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OUTLINE OF COVERAGE

**BluePriority<sup>SM</sup> HSA**

ALLIANCE SELECT<sup>SM</sup> HSA-QUALIFIED PPO PLANS

SimplyBlue Health Plans for Individuals & Families

**You should read your policy carefully. This Outline of Coverage for Alliance Select HSA Qualified High-Deductible health plans provides a brief description of the important features of your policy. This is not your policy. Only the actual benefit provisions in your policy will determine your benefits. The policy itself sets forth in detail the rights and obligations of both you and Wellmark Blue Cross and Blue Shield of Iowa.**

**THEREFORE, IT IS IMPORTANT THAT YOU READ YOUR POLICY CAREFULLY.**

*Premium payments and service fees\* may be made on a calendar month, calendar quarter, semi-annual calendar year or calendar year basis. For example, a monthly premium and service fee payment would be for the first day of a month through the last day of such month. A quarterly payment would be for any calendar quarterly period, such as January 1 through March 31. A semi-annual payment would be for the period of either January 1 through June 30 or July 1 through December 31. An annual payment would be for January 1 through December 31 of the applicable year.*

In any year in which there is a mid-year increase in the amount of premium(s) and/or service fee(s), Wellmark will send the Member a notice of the increase in the premium(s) and/or service fee(s). The Member will have the following responsibility with regard to an increase in premium(s) and/or service fee(s):

**Monthly Payments:** Monthly payments can be made through electronic funds transfer (EFT) only. For monthly premium and service fee payments, any increase will be deducted from the member's designated checking account for the first month the increase becomes effective. For each month thereafter, the increased monthly premium and service fee will automatically be deducted.

**Quarterly Payments:** For quarterly premium and service fee payments, the Member must pay the remaining quarterly premium and service fee payments that include the premium and service fee increase.

**Semi-Annual Payments:** For semi-annual payments, the Member must pay a bill for a premium and service fee payment that equals the difference between the new semi-annual premium and service fee amount and the previously paid first semi-annual premium and service fee amount. The Member also will be required to pay a second semi-annual premium and service fee amount that includes the premium and service fee increase.

**Annual Payment:** For an annual premium and service fee payment, the Member must pay a bill for a premium and service fee payment that equals the difference between the new annual premium and service fee amount and the previously paid annual premium and service fee amount.

\*A component of your total cost is the service fee. This fee, charged on a monthly basis, reflects a portion of the administrative costs of reviewing, administering, and maintaining contracts.

# BluePriority HSA

Blue Priority HSA plans pair an Alliance Select qualified, high-deductible health plan with a health savings account (HSA). The Alliance Select HSA-Qualified High Deductible PPO health plans outlined here and detailed in the policies are designed to provide you coverage for hospital, medical, and surgical expenses incurred as a result of a covered illness or injury. This type of program is referred to as “individual coverage”. Coverage is provided for daily hospital room and board, miscellaneous hospital services, surgical services, anesthesia services, in-hospital medical services, and out-of-hospital care. Covered services are subject to deductible and coinsurance provisions, or other limitations set forth in the policy. This coverage is available to you (“single” coverage) or to you and your family (“family” coverage, including your spouse and/or unmarried dependent children). You will pay the premium and the service fee required for coverage directly to Wellmark Blue Cross and Blue Shield of Iowa.

## Terms to Know

### Deductible

The deductible is the fixed dollar amount you pay each benefit period for most covered services before benefits are available.

### Family Deductible

The family deductible can be met through any family member or combination of family members. The entire family deductible amount must be met before benefits are payable from the Blue Priority HSA qualified plan.

### Coinsurance

Coinsurance is the amount, calculated using a fixed percentage, you pay each time you receive services. The provider you choose affects how your coinsurance is calculated.

#### Coinsurance is based on:

- The payment arrangement amount minus deductible and contract limitations for all covered services provided by providers in Iowa and South Dakota.
- The local Plan's payment arrangement amount minus deductible and contract limitations for covered services received outside of Iowa or South Dakota.

**Out-of-Pocket Maximum (OPM)** is the amount you pay out of your pocket for most covered services in a benefit period. The deductible, coinsurance, and applicable drug copayments apply toward meeting the OPM.

**Provider Savings** is the amount saved due to contracts Wellmark Blue Cross and Blue Shield of Iowa has with providers.

### Payment Arrangements

We use various methods to determine payment arrangements, including negotiated fees, based upon our contracting relationships with providers. These payment arrangements usually result in provider savings and can affect how your coinsurance is calculated.

**Billed Charge** — The amount a provider bills for any services whether or not they are covered under your policy.

**Covered Charge** — The amount a provider bills for services covered under your policy.

**Maximum Allowable Fee** — The maximum amount Wellmark establishes, using various methods, for covered services.

**Balance Billing** — The difference between a provider's charge and our maximum allowable fee for a specific service, procedure, or product. When you visit a non-Alliance Select network provider, you are responsible for this difference. Balance billed amounts do not apply toward your deductible or out-of-pocket maximum and do not qualify for coinsurance benefits.

### HSA Account

A Blue Priority HSA works in combination with a qualified high-deductible plan like our Alliance Select HSA-Qualified High Deductible PPO plans. A Blue Priority HSA works like a bank account you can use to pay for qualified medical expenses, such as office visits, prescription drugs, dental expenses and laboratory tests. The money you put into your Blue Priority HSA may reduce your income taxes\* for the year — similar to money saved in a 401(k) plan. The account is a tax-exempt\* trust, administered by First Horizon Msaver, a leading HSA administrator in the United States. In order to contribute to the Blue Priority HSA, you must be enrolled in a qualified high-deductible health plan to provide security and additional protection. The annual deductible is higher than you might find in some health plans; however, the contributions you make to your Blue Priority HSA can be applied toward the health plan deductible. So, depending on how much money you contribute to your Blue Priority HSA, you may be able to cover your out-of-pocket health costs with your Blue Priority HSA funds.

### Preferred Provider Organization (PPO) Network

Alliance Select health plans are supported by our extensive Alliance Select PPO network in Iowa, and through BlueCard PPO nationwide. Your out-of-pocket expenses may be less when seeking care from a PPO network provider.

\*State tax treatment may vary.

## Plan Comparison Chart

The deductible amount may change each year in accordance with the Federal government's cost-of-living adjustments for high-deductible health plans that qualify to accompany a Blue Priority Health Savings Account. This adjustment will be made whether or not you participate in a Blue Priority HSA. **The Alliance Select HSA-Qualified High Deductible PPO health plans featured in this outline of coverage have varying benefits. Below are the various plans available:**

	Alliance Select HSA-Qualified High Deductible PPO Plans				
	1700A	2750A	5400A	1700B	2750B
<b>Benefit Period Deductible</b> (S/F) <sup>1</sup>	\$1,700/\$3,400 Coordinates with drug deductible <sup>2</sup>	\$2,750/\$5,500 Coordinates with drug deductible <sup>2</sup>	\$5,400/\$10,800 Coordinates with drug deductible <sup>2</sup>	\$1,700/\$3,400 Coordinates with drug deductible <sup>2</sup>	\$2,750/\$5,500 Coordinates with drug deductible <sup>2</sup>
<b>Coinsurance —You Pay</b>					
Alliance Select Providers	0%			20%	
Non-Alliance Select Providers	40%			40%	
<b>Benefit Period Out-of-Pocket Maximum<sup>3</sup></b> (S/F) <sup>1</sup>					
Alliance Select Providers	\$1,700/\$3,400	\$2,750/\$5,500	\$5,400/\$10,800	\$3,700/\$7,400	\$4,750/\$9,500
Non-Alliance Select Providers	\$3,700/\$7,400	\$4,750/\$9,500	\$7,400/\$14,800	\$5,700/\$11,400	\$6,750/\$13,500
<b>Lifetime Benefit Maximum</b>	\$5,000,000			\$5,000,000	
<b>Office Services</b>	Deductible and coinsurance apply			Deductible and coinsurance apply	
<b>Emergency room</b>	Deductible and coinsurance apply			Deductible and coinsurance apply	
<b>Prescription Drugs — Blue Rx Preferred</b>					
Drug deductible (S/F) <sup>1</sup>	\$1,700/\$3,400 Coordinates with medical deductible <sup>2</sup>	\$2,750/\$5,500 Coordinates with medical deductible <sup>2</sup>	\$5,400/\$10,800 Coordinates with medical deductible <sup>2</sup>	\$1,700/\$3,400 Coordinates with medical deductible <sup>2</sup>	\$2,750/\$5,500 Coordinates with medical deductible <sup>2</sup>
Tier 1 (generics)	After deductible, we pay 100% of covered drugs			After deductible, greater of \$8 or 25%	
Tier 2	After deductible, we pay 100% of covered drugs			After deductible, greater of \$35 or 25%	
Tier 3	After deductible, we pay 100% of covered drugs			After deductible, greater of \$50 or 25%	
<b>Preventive and Routine Care</b>	Covered, deductible waived (benefits limited to \$500 per member per benefit period)			Covered, deductible waived (benefits limited to \$500 per member per benefit period)	
<b>Well-child care</b> (up to age 7)	Covered			Covered	
<b>Chiropractic Care</b>	Covered			Covered	
<b>Mental Health and Chemical Dependency Treatment</b>	Not covered			Not covered	
<b>BlueCard</b> (Out-of-state coverage)	Yes			Yes	
<b>Maternity<sup>4</sup></b> (Optional)	Complications only. Optional maternity benefit is available.			Complications only. Optional maternity benefit is available.	
<b>Contraceptives</b> (Optional)	Available			Available	
<b>Dental</b> (Optional)	Available			Available	

### Office Services — Alliance Select Network Provider

Under our *Alliance Select HSA-Qualified High Deductible PPO* health plans, you are required to pay the deductible and applicable coinsurance amounts for covered office services performed by an Alliance Select network provider.

These office services include office visits and consultations, x-rays, laboratory testing, and minor surgery; and most outpatient x-rays and laboratory testing billed by an Alliance Select participating facility when your practitioner refers you to the facility.

### Office Services — Non-Alliance Select Network Provider

For covered office services received by a non-Alliance Select network provider, you are responsible for your deductible and coinsurance amount. If you visit a non-Alliance Select network provider's office, you may have to pay more out-of-pocket.

<sup>1</sup> (S/F) — 'S' stands for single; 'F' stands for family; The family deductible can be met through any combination of family members. The entire family deductible amount must be met before benefits are payable.

<sup>2</sup> Amounts paid toward covered medical services or prescription drugs apply toward the benefit period deductible and out-of-pocket maximum.

<sup>3</sup> Out-of-pocket maximum amounts you pay for Alliance Select or non-Alliance Select covered services apply to both the Alliance Select and non-Alliance Select out-of-pocket maximums.

<sup>4</sup> If you choose the optional maternity coverage on your application, coverage for maternity services (except for complications of pregnancy) will be subject to an exclusion period of 12 months.

# Benefits

## Approved Hospital/Health Care Facility Services

Alliance Select health plans provide medically-necessary services and supplies related to the treatment of an illness or injury as an inpatient in a facility.

Approved health care facilities include ambulatory surgical facilities, hospitals, and nursing facilities.

**Note:** Even though a facility may participate with the Alliance Select network, other providers within the facility, such as emergency room practitioners, anesthesiologists, home medical equipment suppliers, and others may not participate with the Alliance Select network. It is very important to ask if the provider participates in the Alliance Select network before you receive services.

## Inpatient Services

All Alliance Select HSA-Qualified plans cover:

- Accidental injury care
- Anesthetics and their administration
- Blood administration
- Chemotherapy services
- Complications of pregnancy
- Corneal grafts
- Dietary services
- Dressing and casts
- Drugs and biologicals
- Emergency care
- General nursing care
- Hemodialysis services
- Inhalation therapy
- Intravenous injections and solutions
- Medical and surgical supplies
- Occupational therapy to treat the upper extremities
- Physical therapy
- Room and meals, including private rooms when medically necessary
- Special care units, including burn, intensive, and cardiac care units
- Speech therapy, limited to restoration of loss due to illness or injury, and services provided inside a facility or coordinated through home health services.

## Outpatient Services

All Alliance Select HSA-Qualified plans cover:

- Accidental injury care
- Anesthetics and their administration
- Chemotherapy services
- Complications of pregnancy

- Corneal grafts
- Dressing and casts
- Drugs and biologicals
- Emergency care
- Hemodialysis services
- Inhalation therapy
- Intravenous injections and solutions
- Medical and surgical supplies
- Occupational therapy to treat the upper extremities
- Physical therapy
- Room and meals, including private rooms when medically necessary
- Special care units, including burn, intensive, and cardiac care units
- Speech therapy, limited to restoration of loss due to illness or injury, and services provided inside a facility or coordinated through home health services.

## Approved Practitioner Services

Approved practitioners include: advanced registered nurse practitioners, chiropractors, dentists, doctors of osteopathy, medical doctors, occupational therapists, optometrists, oral surgeons, physical therapists, physician assistants, and podiatrists.

The following is a list of approved practitioner services for all plans:

- Accidental injury services
- Allergy testing and treatment
- Anesthetics and their administration
- Assisting surgeon services
- Certain dental services
- Chemotherapy
- Complications of pregnancy
- Concurrent care
- Consultation services
- Corneal grafts
- Genetic testing and genetic counseling in certain circumstances
- Hemodialysis services
- Medical emergency care
- Medical services — other than surgical or obstetrical
- Musculoskeletal treatment
- Occupational therapy to treat the upper extremities
- Physical therapy
- Preventive and routine care (\$500 combined dollar limit per member per benefit period) includes:
  - One routine mammography x-ray per year per covered person. For this benefit, a year is 12 consecutive months.

Mammograms may be more frequent if recommended by your practitioner.

- Routine gynecological examinations
- Routine pap smears
- Routine physical examinations and related services
- Radiation therapy
- Surgical services
- Well-child care including physical exams, immunizations and laboratory services until the child reaches age 7.
- X-ray and laboratory services including electrocardiograms and ultrasounds

### Other Covered Services for All Plans

General anesthesia and hospital or ambulatory surgical facility services related to the provision of dental services, subject to any other restrictions on dental coverage under your benefits policy, if the member:

- is a child under age 14 who, based on a determination by a licensed dentist and the child's treating practitioner, has a dental or developmental condition for which patient management in the dental office has been ineffective and requires dental treatment in a hospital or ambulatory surgical facility; or
- has, based on a determination by a licensed dentist and the member's treating practitioner, one or more medical conditions that would create significant or undue medical risk for the member in the course of delivery of any necessary dental treatment or surgery if not rendered in a hospital or ambulatory surgical facility.

Other medically necessary covered services and supplies related to the treatment of illness and injury include:

- Ambulance services (professional air or ground)
- Home infusion therapy
- Home medical equipment, including wheelchairs and hospital beds that are purchased or rented
- Home skilled nursing, limited to 100 visits for a member in a benefit period, if given by a registered nurse (R.N.) or licensed practical nurse (L.P.N.) from an agency accredited by the Joint Commission for Accreditation of Health Care Organizations (JCAHO) or a Medicare-certified agency, and if coordinated by a case manager.
- Oxygen and equipment
- Prosthetic appliances

### Maternity Coverage

A \$2,500 optional maternity deductible level is available. If you choose the optional maternity coverage on your application, you have coverage for routine maternity services normally associated with pregnancy, including prenatal and postnatal care and delivery, subject to a 12-month exclusion period. Once the maternity deductible is

met, you pay 50% coinsurance. The deductible for the maternity option is separate from and does not apply to the plan deductible. The deductible and coinsurance specific to maternity do not apply to the plan out-of-pocket maximum and continue after the plan out-of-pocket maximum is met and do not apply to complications of pregnancy. If you choose the optional maternity coverage on your application, coverage for routine maternity services (except for complications of pregnancy) is subject to an exclusion period of 12 months. The optional maternity benefit provides coverage for routine maternity services normally associated with pregnancy, including prenatal and postnatal care and delivery, only after 12 consecutive months of coverage, beginning on the effective date of maternity coverage. Routine maternity services normally associated with pregnancy, including prenatal and postnatal care and delivery, that occur during the 12-month exclusion period will not be covered unless such services are the result of a complication of pregnancy.

### Home Health Services

Coverage includes care provided by an agency accredited by the Joint Commission for Accreditation of Health Care Organizations (JCAHO) and/or a Medicare-certified agency. Services must be prescribed by a practitioner, approved by our case manager, and not more costly than alternative services that would be effective for diagnosis and treatment of your condition. All plans include these covered services and supplies (see limitations on page 5):

- Home health aide services
- Inhalation therapy
- Medical equipment and supplies
- Medical social services
- Most prescription drugs and medicines
- Occupational therapy to treat the upper extremities and physical therapy
- Oxygen and equipment
- Parenteral and enteral nutrition
- Prosthetic appliances and braces
- Skilled nursing visits, limited to 100 visits for a member in a benefit period, if given by a registered nurse (R.N.) or licensed practical nurse (L.P.N.) from an agency accredited by the Joint Commission for Accreditation of Health Care Organizations (JCAHO) or a Medicare-certified agency, and if coordinated by a case manager.
- Speech therapy, limited to restoration of loss due to illness or injury, and services provided inside a facility or coordinated through home health services.

### Hospice Services

Coverage is provided to terminally ill patients with a life expectancy of six months or less. Covered hospice services include the same services as described under home health services as well as respite care from a facility approved by Medicare or JCAHO. Respite care offers rest and relief help for the family caring for a terminally ill patient.

# Limitations

**Your Blue Priority HSA/Alliance Select coverage is limited as follows:**

## Pre-Existing Condition Exclusion Period

You will have an exclusion period of 365 days or 12 months from the date your policy begins for all pre-existing conditions. However, the exclusion period for pre-existing conditions is reduced or waived if:

- You have qualifying previous coverage as defined in your policy, and
- Your qualifying previous coverage was continuous within 63 days prior to the date when your new coverage began.

**Please note:** These plans are medically underwritten. When you apply for one of these plans, we will do one of the following:

- Approve coverage; or
- Offer coverage at a substandard (higher) premium; or
- Deny coverage; or
- Offer you a policy amendment, that is, an “Amended Application,” that limits or excludes coverage for a particular condition. (If you accept the policy amendment, or amended application, any services you receive for that condition will be denied for as long as that amendment is in effect, without regard to any pre-existing condition exclusion period.)

## Organ Transplant Coverage

Coverage is available under all Alliance Select plans for transplants of the heart, heart and lung, lung, pancreas, kidney, simultaneous pancreas/kidney, small bowel, and liver and for certain autologous and allogeneic bone marrow/stem cell transfer transplants.

**Other limitations that apply to transplants include:**

- Services for transportation in an ambulance to a transplant center are limited to a \$10,000 maximum per transplant.
- You should follow written prior approval requirements for all transplants, except kidney.

## Preventive and Routine Care

Preventive and routine services are limited to a \$500 combined dollar limit per member per benefit period. Preventive and routine care includes services such as:

- Routine gynecological examinations
- Routine mammogram
- Routine pap smears
- Routine physical examinations and related services

## Respite Care

Benefits for respite care are limited to a lifetime maximum of 15 days for inpatient and 15 days for outpatient care. Benefits must be used in increments of five days or less.

## Cosmetic Surgery

Cosmetic Surgery is limited to corrective surgery that has the purpose of restoring function lost or impaired as a result of an illness, accidental injury, or defect.

## Weight-Reduction Surgery

You must be at least 18 years of age and an appropriate surgical candidate under the following requirements to receive benefits:

- You have a Body Mass Index of:
  - at least 40 for at least three years, or
  - at least 50 (classified as super-obese), or
  - greater than 35 in conjunction with documented treatment of a coexisting medical condition of at least one of the following:
    - hypertension requiring medication for at least one year,
    - type 2 diabetes requiring medication for at least one year,
    - obstructive sleep apnea, confirmed by a sleep study, which does not respond to conservative treatment,
    - cardiovascular disease, or
    - pulmonary hypertension of obesity.

- You have a documented history of failure to sustain weight loss with medically supervised dietary and conservative treatment for at least three years, including within two years before surgery.
- You are an acceptable operative risk.
- You have been evaluated by a licensed mental health provider who documents that you are motivated to follow all necessary pre- and post-operative treatment plans.

Before receiving weight reduction surgery, we recommend that you or someone acting on your behalf request Prior Approval.

### Breast Reconstruction after Mastectomy

If you have a mastectomy and elect breast reconstruction in connection with the mastectomy, you are covered for the following:

- Reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce symmetrical appearance; and
- Prostheses and treatment of physical complications of the mastectomy.

### Notification Failures

A Blue Priority HSA/Alliance Select policy will not cover some or all of the expenses relating to treatment, services and admissions for which you or your care provider fail to follow the policy's precertification requirements. (See page 11.)

## Exclusions

**The following services are excluded or are not considered medically necessary by Wellmark Blue Cross and Blue Shield of Iowa and will not be covered in these Alliance Select HSA-Qualified policies:**

### Counseling

All Alliance Select HSA-Qualified plans exclude coverage for:

- Bereavement counseling or services
- Certain developmental and learning disorders
- Certain disorders of early childhood (such as academic underachievement disorder)
- Communication disorders (such as stuttering and stammering)
- Impotence, except as the result of a physical illness or injury
- Impulse-control disorders (such as pathological gambling)
- Marriage and family counseling
- Mental Health and Chemical Dependency treatment
- Nicotine dependence
- Sensitivity, shyness and social withdrawal disorder
- Sexual identification or gender disorders (including sex-change surgery).

### Fertility, Infertility and Maternity

All Alliance Select HSA-Qualified plans exclude coverage for:

- Abortion
- Contraceptives used solely for the purpose of preventing conception, unless you purchase the optional contraceptive coverage.
- Infertility treatment
- Maternity (except for complications of pregnancy, or if the optional maternity benefit is purchased). The optional maternity benefit is subject to an exclusion period of 12 months.
- Services provided for the collection of donor semen, oocytes, or the services of a surrogate parent.
- Sterilization and sterilization reversal.

### Miscellaneous

All Alliance Select HSA-Qualified plans exclude coverage for:

- Anesthesia, local or topical when not billed with a surgical procedure, except anesthesia related to the provision of certain dental services as specified and limited in the policy
- Arch supports

- Blood, purchase of
- Complications of a non-covered procedure (except pregnancy)
- Dental services except as specified and limited in the policy
- Elastic stockings and bandages
- Hearing aids and exams
- Investigational treatment
- Maxillary and mandibular implants
- Motor vehicle special equipment
- Personal convenience items
- Services furnished to you prior to the date your policy begins
- Temporomandibular Joint Syndrome
- Travel or lodging costs
- Vision care
- Wigs

### Organ Transplants

All Alliance Select HSA-Qualified plans exclude coverage for:

- Expenses for purchase of any organ
- Mechanical or non-human organs
- Transplant services or supplies other than heart, heart and lung, lung, pancreas, kidney, simultaneous pancreas/kidney, small bowel, liver, or bone marrow/stem cell transfers
- Transportation of a living organ donor

### Preventive and Routine Care

All Alliance Select HSA-Qualified plans exclude coverage for:

- Immunizations for persons age 7 and older
- Routine foot care
- Routine periodic physical or health examinations, immunizations or screening procedures that are performed solely for school, sport, employment, insurance, licensing, or travel.
- Routine physical examination and related services after \$500 annual combined benefit is exhausted
- Routine mammogram after \$500 annual combined benefit is exhausted
- Routine gynecological examinations after \$500 annual combined benefit is exhausted
- Routine pap smears after \$500 annual combined benefit is exhausted

### Provider Types

All Alliance Select HSA-Qualified plans exclude coverage for:

- Athletic trainers
- Community mental health centers
- Facilities for the treatment of chemical dependency
- Licensed independent social workers
- Provider, if an immediate family member
- Psychologists

### Covered by Other Programs or Laws

All Alliance Select HSA-Qualified plans exclude coverage for:

- Military-related injury
- Services and supplies that are covered or could have been covered under Workers' Compensation laws
- Services and supplies when you are entitled to claim benefits from governmental programs (except Medicaid)
- Services or supplies when someone else has the legal obligation to pay for your care

### Therapy, Self-Motivation, and Other Programs

All Alliance Select HSA-Qualified plans exclude coverage for:

- Acupuncture
- Cosmetic services and supplies
- Custodial or sanitarium care or rest cures
- Educational or recreational therapy
- Massage therapy
- Occupational therapy supplies
- Self-help or self-cure programs
- Services and supplies as an inpatient provided primarily for diagnostic evaluation, physical therapy, or occupational therapy.
- Speech therapy when not provided in a facility or not coordinated through home health services.
- Weight-reduction programs



# BlueRx<sup>SM</sup> Preferred

**Most prescription drugs are covered under Blue Rx Preferred, your managed drug program, not under your health policy. Wellmark has contracted with Catalyst Rx®, a full-service pharmacy benefit management company that provides integrated pharmacy benefit services to customers nationwide, to be our pharmacy benefit manager.**

Catalyst Rx offers nationwide access to its fully-integrated pharmacy benefit program. Wellmark members who have their prescriptions filled by any of the more than 59,000 participating pharmacies nationwide\* — whether in or out-of-state — will have their claims filed electronically by the pharmacy. In addition, network pharmacies have point-of-sale computer access to current information to screen for duplicate therapies or interactions with drugs dispensed by other network pharmacies.

## Blue Rx Preferred Prescription Drug Card Plan

Blue Rx Preferred is the name of your prescription drug plan. When filling a prescription, it is important to show your Wellmark ID card to confirm that the pharmacy participates in the Catalyst Rx network that supports Blue Rx Preferred. The Rx BIN number is on your Wellmark ID card.

The pharmacist uses this Rx BIN number to file your claim electronically, and to determine how much you pay when picking up your prescription. If you choose to get a prescription from a pharmacy that does not contract with Catalyst Rx, you will need to submit a paper claim to Catalyst Rx in order to receive reimbursement, and you will be responsible for any difference between the Catalyst Rx-negotiated price and the pharmacy's billed charge plus any copayment or coinsurance amount.

## Deductible and Out-of-Pocket Maximum Coordination

Under the HSA-Qualified High Deductible PPO health plans, amounts you pay for covered health services or prescription drugs apply toward the benefit period deductible and out-of-pocket maximum. Even after the deductible is met, you may be responsible for coinsurance or copayments for covered health services and prescription drugs.

## Understanding Drug Tiers

Drugs are categorized into tiers according to whether they are generic (Tier 1) or brand name (Tier 2 or Tier 3) drugs.

## Three Levels of Payment

With a three-tier Blue Rx Preferred plan, depending on your plan, the amount you pay for prescriptions could depend on whether the drug is on the first, second or third tier of the Wellmark Drug List.

- You may have the lowest copayment for drugs on the first tier (generic drugs).
- You may have an intermediate copayment for drugs on the second tier (specially selected brand name drugs).
- You may have the highest copayment for drugs on the third tier (all other brand name drugs).

## Covered Drugs

- Most prescription drugs that bear the legend, "Caution, Federal Law prohibits dispensing without a prescription."
- Contraceptives that are medically necessary.
- Insulin and insulin-related supplies such as needles, syringes, test strips, and lancets.
- Prescription drugs that are prescribed by a practitioner legally authorized to prescribe.
- Drugs dispensed by a pharmacist from a licensed retail pharmacy.

## Contraceptive Coverage Option

Coverage for oral contraceptives and contraceptive devices that are used for the purpose of preventing conception can be added to your policy for an additional premium.

## Non-Covered Drugs and Services

- Contraceptives (unless medically necessary or you purchase the optional contraceptive coverage)
- Cosmetic drugs
- Drugs determined to be abused or otherwise misused by you
- Growth hormones
- Immunization agents
- Impotence, except as the result of a physical illness or injury
- Investigational drugs
- Irrigation solutions and supplies
- Most over-the-counter products, including nutritional dietary supplements; however, certain over-the-counter products prescribed by a practitioner may be covered as determined by Wellmark.
- Nutritional supplements

\*Catalyst Rx, 2nd Quarter, 2007

- Self-administered injectable drugs are generally covered under your health benefits policy; however, insulin, Imitrex, and EpiPen are covered under your prescription drug program.
- Self-help or self-cure programs
- Smoking cessation drugs
- Therapeutic devices or medical appliances
- Weight-reduction drugs

### Quantity Limitations

Drugs covered under your benefits policy may be limited per month, benefit period, or lifetime by specific quantity limitations. These limitations are determined by Wellmark based on medical necessity. For a list of drugs subject to quantity limitations, or to determine whether a drug you are taking is subject to prior authorization, visit our website at [www.wellmark.com](http://www.wellmark.com) or check with your pharmacist or practitioner.

### Generic Drugs

Your copayment is lower when you purchase generic drugs. If you purchase a brand-name drug when an FDA-approved generic is appropriate and available, you are responsible for the copayment or coinsurance plus the difference between the maximum allowable fee amount for the brand-name drug and the maximum allowable fee amount for the generic drug. This is true even if your practitioner prescribes the brand-name drug.

### Retail Prescription Drugs

You are covered for a 30-day supply.

### Mail-Order Prescription Drugs

You are covered for up to a 90-day supply of maintenance drugs from Walgreens Mail Service Program. If your plan has a copayment amount, once your deductible is met, a 30-day supply is subject to one copay, a 60-day supply is subject to two copayments, and a 90-day supply is subject to three copayments.

### Refills

You may not receive benefits for a refill if sufficient time has not elapsed since the last prescription was written. Sufficient time means that at least 75 percent of the medication has been taken according to the instructions given by the practitioner. You may also not receive benefits for a refill under certain other circumstances. Consult your Blue Rx Preferred benefits policy for a complete list.

You are allowed one early refill per medication per calendar year if you will be away from home for an extended period of time. If traveling within the United States, the refill amount will be subject to any applicable quantity limits under your Blue Rx Preferred benefits

policy (see the Summary of Payment section). If traveling outside the United States, the refill amount will not exceed a 90-day supply.

### Wellmark Drug List

Often there is more than one medication available to treat the same medical condition. The Wellmark Drug List is a list of safe and cost effective medications that serves as a guide to practitioners when deciding which medications to prescribe for their patients.

The Wellmark Drug List was developed by a local committee of practitioners and pharmacists in cooperation with our contracted pharmacy benefit manager. The list suggests medications a practitioner might prescribe when there is a choice of medications to treat the same condition. This list is continually revised to reflect changes in the drug industry.

Practitioners are not limited to prescribing only the drugs that appear on the Wellmark Drug List. Practitioners may prescribe any medication, and that medication will be covered unless it is specifically excluded from your benefit plan.

Depending upon your plan, however, your copayment or coinsurance may be higher for drugs that are listed on the second or third tier.

### Rebates

Using the Wellmark Drug List helps manage the overall cost of prescription medications by promoting the use of more cost-effective drugs. Drug manufacturers sometimes offer rebates to pharmacy benefit managers based on the inclusion of their drugs on the drug list and associated utilization. We expect to receive rebates from our contracted pharmacy benefit manager. The rebates we receive as a result of your prescription claims processed by our pharmacy benefit manager will be retained by Wellmark Blue Cross and Blue Shield of Iowa and applied first to reduce the costs of administering the pharmacy program. The rebates will not be allocated to your specific claims, and they will not be considered when determining your benefit-period deductible, copayment, coinsurance amount, or out-of-pocket maximum.

### Prior Authorization

Certain drugs listed in the Wellmark Drug List are covered by your benefits policy only with prior authorization. Prior authorization allows us to verify that the drug is medically necessary and part of a specific treatment plan. Your practitioner must call us to obtain prior authorization.

You have the right to one full and fair review in case of an adverse decision in response to a prior authorization request. An adverse decision is one that denies or reduces benefits. You (or your authorized representative, if you have designated one) may appeal an adverse decision.

# BlueDental<sup>SM</sup>

Dental coverage is available through the Blue Dental Program. This optional coverage offers benefits for diagnostic and preventive care, minor restorative care, and major restorative care.

## Blue Dental Network

When you're in the Blue Dental service area, which includes the entire state of Iowa, visit a dentist who participates in our Blue Dental network.

## Dental Health Alliance (DHA) Network

If you reside or travel outside the Blue Dental service area, you can visit a dentist who is part of the national DHA network. The DHA network includes more than 24,000 dentists in 38,000 locations through DHA.\* Just show your ID card to the DHA dentist to receive the same advantages you receive when visiting a Blue Dental provider.

## Covered Services

### Check-ups and Teeth Cleaning

- Bitewing x-rays — once every 12 consecutive months

\*Dental Health Alliance

- Dental cleaning/prophylaxis — twice per benefit period
- Full-mouth x-rays — once every five consecutive years
- Occlusal and extraoral x-rays
- Oral evaluations — twice per benefit period
- Periapical x-rays
- Space maintainers — only for dependent children under age 15
- Topical fluoride applications — for dependent children under the age of 19, once every 12 consecutive months
- Topical sealant applications — for eligible dependent children under age 15; once per permanent first and second molars in a lifetime

### Cavity Repair and Tooth Extractions

- Contour of bone (alveoloplasty)
- Emergency treatment for the relief of pain or infection of dental origin
- General anesthesia/sedation billed by the operating dentist for covered oral surgery

- Limited occlusal adjustment
- Restoring decayed or fractured teeth
- Routine oral surgery
- Wisdom teeth extractions

### Major Restorative

- Crowns
- Endodontics
- Onlays and Inlays
- Periodontics

### Exclusions

- Bridges
- Congenital deformities
- Cosmetic procedures
- Dentures
- Implants
- Local anesthesia when billed separately
- Occlusal adjustment
- Orthodontics

When you first apply for one of our Alliance Select HSA qualified high-deductible health plans, you will have the opportunity to choose Blue Dental coverage. If you choose not to enroll in Blue Dental coverage when you first apply for Alliance Select coverage, you will not be eligible to enroll in Blue Dental coverage at a later date unless you have an event that allows you to add a person to your policy. Following our acceptance of your application and issuance to you of the Alliance Select and Blue Dental policies, if you decide to terminate the policies, you will not be eligible for a medical policy with the same deductible. You may apply for a medical policy with a different deductible amount, subject to our applicable medical underwriting guidelines.

## Your Payment Obligations

**Benefit Period Deductible** \$50 Single/\$100 Two-person/\$150 Family  
(Applies to all services except diagnostic and preventive)

**Benefit Period Maximum** \$1,000 per person covered

**Diagnostic & Preventive** 20% coinsurance

**Basic Restorative** 20% coinsurance  
Fillings, extractions, oral surgery  
(6-month waiting period before benefits available)

**Major Restorative** 50% coinsurance  
Endodontics, periodontics, crowns, onlays and inlays  
(12-month waiting period before benefits available)

**Bridges and Dentures** Not covered

# Notification Requirements

**The following are notification requirements you or your Alliance Select network provider must follow to receive the maximum benefits available under your policy.**

## Precertification

Precertification is a process whereby you or your provider notify Wellmark Blue Cross and Blue Shield of Iowa before a planned admission to a nursing facility or acute rehabilitation facility. Precertification is also required before receiving home health, hospice, home infusion therapy, or home skilled nursing services. During precertification, Wellmark Blue Cross and Blue Shield of Iowa checks benefit eligibility and determines whether medical necessity standards have been met.

## Continued Stay Review

Continued Stay Review is a review of your care when you are in a hospital, nursing facility, or other health facility or when you use home health services, hospice services, private duty nursing or home

infusion therapy. Wellmark Blue Cross and Blue Shield of Iowa will initiate the review. If it is determined your current level of care is no longer medically necessary, we will notify you, your attending practitioner and the facility 24 hours before your benefits for services end.

**Please note:** We will notify you of the date when coverage for services ends. We will not provide benefits for services received after this date.

## Prior Approval

Before you receive treatment for certain services and supplies, you or your provider should request our prior approval. Prior approval helps determine whether a proposed treatment plan is medically necessary, a benefit of your policy, and ensures you receive full benefits for certain services. A list of services on which we recommend prior approval can be found in your policy.

## BlueCard®

**This program, offered by all Blue Cross and Blue Shield Plans around the world, gives you a simple means to save money — no matter where you live or travel in the United States and numerous other countries. When you need medical attention, all you have to do is show your ID card to a provider who participates with the local Blues Plan.**

### When you use a BlueCard PPO provider:

- You pay the applicable deductible and coinsurance amount.
- You'll get Blue Plan PPO-provider negotiated prices.

- Your claims will be processed at the Alliance Select in-network coinsurance level.
- Participating providers have agreed not to collect from you any difference between their billed charge and the negotiated charge.
- More than 90 percent of all hospitals and providers throughout the United States participate with their local Blue Cross and Blue Shield Plan.\*
- Participating providers and many non-participating providers will honor your ID card and file your claims for you.
- BlueCard providers do not handle notification requirements for you.

\*Blue Cross and Blue Shield Association, 2007

# General Provisions

**Eligibility:** You are eligible to apply for Alliance Select coverage if you are a resident of Iowa, under 65 years of age, and not eligible for Medicare. If you become enrolled in Medicare during the term of this benefits policy, this benefits policy will provide benefits secondary to Medicare unless application of federal law determines this benefits policy must provide benefits primary to Medicare.

## Coverage Renewability

- Coverage is automatically renewed by payment of your premium and service fee in advance.
- A grace period of 31 days will be granted for the payment of each premium and service fee due after the first premium and service fee. During this grace period, your policy will continue in force.
- We may terminate your policy if: (1) you fail to pay your premium and service fee by the end of the grace period; or (2) there is fraudulent use of your policy.
- When you no longer qualify as a dependent or spouse under this policy, you may obtain coverage from Wellmark Blue Cross and Blue Shield of Iowa with no additional underwriting if you apply for a plan with equal or lesser benefits within 31 days of the date you become ineligible.

## Medicare Eligibility

If you become enrolled in Medicare during the term of this benefits policy, this benefits policy will provide benefits secondary to Medicare unless your employer contributes toward the premiums and/or service fees or otherwise sponsors this benefits policy, in which case this benefits policy may be required by federal law to provide benefits primary to Medicare.

When you become eligible for Medicare, you may convert to one of our Senior Blue® Medicare Supplement or MedicareBlue<sup>SM</sup> PPO plans without answering health questions if you still reside in Iowa, and you have Medicare Parts A and B and you apply during your six-month guaranteed enrollment period. This period begins with the first month that you are both age 65 or older and enrolled in Medicare Part B (medical insurance).

## Subrogation

Once you receive benefits under your Alliance Select HSA-Qualified plan policy arising from an illness or injury, we will assume any legal right you have to collect compensation, damages, or any other payment related to that illness or injury. We will assume all rights for recovery, to the extent of our payment, regardless of whether our payment is made before or after settlement of any third-party claim, and regardless of whether you have received full or complete

compensation for any injury or illness. You and your covered family member(s) agree to notify us if you have the potential right to receive payment from someone else and to cooperate with us to ensure that our rights to subrogation are protected. We reserve the right to offset any amounts owed to us against any future claim settlement amounts.

## Coordination of Benefits

Coordination of benefits applies when you have more than one insurance policy or plan that provides the same or similar benefits as this policy, including other individual or group sponsored coverage in which you are enrolled.

Benefits payable under this policy, when combined with those paid under your other coverage, will not be more than 100 percent of either our payment arrangement amount or the other plan's payment arrangement amount. The method we use to calculate the payment arrangement amount may be different from your other plan's method.

For your Blue Rx Preferred coverage, Wellmark applies coordination of benefits in the following manner: Wellmark will always pay as though it is the primary carrier when you use your ID card for prescription drugs purchased at a pharmacy.

## Other Information

- A reduced premium rate is available for persons who do not currently use tobacco products and have not used tobacco products for a minimum of 12 months.
- Premium and service fee changes will be reflected in your premium invoice or other notification.
- Changes to the base premium rates will be based on actual and anticipated experiences for all policies included in the block of business. Premium rates for a specified individual may only be changed due to a change in the base premium rate, any change to a different benefit plan, a change in tobacco-use status, a change in substandard premium status, or a change in age group or family status.
- Premium rates for a specified individual are determined by the base premium rate for the block of business that reflects the actual and anticipated experience for all policies included in the block. Base premium rates are adjusted to reflect the particular benefit plan chosen as well as age, sex, and family composition. A further adjustment is made if any covered individual is a tobacco user or accepts a substandard premium.

**For a description of all individual health care plans, please refer to the chart in the “SimplyBlue Product Overview” brochure.**

# Health Programs and Services

**Helping you maintain or improve your health is important. That's why Wellmark Blue Cross and Blue Shield of Iowa is more than a health insurance company — we are people helping people. In support of your health care coverage, we provide programs and services with your needs in mind.**

## Disease Management Program

Our Disease Management program is a program that supports you and your doctor when dealing with a chronic condition. If you're diagnosed with diabetes, a cardiac condition (heart failure, coronary artery disease), asthma, or chronic obstructive pulmonary disease (COPD), you'll be invited to participate in the program. You'll

receive a welcome kit followed by a confidential welcome call to answer any questions about the program. Our disease management nurse keeps your doctor informed of your progress in the program. The goal is to support and reinforce the treatment you and your doctor have established.

## Case Management

Our Case Management service is designed for members with long-term health care needs resulting from extreme illness or injury. You, your practitioner, and the hospital work with our case managers to identify and arrange treatment plans in an effort to meet your special needs and to assist in preserving your health insurance benefits.

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Wellmark may from time to time make available to you certain health support services (such as disease management), for a fee or for no fee. Wellmark may offer financial and other incentives to you to use such services. As a part of the provision of such services, Wellmark may: (1) use your personal health information (including, but not limited to, substance abuse, mental health, and AIDS/HIV information), and (2) disclose such information to your health care providers and Wellmark's health support vendors, for purposes of providing such services to you. When using such information, Wellmark will do so according to the terms of Wellmark's Privacy Practices Notice, which is available upon request or can be accessed at [www.wellmark.com/HIPAA/hipaa\\_privacy.htm](http://www.wellmark.com/HIPAA/hipaa_privacy.htm).



*This is a general description of coverage. It is not a statement of contract. Actual coverage is subject to the terms and conditions specified in the policy itself and enrollment regulations in force when the policy becomes effective.*

## If You Have Questions or Need Additional Information:

Please call your agent or Wellmark Blue Cross and Blue Shield of Iowa.  
We're here to help when and where you need us.  
That's the difference of Blue.



An Independent Licensee of the Blue Cross and Blue Shield Association.

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