, including the use of prescription drugs or medicines, was recommended by or received from a licensed health Practitioner during the ninety (90) days ending on the Covered Person's Enrollment Date. The Plan may also impose a Pre-existing Condition based on the fact that a condition was present within the ninety (90) day period before the Covered Person's Enrollment Date, whether or not any medical advice, diagnosis, care or treatment was recommended or received before the Enrollment Date of the Covered Person. Genetic information shall not be treated as a condition in the absence of a diagnosis of a specific condition. Pregnancy is not considered a Pre-existing Condition.

PREFERRED PROVIDER:

The contracted Physicians, Hospitals or other health care providers who have an agreement in effect with the Preferred Provider Organization (PPO) at the time services are rendered. Preferred Providers agree to accept the Negotiated Rate as payment in full.

PREFERRED PROVIDER ORGANIZATION (PPO):

An organization which selects and contracts with certain Hospitals, Physicians, and other health care providers to provide Covered Persons services, supplies, and treatment at a Negotiated Rate.

PREGNANCY:

The physical state which results in childbirth or miscarriage and any medical complication arising out of, or resulting from, such state.

PRIOR COVERAGE OR PRIOR PLAN:

Any plan of group accident and health benefits provided by the Employer (or its predecessor) for an entire Employee Group or Employer which has been replaced by coverage under this Plan.

REHABILITATION FACILITY:

A facility designed exclusively for rehabilitative services where the Covered Person receives treatment as a result of catastrophic Illness or Injury.

RETIREE:

An Employee, as defined by the Employer's bargaining agreement(s) or policies, who is receiving pension benefits from the Public Employees' Retirement System (P.E.R.S.) or the State Teachers' Retirement System (S.T.R.S.) and who, on the date immediately prior to retirement, was covered by a TCSIG medical Plan.

RETROSPECTIVE REVIEW:

Retrospective Review occurs after the Covered Person's discharge to determine if, and to what extent, Inpatient care was Medically Necessary.

ROOM AND BOARD:

The Hospital's most common Semiprivate Room and Board charge for room and linen service; dietary service including meals, special diets and nourishments; and general nursing service.

SECOND SURGICAL OPINION:

A surgical consultation by a specialist who is not affiliated with the surgeon to confirm the medical advisability of proposed elective surgery.

SEMIPRIVATE:

A class of accommodations in a Hospital or Skilled Nursing Facility in which at least two (2) patients' beds are available per room.

SKILLED NURSING FACILITY:

An institution, or distinct part thereof, operated pursuant to law and one which meets all of the following conditions:

1. It is licensed to provide, and is engaged in providing, on an Inpatient basis, for persons convalescing from Illness or Injury, professional nursing services rendered by a graduate registered nurse or by a licensed practical nurse under the direction of a graduate registered nurse and physical restoration services to assist patients to reach a degree of body functioning to permit self-care in essential daily living activities.
2. Its services are provided for compensation from its patients and under the full-time supervision of a Physician or graduate registered nurse.
3. It provides twenty-four (24) hours-per-day nursing services by licensed nurses, under the direction of a full-time graduate registered nurse.
4. It maintains a complete medical record on each patient.
5. It is not, other than incidentally, a place for rest, for the aged, drug addicts, alcoholics, mental retardates, custodial or educational care, or care of mental disorders.
6. It is approved and licensed by Medicare.

This term shall also apply to expenses incurred in an institution referring to itself as a Extended Care Facility, Convalescent Nursing Facility or any such other similar designation.

TOTAL DISABILITY (TOTALLY DISABLED):

The Employee is prevented from engaging in his regular, customary occupation or for an occupation for which he or she becomes qualified by training or experience, and is performing no work of any kind for compensation or profit or; a Dependent is prevented from engaging in all of the normal activities of a person of like sex and age who is in good health.

TREATMENT CENTER:

An institution which does not qualify as a Hospital, but which does provide a program of effective medical and therapeutic treatment for Chemical Dependency, and

1. Where coverage of such treatment is mandated by law, has been licensed and approved by the regulatory authority having responsibility for such licensing and approval under the law.

2. Where coverage of such treatment is not mandated by law, meets all the following requirements:
 - A. It is established and operated in accordance with the applicable laws of the jurisdiction in which it is located.
 - B. It provides a program of treatment approved by the Physician.
 - C. It has or maintains a written, specific, and detailed regimen requiring full-time residence and full-time participation by the Covered Person.
 - D. It provides at least the following basic services:
 - (1) Room and Board
 - (2) Evaluating and diagnosis
 - (3) Counseling
 - (4) Referral and orientation to specialized community resources

URGENT CARE FACILITY:

A freestanding facility which is engaged primarily in providing minor Emergency and episodic medical care to Covered Persons. A Physician, a graduate registered nurse, and a registered x-ray technician must be in attendance at all times that the clinic is open. The clinic's facilities must include x-ray and laboratory equipment and a life support system. However, a facility located on or in conjunction with or in any way made a part of a Hospital shall be excluded from the terms of this definition.

UTILIZATION REVIEW ORGANIZATION (URO):

The firm contracted by TCSIG which is responsible for systematically reviewing for medical necessity, appropriateness of health care, appropriateness of institution providing treatment, nature and scope of treatment and timeliness and appropriateness of discharge.

WELL BABY CARE:

The normal care rendered on behalf of a newborn child not relating to an Illness or Injury, but to the care and general health maintenance.

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