Group Health
Certificate of Coverage

City of Seattle –
Seattle Police Officers' Guild
Deductible Plan

January 1, 2012

GroupHealth®

Group Medical Coverage Agreement

Group Health Cooperative (also referred to as "GHC") is a nonprofit health maintenance organization furnishing health care coverage on a prepayment basis. The Group identified below wishes to purchase such coverage. This Agreement sets forth the terms under which that coverage will be provided, including the rights and responsibilities of the contracting parties; requirements for enrollment and eligibility; and benefits to which those enrolled under this Agreement are entitled.

The Agreement between GHC and the Group consists of the following:

- Standard Provisions
- Attached Benefit Booklet
- Signed Group application
- Premium Schedule

Group Health Cooperative

Signed: _____

Title: President and Chief Executive Officer

City of Seattle, 0476400

Signed: David L. Stewart

Title: Personnel Director

This Agreement will continue in effect until terminated or renewed as herein provided for and is effective January 1, ***2012.***

CA-188812
C33027-0476400

Group Medical Coverage Agreement
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Standard Provisions

Attachment 1 Benefit Booklet

Attachment 2 Premium Schedule

Standard Provisions

1. GHC agrees to provide benefits as set forth in the attached Benefit Booklet to enrollees of the Group.

2. **Monthly Premium Payments.** For the initial term of this Agreement, the Group shall submit to GHC for each Member the monthly premiums set forth in the current Premium Schedule and a verification of enrollment. Payment must be received on or before the due date and is subject to a grace period of ten (10) days. Premiums are subject to change by GHC upon thirty (30) days written notice. Premium rates will be revised as a part of the annual renewal process.

   In the event the Group increases or decreases enrollment at least twenty-five percent (25%) or more, GHC reserves the right to require re-rating of the Group.

3. **Dissemination of Information.** Unless the Group has accepted responsibility to do so, GHC will disseminate information describing benefits set forth in the Benefit Booklet attached to this Agreement.

4. **Identification Cards.** GHC will furnish cards, for identification purposes only, to all Members enrolled under this Agreement.

5. **Administration of Agreement.** GHC may adopt reasonable policies and procedures to help in the administration of this Agreement. This may include, but is not limited to, policies or procedures pertaining to benefit entitlement and coverage determinations.

6. **Modification of Agreement.** Except as required by federal and Washington State law, this Agreement may not be modified without agreement between both parties.

   No oral statement of any person shall modify or otherwise affect the benefits, limitations and exclusions of this Agreement, convey or void any coverage, increase or reduce any benefits under this Agreement or be used in the prosecution or defense of a claim under this Agreement.

7. **Indemnification.** GHC agrees to indemnify and hold the Group harmless against all claims, damages, losses and expenses, including reasonable attorney's fees, arising out of GHC's failure to perform, negligent performance or willful misconduct of its directors, officers, employees and agents of their express obligations under this Agreement.

   The Group agrees to indemnify and hold GHC harmless against all claims, damages, losses and expenses, including reasonable attorney's fees, arising out of the Group's failure to perform, negligent performances or willful misconduct of its directors, officers, employees and agents of their express obligations under this Agreement.

   The indemnifying party shall give the other party prompt notice of any claim covered by this section and provide reasonable assistance (at its expense). The indemnifying party shall have the right and duty to assume the control of the defense thereof with counsel reasonably acceptable to the other party. Either party may take part in the defense at its own expense after the other party assumes the control thereof.

8. **Compliance With Law.** The Group and GHC shall comply with all applicable state and federal laws and regulations in performance of this Agreement.

   This Agreement is entered into and governed by the laws of Washington State, except as otherwise pre-empted by ERISA and other federal laws.

9. **Governmental Approval.** If GHC has not received any necessary government approval by the date when notice is required under this Agreement, GHC will notify the Group of any changes once governmental approval has been received. GHC may amend this Agreement by giving notice to the Group upon receipt of government approved rates, benefits, limitations, exclusions or other provisions, in which case such rates, benefits, limitations, exclusions or provisions will go into effect as required by the governmental agency. All

amendments are deemed accepted by the Group unless the Group gives GHC written notice of non-acceptance within thirty (30) days after receipt of amendment, in which event this Agreement and all rights to services and other benefits terminate the first of the month following thirty (30) days after receipt of non-acceptance.

10. **Confidentiality.** Each party acknowledges that performance of its obligations under this Agreement may involve access to and disclosure of data, procedures, materials, lists, systems and information, including medical records, employee benefits information, employee addresses, social security numbers, e-mail addresses, phone numbers and other confidential information regarding the Group's employees (collectively the "information"). The information shall be kept strictly confidential and shall not be disclosed to any third party other than: (i) representatives of the receiving party (as permitted by applicable state and federal law) who have a need to know such information in order to perform the services required of such party pursuant to this Agreement, or for the proper management and administration of the receiving party, provided that such representatives are informed of the confidentiality provisions of this Agreement and agree to abide by them, (ii) pursuant to court order or (iii) to a designated public official or agency pursuant to the requirements of federal, state or local law, statute, rule or regulation. The disclosing party will provide the other party with prompt notice of any request the disclosing party receives to disclose information pursuant to applicable legal requirements, so that the other party may object to the request and/or seek an appropriate protective order against such request. Each party shall maintain the confidentiality of medical records and confidential patient and employee information as required by applicable law.

11. **Arbitration.** Any dispute, controversy or difference between GHC and the Group arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in Seattle, Washington in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Except as may be required by law, neither party nor arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of both parties.

12. **HIPAA.**

    Definition of Terms. Terms used, but not otherwise defined, in this Section shall have the same meaning as those terms have in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

    Transactions Accepted. GHC will accept Standard Transactions, pursuant to HIPAA, if the Group elects to transmit such transactions. The Group shall ensure that all Standard Transactions transmitted to GHC by the Group or the Group's business associates are in compliance with HIPAA standards for electronic transactions. The Group shall indemnify GHC for any breach of this section by the Group.

13. **Termination of Entire Agreement.** This is a guaranteed renewable Agreement and cannot be terminated without the mutual approval of each of the parties, except in the circumstances set forth below.

    a. **Nonpayment or Non-Acceptance of Premium.** Failure to make any monthly premium payment or contribution in accordance with subsection 2 above shall result in termination of this Agreement as of the premium due date. The Group's failure to accept the revised premiums provided as part of the annual renewal process shall be considered nonpayment and result in non-renewal of this Agreement. The Group may terminate this Agreement upon fifteen (15) days written notice of premium increase, as set forth in subsection 2 above.

    b. **Misrepresentation.** GHC may rescind or terminate this Agreement upon written notice in the event that intentional misrepresentation, fraud or omission of information was used in order to obtain Group coverage. Either party may terminate this Agreement in the event of intentional misrepresentation, fraud or omission of information by the other party in performance of its responsibilities under this Agreement.

    c. **Underwriting Guidelines.** GHC may terminate this Agreement in the event the Group no longer meets underwriting guidelines established by GHC that were in effect at the time the Group was accepted.

d. **Federal or State Law.** GHC may terminate this Agreement in the event there is a change in federal or state law that no longer permits the continued offering of the coverage described in this Agreement.

14. Withdrawal or Cessation of Services.

a. GHC may determine to withdraw from a Service Area or from a segment of its Service Area after GHC has demonstrated to the Washington State Office of the Insurance Commissioner that GHC's clinical, financial or administrative capacity to service the covered Members would be exceeded.

b. GHC may determine to cease to offer the Group's current plan and replace the plan with another plan offered to all covered Members within that line of business that includes all of the health care services covered under the replaced plan and does not significantly limit access to the services covered under the replaced plan. GHC may also allow unrestricted conversion to a fully comparable GHC product.

GHC will provide written notice to each covered Member of the discontinuation or non-renewal of the plan at least ninety (90) days prior to discontinuation.

Dear Group Health Subscriber:

This booklet contains important information about your healthcare plan.

This is your 2012 Group Health Benefit Booklet (Certificate of Coverage). It explains the services and benefits you and those enrolled on your contract are entitled to receive from Group Health Cooperative. Sections of this document may be ***bolded and italicized,*** which identifies changes that Group Health has made to the plan. The benefits reflected in this booklet were approved by your employer or association who contracts with Group Health for your healthcare coverage. If you are eligible for Medicare, please read Section IV.J. as it may affect your prescription drug coverage.

We recommend you read it carefully so you'll understand not only the benefits, but the exclusions, limitations, and eligibility requirements of this certificate. Please keep this certificate for as long as you are covered by Group Health. We will send you revisions if there are any changes in your coverage.

This certificate is not the contract itself; you can contact your employer or group administrator if you wish to see a copy of the contract (Medical Coverage Agreement).

We'll gladly answer any questions you might have about your Group Health benefits. Please call our Group Health Customer Service Center at 206-901-4636 in the Seattle area, or toll-free in Washington, 1-888-901-4636.

Thank you for choosing Group Health Cooperative. We look forward to working with you to preserve and enhance your health.

Very truly yours,

Scott Armstrong
President

CA-1888a12, CA-237012,CA-2312ad12,CA-209212,CA-207912,CA-1385ad12,CA-376712
CA-370812
C33027-0476400a

Benefit Booklet
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Group Health Cooperative believes this plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act of 2010. Questions regarding this status may be directed to GHC Customer Service at (888) 901-4636. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at (866) 444-3272 or www.dol.gov/ebsa/healthreform.

Section I. Introduction

Group Health Cooperative (also referred to as "GHC") is a nonprofit health maintenance organization furnishing health care primarily on a prepayment basis.

Read This Benefit Booklet Carefully

This Benefit Booklet is a statement of benefits, exclusions and other provisions, as set forth in the Group Medical Coverage Agreement ("Agreement") between GHC and the employer or Group.

A full description of benefits, exclusions, limits and Out-of-Pocket Expenses can be found in the Schedule of Benefits, Section IV; General Exclusions, Section V; and Allowances Schedule, Section II. These sections must be considered together to fully understand the benefits available under the Agreement. Words with special meaning are capitalized. They are defined in Section VIII.

A. Accessing Care

Members are entitled to Covered Services only at GHC Facilities and from GHC Personal Physicians, except *for Emergency care and care pursuant to an Authorization.*

Members may refer to Sections IV.A. and IV.C. for more information about inpatient admissions.

Primary Care. GHC recommends that Members select a GHC Personal Physician when enrolling under the Agreement. One Personal Physician may be selected for an entire family, or a different Personal Physician may be selected for each family member.

Selecting a Personal Physician or changing from one Personal Physician to another can be accomplished by contacting GHC Customer Service, or accessing the GHC website at www.ghc.org. The change will be made within twenty-four (24) hours of the receipt of the request, if the selected physician's caseload permits.

A listing of GHC Personal Physicians, specialists, women's health care providers and GHC-Designated Specialists is available by contacting GHC Customer Service at (206) 901-4636 or (888) 901-4636, or by accessing GHC's website at www.ghc.org.

In the case that the Member's Personal Physician no longer participates in GHC's network, the Member will be provided access to the Personal Physician for up to sixty (60) days following a written notice offering the Member a selection of new Personal Physicians from which to choose.

Specialty Care. Unless otherwise indicated in this section, the Allowances Schedule or Section IV., ***Authorizations*** are required for specialty care and specialists.

GHC-Designated Specialist. Members may make appointments directly with GHC-Designated Specialists at Group Health-owned or -operated medical centers without ***an Authorization*** from their Personal Physician. The following specialty care areas ***are available from GHC-Designated Specialists***: allergy, audiology, cardiology, chemical dependency, chiropractic/manipulative therapy, dermatology, gastroenterology, general surgery, hospice, manipulative therapy, mental health, nephrology, neurology, obstetrics and gynecology, occupational medicine, oncology/hematology, ophthalmology, optometry, orthopedics, otolaryngology (ear, nose and throat), physical therapy, smoking cessation, speech/language and learning services and urology.

Women's Health Care Direct Access Providers. Female Members may see a participating General and Family Practitioner, Physician's Assistant, Gynecologist, Certified Nurse Midwife, Licensed Midwife, Doctor of Osteopathy, Pediatrician, Obstetrician or Advanced Registered Nurse Practitioner who is contracted by GHC to provide women's health care services directly, without ***an Authorization***

from their Personal Physician, for Medically Necessary maternity care, covered reproductive health services, preventive care (well care) and general examinations, gynecological care and follow-up visits for the above services. Women's health care services are covered as if the Member's Personal Physician had been consulted, subject to any applicable Cost Shares, as set forth in the Allowances Schedule. If the Member's women's health care provider diagnoses a condition that requires ***an Authorization*** to other specialists or hospitalization, the Member or her chosen provider must obtain prior authorization and care coordination in accordance with applicable GHC requirements.

Second Opinions. The Member may access, upon request, a second opinion regarding a medical diagnosis or treatment plan from a GHC Provider. ***The Member, or the Member's family, may request an Authorization from the Member's Personal Physician, or may visit a GHC-Designated Specialist, for a second opinion. When second opinions are requested or indicated, they are provided by GHC Providers and are covered when authorized in advance, or when obtained from a GHC-Designated Specialist. Coverage is determined by the Member's medical coverage plan, therefore, coverage for the second opinion does not imply that the services or treatments recommended will be covered. An Authorization for a second opinion does not imply that GHC will authorize the Member to return to the physician providing the second opinion for any additional treatment. Services, drugs, devices, etc., prescribed or recommended as a result of the consultation are not covered unless included as covered under this Agreement.***

Emergent and Urgent Care. Emergent care is available at GHC Facilities. If Members cannot get to a GHC Facility, Members may obtain Emergency services from the nearest hospital. Members or persons assuming responsibility for a Member must notify GHC by way of the GHC Emergency Notification Line within twenty-four (24) hours of admission to a non-GHC Facility, or as soon thereafter as medically possible. Members may refer to Section IV. for more information about coverage of Emergency services.

In the GHC Service Area, urgent care is covered at GHC medical centers, GHC urgent care clinics or GHC Provider's offices. Urgent care received at any hospital emergency department is not covered unless authorized in advance by GHC. Care received at urgent care facilities other than those listed above is only covered for emergency services, subject to the applicable Emergency Cost Share. Members may refer to Section IV. for more information about coverage of urgent care services.

Outside the GHC Service Area, urgent care is covered at any medical facility. Members may refer to Section IV. for more information about coverage of urgent care services.

Recommended Treatment. GHC's Medical Director or his/her designee will determine the necessity, nature and extent of treatment to be covered in each individual case and the judgment, made in good faith, will be final.

Members have the right to participate in decisions regarding their health care. A Member may refuse any recommended treatment or diagnostic plan to the extent permitted by law. Members who obtain care not recommended by GHC, do so with the full understanding that GHC has no obligation for the cost, or liability for the outcome, of such care. Coverage decisions may be appealed as set forth in Section VI.

Major Disaster or Epidemic. In the event of a major disaster or epidemic, GHC will provide coverage according to GHC's best judgment, within the limitations of available facilities and personnel. GHC has no liability for delay or failure to provide or arrange Covered Services to the extent facilities or personnel are unavailable due to a major disaster or epidemic.

Unusual Circumstances. If the provision of Covered Services is delayed or rendered impossible due to unusual circumstances such as complete or partial destruction of facilities, military action, civil disorder, labor disputes or similar causes, GHC shall provide or arrange for services that, in the reasonable opinion of GHC's Medical Director, or his/her designee, are emergent or urgently needed. In regard to nonurgent and routine services, GHC shall make a good faith effort to provide services through its then-available facilities and personnel. GHC shall have the option to defer or reschedule services that are not urgent while its facilities and services are so affected. In no case shall GHC have any liability or obligation on account of delay or failure to provide or arrange such services.

B. Cost Shares

The Subscriber shall be liable for the following Cost Shares when services are received by the Subscriber and any of his/her Dependents.

1. **Copayments.** Members shall be required to pay Copayments at the time of service as set forth in the Allowances Schedule. Payment of a Copayment does not exclude the possibility of an additional billing if the service is determined to be a non-Covered Service.

2. **Coinsurance.** After the annual Deductible is satisfied, Members shall be required to pay the Plan Coinsurance for Covered Services as set forth in the Allowances Schedule.

   A benefit-specific coinsurance may apply to some Covered Services, as set forth in the Allowances Schedule. Services that are subject to the benefit-specific coinsurance are not subject to the Plan Coinsurance and do not apply to the Out-of-Pocket Limit.

3. **Annual Deductible.** Covered Services are subject to the annual Deductible as set forth in the Allowances Schedule. Charges subject to the annual Deductible shall be borne by the Subscriber during each calendar year until the annual Deductible is met. In order for charges to be applied to the annual Deductible, Covered Services must be obtained at GHC Facilities, unless the Member has received ***an Authorization in*** advance or has received Emergency services according to the Schedule of Benefits, Section IV.L.

   There is an individual annual Deductible amount for each Member and a maximum aggregate annual Deductible amount for each Family Unit. Once the aggregate annual Deductible amount is reached for a Family Unit in a calendar year, the individual annual Deductibles are also deemed reached for each Member during that same calendar year.

4. **Individual Annual Deductible Carryover.** Under this Agreement, charges from the last three (3) months of the prior year which were applied toward the individual annual Deductible will also apply to the current year individual annual Deductible. The individual annual Deductible carryover will apply only when expenses incurred have been paid in full. The aggregate Family Unit Deductible does not carry over into the next year.

5. **Out-of-Pocket Limit.** Total Out-of-Pocket Expenses incurred during the same calendar year shall not exceed the Out-of-Pocket Limit set forth in the Allowances Schedule. Out-of-Pocket Expenses which apply toward the Out-of-Pocket Limit are set forth in the Allowances Schedule.

C. Subscriber's Liability

The Subscriber is liable for (1) payment to the Group of his/her contribution toward the monthly premium, if any; (2) payment of Cost Share amounts for Covered Services provided to the Subscriber and his/her Dependents, as set forth in the Allowances Schedule; and (3) payment of any fees charged for non-Covered Services provided to the Subscriber and his/her Dependents, at the time of service.

Payment of an amount billed by GHC must be received within thirty (30) days of the billing date.

D. Claims

Claims for benefits may be made before or after services are obtained. To make a claim for benefits under the Agreement, a Member (or the Member's authorized representative) must contact GHC Customer Service, or submit a claim for reimbursement as described below. Other inquiries, such as asking a health care provider about care or coverage, or submitting a prescription to a pharmacy, will not be considered a claim for benefits.

If a Member receives a bill for services the Member believes are covered under the Agreement, the Member must, within ninety (90) days of the date of service, or as soon thereafter as reasonably possible, either (1) contact GHC Customer Service to make a claim or (2) pay the bill and submit a claim for reimbursement of Covered Services to GHC, P.O. Box 34585, Seattle, WA 98124-1585. In no event, except in the absence of legal capacity, shall a claim be accepted later than one (1) year from the date of service.

GHC will generally process claims for benefits within the following timeframes after GHC receives the claims:

- Pre-service claims – within fifteen (15) days.
- Claims involving urgently needed care – within seventy-two (72) hours.
- Concurrent care claims – within twenty-four (24) hours.
- Post-service claims – within thirty (30) days.

Timeframes for pre-service and post-service claims can be extended by GHC for up to an additional fifteen (15) days. Members will be notified in writing of such extension prior to the expiration of the initial timeframe.

Section II. Allowances Schedule

The benefits described in this schedule are subject to all provisions, limitations and exclusions set forth in the Group Medical Coverage Agreement.

"Welcome" Outpatient Services Waiver

Not applicable.

Annual Deductible

$200 per Member or $600 per Family Unit per calendar year.

Plan Coinsurance

No Plan Coinsurance.

Lifetime Maximum

No Lifetime Maximum on covered Essential Health Benefits.

Hospital Services

- Covered inpatient medical and surgical services, including acute chemical withdrawal (detoxification)

  Covered in full after the annual Deductible is satisfied.

- Covered outpatient hospital surgery (including ambulatory surgical centers)

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

Outpatient Services

- Covered outpatient medical and surgical services

  Covered subject to the lesser of GHC's charge or a $20 outpatient services Copayment after the annual Deductible is satisfied.

- Allergy testing

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

- Oncology (radiation therapy, chemotherapy)

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

Drugs - Outpatient (including mental health drugs, contraceptive drugs and devices and diabetic supplies)

- Prescription drugs, medicines, supplies and devices for a supply of thirty (30) days or less when listed in the GHC drug formulary

  Covered subject to the lesser of GHC's charge or a $15 Copayment for generic drugs or a $30 Copayment for brand name drugs.

  Certain brand name insulin drugs will be covered at the generic level.

- Over-the-counter drugs and medicines

  Not covered.

- Injectables

  Injectables that can be self-administered are subject to the lesser of GHC's charge or the applicable prescription drug Cost Share (as set forth above). Other covered injectables are subject to the lesser of GHC's charge or the applicable outpatient services Cost Share. Injectables necessary for travel are not covered.

- Mail order drugs and medicines dispensed through the GHC-designated mail order service

  Covered subject to the lesser of GHC's charge or two (2) times the applicable prescription drug Cost Share (as set forth above) for each ninety (90) day supply or less for mail order prescription drugs.

Out-of-Pocket Limit

Limited to an aggregate maximum of $2,000 per Member or $6,000 per family per calendar year. Except as otherwise noted in this Allowances Schedule, the total Out-of-Pocket Expenses for the following Covered Services are included in the Out-of-Pocket Limit:

- Outpatient services
- Emergency care at a GHC or non-GHC Facility
- Ambulance services

Acupuncture

Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment up to a maximum of eight (8) visits per Member per medical diagnosis per calendar year, after the annual Deductible is satisfied. When approved by GHC, additional visits are covered.

Ambulance Services

- Emergency ground/air transport

  Covered at 80%.

- Non-emergent ground/air interfacility transfer

  Covered at 80% for GHC-initiated transfers, except hospital-to-hospital ground transfer covered in full.

Chemical Dependency

- Inpatient services (including Residential Treatment services)

  Covered subject to the lesser of GHC's charge or the applicable inpatient services Copayment after the annual Deductible is satisfied.

- Outpatient services

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

Acute detoxification covered as any other medical service.

Dental Services (including accidental injury to natural teeth)

Not covered, except as set forth in Section IV.B.23.

Devices, Equipment and Supplies (for home use)

Covered at 80% for:

- Durable medical equipment
- Orthopedic appliances
- Post-mastectomy bras limited to two (2) every six (6) months
- Ostomy supplies
- Prosthetic devices

When provided in lieu of hospitalization as described in Section IV.A.3., benefits will be the greater of benefits available for devices, equipment and supplies, home health or hospitalization. See Hospice for durable medical equipment provided in a hospice setting.

Diabetic Supplies

Insulin, needles, syringes, test strips and lancets – see Drugs-Outpatient. External insulin pumps, blood glucose monitors and related supplies - see Devices, Equipment and Supplies.

Diagnostic Laboratory and Radiology Services

Covered in full after the annual Deductible is satisfied.

Emergency Services

- At a GHC Facility

  Covered subject to the lesser of GHC's charge or a $75 Copayment per Member per Emergency visit, after the annual Deductible is satisfied. Copayment is waived if the Member is admitted as an inpatient to the hospital directly from the emergency department. Emergency admissions are covered subject to the applicable inpatient services Cost Share.

- At a non-GHC Facility

  Covered subject to the lesser of GHC's charge or a $125 Copayment per Member per Emergency visit, after the annual Deductible is satisfied. Copayment is waived if the Member is admitted as an inpatient to the hospital directly from the emergency department. Emergency admissions are covered subject to the applicable inpatient services Cost Share.

Hearing Examinations and Hearing Aids

- Hearing examinations to determine hearing loss

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

- Hearing aids, including hearing aid examinations

  Not covered.

Home Health Services

Covered in full. No visit limit.

Hospice Services

Covered in full. Inpatient respite care is covered for a maximum of five (5) consecutive days per occurrence.

Infertility Services (including sterility)

Not covered.

Manipulative Therapy

Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment for manipulative therapy of the spine and extremities in accordance with GHC clinical criteria up to a maximum of ten (10) visits per Member per calendar year after the annual Deductible is satisfied.

Maternity and Pregnancy Services

- Delivery and associated Hospital Care

  Covered subject to the lesser of GHC's charge or the applicable inpatient services Copayment after the annual Deductible is satisfied.

- Prenatal and postpartum care

  Routine ***maternity visits*** covered in full after the annual Deductible is satisfied. Non-routine ***maternity*** visits covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

- Pregnancy termination

  Covered subject to the lesser of GHC's charge or the applicable Copayment for involuntary/voluntary termination of pregnancy after the annual Deductible is satisfied.

Mental Health Services

- Inpatient services

  Covered subject to the lesser of GHC's charge or the applicable inpatient services Copayment at a GHC-approved mental health care facility after the annual Deductible is satisfied.

- Outpatient services

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

Naturopathy

Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment up to a maximum of three (3) visits per Member per medical diagnosis per calendar year after the annual Deductible is satisfied. When approved by GHC, additional visits are covered.

Newborn Services

Newborn services covered the same as for any other condition, subject to the lesser of GHC's charge or the applicable Cost Share. Any applicable Cost Share for newborn services is separate from that of the mother.

Initial hospital stay (i.e. routine nursery care) – See Hospital Services. Outpatient well care – See Preventive Services.

Nutritional Services

- Phenylketonuria (PKU) supplements

Covered in full.

- Enteral therapy (formula)

  Covered at 80% for elemental formulas after the annual Deductible is satisfied. Necessary equipment and supplies are covered under Devices, Equipment and Supplies. Coinsurance does not apply to the Out-of-Pocket Limit.

- Parenteral therapy (total parenteral nutrition)

  Covered for parenteral formulas after the annual Deductible is satisfied. Necessary equipment and supplies are covered under Devices, Equipment and Supplies.

Obesity Related Services

Services directly related to obesity, including bariatric surgery, weight loss programs, medications and related physician visits for medication monitoring are not covered.

On the Job Injuries or Illnesses

Not covered, including injuries or illnesses incurred as a result of self-employment.

Optical Services

- Routine eye examinations

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment once every twelve (12) months. Not subject to the annual Deductible. ***Eye examinations for eye pathology, including contact lens examinations, are covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment and at the Plan Coinsurance as often as Medically Necessary, after the annual Deductible is satisfied.***

- Lenses, including contact lenses, and frames

  Not covered, except contact lenses ***for eye pathology are*** covered after the annual Deductible is satisfied***, including following cataract surgery***.

Organ Transplants

Covered subject to the lesser of GHC's charge or the applicable Cost Share.

Plastic and Reconstructive Services (plastic surgery, cosmetic surgery)

- Surgery to correct a congenital disease or anomaly, or conditions following an injury or resulting from surgery

  Covered subject to the lesser of GHC's charge or the applicable Copayment after the annual Deductible is satisfied.

- Cosmetic surgery, including complications resulting from cosmetic surgery

  Not covered.

Podiatric Services

- Medically Necessary foot care

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

- Foot care (routine)

  Not covered, except in the presence of a non-related Medical Condition affecting the lower limbs.

Pre-Existing Condition

Covered with no wait.

Preventive Services (well adult and well child physicals, immunizations, pap smears, mammograms and prostate/colorectal cancer screening)

Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment when in accordance with the well care schedule established by GHC. Not subject to the annual Deductible. Eye refractions are not included under preventive care. Physicals for travel, employment, insurance or license are not covered. Services provided during a preventive care visit which are not in accordance with the well care schedule may be subject to the lesser of GHC's charge or the applicable outpatient services Copayment after the annual Deductible is satisfied.

Rehabilitation Services

- Inpatient physical, occupational and restorative speech therapy services combined, including services for neurodevelopmentally disabled children age six (6) and under

  Covered subject to the lesser of GHC's charge or the applicable inpatient services Copayment for up to sixty (60) days per calendar year after the annual Deductible is satisfied.

- Outpatient physical, occupational and restorative speech therapy services combined, including services for neurodevelopmentally disabled children age six (6) and under

  Covered subject to the lesser of GHC's charge or the applicable outpatient services Copayment for up to sixty (60) visits per calendar year after the annual Deductible is satisfied.

Sexual Dysfunction Services

Not covered.

Skilled Nursing Facility (SNF)

Covered for up to sixty (60) days per Member per calendar year after the annual Deductible is satisfied.

Sterilization (vasectomy, tubal ligation)

Covered subject to the lesser of GHC's charge or the applicable Cost Share.

Temporomandibular Joint (TMJ) Services

- Inpatient and outpatient TMJ services

  Covered subject to the lesser of GHC's charge or the applicable Copayment for up to $1,000 maximum per Member per calendar year after the annual Deductible is satisfied.

- Lifetime benefit maximum

  Covered up to $5,000 per Member.

Tobacco Cessation

- Individual/group sessions

  Covered in full.

- Approved pharmacy products

  Covered in full for each thirty (30) day supply or less of a prescription or refill when prescribed by a GHC Provider and obtained at a GHC Facility.

Section III. Eligibility, Enrollment and Termination

A. Eligibility

In order to be accepted for enrollment and continuing coverage under the Agreement, individuals must meet any eligibility requirements imposed by the Group, reside or work in the Service Area and meet all applicable requirements set forth below, except for temporary residency outside the Service Area for purposes of attending school, court-ordered coverage for Dependents or other unique family arrangements, when approved in advance by GHC. GHC has the right to verify eligibility.

1. **Subscribers.** An active, regular full-time employee who works at least eighty (80) hours per month or a temporary employee in a benefits-eligible assignment who works at least eighty (80) hours per month is eligible to obtain City of Seattle-paid contributions for coverage. A temporary employee who has worked at least 1,040 cumulative, non-overtime hours and at least 800 non-overtime hours in the previous twelve (12) month period, and is not in a benefits-eligible assignment is eligible for coverage.

   An employee for whom coverage already became effective, but who is absent without pay on the first day of the calendar month and returns by the fifteenth (15th) of the month will not have a lapse in coverage. Coverage for an employee who returns after the fifteenth (15th) of the month will begin the first day of the following calendar month. However, an employee who is absent without pay for fifteen (15) consecutive calendar days or less will not have a lapse in coverage.

2. **Dependents.** The Subscriber may also enroll the following:

   a. The Subscriber's legal spouse (unless legally separated) or state-registered domestic partner as required by Washington state law;

   b. The Subscriber's domestic partner, other than a state-registered domestic partner, provided that the Subscriber and domestic partner:

      i. Share the same regular and permanent residence;
      ii. Have a close personal relationship;
      iii. Are jointly responsible for "basic living expenses" as defined by the Group;
      iv. Are not married to anyone;
      v. Are each eighteen (18) years of age or older;
      vi. Are not related by blood closer than would bar marriage in the State of Washington;
      vii. Were mentally competent to consent to contract when the domestic partnership began; and
      viii. Are each other's sole domestic partner and are responsible for each other's common welfare.

      Following termination of a domestic partnership a statement of termination must be filed with the Group. Application for another domestic partnership cannot be filed for ninety (90) days following a filing of the statement of termination of domestic partnership with the Group, unless such termination is due to the death of the domestic partner.

   c. Children who are under the age of twenty-six (26).

      "Children" means the children of the Subscriber or spouse, including adopted children, stepchildren, children of a domestic partner, or state-registered domestic partner, children for whom the Subscriber has a qualified court order to provide coverage, and any other children for whom the Subscriber is the legal guardian.

      Eligibility may be extended past the Dependent's limiting age as set forth above if the Dependent is totally incapable of self-sustaining employment because of a developmental or physical disability incurred prior to attainment of the limiting age set forth above, and is chiefly dependent upon the Subscriber for support and maintenance. Enrollment for such a

Dependent may be continued for the duration of the continuous total incapacity, provided enrollment does not terminate for any other reason. Medical proof of incapacity and proof of financial dependency must be furnished to GHC upon request, but not more frequently than annually after the two (2) year period following the Dependent's attainment of the limiting age.

3. **Temporary Coverage for Newborns.** When a Member gives birth, the newborn will be entitled to the benefits set forth in Section IV. from birth through three (3) weeks of age. After three (3) weeks of age, no benefits are available unless the newborn child qualifies as a Dependent and is enrolled under the Agreement. All contract provisions, limitations and exclusions will apply except Section III.F. and III.G.

B. Enrollment

1. **Application for Enrollment.** Application for enrollment must be made on an application approved by GHC. Applicants will not be enrolled or premiums accepted until the completed application has been approved by GHC. The Group is responsible for submitting completed applications to GHC.

   GHC reserves the right to refuse enrollment to any person whose coverage under any Medical Coverage Agreement issued by Group Health Cooperative or Group Health Options, Inc. has been terminated for cause, as set forth in Section III.E. below.

   a. **Newly Eligible Persons.** Newly eligible Subscribers and their Dependents may apply for enrollment in writing to the Group within thirty-one (31) days of becoming eligible.

      Temporary employees and their Dependents who are not in a benefits-eligible assignment may apply for enrollment in writing to the Group within ninety (90) days of becoming eligible.

   b. **New Dependents.** A written application for enrollment of a newly dependent person, other than a newborn or adopted child, must be made to the Group within thirty-one (31) days after the dependency occurs.

      A written application for enrollment of a newborn child must be made to the Group within sixty (60) days following the date of birth, when there is a change in the monthly premium payment as a result of the additional Dependent.

      A written application for enrollment of an adoptive child must be made to the Group within sixty (60) days from the day the child is placed with the Subscriber for the purpose of adoption and the Subscriber assumes total or partial financial support of the child, if there is a change in the monthly premium payment as a result of the additional Dependent.

      When there is no change in the monthly premium payment, it is strongly advised that the Subscriber enroll the newborn or newly adoptive child as a Dependent with the Group to avoid delays in the payment of claims.

   c. **Open Enrollment.** GHC will allow enrollment of Subscribers and Dependents, who did not enroll when newly eligible as described above, during a limited period of time specified by the Group and GHC.

   d. **Special Enrollment.**
      1) GHC will allow special enrollment for persons:
         a) who initially declined enrollment when otherwise eligible because such persons had other health care coverage and have had such other coverage terminated due to one of the following events:
            - cessation of employer contributions,
            - exhaustion of COBRA continuation coverage,
            - loss of eligibility, except for loss of eligibility for cause; or
         b) who have had such other coverage exhausted because such person reached a Lifetime Maximum limit.

GHC or the Group may require confirmation that when initially offered coverage such persons submitted a written statement declining because of other coverage. Application for coverage under the Agreement must be made within thirty-one (31) days of the termination of previous coverage.

2) GHC will allow special enrollment for individuals who are eligible to be a Subscriber, his/her spouse and his/her Dependents in the event one of the following occurs:
   - marriage. Application for coverage under the Agreement must be made within thirty-one (31) days of the date of marriage.
   - birth. Application for coverage under the Agreement for the Subscriber and Dependents other than the newborn child must be made within sixty (60) days of the date of birth.
   - adoption or placement for adoption. Application for coverage under the Agreement for the Subscriber and Dependents other than the adopted child must be made within sixty (60) days of the adoption or placement for adoption.
   - eligibility for medical assistance: provided such person is otherwise eligible for coverage under this Agreement, when approved and requested in advance by the Department of Social and Health Services (DSHS). ***The request for special enrollment must be made within sixty (60) days of DSHS's determination that enrollment would be cost-effective.***
   - ***coverage under a Medicaid or CHIP plan is terminated as a result of loss of eligibility for such coverage. Application for coverage under the Agreement must be made within sixty (60) days of the date of termination under Medicaid or CHIP.***
   - applicable federal or state law or regulation otherwise provides for special enrollment.

2. **Limitation on Enrollment.** The Agreement will be open for applications for enrollment as set forth in this Section III.B. Subject to prior approval by the Washington State Office of the Insurance Commissioner, GHC may limit enrollment, establish quotas or set priorities for acceptance of new applications if it determines that GHC's capacity, in relation to its total enrollment, is not adequate to provide services to additional persons.

C. Effective Date of Enrollment

1. Provided eligibility criteria are met and applications for enrollment are made as set forth in Sections III.A. and III.B. above, enrollment will be effective as follows:

   - City of Seattle-paid enrollment for a newly eligible Subscriber and listed Dependents will begin on the Subscriber's first (1st) day of employment if that date is: (a) the first (1st) calendar day of the month designated as a City of Seattle business day, or (b) the first (1st) calendar day of the month designated/recognized as the first (1st) working day for the shift to which the Subscriber is assigned, whichever is later. If employment begins after said date, the Subscriber's enrollment will begin the following month.
   - Enrollment on a self-pay basis, for a newly eligible Subscriber and listed Dependents will begin on the first (1st) day of the month following the date the application is received.
   - Enrollment for temporary employees who are not in a benefits-eligible assignment will begin the first (1st) of the calendar month following the date application is made and the rate is paid, or the date designated by the Group if application is made during an open enrollment period. Enrollment for temporary employees in a benefits-eligible assignment will begin the first (1st) calendar day of the month designated as a City of Seattle business day. If employment begins after said date, enrollment for the temporary employee in a benefits eligible assignment will begin the following month.
   - Enrollment for newly acquired domestic partners will begin on the date the affidavit is signed, and for newly acquired spouses will begin on the date of marriage.
   - Enrollment for all other newly dependent persons, other than newborns, adopted children, or children for whom the Subscriber becomes a legal guardian will begin on the first (1st) of the month following application.
   - Enrollment for newborns is effective from the date of birth.

- Enrollment for adoptive children, children placed for adoption, or children for whom the Subscriber becomes a legal guardian is effective from the date that the adoptive child is placed with the Subscriber for the purpose of adoption, or from the date of legal guardianship, and the Subscriber has assumed total or partial financial support of the child.

2. **Commencement of Benefits for Persons Hospitalized on Effective Date.** Members who are admitted to an inpatient facility prior to their enrollment under the Agreement, and who do not have coverage under another agreement, will receive covered benefits beginning on their effective date, as set forth in subsection C.1. above. If a Member is hospitalized in a non-GHC Facility, GHC reserves the right to require transfer of the Member to a GHC Facility. The Member will be transferred when a GHC Provider, in consultation with the attending physician, determines that the Member is medically stable to do so. If the Member refuses to transfer to a GHC Facility, all further costs incurred during the hospitalization are the responsibility of the Member.

D. Eligibility for Medicare

An individual shall be deemed eligible for Medicare when he/she has the option to receive Part A Medicare benefits. Medicare Secondary Payer regulations and guidelines will determine primary/secondary payer status for individuals covered by Medicare.

The Group is responsible for providing the Member with necessary information regarding Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) eligibility and the selection process, if applicable. A Member who is eligible for Medicare has the option of maintaining both Medicare Parts A and B while continuing coverage under this Agreement. Coverage between this Agreement and Medicare will be coordinated as outlined in Section VII.A.

The Group is also responsible for providing GHC with a prospective timely notice of Members' ineligibility for Medicare Advantage coverage under the Group, as well as providing a prospective notice to its Members alerting them of the termination event. In the event the Group does not obtain Medicare Advantage coverage, the loss of Medicare drug coverage, other coverage options that may be available to the Member, and the possibility of late enrollment penalties if the Member does not apply for Medicare coverage within the required timeframe will also need to be provided.

E. Termination of Coverage

1. **Termination of Specific Members.** Individual Member coverage may be terminated for any of the following reasons:

   a. **Loss of Eligibility.** If a Member no longer meets the eligibility requirements set forth in Section III., and is not enrolled for continuation coverage as described in Section III.G. below, coverage under the Agreement will terminate at the end of the month during which the loss of eligibility occurs, unless otherwise specified by the Group.

   b. **For Cause.** Coverage of a Member may be terminated upon ten (10) working days written notice for:

      i. Material misrepresentation, fraud or omission of information in order to obtain coverage.
      ii. Permitting the use of a GHC identification card or number by another person, or using another Member's identification card or number to obtain care to which a person is not entitled.

      In the event of termination for cause, GHC reserves the right to pursue all civil remedies allowable under federal and state law for the collection of claims, losses or other damages.

   c. **Premium Payments.** Nonpayment of premiums or contribution for a specific Member by the Group.

   Individual Member coverage may be retroactively terminated upon thirty (30) days written notice and only in the case of fraud or intentional misrepresentation of a material fact; or as otherwise allowed under applicable law or regulation. Notwithstanding the foregoing, GHC reserves the

right to retroactively terminate coverage for nonpayment of premiums or contributions by the Group, as described under subsection c. above.

In no event will a Member be terminated solely on the basis of their physical or mental condition provided they meet all other eligibility requirements set forth in the Agreement.

Any Member may appeal a termination decision through GHC's grievance process as set forth in Section VI.

2. **Certificate of Creditable Coverage.** Unless the Group has chosen to accept this responsibility, a certificate of creditable coverage (which provides information regarding the Member's length of coverage under the Agreement) will be issued automatically upon termination of coverage, and may also be obtained upon request.

F. Services After Termination of Agreement

1. **Members Hospitalized on the Date of Termination.** A Member who is receiving Covered Services as a registered bed patient in a hospital on the date of termination shall continue to be eligible for Covered Services while an inpatient for the condition which the Member was hospitalized, until one of the following events occurs:

   - According to GHC clinical criteria, it is no longer Medically Necessary for the Member to be an inpatient at the facility.
   - The remaining benefits available under the Agreement for the hospitalization are exhausted, regardless of whether a new calendar year begins.
   - The Member becomes covered under another agreement with a group health plan that provides benefits for the hospitalization.
   - The Member becomes enrolled under an agreement with another carrier that would provide benefits for the hospitalization if the Agreement did not exist.

   This provision will not apply if the Member is covered under another agreement that provides benefits for the hospitalization at the time coverage would terminate, except as set forth in this section, or if the Member is eligible for COBRA continuation coverage as set forth in subsection G. below.

2. **Services Provided After Termination.** The Subscriber shall be liable for payment of all charges for services and items provided to the Subscriber and all Dependents after the effective date of termination, except those services covered under subsection F.1. above. Any services provided by GHC will be charged according to the Fee Schedule.

G. Continuation of Coverage Options

1. **Continuation Option.** A Member no longer eligible for coverage under the Agreement (except in the event of termination for cause, as set forth in Section III.E.) may continue coverage for a period of up to three (3) months subject to notification to and self-payment of premiums to the Group. This provision will not apply if the Member is eligible for the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). This continuation option is not available if the Group no longer has active employees or otherwise terminates.

2. **Leave of Absence.** While on a Group approved leave of absence, the Subscriber and listed Dependents can continue to be covered under the Agreement provided:

   - They remain eligible for coverage, as set forth in Section III.A.,
   - Such leave is in compliance with the Group's established leave of absence policy that is consistently applied to all employees,
   - The Group's leave of absence policy is in compliance with the Family and Medical Leave Act when applicable, and
   - The Group continues to remit premiums for the Subscriber and Dependents to GHC.

3. **Self-Payments During Labor Disputes.** In the event of suspension or termination of employee compensation due to a strike, lock-out or other labor dispute, a Subscriber may continue uninterrupted coverage under the Agreement through payment of monthly premiums directly to the Group. Coverage may be continued for the lesser of the term of the strike, lock-out or other labor dispute, or for six (6) months after the cessation of work.

   If the Agreement is no longer available, the Subscriber shall have the opportunity to apply for an individual GHC Group Conversion Plan or, if applicable, continuation coverage (see subsection 4. below), or an Individual and Family Medical Coverage Agreement at the duly approved rates.

   The Group is responsible for immediately notifying each affected Subscriber of his/her rights of self-payment under this provision.

4. **Continuation Coverage Under Federal Law.** This section applies only to Groups who must offer continuation coverage under the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, and only applies to grant continuation of coverage rights to the extent required by federal law.

   Upon loss of eligibility, continuation of Group coverage may be available to a Member for a limited time after the Member would otherwise lose eligibility, if required by COBRA. The Group shall inform Members of the COBRA election process and how much the Member will be required to pay directly to the Group.

   Continuation coverage under COBRA will terminate when a Member becomes covered by Medicare or obtains other group coverage, and as set forth under Section III.E.1.b. and c.

5. **GHC Group Conversion Plan.** Members whose eligibility for coverage under the Agreement, including continuation coverage, is terminated for any reason other than cause, as set forth in Section III.E.1.b., and who are not eligible for Medicare or covered by another group health plan, may convert to GHC's Group Conversion Plan. If the Agreement terminates, any Member covered under the Agreement at termination may convert to a GHC Group Conversion Plan, unless he/she is eligible to obtain other group health coverage within thirty-one (31) days of the termination of the Agreement.

   An application for conversion must be made within thirty-one (31) days following termination of coverage under the Agreement or within thirty-one (31) days from the date notice of the termination of coverage is received, whichever is later. Coverage under GHC's Group Conversion Plan is subject to all terms and conditions of such plan, including premium payments. A physical examination or statement of health is not required for enrollment in GHC's Group Conversion Plan. The Pre-Existing Condition limitation under GHC's Group Conversion Plan will apply only to the extent that the limitation remains unfulfilled under the Agreement.

   By exercising Group Conversion rights, the Member may waive guaranteed issue and Pre-Existing Condition waiver rights under Federal regulations.

   Persons wishing to purchase GHC's Individual and Family coverage should contact GHC Marketing.

Section IV. Schedule of Benefits

Benefits are subject to all provisions of the Group Medical Coverage Agreement, including, without limitation, the Accessing Care provisions and General Exclusions. Members must refer to Section II., the Allowances Schedule, for Cost Shares and specific benefit limits that apply to benefits listed in this Schedule of Benefits. Members are entitled to receive only benefits and services that are Medically Necessary and clinically appropriate for the treatment of a Medical Condition as determined by GHC's Medical Director, or his/her designee, and as described herein. All Covered Services are subject to case management and utilization review at the discretion of GHC.

A. Hospital Care

Hospital coverage is limited to the following services:

1. Room and board, including private room when prescribed, and general nursing services.

2. Hospital services (including use of operating room, anesthesia, oxygen, x-ray, laboratory and radiotherapy services).

3. Alternative care arrangements may be covered as a cost-effective alternative in lieu of otherwise covered Medically Necessary hospitalization, or other covered Medically Necessary institutional care. Alternative care arrangements in lieu of covered hospital or other institutional care must be determined to be appropriate and Medically Necessary based upon the Member's Medical Condition. Coverage must be authorized in advance by GHC as appropriate and Medically Necessary. Such care will be covered to the same extent the replaced Hospital Care is covered under the Agreement.

4. Drugs and medications administered during confinement.

5. Special duty nursing, when prescribed as Medically Necessary.

If a Member is hospitalized in a non-GHC Facility, GHC reserves the right to require transfer of the Member to a GHC Facility, upon consultation between a GHC Provider and the attending physician. If the Member refuses to transfer, all further costs incurred during the hospitalization are the responsibility of the Member.

Excluded: take home drugs, dressings and supplies following hospitalization.

B. Medical and Surgical Care

Medical and surgical coverage is limited to the following:

1. Surgical services.

2. Diagnostic x-ray, nuclear medicine, ultrasound and laboratory services.

3. Family planning counseling services.

4. Hearing examinations to determine hearing loss.

   Excluded: hearing devices and hearing aids, including related examinations.

5. Blood and blood derivatives and their administration.

6. Preventive care (well care) services for health maintenance in accordance with the well care schedule established by GHC and the Patient Protection and Affordable Care Act of 2010. Preventive care includes: routine mammography screening, physical examinations and routine laboratory tests for cancer screening in accordance with the well care schedule established by GHC, and immunizations and vaccinations listed as covered in the GHC drug formulary (approved drug list). A fee may be charged for health education programs. The well care schedule is available in GHC clinics, by accessing GHC's website at www.ghc.org, or upon request.

   Covered Services provided during a preventive care visit, which are not in accordance with the GHC well care schedule, may be subject to Cost Shares.

7. Radiation therapy services.

8. Reduction of a fracture or dislocation of the jaw or facial bones; excision of tumors or non-dental cysts of the jaw, cheeks, lips, tongue, gums, roof and floor of the mouth; and incision of salivary glands and ducts.

9. Medical implants.

Excluded: internally implanted insulin pumps, artificial hearts, artificial larynx and any other implantable device that has not been approved by GHC's Medical Director, or his/her designee.

10. Respiratory therapy.

11. Outpatient total parenteral nutritional therapy; outpatient elemental formulas for malabsorption; and dietary formula for the treatment of phenylketonuria (PKU). Coverage for PKU formula is not subject to a Pre-Existing Condition waiting period, if applicable.

    Equipment and supplies for the administration of enteral and parenteral therapy are covered under Devices, Equipment and Supplies.

    Excluded: any other dietary formulas, oral nutritional supplements, special diets, prepared foods/meals and formula for access problems.

12. Visits with GHC Providers, including consultations and second opinions, in the hospital or provider's office.

13. Optical services.

    Routine eye examinations and refractions received at a GHC Facility once every twelve (12) months, except when Medically Necessary. ***Routine eye examinations to monitor Medical Conditions are covered as often as necessary upon recommendation of a GHC Provider.***

    Contact lenses for eye pathology, including contact lens exam and fitting, are covered subject to the applicable Cost Share. When dispensed through GHC Facilities, one contact lens per diseased eye in lieu of an intraocular lens, including exam and fitting, is covered for Members following cataract surgery performed by a GHC Provider, provided the Member has been continuously covered by GHC since such surgery. Replacement ***of lenses for eye pathology, including following cataract surgery,*** will be covered only ***once within a twelve (12) month period and only*** when needed due to a change in the Member's Medical Condition.

    Excluded: ***eyeglasses, contact lenses and services related to their fitting, orthoptic therapy (i.e., eye training),*** evaluations and surgical procedures to correct refractions not related to eye pathology and complications related to such procedures, and contact lens fittings and related ***examinations not related to eye pathology***, except as set forth above.

14. Maternity care, including care for complications of pregnancy and prenatal and postpartum visits.

    Prenatal testing for the detection of congenital and heritable disorders when Medically Necessary as determined by GHC's Medical Director, or his/her designee, and in accordance with Board of Health standards for screening and diagnostic tests during pregnancy.

    Hospitalization and delivery, including home births for low risk pregnancies.

    Voluntary (not medically indicated and nontherapeutic) or involuntary termination of pregnancy.

    The Member's physician, in consultation with the Member, will determine the Member's length of inpatient stay following delivery. Pregnancy will not be excluded as a Pre-Existing Condition under the Agreement. Treatment for post-partum depression or psychosis is covered only under the mental health benefit.

    Excluded: birthing tubs, genetic testing of non-Members for the detection of congenital and heritable disorders, ***fetal ultrasound in the absence of medical indications***.

15. Transplant services, including heart, heart-lung, single lung, double lung, kidney, pancreas, cornea, intestinal/multi-visceral, bone marrow, liver transplants and stem cell support (obtained from allogeneic or autologous peripheral blood or marrow) with associated high dose

chemotherapy. Covered Services must be directly associated with, and occur at the time of, the transplant. Services are limited to the following:

a. Inpatient and outpatient medical expenses listed below for transplantation procedures:
   - Evaluation testing to determine recipient candidacy,
   - Donor matching tests,
   - Hospital charges,
   - Procurement center fees,
   - Professional fees,
   - Travel costs for a surgical team, and
   - Excision fees

   Donor costs for a covered organ recipient are limited to procurement center fees, travel costs for a surgical team and excision fees.

b. Follow-up services for specialty visits,
c. Rehospitalization, and
d. Maintenance medications.

Excluded: donor costs to the extent that they are reimbursable by the organ donor's insurance, treatment of donor complications, living expenses and transportation expenses, except as set forth under Section IV.M.

16. Manipulative therapy.

    Manipulative therapy of the spine and extremities are covered as set forth in the Allowances Schedule when provided by GHC Providers.

    Excluded: supportive care rendered primarily to maintain the level of correction already achieved, care rendered primarily for the convenience of the Member, care rendered on a non-acute, asymptomatic basis and charges for any other services that do not meet GHC clinical criteria as Medically Necessary.

17. Medical and surgical services and related hospital charges, including orthognathic (jaw) surgery, for the treatment of temporomandibular joint (TMJ) disorders. TMJ appliances are covered as set forth under Section IV.H.1., Orthopedic Appliances.

    Orthognathic (jaw) surgery for the treatment of TMJ disorders, radiology services and TMJ specialist services, including fitting/adjustment of splints are subject to the benefit limit set forth in the Allowances Schedule.

    Excluded: treatment for cosmetic purposes, ***bite blocks,*** dental services including orthodontic therapy, or any orthognathic (jaw) surgery in the absence of a diagnosis of TMJ, severe obstructive sleep apnea or congenital anomaly. Any hospitalizations related to these exclusions is also excluded.

18. Diabetic training and education.

19. Detoxification services for alcoholism and drug abuse.

    For the purposes of this section, "acute chemical withdrawal" means withdrawal of alcohol and/or drugs from a Member for whom consequences of abstinence are so severe that they require medical/nursing assistance in a hospital setting, which is needed immediately to prevent serious impairment to the Member's health.

    Coverage for acute chemical withdrawal is provided without prior approval. If a Member is hospitalized in a non-GHC Facility/program, coverage is subject to payment of the Emergency care Cost Share. The Member or person assuming responsibility for the Member must notify GHC by way of the GHC Notification Line within twenty-four (24) hours following inpatient admission, or as soon thereafter as medically possible. Furthermore, if a Member is hospitalized in

a non-GHC Facility/program, GHC reserves the right to require transfer of the Member to a GHC Facility/program upon consultation between a GHC Provider and the attending physician. If the Member refuses transfer to a GHC Facility/program, all further costs incurred during the hospitalization are the responsibility of the Member.

20. Circumcision.

21. Nutritional counseling provided by GHC staff.

22. Sterilization procedures.

    Excluded: procedures and services to reverse a therapeutic or nontherapeutic sterilization.

23. General anesthesia services and related facility charges for dental procedures will be covered for Members who are under seven (7) years of age, or are physically or developmentally disabled or have a Medical Condition where the Member's health would be put at risk if the dental procedure were performed in a dentist's office. Such services must be authorized in advance by GHC and performed at a GHC hospital or ambulatory surgical facility.

    Excluded: dentist's or oral surgeon's fees*; **dental care, surgery, services and appliances, including: treatment of accidental injury to natural teeth, reconstructive surgery to the jaw in preparation for dental implants, dental implants, periodontal surgery and any other dental service not specifically listed as covered. GHC's Medical Director, or his/her designee, will determine whether the care or treatment required is within the category of dental care or service.***

24. Acupuncture and naturopathy as set forth in the Allowances Schedule. Additional visits are covered when approved by GHC. Laboratory and radiology services are covered only when obtained through a GHC Facility.

    Excluded: herbal supplements, preventive care visits for acupuncture and any services not within the scope of the practitioner's licensure.

25. Pre-Existing Conditions are covered in the same manner as any other illness.

26. Injections administered by a professional in a clinical setting.

C. Chemical Dependency Treatment.

Chemical dependency means an illness characterized by a physiological or psychological dependency, or both, on a controlled substance and/or alcoholic beverages, and where the user's health is substantially impaired or endangered or his/her social or economic function is substantially disrupted.

For the purposes of this section, the definition of Medically Necessary shall be expanded to include those services necessary to treat a chemical dependency condition that is having a clinically significant impact on a Member's emotional, social, medical and/or occupational functioning.

Chemical dependency treatment services are covered as set forth in the Allowances Schedule at a GHC Facility or GHC-approved treatment program.

All alcoholism and/or drug abuse treatment services must be: (a) provided at a facility as described above; and (b) deemed Medically Necessary as defined above. Chemical dependency treatment may include the following services received on an inpatient or outpatient basis: inpatient Residential Treatment services, diagnostic evaluation and education, organized individual and group counseling and/or prescription drugs and medicines.

Court-ordered treatment shall be covered only if determined to be Medically Necessary as defined above.

D. Plastic and Reconstructive Services. Plastic and reconstructive services are covered as set forth below:

1. Correction of a congenital disease or congenital anomaly, as determined by a GHC Provider. A congenital anomaly will be considered to exist if the Member's appearance resulting from such condition is not within the range of normal human variation.

2. Correction of a Medical Condition following an injury or resulting from surgery covered by GHC which has produced a major effect on the Member's appearance, when in the opinion of a GHC Provider, such services can reasonably be expected to correct the condition.

3. Reconstructive surgery and associated procedures, including internal breast prostheses, following a mastectomy, regardless of when the mastectomy was performed.

   Members will be covered for all stages of reconstruction on the non-diseased breast to make it equivalent in size with the diseased breast.

   Complications of covered mastectomy services, including lymphedemas, are covered.

Excluded: ***cosmetic services, including treatment for complications resulting from cosmetic surgery, and*** complications of noncovered surgical services.

E. Home Health Care Services. Home health care services, as set forth in this section, shall be covered when ***Authorized*** in advance and provided by a GHC Provider for Members who meet the following criteria:

1. The Member is unable to leave home due to his/her health problem or illness. Unwillingness to travel and/or arrange for transportation does not constitute inability to leave the home.

2. The Member requires intermittent skilled home health care services, as described below.

3. A GHC Provider has determined that such services are Medically Necessary and are most appropriately rendered in the Member's home.

For the purposes of this section, "skilled home health care" means reasonable and necessary care for the treatment of an illness or injury which requires the skill of a nurse or therapist, based on the complexity of the service and the condition of the patient and which is performed directly by an appropriately licensed professional provider.

Covered Services for home health care may include the following when rendered pursuant to an approved home health care plan of treatment: nursing care, physical therapy, occupational therapy, respiratory therapy, restorative speech therapy, durable medical equipment and medical social worker and limited home health aide services. Home health services are covered on an intermittent basis in the Member's home. "Intermittent" means care that is to be rendered because of a medically predictable recurring need for skilled home health care services.

Excluded: ***convalescent care,*** custodial care and maintenance care, private duty or continuous nursing care in the Member's home, housekeeping or meal services, care in any nursing home or convalescent facility, any care provided by or for a member of the patient's family and any other services rendered in the home which do not meet the definition of skilled home health care above or are not specifically listed as covered under the Agreement.

F. Hospice Care. Hospice care is covered in lieu of curative treatment for terminal illness for Members who meet all of the following criteria:

- A GHC Provider has determined that the Member's illness is terminal and life expectancy is six (6) months or less.
- The Member has chosen a palliative treatment focus (emphasizing comfort and supportive services rather than treatment aimed at curing the Member's terminal illness).
- The Member has elected in writing to receive hospice care through GHC's Hospice Program or GHC's approved hospice program.
- The Member has available a primary care person who will be responsible for the Member's home care.

- A GHC Provider and GHC's Hospice Director, or his/her designee, have determined that the Member's illness can be appropriately managed in the home.

Hospice care shall mean a coordinated program of palliative and supportive care for dying Members by an interdisciplinary team of professionals and volunteers centering primarily in the Member's home.

1. **Covered Services.** Care may include the following as prescribed by a GHC Provider and rendered pursuant to an approved hospice plan of treatment:

   a. **Home Services**

      i. Intermittent care by a hospice interdisciplinary team which may include services by a physician, nurse, medical social worker, physical therapist, speech therapist, occupational therapist, respiratory therapist, limited services by a Home Health Aide under the supervision of a Registered Nurse and homemaker services.
      ii. Continuous care services in the Member's home when prescribed by a GHC Provider, as set forth in this paragraph. "Continuous care" means skilled nursing care provided in the home during a period of crisis in order to maintain the terminally ill Member at home. Continuous care may be provided for pain or symptom management by a Registered Nurse, Licensed Practical Nurse or Home Health Aide under the supervision of a Registered Nurse. Continuous care is covered up to twenty-four (24) hours per day during periods of crisis. Continuous care is covered only when a GHC Provider determines that the Member would otherwise require hospitalization in an acute care facility.

   b. **Inpatient Hospice Services.** For short-term care, inpatient hospice services shall be covered in a facility designated by GHC's Hospice Program or GHC-approved hospice program when authorized in advance by a GHC Provider and GHC's Hospice Program or GHC-approved hospice program.

      Inpatient respite care is covered for a maximum of five (5) consecutive days per occurrence in order to continue care for the Member in the temporary absence of the Member's primary care giver(s).

   c. Other covered hospice services may include the following:

      i. Drugs and biologicals that are used primarily for the relief of pain and symptom management.
      ii. Medical appliances and supplies primarily for the relief of pain and symptom management.
      iii. Durable medical equipment.
      iv. Counseling services for the Member and his/her primary care-giver(s).
      v. Bereavement counseling services for the family.

2. **Hospice Exclusions.** All services not specifically listed as covered in this section are excluded, including:

   a. Financial or legal counseling services.
   b. Meal services.
   c. Custodial or maintenance care in the home or on an inpatient basis, except as provided above.
   d. Services not specifically listed as covered by the Agreement.
   e. Any services provided by members of the patient's family.
   *f. **Convalescent care.***

G. Rehabilitation Services.

1. Rehabilitation services are covered as set forth in this section, limited to the following: physical therapy; occupational therapy; massage therapy and speech therapy to restore function following illness, injury or surgery. Services are subject to all terms, conditions and limitations of the Agreement, including the following:

a. All services must be provided at a GHC or GHC-approved rehabilitation facility and require a prescription from a GHC physician and must be provided by a GHC-approved rehabilitation team that includes a physician, nurse, physical therapist, occupational therapist, massage therapist and speech therapist.

b. Services are limited to those necessary to restore or improve functional abilities when physical, sensori-perceptual and/or communication impairment exists due to injury, illness or surgery. Such services are provided only when GHC's Medical Director, or his/her designee, determines that significant, measurable improvement to the Member's condition can be expected within a sixty (60) day period as a consequence of intervention by covered therapy services described in paragraph a., above.

c. Coverage for inpatient and outpatient services is limited to the Allowance set forth in the Allowances Schedule.

Excluded: ***specialty treatment programs such as cardiac rehabilitation;*** inpatient Residential Treatment services; specialty rehabilitation programs not provided by GHC; long-term rehabilitation programs; physical therapy, occupational therapy and speech therapy services when such services are available (whether application is made or not) through programs offered by public school districts; therapy for degenerative or static conditions when the expected outcome is primarily to maintain the Member's level of functioning (except as set forth in subsection 2. below); recreational, life-enhancing, relaxation or palliative therapy; implementation of home maintenance programs; programs for treatment of learning problems; any services not specifically included as covered in this section; and any services that are excluded under Section V.

2. **Neurodevelopmental Therapies for Children Age Six (6) and Under.** Physical therapy, occupational therapy and speech therapy services for the restoration and improvement of function for neurodevelopmentally disabled children age six (6) and under shall be covered. Coverage includes maintenance of a covered Member in cases where significant deterioration in the Member's condition would result without the services. Coverage for inpatient and outpatient services is limited to the Allowance set forth in the Allowances Schedule.

Excluded: inpatient Residential Treatment services; specialty rehabilitation programs not provided by GHC, ***including "behavior modification programs"***; long-term rehabilitation programs; physical therapy, occupational therapy and speech therapy services when such services are available (whether application is made or not) through programs offered by public school districts; recreational, life-enhancing, relaxation or palliative therapy; implementation of home maintenance programs; programs for treatment of learning problems; any services not specifically included as covered in this section; and any services that are excluded under Section V.

H. Devices, Equipment and Supplies.

1. **Orthopedic Appliances.** Orthopedic appliances, which are attached to an impaired body segment for the purpose of protecting the segment or assisting in restoration or improvement of its function.

Excluded: arch supports, including custom shoe modifications or inserts and their fittings except for therapeutic shoes, modifications and shoe inserts for severe diabetic foot disease; and orthopedic shoes that are not attached to an appliance.

2. **Ostomy Supplies.** Ostomy supplies for the removal of bodily secretions or waste through an artificial opening.

3. **Durable Medical Equipment.** Durable medical equipment is equipment which can withstand repeated use, is primarily and customarily used to serve a medical purpose, is useful only in the presence of an illness or injury and used in the Member's home. Durable medical equipment includes: hospital beds, wheelchairs, walkers, crutches, canes, glucose monitors, external insulin pumps, oxygen and oxygen equipment. GHC, in its sole discretion, will determine if equipment is made available on a rental or purchase basis.

4. **Prosthetic Devices.** Prosthetic devices are items which replace all or part of an external body part, or function thereof.

When authorized in advance, repair, adjustment or replacement of appliances and equipment is covered.

Excluded: ***take-home dressings and supplies following hospitalization; any other supplies, dressings, appliances, devices or services which are not specifically listed as covered above;*** and replacement or repair of appliances, devices and supplies due to loss, breakage from willful damage, neglect or wrongful use, or due to personal preference.

I. Tobacco Cessation.

When provided through GHC, services related to tobacco cessation are covered, limited to participation in individual or group ***counseling***; educational materials; and approved pharmacy products.

J. Drugs, Medicines, Supplies and Devices. This benefit, for purposes of creditable coverage, is actuarially equal to or greater than the Medicare Part D prescription drug benefit. Eligible Members who are also eligible for Medicare Part D pharmacy benefits can remain covered under the Agreement and not be subject to Medicare-imposed late enrollment penalties should they decide to enroll in a Medicare Part D pharmacy plan at a later date. A Member who discontinues coverage under the Agreement must meet eligibility requirements in order to re-enroll.

Legend medications are drugs which have been approved by the Food and Drug Administration (FDA) and which can, under federal or state law, be dispensed only pursuant to a prescription order. These drugs, including off-label use of FDA-approved drugs (provided that such use is documented to be effective in one of the standard reference compendia; a majority of well-designed clinical trials published in peer-reviewed medical literature document improved efficacy or safety of the agent over standard therapies, or over placebo if no standard therapies exist; or by the federal secretary of Health and Human Services), contraceptive drugs and devices, diabetic supplies, including insulin syringes, lancets, urine-testing reagents, blood-glucose monitoring reagents and insulin, are covered as set forth below.

All drugs, supplies, medicines and devices must be prescribed by a GHC Provider for conditions covered by the Agreement, obtained at a GHC-designated pharmacy and, unless approved by GHC in advance, be listed in the GHC drug formulary. The prescription drug Cost Share, as set forth in the Allowances Schedule, applies to each thirty (30) day supply. Cost Shares for single and multiple thirty (30) day supplies of a given prescription are payable at the time of delivery. Injectables that can be self-administered are also subject to the prescription drug Cost Share. Drug formulary (approved drug list) is defined as a list of preferred pharmaceutical products, supplies and devices developed and maintained by GHC. A limited supply of prescription drugs obtained at a non-GHC pharmacy is covered when dispensed or prescribed in connection with covered Emergency treatment.

Generic drugs will be dispensed whenever available. Brand name drugs will be dispensed if there is not a generic equivalent. In the event the Member elects to purchase brand-name drugs instead of the generic equivalent (if available), or if the Member elects to purchase a different brand-name or generic drug than that prescribed by the Member's Provider, and it is not determined to be Medically Necessary, the Member will also be subject to payment of the additional amount above the applicable pharmacy Cost Share set forth in the Allowances Schedule. A generic drug is defined as a drug that is the pharmaceutical equivalent to one or more brand name drugs. Such generic drugs have been approved by the Food and Drug Administration as meeting the same standards of safety, purity, strength and effectiveness as the brand name drug. A brand name drug is defined as a prescription drug that has been patented and is only available through one manufacturer.

"Standard reference compendia" means the American Hospital Formulary Service-Drug Information; the American Medical Association Drug Evaluation; the United States Pharmacopoeia-Drug Information, or other authoritative compendia as identified from time to time by the federal secretary of Health and Human Services. "Peer-reviewed medical literature" means scientific studies printed in healthcare journals or other publications in which original manuscripts are published only after having

been critically reviewed for scientific accuracy, validity and reliability by unbiased independent experts. Peer-reviewed medical literature does not include in-house publications of pharmaceutical manufacturing companies.

Excluded: over-the-counter drugs, medicines, supplies and devices not requiring a prescription under state law or regulations; drugs used in the treatment of sexual dysfunction disorders; medicines and injections for anticipated illness while traveling; vitamins, including Legend (prescription) vitamins; ***any exclusion of drugs, medicines and injectables, will also exclude their administration.***

The Member will be charged for replacing lost or stolen drugs, medicines or devices.

The Member's Right to Safe and Effective Pharmacy Services.

State and federal laws establish standards to assure safe and effective pharmacy services, and to guarantee Members' right to know what drugs are covered under the Agreement and what coverage limitations are in the Agreement. Members who would like more information about the drug coverage policies under the Agreement, or have a question or concern about their pharmacy benefit, may contact GHC at (206) 901-4636 or (888) 901-4636.

Members who would like to know more about their rights under the law, or think any services received while enrolled may not conform to the terms of the Agreement, may contact the Washington State Office of Insurance Commissioner at (800) 562-6900. Members who have a concern about the pharmacists or pharmacies serving them, may call the Washington State Department of Health at (800) 525-0127.

K. Mental Health Care Services. Services that are provided by a mental health practitioner will be covered as mental health care, regardless of the cause of the disorder.

1. **Outpatient Services.** Outpatient mental health services place priority on restoring the Member to his/her level of functioning prior to the onset of acute symptoms or to achieve a clinically appropriate level of stability as determined by GHC's Medical Director, or his/her designee. Treatment for clinical conditions may utilize psychiatric, psychological and/or psychotherapy services to achieve these objectives.

   Coverage for each Member is provided according to the outpatient mental health care Allowance set forth in the Allowances Schedule. Psychiatric medical services, including medical management and prescriptions, are covered as set forth in Sections IV.B. and IV.J.

2. **Inpatient Services.** Charges for services described in this section, including psychiatric Emergencies resulting in inpatient services, are covered as set forth in the Allowances Schedule. This benefit shall include coverage for acute treatment and stabilization of psychiatric Emergencies in GHC-approved hospitals. Coverage for services incurred at non-GHC Facilities shall exclude any charges that would otherwise be excluded for hospitalization within a GHC Facility.

   Services provided under involuntary commitment statutes shall be covered at facilities approved by GHC. Services for any involuntary court-ordered treatment program beyond seventy-two (72) hours shall be covered only if determined to be Medically Necessary by GHC's Medical Director, or his/her designee.

   Coverage for voluntary/involuntary Emergency inpatient psychiatric services is subject to the Emergency care benefit set forth in Section IV.L., including the twenty-four (24) hour notification and transfer provisions.

   Outpatient electro-convulsive therapy treatment is covered subject to the outpatient surgery Cost Share.

3. **Exclusions and Limitations for Outpatient and Inpatient Mental Health Treatment Services.** Covered Services are limited to those authorized by GHC's Medical Director, or his/her designee, for covered clinical conditions for which the reduction or removal of acute clinical symptoms or

stabilization can be expected given the most clinically appropriate level of mental health care intervention.

Excluded: inpatient Residential Treatment services; learning, communication and motor skills disorders; mental retardation; academic or career counseling; sexual and identity disorders; and personal growth or relationship enhancement. Also excluded: assessment and treatment services that are primarily vocational and academic; court-ordered or forensic treatment, including reports and summaries, not considered Medically Necessary; work or school ordered assessment and treatment not considered Medically Necessary; counseling for overeating; ***specialty treatment programs such as "behavior modification programs"*** ; relationship counseling or phase of life problems (V code only diagnoses); and custodial care.

Any other services not specifically listed as covered in this section. All other provisions, exclusions and limitations under the Agreement also apply.

L. Emergency/Urgent Care.

All services are covered subject to the Cost Shares set forth in the Allowances Schedule.

Emergency Care (See Section VIII. for a definition of Emergency.)

1. **At a GHC Facility.** GHC will cover Emergency care for all Covered Services.

2. **At a Non-GHC Facility.** Usual, Customary and Reasonable charges for Emergency care for Covered Services are covered subject to:

   a. Payment of the Emergency care Cost Share; and
   b. Notification of GHC by way of the GHC Notification Line within twenty-four (24) hours following inpatient admission, or as soon thereafter as medically possible.

3. **Waiver of Emergency Care Cost Share.**

   a. **Waiver for Multiple Injury Accident.** If two or more Members in the same Family Unit require Emergency care as a result of the same accident, coverage for all Members will be subject to only one (1) Emergency care Copayment.

   b. **Emergencies Resulting in an Inpatient Admission.** If the Member is admitted to a GHC Facility directly from the emergency room, the Emergency care Copayment is waived. However, coverage will be subject to the inpatient services Cost Share.

4. **Transfer and Follow-up Care.** If a Member is hospitalized in a non-GHC Facility, GHC reserves the right to require transfer of the Member to a GHC Facility, upon consultation between a GHC Provider and the attending physician. If the Member refuses to transfer to a GHC Facility, all further costs incurred during the hospitalization are the responsibility of the Member.

   Follow-up care which is a direct result of the Emergency must be obtained from GHC Providers, unless a GHC Provider has authorized such follow-up care from a non-GHC Provider in advance.

Urgent Care (See Section VIII. for a definition of Urgent Condition.)

Inside the GHC Service Area, care for Urgent Conditions is covered at GHC medical centers, GHC urgent care clinics or GHC Providers' offices, subject to the applicable Cost Share. Urgent care received at any hospital emergency department is not covered unless authorized in advance by a GHC Provider. Care received at urgent care facilities other than those listed above is only covered for Emergency services, subject to the applicable Emergency care Cost Share.

Outside the GHC Service Area, Usual, Customary and Reasonable charges are covered for Urgent Conditions received at any medical facility, subject to the applicable Cost Share.

M. Ambulance Services. Ambulance services are covered as set forth below, provided that the service is authorized in advance by a GHC Provider or meets the definition of an Emergency (see Section VIII.).

1. **Emergency Transport to any Facility.** Each Emergency is covered as set forth in the Allowances Schedule.

2. **Interfacility Transfers.** GHC-initiated non-emergent transfers to or from a GHC Facility are covered as set forth in the Allowances Schedule.

N. **Skilled Nursing Facility (SNF).** Skilled nursing care in a GHC-approved skilled nursing facility when full-time skilled nursing care is necessary in the opinion of the attending GHC Provider, is covered as set forth in the Allowances Schedule.

When prescribed by a GHC Provider, such care may include room and board; general nursing care; drugs, biologicals, supplies and equipment ordinarily provided or arranged by a skilled nursing facility; and short-term physical therapy, occupational therapy and restorative speech therapy.

Excluded: personal comfort items such as telephone and television, rest cures and custodial, domiciliary or convalescent care.

Section V. General Exclusions

In addition to exclusions listed throughout the Agreement, the following are not covered:

1. Services or supplies not specifically listed as covered in the Schedule of Benefits, Section IV.

2. Follow-up services related to a non-Covered Service.

3. Complications of non-Covered Services.

4. Services or supplies for which no charge is made, or for which a charge would not have been made if the Member had no health care coverage or for which the Member is not liable; services provided by a member of the Member's family.

5. Convalescent or custodial care.

6. Services rendered as a result of work-related injuries, illnesses or conditions, including injuries, illnesses or conditions incurred as a result of self-employment.

7. Those parts of an examination and associated reports and immunizations required for employment, unless otherwise noted in Section IV.B., immigration, license, travel or insurance purposes that are not deemed Medically Necessary by GHC for early detection of disease.

8. Services and supplies related to sexual reassignment surgery, such as sex change operations or transformations and procedures or treatments designed to alter physical characteristics.

9. Diagnostic testing and medical treatment of sterility, infertility and sexual dysfunction, regardless of origin or cause, unless otherwise noted in Section IV.B.

10. Obesity treatment and treatment for morbid obesity, including any medical services, drugs, supplies or any bariatric surgery (such as gastroplasty, gastric banding or intestinal bypass), regardless of co-morbidities, specialty treatment programs such as weight reduction, complications of obesity or any other Medical Condition, except as set forth in Section IV.B.

11. Any services to the extent benefits are "available" to the Member as defined herein under the terms of any vehicle, homeowner's, property or other insurance policy, except for individual or group health insurance, whether the Member asserts a claim or not, pursuant to medical coverage, medical "no fault" coverage, Personal Injury Protection coverage or similar medical coverage contained in said policy. For the purpose of this exclusion, benefits shall be deemed to be "available" to the Member if the Member is a named insured, comes within the policy definition of insured, or otherwise has the right to receive benefits under the policy.

The Member and his/her agents must cooperate fully with GHC in its efforts to enforce this exclusion. This cooperation shall include supplying GHC with information about, or related to, the cause of injury or illness or the availability of other coverage. The Member and his/her agent shall permit GHC, at GHC's option, to associate with the Member or to intervene in any action filed against any party related to the injury. The Member and his/her agents shall do nothing to prejudice GHC's right to enforce this exclusion. Failure to fully cooperate, including withholding information regarding the cause of injury or illness or other coverage may result in denial of claims and the Member shall be responsible for reimbursing GHC for expenses incurred and the value of the benefits provided by GHC under this Agreement for the care or treatment of the injury or illness sustained by the Member.

If this Agreement is not subject to ERISA and reasonable collections costs ***(attorney fees and costs)*** have been incurred by an attorney for the Injured Person in connection with obtaining recovery ***under underinsured or uninsured motor coverage***, under certain conditions GHC will ***not enforce this exclusion until a reduction from benefits "available" to the Member is made*** by the amount of an equitable apportionment of such collection costs between GHC and the Injured Person. This reduction will be made only if each of the following conditions has been met: (i) ***GHC receives a list of the fees and associated costs before settlement*** and (ii) the Injured Person's attorney's actions were reasonable and necessary to secure recovery.

12. Services or care needed for injuries or conditions resulting from active or reserve military service, whether such injuries or conditions result from war or otherwise. This exclusion will not apply to conditions or injuries resulting from previous military service unless the condition has been determined by the U.S. Secretary of Veterans Affairs to be a condition or injury incurred during a period of active duty. Further, this exclusion will not be interpreted to interfere with or preclude coordination of benefits under Tri-Care.

13. Services provided by government agencies, except as required by federal or state law.

14. Services covered by the national health plan of any other country.

15. Experimental or investigational services.

    GHC consults with GHC's Medical Director and then uses the criteria described below to decide if a particular service is experimental or investigational.

    a. A service is considered experimental or investigational for a Member's condition if any of the following statements apply to it at the time the service is or will be provided to the Member.

        i. The service cannot be legally marketed in the United States without the approval of the Food and Drug Administration ("FDA") and such approval has not been granted.
        ii. The service is the subject of a current new drug or new device application on file with the FDA.
        iii. The service is provided as part of a Phase I or Phase II clinical trial, as the experimental or research arm of a Phase III clinical trial, or in any other manner that is intended to evaluate the safety, toxicity or efficacy of the service.
        iv. The service is provided pursuant to a written protocol or other document that lists an evaluation of the service's safety, toxicity or efficacy as among its objectives.
        v. The service is under continued scientific testing and research concerning the safety, toxicity or efficacy of services.
        vi. The service is provided pursuant to informed consent documents that describe the service as experimental or investigational, or in other terms that indicate that the service is being evaluated for its safety, toxicity or efficacy.
        vii. The prevailing opinion among experts, as expressed in the published authoritative medical or scientific literature, is that (1) the use of such service should be substantially confined to research settings, or (2) further research is necessary to determine the safety, toxicity or efficacy of the service.

    b. The following sources of information will be ***exclusively*** relied upon ***to determine whether a service is experimental or investigational***:

        i. The Member's medical records,

ii. The written protocol(s) or other document(s) pursuant to which the service has been or will be provided,
iii. Any consent document(s) the Member or Member's representative has executed or will be asked to execute, to receive the service,
iv. The files and records of the Institutional Review Board (IRB) or similar body that approves or reviews research at the institution where the service has been or will be provided, and other information concerning the authority or actions of the IRB or similar body,
v. The published authoritative medical or scientific literature regarding the service, as applied to the Member's illness or injury, and
vi. Regulations, records, applications and any other documents or actions issued by, filed with or taken by, the FDA or other agencies within the United States Department of Health and Human Services, or any state agency performing similar functions.

Appeals regarding GHC denial of coverage can be submitted to the Member Appeal Department, or to GHC's Medical Director at P.O. Box 34593, Seattle, WA 98124-1593.

16. Hypnotherapy, and all services related to hypnotherapy.

17. Genetic testing and related services, unless determined Medically Necessary by GHC's Medical Director, or his/her designee, and in accordance with Board of Health standards for screening and diagnostic tests, or specifically provided in Section IV.B. Testing for non-Members is also excluded.

18. Routine foot care, except in the presence of a non-related Medical Condition affecting the lower limbs.

19. Autopsy and associated expenses.

Section VI. Grievance Processes for Complaints and Appeals

The grievance processes to express a complaint and appeal a GHC denial of benefits are set forth below.

Filing a Complaint or Appeal

The complaint process is available for a Member to express dissatisfaction about customer service or the quality or availability of a health service.

The appeals process is available for a Member to seek reconsideration of a denial of benefits.

Complaint Process

Step 1: The Member should contact the person involved, explain his/her concerns and what he/she would like to have done to resolve the problem. The Member should be specific and make his/her position clear.

Step 2: If the Member is not satisfied, or if he/she prefers not to talk with the person involved, the Member should call the department head or the manager of the medical center or department where he/she is having a problem. That person will investigate the Member's concerns. Most concerns can be resolved in this way.

Step 3: If the Member is still not satisfied, he/she should call the GHC Customer Service Center toll free at (888) 901-4636. Most concerns are handled by phone within a few days. In some cases the Member will be asked to write down his/her concerns and state what he/she thinks would be a fair resolution to the problem. A Customer Service Representative or Member Quality of Care Coordinator will investigate the Member's concern by consulting with involved staff and their supervisors, and reviewing pertinent records, relevant plan policies and the Member Rights and Responsibilities statement. This process can take up to thirty (30) days to resolve after receipt of the Member's written statement.

If the Member is dissatisfied with the resolution of the complaint, he/she may contact the Member Quality of Care Coordinator or the Customer Service Center.

Appeals Process

The U.S. Department of Health and Human Services has designated the Washington State Office of the Insurance Commissioner's Consumer Protection Division as the health insurance consumer

ombudsman. The Consumer Protection Division Office can be reached by mail at Washington State Insurance Commissioner, Consumer Protection Division, P.O. Box 40256, Olympia, WA 98504-0256 or toll free at (800) 562-6900. More information about requesting assistance from the Consumer Protection Division Office can be found at http://www.insurance.wa.gov/consumers/health/appeal/Table-of-Contents.shtm.

If the Member requests an appeal of a GHC decision denying benefits, GHC will continue to provide coverage for the disputed benefit pending the outcome of the appeal. If the GHC determination stands, the Member may be responsible for the cost of coverage received during the review period. The decision at the next level of appeal is binding unless other remedies are available under state or federal law. GHC must provide benefits, including making payment on a claim, pursuant to the final external review decision without delay, regardless of whether GHC intends to seek judicial review of the external review decision, and unless or until there is a judicial decision changing the final determination.

Initial Appeal
If the Member wishes to appeal a GHC decision denying benefits, he/she must submit a request for an appeal either orally or in writing to GHC's Member Appeal Department, specifying why he/she disagrees with the decision. The appeal must be submitted within 180 days of the denial notice he/she received. Appeals should be directed to GHC's Member Appeal Department, P.O. Box 34593, Seattle, WA 98124-1593, toll free (866) 458-5479.

An Appeal Coordinator will review initial appeal requests. GHC will then notify the Member of its determination or need for an extension of time within fourteen (14) days of receiving the request for appeal. Under no circumstances will the review timeframe exceed thirty (30) days without the Member's written permission.

There is an **expedited appeals process** in place for cases which meet criteria or where the Member's provider believes that the standard appeal review process will seriously jeopardize the Member's life, health or ability to regain maximum function or subject the Member to severe pain that cannot be managed adequately without the requested care or treatment. The Member can request an expedited appeal in writing to the above address, or by calling GHC's Member Appeal Department toll free (866) 458-5479. The Member's request for an expedited appeal will be processed and a decision issued no later than seventy-two (72) hours after receipt of sufficient information to determine whether, or to what extent, benefits are covered or payable under the Agreement. ***For expedited appeals, the Member has the right to request an appeal through GHC's Member Appeal Department and a review by an independent review organization concurrently.***

Next Level of Appeal
If the Member is not satisfied with the decision regarding a GHC denial of benefits, or if GHC fails to adhere to the requirements of the appeals process, the Member may request a second level review by an external independent review organization as set forth under subsection A. below. The Member may also choose to pursue review by an appeal committee prior to requesting a review by an independent review organization as set forth under subsection B. below. ***The optional appeal committee review*** is not a required step in the appeals process.

A. Request a review by an independent review organization. An independent review organization is not legally affiliated or controlled by GHC. Once a decision is made through an independent review organization, the decision is final and cannot be appealed through GHC. * If the independent review organization overturns GHC's ***coverage*** decision, GHC will promptly comply and notify the Member.

   A request for a review by an independent review organization must be made within 180 days after the date of the initial appeal decision notice, or within 180 days after the date of a GHC appeal committee decision notice. GHC will provide the independent review organization all of the Member's case information within three (3) business days from the date of the request. The Member has five (5) business days, from the date the Member received notice that the appeal was sent to an IRO, to submit in writing, directly to the IRO, any additional information to be considered in the review.

   The Member may request an **expedited external review** if the decision regarding a GHC denial of benefits concerns an admission, availability of care, continued stay, or health care service for which the Member received emergency services but has not been discharged from a facility; or involves a medical condition for which the standard external review time frame of forty-five (45) days would

seriously jeopardize the life or health of the Member or jeopardize the Member's ability to regain maximum function. The independent review organization must make its decision to uphold or reverse the decision and notify the Member and GHC of the determination as promptly as possible but within not more than seventy-two (72) hours after the receipt of the request for expedited external review. If the notice is not in writing, the independent review organization must provide written confirmation of the decision within forty-eight (48) hours after the date of the notice of the decision.

For claims involving experimental or investigational treatments, the internal review organization must ensure that adequate clinical and scientific experience and protocols are taken into account as part of the external review process.

B. Request an optional hearing by the GHC appeal committee:

The appeal committee hearing is an informal process. The hearing will be conducted within thirty (30) working days of the Member's request and notification of the appeal committee's decision will be mailed to the Member within five (5) working days of the hearing.

Members electing the appeal committee maintain their right to appeal further to an independent review organization as set forth in subsection A. above.

Review by the appeal committee is not available if the appeal request is for an experimental or investigational exclusion or limitation.

A request for a hearing by the appeal committee must be made within thirty (30) days after the date of the initial appeal decision notice. The request can be mailed to GHC's Member Appeal Department, P.O. Box 34593, Seattle, WA 98124-1593.*

* If the Member's health plan is governed by the Employee Retirement Income Security Act, known as "ERISA" (most employment related health plans, other than those sponsored by governmental entities or churches – ask employer about plan), the Member has the right to file a lawsuit under Section 502(a) of ERISA to recover benefits due to the Member under the plan at any point after completion of the initial appeal process. Members may have other legal rights and remedies available under state or federal law.

Section VII. General Provisions

A. Coordination of Benefits

The coordination of benefits (COB) provision applies when a Member has health care coverage under more than one plan. Plan is defined below.

The order of benefit determination rules govern the order in which each plan will pay a claim for benefits. The plan that pays first is called the primary plan. The primary plan must pay benefits according to its policy terms without regard to the possibility that another plan may cover some expenses. The plan that pays after the primary plan is the secondary plan. The secondary plan must pay an amount which, together with the payment made by the primary plan, totals the allowable expense. In no event will a secondary plan be required to pay an amount in excess of its maximum benefit plus accrued savings.

If the Member is covered by more than one health benefit plan, the Member or the Member's provider should file all the Member's claims with each plan at the same time. If Medicare is the Member's primary plan, Medicare may submit the Member's claims to the Member's secondary carrier.

1. Definitions.

a. Plan. A plan is any of the following that provides benefits or services for medical or dental care or treatment. If separate contracts are used to provide coordinated coverage for Members of a Group, the separate contracts are considered parts of the same plan and there is no COB among those separate contracts. However, if COB rules do not apply to all contracts, or to all benefits in the same contract, the contract or benefit to which COB does not apply is treated as a separate plan.

1) Plan includes: group, individual or blanket disability insurance contracts and group or individual contracts issued by health care service contractors or health maintenance organizations (HMO), closed panel plans or other forms of group coverage; medical care components of long-term care contracts, such as skilled nursing care; and Medicare or any other federal governmental plan, as permitted by law.

2) Plan does not include: hospital indemnity or fixed payment coverage or other fixed indemnity or fixed payment coverage; accident only coverage; specified disease or specified accident coverage; limited benefit health coverage, as defined by state law; school accident type coverage; benefits for non-medical components of long-term care policies; automobile insurance policies required by statute to provide medical benefits; Medicare supplement policies; Medicaid coverage; or coverage under other federal governmental plans; unless permitted by law.

Each contract for coverage under subsection 1) or 2) is a separate plan. If a plan has two parts and COB rules apply only to one of the two, each of the parts is treated as a separate plan.

b. This plan means, in a COB provision, the part of the contract providing the health care benefits to which the COB provision applies and which may be reduced because of the benefits of other plans. Any other part of the contract providing health care benefits is separate from this plan. A contract may apply one COB provision to certain benefits, such as dental benefits, coordinating only with similar benefits, and may apply another COB provision to coordinate other benefits.

c. The order of benefit determination rules determine whether this plan is a primary plan or secondary plan when the Member has health care coverage under more than one plan.

When this plan is primary, it determines payment for its benefits first before those of any other plan without considering any other plan's benefits. When this plan is secondary, it determines its benefits after those of another plan and must make payment in an amount so that, when combined with the amount paid by the primary plan, the total benefits paid or provided by all plans for the claim equal 100% of the total allowable expense for that claim. This means that when this plan is secondary, it must pay the amount which, when combined with what the primary plan paid, totals 100% of the allowable expense. In addition, if this plan is secondary, it must calculate its savings (its amount paid subtracted from the amount it would have paid had it been the primary plan) and record these savings as a benefit reserve for the covered Member. This reserve must be used by the secondary plan to pay any allowable expenses not otherwise paid, that are incurred by the covered person during the claim determination period.

d. Allowable Expense. Allowable expense is a health care expense, coinsurance or copayments and without reduction for any applicable deductible, that is covered at least in part by any plan covering the person. When a plan provides benefits in the form of services, the reasonable cash value of each service will be considered an allowable expense and a benefit paid. An expense that is not covered by any plan covering the Member is not an allowable expense.

The following are examples of expenses that are not allowable expenses:

1) The difference between the cost of a semi-private hospital room and a private hospital room is not an allowable expense, unless one of the plans provides coverage for private hospital room expenses.
2) If a Member is covered by two or more plans that compute their benefit payments on the basis of usual and customary fees or relative value schedule reimbursement method or other similar reimbursement method, any amount in excess of the highest reimbursement amount for a specific benefit is not an allowable expense.
3) If a Member is covered by two or more plans that provide benefits or services on the basis of negotiated fees, an amount in excess of the highest of the negotiated fees is not an allowable expense.
4) An expense or a portion of an expense that is not covered by any of the plans covering the person is not an allowable expense.

e. Closed panel plan is a plan that provides health care benefits to covered persons in the form of services through a panel of providers who are primarily employed by the plan, and that excludes coverage for services provided by other providers, except in cases of emergency or referral by a panel member.

f. Custodial parent is the parent awarded custody by a court decree or, in the absence of a court decree, is the parent with whom the child resides more than one half of the calendar year excluding any temporary visitation.

2. Order of Benefit Determination Rules.

When a Member is covered by two or more plans, the rules for determining the order of benefit payments are as follows:

a. The primary plan pays or provides its benefits according to its terms of coverage and without regard to the benefits under any other plan.

b. Except as provided below, a plan that does not contain a coordination of benefits provision that is consistent with this chapter is always primary unless the provisions of both plans state that the complying plan is primary.

Coverage that is obtained by virtue of membership in a Group that is designed to supplement a part of a basic package of benefits and provides that this supplementary coverage is excess to any other parts of the plan provided by the Subscriber. Examples include major medical coverages that are superimposed over hospital and surgical benefits, and insurance type coverages that are written in connection with a closed panel plan to provide out-of-network benefits.

c. A plan may consider the benefits paid or provided by another plan in calculating payment of its benefits only when it is secondary to that other plan.

d. Each plan determines its order of benefits using the first of the following rules that apply:

1) Non-Dependent or Dependent. The plan that covers the Member other than as a Dependent, for example as an employee, member, policyholder, Subscriber or retiree is the primary plan and the plan that covers the Member as a Dependent is the secondary plan. However, if the person is a Medicare beneficiary and, as a result of federal law, Medicare is secondary to the plan covering the Member as a Dependent, and primary to the plan covering the Member as other than a Dependent (e.g., a retired employee), then the order of benefits between the two plans is reversed so that the plan covering the Member as an employee, member, policyholder, Subscriber or retiree is the secondary plan and the other plan is the primary plan.

2) Dependent child covered under more than one plan. Unless there is a court decree stating otherwise, when a dependent child is covered by more than one plan the order of benefits is determined as follows:

a) For a dependent child whose parents are married or are living together, whether or not they have ever been married:
- The plan of the parent whose birthday falls earlier in the calendar year is the primary plan; or
- If both parents have the same birthday, the plan that has covered the parent the longest is the primary plan.

b) For a dependent child whose parents are divorced or separated or not living together, whether or not they have ever been married:
(1) If a court decree states that one of the parents is responsible for the dependent child's health care expenses or health care coverage and the plan of that parent has actual knowledge of those terms, that plan is primary. This rule applies to claim determination periods commencing after the plan is given notice of the court decree;

(2) If a court decree states one parent is to assume primary financial responsibility for the dependent child but does not mention responsibility for health care expenses, the plan of the parent assuming financial responsibility is primary;
(3) If a court decree states that both parents are responsible for the dependent child's health care expenses or health care coverage, the provisions of a) above determine the order of benefits;
(4) If a court decree states that the parents have joint custody without specifying that one parent has responsibility for the health care expenses or health care coverage of the dependent child, the provisions of subsection a) above determine the order of benefits; or
(5) If there is no court decree allocating responsibility for the dependent child's health care expenses or health care coverage, the order of benefits for the child are as follows:
- The plan covering the custodial parent, first;
- The plan covering the spouse of the custodial parent, second;
- The plan covering the non-custodial parent, third; and then
- The plan covering the spouse of the non-custodial parent, last.

c) For a dependent child covered under more than one plan of individuals who are not the parents of the child, the provisions of subsection a) or b) above determine the order of benefits as if those individuals were the parents of the child.

3) Active employee or retired or laid-off employee. The plan that covers a Member as an active employee, that is, an employee who is neither laid off nor retired, is the primary plan. The plan covering that same Member as a retired or laid off employee is the secondary plan. The same would hold true if a Member is a Dependent of an active employee and that same Member is a Dependent of a retired or laid-off employee. If the other plan does not have this rule, and as a result, the plans do not agree on the order of benefits, this rule is ignored. This rule does not apply if the rule under section d 1) can determine the order of benefits.

4) COBRA or State Continuation Coverage. If a Member whose coverage is provided under COBRA or under a right of continuation provided by state or other federal law is covered under another plan, the plan covering the Member as an employee, member, Subscriber or retiree or covering the Member as a Dependent of an employee, member, Subscriber or retiree is the primary plan and the COBRA or state or other federal continuation coverage is the secondary plan. If the other plan does not have this rule, and as a result, the plans do not agree on the order of benefits, this rule is ignored. This rule does not apply if the rule under section d 1) can determine the order of benefits.

5) Longer or shorter length of coverage. The plan that covered the Member as an employee, member, Subscriber or retiree longer is the primary plan and the plan that covered the Member the shorter period of time is the secondary plan.

6) If the preceding rules do not determine the order of benefits, the allowable expenses must be shared equally between the plans meeting the definition of plan. In addition, this plan will not pay more than it would have paid had it been the primary plan.

3. Effect on the Benefits of this Plan.

When this plan is secondary, it must make payment in an amount so that, when combined with the amount paid by the primary plan, the total benefits paid or provided by all plans for the claim equal one hundred percent of the total allowable expense for that claim. However, in no event shall the secondary plan be required to pay an amount in excess of its maximum benefit plus accrued savings. In no event should the Member be responsible for a deductible amount greater than the highest of the two deductibles. Total allowable expense is the highest allowable expenses of the primary plan or the secondary plan. In addition, the secondary plan must credit to its plan deductible any amounts it would have credited to its deductible in the absence of other health care coverage.

4. Right to Receive and Release Needed Information.

Certain facts about health care coverage and services are needed to apply these COB rules and to determine benefits payable under this plan and other plans. GHC may get the facts it needs from or give them to other organizations or persons for the purpose of applying these rules and determining benefits payable under this plan and other plans covering the Member claiming benefits. GHC need not tell, or get the consent of, any Member to do this. Each Member claiming benefits under this plan must give GHC any facts it needs to apply those rules and determine benefits payable.

5. Facility of Payment.

If payments that should have been made under this plan are made by another plan, GHC has the right, at its discretion, to remit to the other plan the amount it determines appropriate to satisfy the intent of this provision. The amounts paid to the other plan are considered benefits paid under this plan. To the extent of such payments, GHC is fully discharged from liability under this plan.

6. Right of Recovery.

GHC has the right to recover excess payment whenever it has paid allowable expenses in excess of the maximum amount of payment necessary to satisfy the intent of this provision. GHC may recover excess payment from any person to whom or for whom payment was made or any other issuers or plans.

Questions about Coordination of Benefits? Contact the State Insurance Department.

7. Effect of Medicare.

Medicare primary/secondary payer guidelines and regulations will determine primary/secondary payer status***, and will be adjudicated by GHC as set forth in this section***. When Medicare, Part A and Part B or Part C are primary, Medicare's allowable amount is the highest allowable expense.

When GHC renders care to a Member who is eligible for Medicare benefits, and Medicare is deemed to be the primary bill payer under Medicare secondary payer guidelines and regulations, GHC will seek Medicare reimbursement for all Medicare covered services.

B. Subrogation and Reimbursement Rights

The benefits under this Agreement will be available to a Member for injury or illness caused by another party, subject to the exclusions and limitations of this Agreement. If GHC provides benefits under this Agreement for the treatment of the injury or illness, GHC will be subrogated to any rights that the Member may have to recover compensation or damages related to the injury or illness ***and the Member shall reimburse GHC for all benefits provided, from any amounts the Member received or is entitled to receive from any source on account of such injury or illness, whether by suit, settlement or otherwise***. This section VII.B. more fully describes GHC's subrogation and reimbursement rights.

"Injured Person" under this section means a Member covered by the Agreement who sustains an injury ***or illness*** and any spouse, dependent or other person or entity that may recover on behalf of such Member, including the estate of the Member and, if the Member is a minor, the guardian or parent of the Member. When referred to in this section, "GHC's Medical Expenses" means the expenses incurred and the value of the benefits provided by GHC under this Agreement for the care or treatment of the injury ***or illness*** sustained by the Injured Person.

If the Injured Person's injuries were caused by a third party giving rise to a claim of legal liability against the third party and/or payment by the third party to the Injured Person and/or a settlement between the third party and the Injured Person, GHC shall have the right to recover GHC's Medical Expenses from any source available to the Injured Person as a result of the events causing the injury, including but not limited to funds available through applicable third party liability coverage and uninsured/underinsured motorist coverage. This right is commonly referred to as "subrogation." GHC shall be subrogated to and may enforce all rights of the Injured Person to the full extent of GHC's Medical Expenses.

GHC's subrogation and reimbursement rights shall be limited to the excess of the amount required to fully compensate the Injured Person for the loss sustained, including general damages.

Subject to the above provisions, if the Injured Person is entitled to or does receive money from any source as a result of the events causing the injury ***or illness***, including but not limited to any liability insurance or uninsured/underinsured motorist funds, GHC's Medical Expenses are secondary, not primary.

The Injured Person and his/her agents shall cooperate fully with GHC in its efforts to collect GHC's Medical Expenses. This cooperation includes, but is not limited to, supplying GHC with information about the cause of injury or illness, any ***potentially liable*** third parties, defendants and/or insurers related to the Injured Person's claim and informing GHC of any settlement or other payments relating to the Injured Person's injury. The Injured Person and his/her agents shall permit GHC, at GHC's option, to associate with the Injured Person or to intervene in any legal, quasi-legal, agency or any other action or claim filed. If the Injured Person takes no action to recover money from any source, then the Injured Person agrees to allow GHC to initiate its own direct action for reimbursement or subrogation.

The Injured Person and his/her agents shall do nothing to prejudice GHC's subrogation and reimbursement rights. The Injured Person shall promptly notify GHC of any tentative settlement with a third party and shall not settle a claim without protecting GHC's interest. If the Injured Person fails to cooperate fully with GHC in recovery of GHC's Medical Expenses, the Injured Person shall be responsible for directly reimbursing GHC for ***100% of*** GHC's Medical Expenses.

To the extent that the Injured Person recovers funds from any source that may serve to compensate for medical injuries or medical expenses, the Injured Person agrees to hold such monies in trust or in ***a separate identifiable account*** until GHC's subrogation and reimbursement rights are fully determined ***and that GHC has an equitable lien over such monies to the full extent of GHC's Medical Expenses and/or the Injured Person agrees to serve as constructive trustee over the monies to the extent of GHC's Medical Expenses***.

If this Agreement is not subject to ERISA and reasonable collections costs have been incurred by an attorney for the Injured Person in connection with obtaining recovery, under certain conditions GHC will reduce the amount of reimbursement to GHC by the amount of an equitable apportionment of such collection costs between GHC and the Injured Person. This reduction will be made only if each of the following conditions has been met: (i) ***GHC receives a list of the fees and associated costs before settlement*** and (ii) the Injured Person's attorney's actions were reasonable and necessary to secure recovery.

If this Agreement is subject to ERISA and reasonable collections costs have been incurred by the Injured Person for the benefit of GHC, ***under special circumstances,*** the Injured Person may request and GHC may ***agree to*** reduce the amount of reimbursement to GHC by an amount for reasonable and necessary attorney's fees ***and costs*** incurred by the Injured Person on behalf of and for the benefit of GHC, but only if such amount is agreed to ***in writing*** by GHC prior to settlement or recovery.

To the extent the provisions of this Subrogation and Reimbursement section are deemed governed by ERISA, implementation of this section shall be deemed a part of claims administration under the Agreement and GHC shall therefore have discretion to interpret its terms.

C. Miscellaneous Provisions

1. **Identification Cards.** GHC will furnish cards, for identification purposes only, to all Members enrolled under the Agreement.

2. **Administration of Agreement.** GHC may adopt reasonable policies and procedures to help in the administration of the Agreement. This may include, but is not limited to, policies or procedures pertaining to benefit entitlement and coverage determinations.

3. **Modification of Agreement.** No oral statement of any person shall modify or otherwise affect the benefits, limitations and exclusions of the Agreement, convey or void any coverage, increase or

reduce any benefits under the Agreement or be used in the prosecution or defense of a claim under the Agreement.

4. **Confidentiality.** GHC and the Group shall keep Member information strictly confidential and shall not disclose any information to any third party other than: (i) representatives of the receiving party (as permitted by applicable state and federal law) who have a need to know such information in order to perform the services required of such party pursuant to the Agreement, or for the proper management and administration of the receiving party, provided that such representatives are informed of the confidentiality provisions of the Agreement and agree to abide by them, (ii) pursuant to court order or (iii) to a designated public official or agency pursuant to the requirements of federal, state or local law, statute, rule or regulation.

5. **Nondiscrimination.** GHC does not discriminate on the basis of physical or mental disabilities in its employment practices and services.

D. Utilization Management

All benefits under the Agreement are limited to Covered Services that are Medically Necessary and set forth in Section IV. GHC may review a Member's medical records for the purpose of verifying delivery and coverage of services and items. Based on a prospective, concurrent or retrospective review, GHC may deny coverage if, in its determination, such services are not Medically Necessary. Such determination shall be based on established clinical criteria.

GHC will not deny coverage retroactively for services it has previously authorized and which have already been provided to the Member.

Section VIII. Definitions

Agreement: The Medical Coverage Agreement between GHC and the Group.

Allowance: The maximum amount payable by GHC for certain Covered Services under the Agreement, as set forth in the Allowances Schedule.

Authorization: An approval by GHC that entitles a Member to receive Covered Services from a specified health care provider. Services shall not exceed the limits of the Authorization and are subject to all terms and conditions of the Agreement. Members who have a complex or serious medical or psychiatric condition may receive a standing Authorization for specialist services.

Contracted Network Pharmacy: A pharmacy that has contracted with GHC to provide covered legend (prescription) drugs and medicines for outpatient use under the Agreement.

Copayment: The specific dollar amount a Member is required to pay at the time of service for certain Covered Services under the Agreement, as set forth in the Allowances Schedule.

Cost Share: The portion of the cost of Covered Services the Member is liable for under the Agreement. Cost Shares for specific Covered Services are set forth in the Allowances Schedule. Cost Share includes Copayments, coinsurances and/or Deductibles.

Covered Services: The services for which a Member is entitled to coverage under the Agreement.

Deductible: A specific amount a Member is required to pay for certain Covered Services before benefits are payable under the Agreement. The applicable Deductible amounts are set forth in the Allowances Schedule.

Dependent: Any member of a Subscriber's family who meets all applicable eligibility requirements, is enrolled hereunder and for whom the premium prescribed in the Premium Schedule has been paid.

Emergency: The emergent and acute onset of a symptom or symptoms, including severe pain, that would lead a prudent lay person acting reasonably to believe that a health condition exists that requires immediate medical attention, if failure to provide medical attention would result in serious impairment to bodily

function or serious dysfunction of a bodily organ or part, or would place the Member's health, or if a Member is pregnant, the health of her unborn child, in serious jeopardy.

Essential Health Benefits: Benefits set forth under the Patient Protection and Affordable Care Act of 2010, including the categories of ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental health and substance use disorder services, including behavioral health treatment, prescription drugs, rehabilitative and habilitative services and devices, laboratory services, preventive and wellness services and chronic disease management and pediatric services, including oral and vision care.

Family Unit: A Subscriber and all his/her Dependents.

Fee Schedule: A fee-for-service schedule adopted by GHC, setting forth the fees for medical and hospital services.

GHC-Designated Specialist: A GHC specialist specifically identified by GHC.

GHC Facility: A facility (hospital, medical center or health care center) owned, operated or otherwise designated by GHC.

GHC Personal Physician: A provider who is employed by or contracted with GHC to provide primary care services to Members and is selected by each Member to provide or arrange for the provision of all non emergent Covered Services, except for services set forth in the Agreement which a Member can access without ***an Authorization***. Personal Physicians must be capable of and licensed to provide the majority of primary health care services required by each Member.

GHC Provider: The medical staff, clinic associate staff and allied health professionals employed by GHC, and any other health care professional or provider with whom GHC has contracted to provide health care services to Members enrolled under the Agreement, including, but not limited to physicians, podiatrists, nurses, physician assistants, social workers, optometrists, psychologists, physical therapists and other professionals engaged in the delivery of healthcare services who are licensed or certified to practice in accordance with Title 18 Revised Code of Washington.

Group: An employer, union, welfare trust or bona-fide association which has entered into a Group Medical Coverage Agreement with GHC.

Hospital Care: Those Medically Necessary services generally provided by acute general hospitals for admitted patients. Hospital Care does not include convalescent or custodial care, which can, in the opinion of the GHC Provider, be provided by a nursing home or convalescent care center.

Lifetime Maximum: The maximum value of benefits provided for Covered Services under the Agreement after which benefits under the Agreement are no longer available as set forth in the Allowances Schedule. The value of Covered Services is based on the Fee Schedule, as defined above. The lifetime maximum applies to this Agreement or in combination with any other medical coverage agreement between GHC and Group.

Medical Condition: A disease, illness or injury.

Medically Necessary: Appropriate and clinically necessary services, as determined by GHC's Medical Director, or his/her designee, according to generally accepted principles of good medical practice, which are rendered to a Member for the diagnosis, care or treatment of a Medical Condition and which meet the standards set forth below. In order to be Medically Necessary, services and supplies must meet the following requirements: (a) are not solely for the convenience of the Member, his/her family or the provider of the services or supplies; (b) are the most appropriate level of service or supply which can be safely provided to the Member; (c) are for the diagnosis or treatment of an actual or existing Medical Condition unless being provided under GHC's schedule for preventive services; (d) are not for recreational, life-enhancing, relaxation or palliative therapy, except for treatment of terminal conditions; (e) are appropriate and consistent with the diagnosis and which, in accordance with accepted medical standards in the State of Washington, could not have been omitted without adversely affecting the Member's condition or the quality of health services rendered; (f) as to inpatient care, could not have been provided in a provider's office, the outpatient department of a hospital or a non-residential facility without affecting the

Member's condition or quality of health services rendered; (g) are not primarily for research and data accumulation; and (h) are not experimental or investigational. The length and type of the treatment program and the frequency and modality of visits covered shall be determined by GHC's Medical Director, or his/her designee. In addition to being medically necessary, to be covered, services and supplies must be otherwise included as a Covered Service as set forth in Section IV. of the Agreement and not excluded from coverage. The cost of non-covered services and supplies shall be the responsibility of the Member.

Medicare: The federal health insurance program for the aged and disabled.

Member: Any Subscriber or Dependent enrolled under the Agreement.

Out-of-Pocket Expenses: Those Cost Shares paid by the Subscriber or Member for Covered Services which are applied to the Out-of-Pocket Limit.

Out-of-Pocket Limit: The maximum amount of Out-of-Pocket Expenses incurred and paid during the calendar year for Covered Services received by the Subscriber and his/her Dependents within the same calendar year. The Out-of-Pocket Limit amount and Cost Shares that apply are set forth in the Allowances Schedule. Charges in excess of UCR, services in excess of any benefit level and services not covered by the Agreement are not applied to the Out-of-Pocket Limit.

Plan Coinsurance: The percentage amount the Member and GHC are required to pay for Covered Services received under the Agreement. Percentages for Covered Services are set forth in the Allowances Schedule. A coinsurance percentage not identified as Plan Coinsurance is a benefit specific coinsurance and does not apply to the Out-of-Pocket Limit except as otherwise specified under Section II. Out-of-Pocket Limit.

Pre-Existing Condition: A condition for which there has been diagnosis, treatment or medical advice within the three (3) month period prior to the effective date of coverage. The Pre-Existing Condition wait period will begin on the first day of coverage, or the first day of the enrollment waiting period if earlier.

Residential Treatment: A term used to define facility-based treatment, which includes twenty-four (24) hours per day, seven (7) days per week rehabilitation. Residential Treatment services are provided in a facility specifically licensed in the state where it practices as a residential treatment center. Residential treatment centers provide active treatment of patients in a controlled environment requiring at least weekly physician visits and offering treatment by a multi-disciplinary team of licensed professionals.

Service Area: Washington counties of Benton, Columbia, Franklin, Island, King, Kitsap, Kittitas, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Whitman and Yakima; Idaho counties of Kootenai and Latah; and any other areas designated by GHC.

Subscriber: A person employed by or belonging to the Group who meets all applicable eligibility requirements, is enrolled under the Agreement and for whom the premium specified in the Premium Schedule has been paid.

Urgent Condition: The sudden, unexpected onset of a Medical Condition that is of sufficient severity to require medical treatment within twenty-four (24) hours of its onset.

Usual, Customary and Reasonable (UCR): A term used to define the level of benefits which are payable by GHC when expenses are incurred from a non-GHC Provider. Expenses are considered Usual, Customary and Reasonable if the charges are consistent with those normally charged to others by the provider or organization for the same services or supplies; and the charges are within the general range of charges made by other providers in the same geographical area for the same services or supplies.

PREMIUM SCHEDULE

Group Name	**Seattle Police LEOFF 1 - Deductible Plan**		
Group Number (Primary)	**0476400**		
GROUP HEALTH COOPERATIVE - Group Health benefit description			
Inside the Network: Managed Care Providers			
Coinsurance	None		
Deductible	$200		
Emergency Copay	$75/$125		
Family Ded & OOP Max	3x		
Hospital Inpatient Copay	None		
Office Visit Copay	$20		
Optical Rider	Not covered		
Out Of Pocket	$2000		
Outpatient Surgery Copay	Same as OV		
Prescription Drug Copay	$15/$30		
No PEC Wait		Group Offering	Dual Choice
MONTHLY HEALTHCARE PREMIUM			
This Schedule reflects from: 01/01/2012 to 01/01/2013			
Subscriber and Family	$872.36		