



**COUNTY OF ORANGE**

**SHAREWELL  
RETIREE HEALTH PLAN  
PLAN DOCUMENT**

Amended and Restated  
Effective January 1, 2018

COUNTY OF ORANGE  
SHAREWELL RETIREE HEALTH PLAN

**PLAN DOCUMENT**

The COUNTY OF ORANGE Sharewell Retiree HEALTH PLAN (the “PLAN”) assures the County of Orange retirees during the period of this PLAN that all benefits hereinafter described shall be paid to them in the event that they and/or their eligible enrolled dependent(s) incur covered medical expenses.

The PLAN is subject to all the terms, provisions and conditions described within this document.

The COUNTY OF ORANGE has caused this PLAN and the terms and benefits described herein to take effect as of 12:01 a.m. Pacific Time on January 1, 2012 at Santa Ana, California 92701. The Second Amended and Restated PLAN became effective January 1, 2016. This Third Amended and Restated PLAN becomes effective January 1, 2018.

All amendments to the PLAN implemented by the Third Amended and Restated PLAN shall be effective January 1, 2018. Earlier provisions apply to expenses incurred before that date.

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# ELIGIBILITY AND ENROLLMENT

## **ELIGIBILITY FOR COVERAGE**

The Sharewell Retiree Health Plan eligibility requirements for covered persons and their dependents are described in the definitions section of this document.

## **ENROLLING FOR COVERAGE**

Procedures and guidelines for enrolling in the Sharewell Retiree Health Plan are described in the Benefits Enrollment Guide provided to all County retirees during the annual open enrollment period.

## **INDIVIDUAL PLAN COVERAGE EFFECTIVE DATES**

- a) All eligible retirees upon initiation of the PLAN will be covered on the date of inception of the PLAN provided they were enrolled in the Premier Sharewell Health Plan effective January 1, 2012.
- b) Retirees and their Dependents shall be eligible for coverage immediately upon their loss of eligibility as an employee provided the retiree was eligible and the dependent was eligible and covered under a County of Orange employee health plan at the time of retirement.
- c) Dependents shall be covered on the date application is approved for coverage for them as Dependents and any required contributions for coverage are made, to the County. Newborn children are covered from date of birth, provided enrollment is requested within 30 days following birth.
- d) If application for coverage or for reinstatement is made by a person who is in an eligible status, but whose coverage had never become effective or had terminated because of failure to make the required contributions for Individual's Coverage, the coverage for such person shall take effect as determined by the Plan Administrator.
- e) If additional Dependents are acquired while the individual is eligible for Dependent Coverage, the coverage for each such Dependent shall become effective on the date the Dependent qualifies in accordance with the Definition of Dependent provision and has been enrolled in the method determined by the Plan Administrator.
- f) A new dependent will be deemed to have been enrolled on the date he becomes eligible for coverage providing formal application for coverage is submitted within 30 days of the dependent's eligibility.

## ELIGIBILITY AND ENROLLMENT (continued)

### **INDIVIDUAL TERMINATION OF COVERAGE**

Coverage under the PLAN shall terminate on the earliest of the following dates:

- a) The date of termination of the PLAN; or
- b) The last day of the month that membership ceases in an eligible class; or
- c) The date all coverage or certain benefits are terminated on the Covered Person's particular class by modification of the PLAN; or
- d) The date the Covered Person becomes a full-time member of the Armed Forces of any country; however, any Covered Person who is absent from work due to service in the uniformed services as defined by USERRA may elect to continue coverage, including their covered dependents, under the PLAN for up to 24 months as required under USERRA; or
- e) The date the Covered Person fails to make a required contribution.

Termination of PLAN eligibility is subject to regulations under the Consolidated Omnibus Budget Reconciliation Act and regulations requiring extension of benefit eligibility if applicable.

# SCHEDULE OF BENEFITS

## MEDICAL EXPENSE BENEFITS

The following Medical Expense Benefits are provided by this Plan and administered by the Claims Administrator. Unless otherwise noted, all Covered Medical Expenses are subject to the applicable Family Deductible, coinsurance, and other exclusions or limitations expressed herein...

MEDICAL EXPENSE BENEFITS	Network	Non-Network
<b>LIFETIME MAXIMUM BENEFIT</b>	None	
<b>CALENDAR YEAR FAMILY DEDUCTIBLE <sup>1</sup></b>	\$5,000 (combined for Network and Non-Network)	
<p><b>OUT-OF-POCKET MAXIMUM BENEFIT <sup>1</sup> –</b> After all out-of-pocket expenses (including deductibles and coinsurance) incurred by a Covered Person within a Calendar Year have totaled the amount shown, the PLAN will pay 100% of the remaining Covered Medical Expenses incurred by that Covered Person for the remainder of the Calendar Year.</p> <p>If a Covered Person has a combination of Network and Non-Network services, the out-of-pocket expenses under both will be combined to determine whether the Out-of-Pocket Maximum Benefit has been met.</p>	\$6,000 Family	<p>\$12,000 Family</p> <p>Does not include the cost of services that are not covered by the PLAN, amounts in excess of Usual, Reasonable and Customary, and the 20% coinsurance reduction for failure to obtain Pre-Admission approval</p>
<b>COINSURANCE</b>	<b>The PLAN pays the following percentage of Covered Medical Expenses after the Covered Person pays the Deductible (except as noted below)</b>	
Preventive care services (Birth through 18 years of age)	100% (no Deductible)	
Preventive care services (19 years of age or older)	100% (no Deductible)	
Inpatient Hospital services:		
▪ With Pre-Admission Review	90%	70%
▪ Without Pre-Admission Review	90%	50%
Emergency room treatment		
• Services for medical condition that <u>does not</u> meet “Emergency Services” definition	90%	70%
• Services for medical condition that meets “Emergency Services” definition	90%	90%
		Covered Person is responsible for all charges incurred at a Non-Network facility that are above the URC amount.
Outpatient surgery - hospital	90%	70%
Outpatient surgery – Ambulatory Surgery Center (facility charges)	90%	70% up to a maximum of \$1,500/day

## SCHEDULE OF BENEFITS (continued)

MEDICAL EXPENSE BENEFITS	Network	Non-Network	
<b>COINSURANCE</b>	<b>The PLAN pays the following percentage of Covered Medical Expenses after the Covered Person pays the Deductible (except as noted below)</b>		
Chiropractic services and acupuncture services	90%	70%	
	Combined Network and Non-Network maximum benefit of 25 visits per Calendar Year for chiropractic services and 25 visits per Calendar Year for acupuncture services		
Home health care (requires Prior Authorization)	90%	70%	
	When home health care is authorized as an alternative to continued hospitalization in a Network Hospital, the home health care services will be reimbursed at 90%		
Ambulance services	90%	90%	
Skilled nursing facility	90%	70%	
	Combined Network and Non-Network maximum benefit of 100 days per Calendar Year		
Hospice (requires Prior Authorization)	90%	70%	
	When Hospice residence immediately follows Inpatient services in a Network Hospital, the Hospice services will be reimbursed at 90%		
Dialysis Services (outpatient)	90%	Within California: 70% up to a maximum of \$600 per day Outside California: 70%	
Organ transplants <sup>2</sup>	90%	70%	
Mental health and substance abuse treatment (severe and non-severe):			
	<ul style="list-style-type: none"> <li>▪ Inpatient                             <ul style="list-style-type: none"> <li>▪ With Pre-Admission Review</li> <li>▪ Without Pre-Admission Review</li> </ul> </li> </ul>	90%	70%
	<ul style="list-style-type: none"> <li>▪ Outpatient</li> </ul>	90%	70%
Covered Drugs	80%		
Certain surgical procedures for treatment of morbid obesity (requires Prior Authorization) Must use designated facilities if surgery occurs within California. <sup>3</sup>	90%	Within California: Not Covered Outside California: 70%	
All other Covered Medical Expenses	90%	70%	

Notes:

<sup>1</sup> Any amounts a Covered Person pays because the Pre-Admission Review requirements were not met do not apply to the Deductible or the Out-of-Pocket Maximum Benefit accumulation.

<sup>2</sup> Refer to Covered Medical Expenses for benefit limitations for organ procurement and travel expenses associated with a covered organ transplant.

<sup>3</sup> Refer to How the Plan Works – Centers of Distinction for benefit limitations for bariatric surgeries performed at Non-Network facilities within California



## SCHEDULE OF BENEFITS (continued)

### PRESCRIPTION DRUG PROGRAM

This benefit includes access to the Claims Administrator's Participating Pharmacy Network. The Covered Person presents their Claims Administrator ID card to a Participating Pharmacy and pays the Claims Administrator's contracted rate for covered medication. Please see section entitled "Obtaining Outpatient Prescription Drugs at a Participating Pharmacy" for more details.

# MEDICAL EXPENSE BENEFITS

## HOW THE PLAN WORKS

### **UTILIZATION REVIEW REQUIREMENTS**

The PLAN requires pre-service review of certain covered services. This process is called Utilization Review, and is conducted by the Claims Administrator. The purpose of Utilization Review is to assist the Covered Person in identifying the most appropriate and cost-effective course of treatment for which benefits will be provided under the PLAN, and to determine whether the services are Medically Necessary. The necessity of medical services is evaluated through:

- Inpatient Hospital Pre-Admission Review for elective Hospital confinements (including concurrent review and discharge planning), and
- Prior Authorization of specialty health care services.

All Inpatient hospitalizations for elective and certain specialty health care services must be authorized and approved by the Claims Administrator. The Covered Person is responsible for ensuring that Pre-Admission review or Prior Authorization has occurred.

**Services that are determined to be not Medically Necessary by the Claims Administrator, either through the Pre-Admission Review or Prior Authorization process, will not be covered by the PLAN. However, the Covered Person and his Physician make the final decision concerning treatment.**

### **Pre-Admission Review – Hospital Admissions**

If a Covered Person is to be admitted to a Hospital or Skilled Nursing Facility on an Inpatient basis for any reason other than childbirth, the Covered Person, his representative, or his Physician must contact the Claims Administrator prior to the hospital admission (or, in the case of an Emergency Hospital Confinement, within 48 hours of the commencement of such confinement, or within 72 hours of the commencement of such confinement if it commences on a Saturday, Sunday or statutory legal holiday).

After the Claims Administrator reviews the Covered Person's request for Pre-Admission Review and the Covered Person's Physician's suggested treatment program, the Covered Person, the Covered Person's Physician, and the Hospital will be notified of the Claims Administrator's determination.

If the Covered Person's stay is approved, the Claims Administrator will certify the length of stay and the level of care that is Medically Necessary based on professionally recognized quality standards. The Claims Administrator may also review the Covered Person's progress while hospitalized. Then, before the Covered Person is released from the Hospital, the Claims Administrator may make arrangements to authorize benefits for any necessary care after the Covered Person's discharge.

### **Effect of Pre-Admission Review on Benefits**

1. Covered Medical Expenses shall not include any charges for Hospital Room and Board or other services and supplies furnished by the Hospital that are incurred on any day of a Covered Person's Inpatient Hospital confinement determined by the Claims administrator not to be Medically Necessary.

# MEDICAL EXPENSE BENEFITS

## HOW THE PLAN WORKS (continued)

2. If a Covered Person does not obtain Pre-Admission Review approval from the Claims Administrator for a Medically Necessary Hospital stay in a Non-Network Hospital or facility, the applicable coinsurance will be reduced from seventy percent (70%) to fifty percent (50%). Once the Out-of-Pocket Maximum Benefit amount is reached, the applicable coinsurance will be seventy percent (70%). The additional twenty percent (20%) for which the Covered Person is responsible due to failure to obtain Pre-Admission Review approval does not apply to the Deductible or Out-of-Pocket Maximum Benefit amount. Emergency inpatient hospitalizations are excluded from the requirements of this paragraph as Pre-Admission Reviews are not required for services that meet the Emergency Service definition; however, the Claims Administrator must still be notified for emergency inpatient hospitalizations within the time frames specified on the prior page under Pre-Admission Review – Hospital Admissions.

### **Prior Authorization**

The following medical services require Prior Authorization by the Claims Administrator, unless it meets the Emergency Services definition:

- Home health care if a Non-Network Provider;
- Hospice care in a Hospice facility or through a Hospice program;
- Purchase of durable medical equipment that costs more than \$5,000;
- Surgical procedures for treatment of morbid obesity;
- Radiological and nuclear imaging procedures within California on an outpatient, non-emergency basis including, but not limited to, CT (computerized tomography) scan, MRI (magnetic resonance imaging), MRA (magnetic resonance angiography), PET (positive emission tomography scan), and diagnostic cardiac procedures utilizing nuclear medicine;
- Spine surgery and pain management procedures within the United States on a non-emergency basis including, but not limited to lumbar spine surgery, cervical spine surgery, injections, epidurals, and joint blocks.

**If Prior Authorization is not obtained, and it is later determined by the Claims Administrator that the services are not Medically Necessary, the services will not be covered under this PLAN. However, the Covered Person and his Physician make the final decision concerning treatment.**

### **CENTERS OF DISTINCTION**

Bariatric surgery requires utilization of one of the Claims Administrator's Centers of Distinction facilities for Covered Persons receiving such outpatient services within the State of California:

If a Covered Person as specified above obtains such services within California from a facility that is not a Center of Distinction, the services will not be covered under this PLAN. Services received outside of the State of California are exempt from this requirement.

For a hip or knee replacement, it is strongly recommended that the Covered Person utilize one of the Claim Administrator's Centers of Distinction to ensure high quality, cost-effective services are received.

For an organ transplant, it is strongly recommended that the Covered Person utilize one of the Claim Administrator's Centers of Distinction to ensure high quality, cost-effective services are received.

# MEDICAL EXPENSE BENEFITS

## HOW THE PLAN WORKS (continued)

### **NON-NETWORK HOSPITAL EMERGENCY ROOM MEDICAL CARE**

When a Covered Person obtains emergency room treatment for a condition that meets the “Emergency Services’ definition stated in this Plan, the Plan pays the Network rate of ninety percent (90%) if the Usual, Reasonable and Customary (URC) amount (after Non-Network Deductible). Covered Person is responsible to pay for all charges above the URC amount.

### **OUTPATIENT DIALYSIS**

If a Covered Person receives outpatient dialysis services at a Non-Network facility within California, the Claims Administrator will pay a maximum of \$600 per day to the provider. The Covered Person may be billed for any difference in cost.

### **OUTPATIENT AMBULATORY SURGERY CENTERS**

If a Covered Person receives services at a Non-Network Ambulatory Surgery Center within California, the Claims Administrator will pay a maximum of \$1,500 per day for the facility charges. The Covered Person may be billed for any difference in cost.

### **CASE MANAGEMENT**

Upon identification by the Claims Administrator that a Covered Person is incurring services for treatment of an Illness or Accidental Injury that have the potential for substantial claims, the case may be referred for Case Management. With the concurrence of the primary attending Physician and the Covered Person, the case manager may authorize services and expenses not covered by the PLAN. The purpose of Case Management shall be to provide for a treatment plan and services designed to achieve the earliest and most complete recovery of the patient in the most cost-effective manner. Services authorized by the case manager may include supportive expenses of family members and non-medical expenses necessary to execute the treatment plan. Any such payment, although a valid charge against the PLAN, will not be considered to be a precedent in the disposition of other claims.

### **THE CALENDAR YEAR FAMILY DEDUCTIBLE**

Annually each family must satisfy the Calendar Year Family Deductible of \$5,000 before most Covered Medical Expenses are reimbursed by the PLAN. For the purposes of this provision, a “family” means an enrolled retiree and his enrolled Dependents.

### **Expenses That Do Not Apply Toward the Family Deductible**

The following expenses do not apply toward the Family Deductible:

- Preventive care services specified in Covered Medical Expenses paragraph g) that are reimbursed by the PLAN at one-hundred percent (100%);
- Any amounts over the URC amount;
- Any amounts the Covered Person pays because the Pre-Admission Review requirements of the PLAN were not met; and
- Any services not considered Covered Medical Expenses or otherwise excluded or in excess of PLAN limits.

# MEDICAL EXPENSE BENEFITS

## HOW THE PLAN WORKS (continued)

### **NETWORK AND NON-NETWORK BENEFITS**

The PLAN includes network and non-network benefits. Each time medical care is needed, the Covered Person decides whether to use a Network Provider or Non-Network Provider.

Except as otherwise specified in the Centers of Distinction, Non-Network Hospital Emergency Room Care, Outpatient Dialysis, and Outpatient Ambulatory Surgery Center sections above, when medical care is received from a Network Provider, the PLAN pays ninety percent (90%) of the Network Contract Rate for most Covered Medical Expenses (after the Family Deductible). Network Providers agree to not bill the Covered Person for any charges in excess of the Network Contract Rate. The Covered Person pays the Deductible and ten percent (10%) of the Network Contract Rate, plus any charges that do not qualify as a Covered Medical Expense or are otherwise excluded or limited by the PLAN.

When medical care is received from a Non-Network Provider, the PLAN pays seventy percent (70%) of the Usual, Reasonable and Customary (URC) amount (after the Family Deductible). The Covered Person pays the Deductible, thirty percent (30%) of the URC amount, plus any amounts the Non-Network provider charges that exceed URC, any charges that do not qualify as a Covered Medical Expenses or are otherwise excluded or limited by the PLAN, and the twenty percent (20%) coinsurance reduction for failure to follow the Pre-Admission Review and Prior Authorization requirements of the PLAN.

### **OUT-OF-POCKET MAXIMUM BENEFIT**

The Out-of-Pocket Maximum Benefit limits the amount a Covered Person pays for Covered Medical Expenses in a Calendar Year. The Out-of-Pocket Maximum Benefit amounts are different for network and non-network expenses. After a Covered Person's out-of-pocket costs, including the Deductible, have totaled \$6,000 family network and \$12,000 family non-network, the PLAN will pay one-hundred percent (100%) of the remaining Covered Medical Expenses incurred by the Covered Person within the Calendar Year.

If the Covered Person has a combination of network and non-network expenses, the Covered Person's out-of-pocket costs under both will be combined to determine whether the Out-of-Pocket Maximum Benefit amount has been met.

### **Expenses That Do Not Apply Toward the Out-of-Pocket Maximum Benefit**

The following expenses do not apply toward the Major Expense Benefit amount:

- Preventive care services specified in Covered Medical Expenses paragraph g) that are reimbursed by the PLAN at one-hundred percent (100%);
- Any amounts over the URC amount;
- Any amounts the Covered Person pays because the Pre-Admission Review requirements of the PLAN were not met; and
- Any services not considered Covered Medical Expenses or otherwise excluded or in excess of PLAN limits.

# MEDICAL EXPENSE BENEFITS

## COVERED MEDICAL EXPENSES

The PLAN covers preventive services, certain wellness services and other Medically Necessary services and supplies described below which are incurred by a Covered Person. Such services must be incurred by a Covered Person while eligible to receive benefits under the PLAN and recommended by a Physician for the treatment of the Covered Person's Illness, Accidental Injury, or pregnancy, subject to the exclusions and limitations listed within this Plan Document. Unless otherwise noted, all Covered Medical Expenses are subject to the applicable Family Deductible and coinsurance listed in the Schedule of Medical Expense Benefits. For Non-Network Providers, Covered Medical Expenses shall include only Usual, Reasonable and Customary charges for the services and supplies described below.

Covered Medical Expenses include:

- a) Hospital care for room, board and other Hospital services required for purposes of treatment, but not to exceed for Hospital Room and Board the cost of the most common semi-private room or other accommodations deemed Medically Necessary by the attending Physician.

The PLAN will allow up to the Network Negotiated Rate or URC amounts charged by the Hospital for necessary Hospital Room and Board, services, medicines, blood plasma that is not replaced, and supplies for diagnosis or treatment of the Illness or Accidental Injury, for which the Covered Person is confined (except services of a Physician, dentist, special nursing in any form, or supplies not used in the Hospital) provided the Covered Person is Hospital confined as a registered bed patient; or the Covered Person has surgery performed in the Hospital; or, the Covered Person received necessary emergency treatment for an Illness or as a result and within seventy-two (72) hours of the time of an accident

Hospital care associated with dental procedures is covered only under the following circumstances:

1. The Covered Person is a child, up to 6 years old, with a dental condition (such as baby bottle syndrome) that requires administration of general anesthesia in a hospital setting for dental repairs of significant complexity (e.g., multiple amalgam and/or resin-based composite restorations, pulpal therapy, extractions or any combinations of these noted or other dental procedures); *or*
2. The Covered Person exhibits physical, intellectual, or medically compromising conditions, is in need of dental treatment that requires administration of general anesthesia, and for whom administration of a general anesthesia can only be safely performed in a hospital setting. Conditions include but are not limited to mental retardation, cerebral palsy, epilepsy, cardiac problems and hyperactivity (verified by appropriate medical documentation);

Such coverage is limited to the charges by the hospital and the anesthesiologist. The actual dental procedure performed by a dentist or oral surgeon during the Hospital stay is not covered.

**For services received at a Non-Network Hospital, benefits will be reduced as described in the Schedule of Medical Expense Benefits if a Pre-Admission Review is not obtained.**

Benefits shall not be payable with respect to charges made by any institution or facility for the care of the sick or injured which does not qualify as a Hospital as defined in the section "Definitions."

# MEDICAL EXPENSE BENEFITS

## COVERED MEDICAL EXPENSES (continued)

- b) Inpatient newborn well-baby care following birth, including:
  - Inpatient routine nursery care provided to a newborn well-baby while the mother is Hospital confined,
  - Physician services for the initial pediatric examination of a newborn child in the Hospital, and
  - Circumcision;
- c) Medical or surgical services by a Physician;
- d) Mental health and substance abuse treatment by a Physician (M.D.; Psychiatrist (M.D.); Psychologist (Ph.D.); Licensed Clinical Social Worker (L.C.S.W.); or Marriage, Family and Child Counselor (M.F.C.C.) upon referral by a Physician. Expenses incurred for Severe Mental Illnesses of a person of any age, and of serious emotional disturbances of a child as defined under (AB88) (1999) will be covered on the same basis as any other medical condition;
- e) Professional services, recommended by a Physician, and provided by a graduate Registered Nurse (R.N.), a Licensed Vocational Nurse (L.V.N.) or an audiologist. Such services shall include a California Registered Nurse Midwife acting within the scope of his license;
- f) The following medical services or supplies that are recommended by a Physician:
  - 1) Covered Drugs requiring a Physician's written prescription;
  - 2) Anesthesia, including the charge for administration;
  - 3) Diagnostic and laboratory tests, x-ray services, routine pap tests and blood pressure tests;
  - 4) Oxygen and/or rental of equipment required for its administration;
  - 5) X-ray, radium and radioactive isotope therapy;
  - 6) Braces, crutches, casts, splints, blood and blood plasma (if not replaced) including the cost of blood, blood plasma and blood processing, or other fluids actually injected into the circulatory system;
  - 7) Initial purchase and fitting of artificial limbs or eyes or other prosthetic appliances;
  - 8) Authorized purchase of durable medical equipment prescribed by a Physician; however, only rental will be authorized for temporary therapeutic use in the treatment of an active Illness or Accidental Injury when rental charges do not exceed the purchase price of the equipment. Temporary use is generally defined as use not to exceed a length of time of six (6) months;
  - 9) Necessary emergency transportation of the Covered Person by a professional ambulance, to or returning from the nearest Hospital or other medical institution equipped and staffed to treat the Illness or Accidental Injury, for Medically Necessary medical treatment that qualifies as a Covered Medical Expense under the PLAN;

# MEDICAL EXPENSE BENEFITS

## COVERED MEDICAL EXPENSES (continued)

### g) **Preventive Care at No Cost:**

Preventive Health Services mean those primary preventive medical Covered Services, including related laboratory services, for early detection of disease as specifically listed below:

- 1) Evidence-based items or services that have in effect a rating of "A" or "B" in the current recommendations of the United States Preventive Services Task Force (USPSTF);
- 2) Immunizations that have in effect a recommendation from either the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, or the most current version of the Recommended Childhood Immunization Schedule/United States, jointly adopted by the American Academy of Pediatrics, the Advisory Committee on Immunization Practices, and the American Academy of Family Physicians;
- 3) With respect to infants, children, and adolescents, evidence-informed preventive care and screenings provided for in the comprehensive guidelines supported by the United States Health Resources and Services Administration;
- 4) With respect to women, such additional preventive care and screenings not described in paragraph 1, as provided for in comprehensive guidelines supported by the United States Health Resources and Services Administration.

Preventive Health Services include, but are not limited to, cancer screening (including, but not limited to, colorectal cancer screening, cervical cancer and HPV screening, breast cancer screening and prostate cancer screening), breast cancer susceptibility gene (BRCA 1 and BRCA2) testing, osteoporosis screening, screening for blood lead levels in children at risk for lead poisoning, and health education. When a covered preventative screening or service is limited by frequency, a year is considered to be a twelve (12) month period. More information regarding covered Preventive Health Services is available at the Claim Administrator's web site or by calling the Claim Administrator's Customer Service.

In the event there is a new recommendation or guideline in any of the resources described in paragraphs 1 through 4 above, the new recommendation will be covered as a Preventive Health Service as of the first plan year that begins twelve (12) months following the issuance of the recommendation.

- 5) **Preventive care services for children** (birth through 18 years of age) provided by a Network Physician or the appropriately designated medical professional within that Physician's office. Preventive care service for children will be reimbursed at one-hundred percent (100%) of the Network Contract Rate. The Calendar Year Deductible will not apply to these services.

Covered preventive care services for children will follow the age criteria and service frequency as recommended by the organizations specified in g) paragraph 1 and 3 above and will include but not be limited to:

- Physical and medical history
- Height and weight evaluation
- Head circumference
- Ocular prophylaxis
- Hemoglobin blood test



# MEDICAL EXPENSE BENEFITS

## COVERED MEDICAL EXPENSES (continued)

- Preventive health counseling and education
- Vision and hearing screening
- Developmental screening
- Injury prevention
- Blood pressure evaluation
- Screening for diabetes; Chlamydia; syphilis; HIV; and rubella susceptibility

Covered immunizations for children will follow the age criteria and service frequency as recommended by the organizations specified in g) paragraph 2 above and will include but not be limited to:

- Diphtheria, Tetanus, acellular Pertussis (DTaP)
- Haemophilus Influenza type b (Hib)
- Measles, Mumps, Rubella (MMR)
- Chicken pox (Varicella)
- Hepatitis B (HBV)
- Influenza
- Hepatitis A (HepA)
- Inactivated Poliovirus Vaccine (IPV)
- Pneumococcal Conjugate Vaccine (PCV)
- Rotavirus
- Meningococcal

Immunizations, vaccinations and inoculations required for foreign travel are not a Covered Medical Expense of the PLAN;

- 6) **Preventive care services for adults** (19 years of age or older) provided by a Network Physician or the appropriately designated medical professional within that Physician's office. Preventive care services for adults will be reimbursed at one-hundred percent (100%) of the Network Contract Rate. The Calendar Year Deductible will not apply to these services.

Covered preventive care services for adults will follow the age criteria and service frequency as recommended by the organizations specified in g) paragraphs 1 and 4 above and will include but not be limited to:

- Preventive health education and counseling
- Height and weight evaluation
- Blood pressure check
- Blood cholesterol examination (Total and HDL)
- Clinical breast examination
- Mammogram
- Well-woman exam, including pap smear
- Prostate examination, including PSA
- Hemocult test
- Flexible sigmoidoscopy or colonoscopy
- Vision screening
- Testicular examination
- Liver tests
- Screening for diabetes; breast cancer; cervical cancer; Chlamydia; syphilis; osteoporosis; HIV; abdominal aortic aneurysm; or rubella susceptibility

# MEDICAL EXPENSE BENEFITS

## COVERED MEDICAL EXPENSES (continued)

Covered immunizations for adults will follow the age criteria and service frequency as recommended by the organizations in g) paragraph 2 above and will include but not be limited to:

- Influenza
- Hepatitis A
- Hepatitis B
- Meningococcal
- Pneumococcal vaccine
- Measles, Mumps, Rubella (MMR)
- Rubella (German Measles)
- Tetanus, Diphtheria (Td) booster (every 10 years)
- Chicken Pox (Varicella)
- Shingles, age 60 and over (Zostavax)

Immunizations, vaccinations and inoculations required for foreign travel are not a Covered Medical Expense of the PLAN;

- h) Short-term physical or occupational therapy by a licensed Registered Physical Therapist (R.P.T.) or Occupational Therapist (O.T.) pursuant to a written treatment plan and when therapy is expected to result in a near-term significant improvement, based on a review by the Claims Administrator;
- i) Skilled nursing facility for room, board, and other services, not to exceed for Room and Board the most common average semi-private room rate. Coverage is limited to a maximum of 100 days in any one Calendar Year;
- j) Pregnancy-related services;
- k) Elective abortions only when the life of the retiree or an eligible spouse is in danger;
- l) Services for voluntary sterilization;
- m) Speech therapy by a speech pathologist to restore loss of speech following Illness or Accidental Injury only;
- n) Services by a Home Health Care Agency for continued care and treatment of the Covered Person pursuant to a written treatment plan established and approved in writing by the attending Physician;
- o) Hospice services for care and treatment of a terminal Illness or Accidental Injury certified by the attending Physician when the life expectancy of the Covered Person does not exceed six (6) months;
- p) Chiropractic manipulations performed by a Doctor of Chiropractic (D.C.) or Doctor of Medicine (M.D.), but not to exceed a maximum benefit of twenty-five (25) visits in any one Calendar Year;
- q) Charges for the use of a free standing or outpatient surgical facility, Physician's office surgical suite, or a Hospital for outpatient surgery;
- r) Charges for a Second Surgical Opinion by a specialist in the field for which the Covered Person is considering surgery;

# MEDICAL EXPENSE BENEFITS

## COVERED MEDICAL EXPENSES (continued)

- s) Charges for medical treatment of Temporomandibular Joint (TMJ) Dysfunction. Dental procedures for treatment of TMJ Dysfunction are excluded;
- t) Charges for organ transplants. Covered Medical Expenses include the following when incurred for an organ transplant that has been approved for coverage under the PLAN:
  - 1) The cost of organ procurement. When the organ is harvested from a living donor, the PLAN will cover the medical expenses incurred by the organ donor for the surgical procedure and associated Hospital stay for harvesting of the donated organ, to the extent such expenses exceed any benefits available through another plan. Such expenses are limited to the donor's Inpatient Hospital stay for the organ harvesting, and related follow-up care for sixty (60) days following the organ harvesting.

The medical expenses incurred by a Covered Person in connection with the Covered Person's donation of an organ to an individual who is not a Covered Person under this PLAN are not covered.

- 2) The cost of a donor search, limited to a maximum benefit of \$15,000 per organ transplant when the search is conducted by a Special Transplant Facility or \$5,000 per organ transplant when the search is conducted by other facilities.
- 3) Travel expenses, limited to a maximum lifetime benefit of \$10,000 for organ transplants performed at a Special Transplant Facility, or \$5,000 for organ transplants performed at other facilities. Travel expenses associated with an organ transplant are covered if the facility at which the transplant is performed is more than 100 ground miles from the organ recipient's home address. Benefits will be based on actual incurred costs. Covered travel expenses include:
  - a. Coach airfare on a public airline for the organ recipient and one companion (two companions if the organ recipient is a minor child) to travel to and from the site of the transplant. A "companion" includes the organ recipient's legal spouse, legal parent(s) or legal guardian(s).
  - b. Reimbursement for mileage at the then federal maximum rate for use of a personal car or rental car used to travel to and from the site of the transplant.
  - c. Up to \$200 per day for reasonable and necessary lodging and meals for the organ recipient (while not confined) and companion(s). The \$200 per day maximum applies to the organ recipient and companion(s) collectively, not individually.

The following types of living expenses do not qualify as covered travel expenses:

- Child care
- Charges for house sitting
- Kennel boarding
- Reimbursement of any lost wages by the companion(s) during the Covered Person's stay at the transplant facility
- Charges for the purchase or shipping of home furnishings, automobiles or personal belongings.

## MEDICAL EXPENSE BENEFITS

### COVERED MEDICAL EXPENSES (continued)

- u) Acupuncture when performed by a Doctor of Medicine (M.D.) or by a certified acupuncturist, but not to exceed a maximum benefit of twenty-five (25) visits in any one Calendar Year. A certified acupuncturist includes providers with the following licenses: Doctor of Osteopathy (D.O.), Doctor of Oriental Medicine (D.O.M.), and Certified Acupuncturist (C.A.).
- v) Certain surgical procedures for treatment of severe obesity, if the Covered Person meets the National Institute of Health's criteria for surgical intervention and the Claims Administrator's internal guidelines for approval of coverage. **Surgical procedures for treatment of morbid obesity are not covered unless Prior Authorization is obtained and the Covered Person obtains such services at one of the Claims Administrator's Centers of Distinction, if within California;** and
- w) Dental treatment for an Accidental Injury to natural teeth.
- x) Telehealth consultation services for primary care services provided by the Claims Administrator. Telehealth consultations for primary care services provide confidential consultation using a network of U.S. board certified Physicians who are available 24 hours a day by telephone and from 7 a.m. to 9 p.m. by secure online video, 7 days a week (subject to change). Telehealth Physicians can provide diagnosis and treatment for urgent and routine non-emergency medical conditions and can also issue prescriptions for certain medications. Note: If medications are prescribed, the applicable co-insurance and other requirements of the Prescription Drug Card Program below apply. Telehealth consultation services are optional and are not intended to replace services from a Covered Person's Physician but are a supplemental service to assist Covered Persons when their Physician is not available and they need quick access to a Physician. Telehealth consultation services are not available for specialist services or mental health and Substance Use Disorder Services. Before Telehealth services can be accessed, the Covered Person must complete and submit a Medical History Disclosure form to the Telehealth service organization. The Telehealth consultation fee is considered a network benefit subject to network deductibles and coinsurance. The Plan Administrator may modify, add, or delete this service or components of the service based on an analysis of service results, cost effectiveness, and risk as needed.

Charges for all Covered Medical Expenses shall be deemed incurred on the latest of the following:

- a) The date a purchase is contracted;
- b) The date delivery is made;
- c) The actual date a service is rendered.

# PRESCRIPTION DRUG PROGRAM

## HOW THE PLAN WORKS

The Sharewell Retiree Health Plan includes benefits for Covered Drugs. These benefits are administered by the Claims Administrator. This benefit includes access to the Claims Administrator's Participating Pharmacy Network. The Covered Person presents their Claims Administrator ID card to a Participating Pharmacy and pays the Claims Administrator's contracted rate for covered medication.

### **OBTAINING OUTPATIENT PRESCRIPTION DRUGS AT A PARTICIPATING PHARMACY**

To obtain prescription drugs at a Participating Pharmacy at the contracted rate, the Covered Person must present his/her Claims Administrator Identification Card.

With the presentation of the Claims Administrator Identification Card, outpatient prescription drugs obtained at a Participating Pharmacy, or Specialty Drugs obtained from a Specialty Pharmacy through the use of the Claims Administrator Identification Number, are paid as shown in the Schedule of Benefits.

Until the Calendar Year Deductible has been satisfied, the Covered Person is responsible for paying 100% of the Claim Administrator's contracted rate. Once the Calendar Year Deductible has been satisfied, the Covered Person is responsible for paying the 20% co-insurance for the Claim Administrator's contracted rate for each new and refill prescription drug. The pharmacy will collect from the Covered Person the applicable co-insurance at the time the prescription is obtained. The Covered Person's prescription cost-sharing (deductible and 20% coinsurance) apply towards the Out-of-Pocket Medical Maximum Benefit limit.

Note: If the Participating Pharmacy contracted rate charged by the Participating Pharmacy is less than or equal to the Covered Person's co-insurance, the Covered Person will only be required to pay the Participating Pharmacy's contracted rate.

### **OBTAINING OUTPATIENT PRESCRIPTION DRUGS AT A NON-PARTICIPATING PHARMACY**

To obtain prescription drugs at a Non-Participating Pharmacy, the Covered Person must first pay all charges for the prescription and submit a completed Prescription Drug Claim Form for reimbursement. After the Calendar Year Deductible amount has been satisfied, the Covered Person will be reimbursed as shown on the Schedule of Benefits. Claims must be received within one (1) year from the date of service to be considered for payment.

When prescription drugs are obtained at a Non-Participating Pharmacy due to a covered emergency, the Covered Person must first pay all charges for the prescription, and then submit a completed Prescription Drug Claim Form noting "emergency request" on the form to the Claims Administrator Pharmacy Services - Emergency Claims, P.O. Box 7168, San Francisco, CA 94120. After the Calendar Year Deductible amount has been satisfied, the Covered Person will be reimbursed the purchase price of covered prescription drug(s) minus any applicable co-insurance. Claim forms may be obtained from the Claims Administrator Service Center. Claims must be received within one (1) year from the date of service to be considered for payment.

## PLAN LIMITATIONS AND EXCLUSIONS

No benefits shall be payable under this PLAN with respect to:

- a) Any services not Medically Necessary for diagnosis or treatment of the Covered Person's active Illness or Accidental Injury except as provided for under preventive care services or wellness services; or
- b) Any treatment or service not prescribed or recommended by a "Physician" as defined in the "Definitions" section; or
- c) Any charges for services rendered by a relative by birth, adoption or marriage will not be eligible; or
- d) Any charges for hearing aids, glasses, or eye examinations or correction of vision or fitting of glasses and any charges related to orthoptics, vision therapy, or other special vision procedures, except as provided for under preventive care services; or
- e) Any charges for dental services or treatment except for treatment of Accidental Injury to natural teeth, and no payment will be made for dentures or other oral appliances; or
- f) Any condition, disability or expense resulting from or sustained as a result of being engaged in an illegal occupation, commission of or attempted commission of an assault or a felonious act; or
- g) Any condition, disability or expense resulting from or sustained as a result of being engaged in duty as a member of the Armed Forces of any state or country, war or act of war declared or undeclared; or
- h) Any services for care or treatment provided or furnished by the United States Government or the government of any country except as furnished by the Veterans Health Administration; or
- i) Any services for which a charge would not have been made in the absence of coverage; or
- j) Any condition, disability or expense resulting from injury caused by participating in civil insurrection or a riot; or
- k) Any benefit under Workers' Compensation Act or similar legislation, which is due to injury arising out of or in the course of any occupation or employment for wage or profit, except as specifically provided in the PLAN; or
- l) Vaccinations, inoculations, preventive shots, routine physical examinations, vitamins and nutritional food or mineral supplements, except as provided for under preventive care services or preventive products; or
- m) Expense incurred for the treatment of corns, calluses or toenails, unless the charges are for the removal of nail roots or for the treatment of a metabolic or peripheral-vascular disease; or
- n) Expenses incurred for orthopedic shoes and other supportive appliances for the feet including orthotics applied to shoes; or
- o) Expenses incurred for the treatment of weak, strained or flat feet, or any metatarsalgia or bunion; unless the charges are for an open cutting operation; or
- p) Any charges for cosmetic surgery except as the charges relate to such surgery to correct a congenital defect in a covered newborn or to repair the effects of an accident which occurred while the individual is covered under this PLAN; or

## PLAN LIMITATIONS AND EXCLUSIONS (continued)

- q) Any charges related to services for reproductive voluntary sterilization reversal, fertility or infertility, and any charges for artificial insemination, embryo and fetal implants, or charges arising from or related to in vitro fertilization (test-tube baby) other than childbirth; and any charges for genetic testing related to these assisted reproductive technologies; or
- r) Any charges for medical or surgical weight control, weight reduction or weight controlling drugs or counseling except as provided for under Covered Medical Expenses; or
- s) Charges related to treatment of learning disabilities; or
- t) Charges related to bariatric surgery when not performed at one of the Claims Administrator's Centers of Distinction, if surgery occurred within California.

## COORDINATION OF BENEFITS

This provision shall apply to all sections of the PLAN providing benefits for Covered Medical Expenses, including coverage for those individuals covered under Medicare.

### **Section I.** Definitions Applicable to this Provision

The term “Plan” as used in this provision means any plan providing benefits or services for or by reason of medical or dental care or treatment, which benefits or services are provided by (a) group, blanket or franchise insurance coverage under a labor/management trustee plan, union welfare plan, employer organization plan, or employee benefit organization plan, including any Federal or State or other governmental plan or law, toward the cost of which any employer shall have made payroll deductions, or (b) coverage under any plan solely or largely tax-supported or otherwise provided for by or through action of any government.

The term “Plan” shall be construed separately with respect to each policy, contract, or other arrangement for benefits or services separately with respect to that portion of any such policy, contract, or other arrangement, which reserves the right to take the benefits or services of other Plans into consideration in determining its benefits and that portion which does not.

“This PLAN” as used in this provision means that portion of the contract by name referred to in this document which provides the benefits that are subject to this provision.

“Allowable Expense” means any necessary, reasonable, and customary item of expense at least a portion of which is covered under at least one of the Plans covering the person for whom claim is made.

When a Plan provides benefits in the form of services or supplies rather than cash payments, the reasonable cash value of each service rendered or supply furnished shall be deemed to be both an Allowable Expense and a benefit paid.

The “Order of Benefit Determination” rules are the rules that determine whether this PLAN pays benefits first (the primary plan) or second (the secondary plan) when compared to another Plan covering the Covered Person.

### **Section II.** Effect on Benefits

- A. This provision shall apply in determining the benefits as to a person covered under this PLAN for a claim submission, if for the Allowable Expenses incurred as to such person, the sum of:
  1. the benefits that would be payable under this PLAN in the absence of this provision, and
  2. the benefits that would be payable under all other Plans in the absence therein of provisions of similar purpose to this provision, would exceed such Allowable Expenses.
- B. As to any claim submission with respect to which this provision is applicable, the benefits that would be payable under this PLAN in the absence of this provision for the Allowable Expenses incurred as to such person shall be reduced to the extent necessary so that the sum of such reduced benefits and all the benefits payable for such Allowable Expenses under all other Plans shall not exceed the total of such Allowable Expenses. Benefits payable under another Plan include the benefits that would have been payable had claim been duly made therefore.



## COORDINATION OF BENEFITS (continued)

- C. For the purposes of item (B), the rules establishing the order of benefit determination are:
1. A Plan that does not contain a coordination of benefits provision shall be considered the primary plan.
  2. When benefits are provided under this PLAN and another Plan which also has a coordination provision, the first of the following rules that describes which Plan pays its benefits before another Plan will be used to determine which Plan is primary.
    - a) **Non-Dependent or Dependent.** The Plan that covers the person other than as a dependent, for example as an employee, member, subscriber or retiree, is primary and the Plan that covers the person as a dependent is secondary. However, if the person is a Medicare beneficiary and, as a result of federal law, Medicare is secondary to the Plan covering the person as a dependent; and primary to the Plan covering the person 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 person as an employee, member, subscriber or retiree is secondary and the other Plan is primary.
    - b) **Child Covered Under More Than One Plan.** The order of benefits when a child is covered by more than one Plan is:
      - 1) The Primary Plan is the Plan of the parent whose birthday is earlier in the year if:
        - i. The parents are married;
        - ii. The parents are not separated (whether or not they ever have been married); or
        - iii. A court decree awards joint custody without specifying that one party has the responsibility to provide health care coverage.If both parents have the same birthday, the Plan that covered either of the parents longer is primary.
      - 2) If the specific terms of a court decree state that one of the parents is responsible for the 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 PLAN years commencing after the Plan is given notice of the court decree.
      - 3) If the parents are not married, or are separated (whether or not they ever have been married) or are divorced, the order of benefits is:
        - i. The Plan of the custodial parent;
        - ii. The Plan of the spouse of the custodial parent;
        - iii. The Plan of the non-custodial parent; and then
        - iv. The Plan of the spouse of the non-custodial parent.
    - c) **Active or inactive employee.** Another Plan that covers a person as an employee who is neither laid off nor retired is primary. The same would hold true if a person is a dependent of a person covered as a retiree and an employee. If the other Plan does not have this rule, and if, as a result, the Plans do not agree on the order of benefits, this rule is ignored. Coverage provided an individual as a retired worker and as a dependent of an actively working spouse will be determined under the rule labeled 2(a).

## COORDINATION OF BENEFITS (continued)

- d) **Continuation coverage.** If a person whose coverage is provided under a right of continuation provided by federal or state law also is covered under another Plan, the Plan covering the person as an employee, member, subscriber or retiree (or as that person's dependent) is primary, and the continuation coverage is secondary. If the other Plan does not have this rule, and if, as a result, the Plans do not agree on the order of benefits, this rule is ignored.
- e) **Longer or shorter length of coverage.** The Plan that covered the person as an employee, member, subscriber or retiree longer is primary.
- f) If a husband or wife is covered under this PLAN both as a retiree and as an enrolled Dependent, the dependent benefits will be coordinated as if they were provided under another Plan. This means the retiree's benefit will pay first.
- g) If the preceding rules do not determine the primary Plan, the Allowable Expenses shall be shared equally between the Plans meeting the definition of Plan under this provision. In addition, this PLAN will not pay more than it would have paid had it been primary.

### **Section III.** Right to Receive and Release Necessary Information

For the purposes of determining the applicability of and implementing the terms of this provision of this PLAN or any provision of similar purpose of any other Plan, the PLAN may, without the consent of or notice to any person, release to or obtain from any Insurance Company or other organization or person any information, with respect to any person, which the deems to be necessary for such purposes. Any person claiming benefits under this PLAN shall furnish to the PLAN such information as may be necessary to implement this provision.

### **Section IV.** Facility of Payment

Whenever payments which should have been made under this PLAN in accordance with this provision have been made under any other Plan(s), the PLAN shall have the right, exercisable alone and in its sole discretion, to pay over to any organizations making such other payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision and amounts so paid shall be deemed to be benefits paid under this PLAN and, to the extent of such payments, the County or Fund shall be fully discharged from liability under this PLAN.

### **Section V.** Recovery of Excess Payments

Whenever payments have been made by the Fund with respect to Allowable Expense in a total amount, at any time, in excess of the maximum amount of payment necessary at that time to satisfy the intent of this provision, the Fund shall have the right to recover such payments, to the extent of such excess, from among one or more of the following, as the Fund shall determine: any persons to or for or with respect to whom such payments were made, any insurance companies, any other organizations.

## GENERAL PROVISIONS

### **CLAIM PAYMENT DETERMINATION**

Claims will be processed and paid in the order they are received by the Claims Administrator without regard to sequence of dates incurred. Adjustments will not be made for claims received later but with an earlier incurred date to be applied to the Deductible or maximum payment level.

### **PLAN EXCEPTIONS**

Any service or treatment excluded by the PLAN which is deemed to be Medically Necessary for the health of the Covered Person and cannot be accomplished through a covered benefit may be submitted to the Plan Administrator for exception. The submission and request for review must be accompanied by a detailed description by the attending Physician justifying the medical necessity and a concurrence by a second opinion Physician at the Covered Person's expense. Requests for exception must be filed within fifteen (15) days of claim denial.

### **DETERMINATION OF PAYMENT**

If, in the opinion of the Claims Administrator, a valid release cannot be rendered for the payment of any benefit payable, under this PLAN, the Claims Administrator may, at its option, make such payment to the individual or individuals as have, in the Claims Administrator's opinion, assumed the care and principal support of the Covered Person and are, therefore, equitably entitled thereto. In the event of the death of the Covered Person prior to such time as all benefit payments due him have been made, the Claims Administrator, may at its sole discretion and option, honor benefit assignments, if any, made prior to the death of such Covered Person.

Any payment made by the Claims Administrator in accordance with the above provisions shall fully discharge the Fund to the extent of such payments.

### **PLAN DOCUMENT**

The Plan Administrator will make available to each Covered Person under this PLAN this Sharewell Retiree Health Plan Document which shall summarize the benefits to which the person is entitled, to whom benefits are payable, and the provisions of the PLAN principally affecting the Covered Person.

### **ASSIGNMENT**

The Covered Person's benefits may not be assigned except by consent of the Plan Administrator.

### **CONFORMITY WITH STATE AND FEDERAL STATUTES AND REGULATIONS**

Any provision of the PLAN, which on its Effective Date, is in conflict with the statutes or regulations of the jurisdiction of California or the Federal government, which relate to Self-Funded Plans of public entities is hereby amended to conform to the minimum requirements of such statutes or regulation.

## GENERAL PROVISIONS (continued)

### **PLAN AMENDMENT AND TERMINATION**

The County reserves the unlimited right to amend, terminate or merge the Plan in any way. Any amendment, termination or merger to the Plan shall be in writing and shall be adopted by the County in accordance with its normal procedures. However, the Plan Administrator shall have the authority to amend the Plan to comply with applicable law or regulation or to reflect the County's intent.

Any amendment or termination of the Plan shall be effective at such date as the County shall determine except that no amendment or termination shall reduce benefits payable for covered expenses incurred prior to the later of the date the amendment or termination is effective or adopted, except as required or permitted by law.

### **CHANGE IN FUNDING MECHANISM**

The County reserves the unlimited right to change, modify, cancel or otherwise terminate the Plan's funding arrangements, including, by way of example and not by way of limitation, the right to change insurance carriers and the right to provide previously self-insured benefits on a partially insured or fully uninsured basis.

### **NOTICE AND PROOF OF CLAIM**

Written notice of claim hereunder must be given to the PLAN at the claims address printed on the health plan identification card provided to the Covered Person following their enrollment in the PLAN, with particulars sufficient to identify the Covered Person, within 365 days following the date such claim was incurred.

The Claims Administrator upon receipt of notice required by the PLAN will furnish to the Covered Person or to any other person notifying the Fund of claim on such forms as are usually furnished by it for filing proof of loss.

If such forms are not furnished within fifteen (15) days after receipt of such notice, the Covered Person shall be deemed to have complied with the requirements of the PLAN, as to proof of loss, upon submitting written proof fully describing the occurrence for which claim is made.

Failure to furnish notice or proof of claim within the time provided in the PLAN shall not invalidate or reduce any claims if it shall be shown not to have been reasonably possible to furnish such notice or proof and that such notice or proof was furnished as soon as possible.

### **CLAIM-RELATED DEFINITIONS**

#### **Claim**

Any request for plan benefits made in accordance with the plan's claims-filing procedures, including any request for a service that must be pre-approved.

The Plan recognizes four categories of health benefit claims:

## GENERAL PROVISIONS (continued)

### **Urgent Care Claims**

“Urgent care claims” are claims (other than post-service claims) for which the application of non-urgent care time frames could seriously jeopardize the life or health of the patient or the ability of the patient to regain maximum function or, in the judgment of a physician, would subject the patient to severe pain that could not be adequately managed otherwise. The Plan will defer to the attending Physician to determine if a claim for Medical benefits is urgent.

### **Pre-service Claims**

“Pre-service claims” are claims for approval of a benefit if the approval is required to be obtained before a patient receives health care (for example, claims involving preauthorization or referral requirements).

### **Post-Service Claims**

“Post-service claims” are claims involving the payment or reimbursement of costs for health care that has already been provided.

### **Concurrent Care Claims**

“Concurrent care claims” are claims for which the Plan previously has approved a course of treatment over a period of time or for a specific number of treatments, and the Plan later reduces or terminates coverage for those treatments. A concurrent care claim may be treated as an “urgent care claim,” “pre-service claim,” or “post-service claim,” depending on when during the course of the Covered Person care the Covered Person file the claim. However, the Plan must give the Covered Person sufficient advance notice of the initial claims determination so that the Covered Person may appeal the claim before a concurrent care claims determination takes effect.

### **Adverse Benefit Determination**

If the Plan does not fully agree with the Covered Person’s claim, the Covered Person will receive an “adverse benefit determination” — a denial, reduction, or termination of a benefit, or failure to provide or pay for (in whole or in part) a benefit. An adverse benefit determination includes a decision to deny benefits based on:

- An individual being ineligible to participate in the Plan;
- Utilization review;
- A service being characterized as experimental or investigational or not medically necessary or appropriate;
- A concurrent care decision; and
- Certain retroactive terminations of coverage (rescission of coverage), whether or not there is an adverse effect on any particular benefit at that time.

### **INITIAL CLAIM DETERMINATION**

For each of the Plan options, the Plan has a specific amount of time to evaluate and respond to claims for benefits. The period of time the Plan has to evaluate and respond to a claim begins on the date the Plan receives the claim. If the Covered Person has any questions regarding how to file or appeal a claim, contact the Claims Administrator for the benefit at issue.

The timeframes on the following pages apply to the various types of claims that the Covered Person may make under the Plan, depending on the benefit at issue.

In the event of an adverse benefit determination, the claimant will receive notice of the determination. The notice will include:

- The specific reasons for the adverse determination;

## GENERAL PROVISIONS (continued)

- The specific plan provisions on which the determination is based;
- A request for any additional information needed to reconsider the claim and the reason this information is needed;
- A description of the plan's review procedures and the time limits applicable to such procedures;
- A statement of the Covered Person's right to bring a civil action following an adverse benefit determination on review;
- If any internal rules, guidelines, protocols or similar criteria was used as a basis for the adverse determination, either the specific rule, guideline, protocols or other similar criteria or a statement that a copy of such information will be made available free of charge upon request;
- For adverse determinations based on medical necessity, experimental treatment or other similar exclusions or limits, an explanation of the scientific or clinical judgment used in the decision, or a statement that an explanation will be provided free of charge upon request;
- For adverse determinations involving urgent care, a description of the expedited review process for such claims. This notice can be provided orally within the timeframe for the expedited process, as long as written notice is provided no later than 3 days after the oral notice;
- For medical claims, information sufficient to identify the claim involved including date of service, healthcare provider, claims amount (if applicable), and denial code;
- For medical claims, upon request the applicable diagnosis and treatment codes used and their meanings;
- A description of the Plan's standard used in denying the claim (for example, a description of the "medical necessity" standard may be included); and
- If applicable, a statement of the Covered Person's right to obtain the claim denial and appeal in a foreign language.
- As applicable, a description of the Plan's internal appeal procedures and external review processes; and
- Contact information for certain governmental entities that may assist claimants with appeals and external review.

### **TIME FRAMES FOR INITIAL CLAIM DECISIONS**

Time frames generally start when the Plan receives a claim. (See the special rule for "concurrent care" decisions to limit previously-approved treatments.) Notices of benefit determinations generally may be provided through in-hand delivery, mail, or electronic delivery, before the period expires, though oral notices may be permitted in limited cases. A reference to "days" means calendar days.

GENERAL PROVISIONS (continued)

	<b>Urgent Care Claims</b>	<b>Non-Urgent “Pre-Service” Claims</b>	<b>Non-Urgent “Post-Service” Claims</b>	<b>“Concurrent Care” Decision to Reduce Benefits</b>
<b>Time frame for Providing Notice</b>	<p>Notice of determination (whether adverse or not) must be provided by the Plan as soon as possible considering medical exigencies, but no later than 72 hours</p> <p>If the Covered Person requests in advance to extend concurrent care, the Plan shall provide notice as soon as possible taking into account medical exigencies, but no later than 24 hours of receipt of the claim, provided that any such claim is made to the Plan at least 24 hours prior to the expiration of the prescribed period of time or number of treatments.</p>	<p>Notice of determination (whether adverse or not) must be provided by the Plan within a reasonable period of time appropriate to the medical circumstances, but no later than 15 days.</p>	<p>Notice of adverse determination must be provided within a reasonable period of time, but no later than 30 days.</p>	<p>Notice of adverse determination must be provided by the Plan enough in advance to give the Covered Person an opportunity to appeal and obtain decision before the benefit at issue is reduced or terminated.</p>

## GENERAL PROVISIONS (continued)

<b><u>Extensions</u></b>	If the Covered Person claim is missing information, the Plan has up to 48 hours (subject to decision being made as soon as possible) from the earlier of the Plan's receipt of the missing information, or the end of the period afforded to the Covered Person to provide the missing information, to provide notice of determination.	The Plan has up to 15 days, if necessary due to matters beyond the Plan's control, and must provide extension notice before initial 15-day period ends.*	The Plan has up to 15 days, if necessary due to matters beyond the Plan's control, and must provide extension notice before the initial 30-day period ends.*	N/A
<b><u>Period for Claimant to Complete Claim</u></b>	The Covered Person has a reasonable period of time to provide missing information (no less than 48 hours from when the Covered Person is notified by the Plan that the Covered Person's claim is missing information).	The Covered Person has at least 45 days to provide any missing information.	The Covered Person has at least 45 days to provide any missing information.	N/A
<b><u>Other Related Notices</u></b>	Notice that the Covered Person's claim is improperly filed or that information is missing must be provided by the Plan as soon as possible (no later than 24 hours after receipt of the claim by the Plan).	Notice that the Covered Person's claim is improperly filed must be provided by the Plan as soon as possible (no later than 5 days after receipt of the claim by the Plan).	N/A	N/A

*\*15- or 30-day extension period (whichever is applicable) is measured from the time that the claimant responds to the notice from the Plan that the claim is missing information.*



## GENERAL PROVISIONS (continued)

### **CLAIM APPEAL PROCEDURES**

If the Covered Person receives notice of an adverse benefit determination and disagrees with the decision, the Covered Person is entitled to apply for a full and fair internal review of the claim and the adverse benefit determination. Appeals are not automatic; the Covered Person (or an appointed representative) can appeal by requesting a claim review in accordance with the time frames described in the chart below. The request must be made in writing, except for urgent care claims which the Covered Person may file orally or in writing, and should be filed with the appropriate Claims Administrator.

If the Covered Person's internal appeal of a Medical claim involves an urgent care claim, such that the timeframe for completing an appeal would seriously jeopardize the Covered Person's life or health, the Covered Person may initiate an external review at the same time as the Covered Person's internal appeal.

If the Covered Person files an internal appeal for Medical benefits, the Covered Person will continue to be covered, pending the outcome of the internal appeal. This means that the Plan can't terminate or reduce any ongoing course of treatment without providing advance notice and the opportunity for review.

For Medical claims, if the Plan fails to meet the requirements of the internal claims and appeals process for the Covered Person's claim, the Covered Person are deemed to have exhausted the internal process, and the Covered Person may begin an external review request immediately. However, this will not apply if the error was de minimus, if the error does not cause harm to the Covered Person, if the error was due to good cause or to matters beyond the Plan's control, if it occurs in context of good faith exchange of information, or if the error does not reflect a pattern or practice of noncompliance. In that case, Covered Person may resubmit the claim for internal review and ask the Plan to explain why the error is minor and why it meets this exception.

The Claims Administrator will forward the appeal request to the appropriate named fiduciary for review. The review will be conducted by the Claims Administrator (if serving as the reviewer for appeals) or other appropriate named fiduciary of the Plan. In either case, the reviewer will not be the same individual who made the initial adverse benefit determination that is the subject of the review, nor the subordinate of such individual (including any physicians involved in making the decision on appeal if medical judgment is involved). Where the adverse determination is based in whole or in part on a medical judgment, the reviewer will consult with an appropriate health care professional. No deference will be afforded to the initial adverse benefit determination.

The Claims Administrator will ensure that all claims and internal appeals for Medical benefits are handled impartially. The persons involved in making the decision won't receive compensation, promotion, continued employment or other similar items based upon the likelihood he or she will support a denial of Plan benefits. The Claims Administrator will ensure that health care professionals consulted are not chosen based on the expert's reputation for outcomes in contested cases, rather than based on the professional's qualifications.

The Covered Person will have the opportunity to submit written comments, documents, records, and other information relating to the claim; and the Covered Person will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits. Whether a document, record, or other information is relevant to the claim will be determined in accordance with the applicable regulations. The Covered Person also is entitled to the identification of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the Covered Person's adverse benefit determination. The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim

## GENERAL PROVISIONS (continued)

without regard to whether such information was submitted or considered in the initial benefit determination.

In connection with the Covered Person's internal appeal of a Medical claim, the Covered Person will be able to review the Covered Person's file and present information as part of the review. Before making a benefit determination on review, the Claims Administrator will provide the Covered Person with any new or additional evidence considered or generated by the Plan, as well as any new or additional rationale to be used in reaching the decision. The Covered Person will be given this information in advance of the date on which the notice of final appeal decision is made to give the Covered Person a reasonable opportunity to respond.

The time periods for providing notice of the benefit determination on review depends on the type of claim, as provided in the following chart.

If the Plan fails to meet the requirements of the internal claims and appeals process for a claim and the plan's error is not de-minimus, the Covered Person shall be deemed to have exhausted the internal process and may begin an external review immediately.

The Claims Administrator will provide the Covered Person with written notification of the Plan's determination on review, within the applicable time frames. For urgent care, all necessary information, including the benefit determination on review, will be transmitted between the Plan and the claimant by telephone, fax, or other available similarly expeditious method. In the case of an adverse benefit determination, such notice will indicate:

- The specific reason for the adverse determination on review;
- Reference to the specific provisions of the Plan on which the determination is based;
- A statement that the Covered Person are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits;
- A description of the Covered Person's right to bring a civil action following an adverse determination on review;
- If any internal rules, guidelines, protocols or similar criteria were used as a basis for the adverse determination, either the specific rule, guideline, protocols or other similar criteria or a statement that a copy of such information will be made available free of charge upon request; (for health and disability claims)
- For adverse determinations based on medical necessity, experimental treatment or other similar exclusions or limits, an explanation of the scientific or clinical judgment used in the decision, or a statement that an explanation will be provided free of charge upon request;
- For medical claims, information sufficient to identify the claim including date of service, healthcare provider, claim amount (if applicable), and denial code;
- A description of the Plan's standard used in denying the claim (for example, a description of the "medical necessity" standard may be included);
- For medical claims, upon a request the applicable diagnosis codes and treatment codes used and their meanings;
- A description of the Plan's external review process, including how to initiate an appeal;
- Contact information for certain governmental entities that may assist claimants with appeals and external review;

## GENERAL PROVISIONS (continued)

- If applicable, a statement of the Covered Person’s right to obtain the claim denial and appeal denial in a foreign language; and
- A description of the voluntary appeals procedure under the Plan, if any, and the Covered Person’s right to obtain additional information upon request about such procedures.

All decisions are final and binding unless determined to be arbitrary and capricious by a court of competent jurisdiction.

### **TIME FRAMES FOR INTERNAL APPEALS PROCESS**

The time frame for filing an appeal starts when the Covered Person receive written notice of adverse benefit determination. The time frame for providing a notice of the appeal decision (a “notice of benefit determination on review”) starts when the appeal is filed in accordance with the Plan’s procedures. The notice of appeals decision may be provided through in-hand delivery, mail, or electronic delivery before the period expires. Urgent care decisions may have to be delivered by telephone, facsimile, or other available expeditious method. References to “days” mean calendar days. The Plan can require two levels of mandatory appeal review.

	<i>Urgent Care Claims*</i>	<i>Non-Urgent Care Pre-Service Claims*</i>	<i>Non-Urgent Care Post-Service Claims*</i>
<b>Period for Filing Appeal</b>	The Covered Person must file an appeal within 180 days.	The Covered Person must file an appeal within 180 days.	The Covered Person must file an appeal within 180 days.
<b>Time frame for Providing Notice of Benefit Determination on Review</b>	As soon as possible taking into account medical exigencies, but not later than 72 hours after receipt of request for review.	Within a reasonable period of time appropriate to medical circumstances, but not later than 30 days after receipt of request for review. If two levels of mandatory appeal review are required, notice must be provided within 15 days of each appeal.	Within a reasonable period of time, but not later than 60 days after receipt of request for review. If two levels of mandatory appeal review are required, notice must be provided within 30 days of each appeal.
<b>Extensions</b>	None.	None.	None.

*\* An appeal of a concurrent care decision to reduce or terminate previously-approved benefits may be an urgent care, pre-service, or post-service claim, depending on the facts.*

### **LEVEL TWO APPEAL PROCESS (COUNTY)**

If the Covered Person is dissatisfied with the Claims Administrator’s Internal Appeal decision, he may submit a written request for a level two appeal to the Plan Administrator within **180 calendar days** of receipt of the Claims Administrator’s written response to the Internal Appeal decision. The Plan Administrator, or an agent appointed by the Plan Administrator, will review all matters pertaining to the level two appeal. The Covered Person will be notified promptly of the findings, but not later than 15 calendar days for pre-service claims and 30 calendar days for post-service claims after receipt of the Covered Person’s appeal and a properly executed HIPAA release form. A second level of appeal is not

## GENERAL PROVISIONS (continued)

available for urgent claims. The Plan Administrator may, at its discretion, waive the level two appeal process and submit the Covered Person's request directly to the External Review Process, as described below.

### **EXTERNAL REVIEW PROCESS**

If the Covered Person's appeal is denied or if the County advises the Covered Person to seek an external review during the Level Two appeal, the Covered Person may request an external review of the Covered Person's claim within four months after being notified of a denied claim. External review is not automatic; the Covered Person must request it. The external review is conducted by an independent review organization (IRO) and its decision is binding on the Covered Person and the Plan, except to the extent other remedies are available under federal law. The procedures for filing an appeal under the external review process are outlined below.

The external review process does not apply to an adverse benefit determination or final internal adverse benefit determination that relates to a participant's or beneficiary's failure to meet the requirements for eligibility under the terms of a group health Plan (for example, worker classification and similar issues). The external review process is only available if the adverse benefit determination involves medical judgment (as determined by the external reviewer) or a rescission of coverage or is otherwise required by applicable law.

Within five days of receiving the Covered Person's request, the Plan will conduct a "preliminary review" to ensure the request can be sent for external review (for example, to ensure the denied claim or appeal doesn't relate to Plan eligibility and that the request is complete). The Plan will notify the Covered Person in writing once the preliminary review is complete; the Covered Person will be informed then if the Covered Person needs to submit additional information and the deadline for doing so.

The IRO assigned to conduct the Covered Person's external review will notify the Covered Person of its acceptance of the assignment and the Covered Person will have 10 business days to submit any additional written information for the IRO to consider. (Within one business day of receiving the Covered Person's additional information, the IRO must share the new material with the Plan. After considering the new information, the Plan *may* reconsider and reverse its claim or appeal denial, stopping the external review procedure.)

The IRO must conduct its external review without giving any weight to the Plan's earlier conclusions or decisions. IROs may consider information beyond the denied claim's records, such as the claimant's medical history, appropriate practice guidelines and Plan terms. The IRO must complete its external review and send notice of its decision to the Covered Person and the Plan within 45 days.

If the IRO reverses the Plan's earlier decision to deny a claim or appeal, the Plan will immediately provide coverage or payment for the claim.

### **Appeals of Claims Involving Eligibility Matters**

Appeals involving eligibility matters (that is, eligibility to participate or changes in coverage elections such as the addition or deletion of dependents) should be sent in writing to the Plan Administrator for consideration within **60 calendar days** from the claim payment date or the date of the notice of denial of benefits. The Plan Administrator, or an agent appointed by the Plan Administrator will review all matters pertaining to the appeal. The Covered Person will be notified promptly of the findings, but not later than 120 calendar days after receipt of the Covered Person's appeal.

## GENERAL PROVISIONS (continued)

### **ACTS OF THIRD PARTIES**

If a Covered Person is injured through the act or omission of another person (a “third party”), the PLAN shall, with respect to services required as a result of that injury, provide the benefits of the PLAN and have an equitable right to restitution or other available remedy to recover the reasonable costs of the services provided to the Covered Person that are paid by the PLAN.

The Covered Person is required to:

1. Notify the Claims Administrator in writing of any actual or potential claim or legal action which such Covered Person anticipates bringing or has brought against the third party arising from the alleged acts or omissions causing the injury or illness, not later than 30 days after submitting or filing a claim or legal action against the third party; and
2. Agree to fully cooperate with the PLAN to execute any forms or documents needed to assist the PLAN in exercising its equitable right to restitution or other available remedies; and
3. Provide the PLAN with a lien, in the amount of costs of benefits provided, calculated in accordance with California Civil Code section 3040. The lien may be filed with the third party, the third party's agent or attorney, or the court, unless otherwise prohibited by law.

A Covered Person's failure to comply with 1 through 3, above, shall not in any way act as a waiver, release, or relinquishment of the rights of the PLAN.

### **HIPAA PRIVACY AND HIPAA SECURITY**

The Health Insurance Portability and Accountability Act of 1996, (“HIPAA”), and the regulations issued thereunder at 45 CFR Parts 160 and 164 (“the HIPAA regulations”), impose privacy and security obligations on group health plans that restrict the use and disclosure of protected health information (“PHI”) and electronic protected health information (“ePHI”). The County of Orange as PLAN Sponsor, and/or its representative agents (collectively the “County”), desires to permit the PLAN (including its Business Associates, health insurance issuers, HMOs, and their agents) to disclose or to provide for or permit the disclosure of protected health information to the County from time to time.

1. **Uses and Disclosures of PHI.** The PLAN may disclose a PLAN Participant's PHI to the County, for the PLAN administration functions under 45 CFR 164.504(a), to the extent not inconsistent with HIPAA regulations. This includes summary health information for the purposes set forth in Section 164.504(f)(1)(ii) and (iii) of the Privacy Rule.
2. **Restriction on PLAN Disclosure to the County of Orange.** Neither the PLAN nor any of its Business Associates will disclose PHI to the County except upon the PLAN's receipt of the County certification that the PLAN incorporates the agreements of the County under paragraph 4, except as otherwise permitted or required by law.
3. **Privacy Agreements of the County of Orange.** As a condition for obtaining PHI from the PLAN and its Business Associates, the County agrees it will:
  - a. Not use or further disclose such PHI other than as permitted by paragraph 2 of this provision, as permitted by 45 CFR 164.508, 45 CFR 164.512, and other sections of the HIPAA regulations, or as required by law;

## GENERAL PROVISIONS (continued)

- b. Ensure that any of its agents, including a subcontractor, to whom it provides the PHI agree to the same restrictions and conditions that apply to the County with respect to such information;
  - c. Not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee/retiree benefit plan of the County;
  - d. Report to the PLAN any use or disclosure of the PHI that is inconsistent with the uses or disclosures provided for of which the County becomes aware;
  - e. Make the PHI of a particular Participant available for purposes of the Participant's requests for inspection, copying and amendment, including the incorporation of any amendments to PHI, and to carry out such requests in accordance with HIPAA regulation 45 CFR 164.524 and 164.526;
  - f. Make the PHI of a particular Participant available for purposes of required accounting of disclosures by the County pursuant to the Participant's request for such an accounting in accordance with HIPAA regulation 45 CFR §164.528;
  - g. Make the County internal practices, books, and records relating to the use and disclosure of PHI received from the PLAN available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining compliance by the PLAN with HIPAA regulation 45 CFR §164.501(f);
  - h. If feasible, return or destroy all PHI received from the PLAN that the County maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, the County agrees to limit further uses and disclosures to those purposes that make the return or destruction of the information unfeasible; and
  - i. Ensure that there is adequate separation between the PLAN and the County by implementing the terms of subparagraphs 5.i. (1) through (3), below:
    - (1) Employees With Access to PHI: The employees or other individuals under the control of the County that are the individuals that may access PHI received from the PLAN are referenced within section 6.02 (c) in the HIPAA Policies and Procedures Manual, including but not limited to County Benefits staff and select Human Resources staff members.
    - (2) Use Limited to Plan Administration: The access to and use of PHI by the individuals described in (1), above, is limited to Plan Administration functions as defined in HIPAA regulation 45 CFR §164.504(a) that are performed by the County for the PLAN.
    - (3) Mechanism for Resolving Noncompliance: If the County determines that any person described in (1), above, has violated any of the restrictions described in this provision, then such individual shall be subject to discipline or sanctions in accordance with the practices of the County, taking into account the Privacy Rules standards. The County shall document such discipline or sanctions as required under the Privacy Rules, including the requirement that such documentation be retained for six years.
4. **Security Agreements of the County of Orange.** As a condition of obtaining e-PHI from the Plan, its Business Associates, Insurers and HMOs, the County agrees it will:

## GENERAL PROVISIONS (continued)

- a. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the ePHI that the County creates, receives, maintains, or transmits on behalf of the Plan;
  - b. Ensure that the adequate separation between the Plan and County as set forth in 45 CFR 164.504(f)(2)(iii) is supported by reasonable and appropriate security measures.
  - c. Ensure that any agent, including a subcontractor, to whom it provides this information agrees to implement reasonable and appropriate security measures to protect the information.
  - d. Report to the Plan any Security Incident of which it becomes aware. "Security Amendment" shall mean unauthorized access to, use, disclosure, modification or destruction of, or interference with ePHI.
  - e. Upon request from the Plan, the County agrees to provide information on unsuccessful unauthorized access, use, disclosure, modification, or destruction of ePHI, to the extent such information is available to the County.
5. **Breach Notifications.** Following the discovery of a Breach of unsecured PHI caused by the County or its agents, the County or its agents shall provide a written notification in plain language of the breach to all individuals whose unsecured PHI has been breached in accordance with 45 CFR § 164.404. A breach is the same definition as stated in 45 CFR 164.402. The County or its agent's notification must include the following information, to the extent possible:
- a. A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;
  - b. A description of the types of Unsecured PHI that were involved in the breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
  - c. Any steps individuals should take to protect themselves from potential harm resulting from the breach;
  - d. A brief description of what the County or its agent is doing to investigate the breach, to mitigate harm to individual, and to protect against any further breaches; and
  - e. Contact procedures for individual to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.
6. **Definitions.** All capitalized terms within this provision not otherwise defined by the provisions of this provision shall have the meaning given them in the PLAN or, if no other meaning is provided in the PLAN, the term shall have the meaning provided under HIPAA Privacy Rule or the HIPAA Security Rule.

## DEFINITIONS

Whenever any of the following terms are capitalized in this Plan Document, they will have the meaning stated below:

### **ACCIDENTAL INJURY**

A bodily injury which results independently of an Illness as a result of external force or impact including, but not limited to, lacerations, breaks, bruises and strains. Excluded as “accidental injuries” are injuries as a result of, but not limited to, lifting, turning, stretching, reaching, pulling, pushing, exercising, blisters and injuries while chewing.

### **AMBULATORY SURGERY CENTERS (ASC)**

Health care facilities where surgical procedures not requiring an overnight hospital stay are performed. ASC’s can be either general surgery centers that perform various outpatient procedures or an ASC can provide only specialized services.

### **CALENDAR YEAR**

A period of one year beginning with January 1.

### **CASE MANAGEMENT**

Services of the Case Management department of the Claims Administrator under contract with the County, to review medical treatment plans for Illness or Accidental Injury where there is probability of substantial medical expenses. With the concurrence of the primary Physician and the Covered Person, Case Management may authorize services and expenses not specifically addressed in the PLAN. Case Management may also be authorized by the Plan Administrator to provide cost effective alternatives to in-patient psychiatric, alcohol and drug abuse services.

### **CENTER OF DISTINCTION**

One of the Claims Administrator’s designated facilities for specified surgical procedures within California.

### **CLAIMS ADMINISTRATOR**

A third party administrator under contract with the County to administer claims for the Medical Expense Benefits of the PLAN.

### **COVERED MEDICAL EXPENSES**

Those services covered by the PLAN, including preventive services, certain wellness services and other Medically Necessary services and supplies described herein which are incurred by a Covered Person. Such services must be incurred by a Covered Person while eligible to receive benefits under the PLAN and recommended by a Physician for the treatment of the Covered Person’s Illness, Accidental Injury, or pregnancy, subject to the exclusions and limitations listed within this Plan Document. Unless otherwise noted, all Covered Medical Expenses are subject to the applicable Deductibles and coinsurance listed in the Schedule of Medical Expense Benefits. For Non-Network Providers, Covered Medical Expenses shall include only Usual, Reasonable and Customary charges.



## DEFINITIONS (continued)

### **COVERED PERSON**

A person, enrolled in this PLAN, who is a retiree of the County and enrolled eligible Dependents, who meet the requirements in the “Individual Plan Coverage Effective Dates” section, and persons enrolled under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, if applicable.

### **CUSTODIAL CARE**

Care that provides a level of routine maintenance for the purpose of meeting personal needs or helping with the functions or activities of daily living. This is care that can be provided by a layperson that does not have professional qualifications, skills or training.

### **DEPENDENTS**

- a) Shall be the enrolled legally married spouse or Domestic Partner of the Covered Person and enrolled Children between the ages of birth and 26 years. The term “children” shall include natural children, adopted children, and foster children for whom Covered Person has legal responsibility for medical care. The term “children” shall not include any legally married spouse or Domestic Partner or children of the Covered Person’s dependent child.
- b) Shall be a dependent child after their 26th birthday provided the child (1) was incapable of self-sustaining employment by reason of mental retardation or physical handicap prior to age 26, and (2) is chiefly dependent upon the Covered Person for support and maintenance. Such dependent must be enrolled in the health plan when an employee retires in order to be covered as the dependent of the retiree. Proof of such incapacity and dependency must be furnished to the Fund by the Covered Person within 31 days following the dependent’s 26th birthday. Eligibility for handicapped dependent status will be determined by the Claims Administrator. The Claims Administrator may require, at reasonable intervals during the two (2) years following the Dependent’s 26th birthday, subsequent proof of the child’s disability and dependency. After such two (2) year period, the Fund may require subsequent proof not more than once each year. The Fund reserves the right to have such dependent examined by a doctor of the Fund’s choice to determine the existence of such incapacity.

Excluded as Dependents under a) and b) are:

- 1) A spouse that is legally divorced from the Covered Person; and
- 2) Any person(s) while on active duty in any military of any country; however, any person meeting the requirements for service in the uniformed services as defined by USERRA may elect to continue coverage under the PLAN for up to 24 months, as required under USERRA; and
- 3) Any legally married spouse or Domestic Partner or children of the Covered Person’s eligible dependent child.

### **DOMESTIC PARTNER**

An individual who has entered into a domestic partnership with a County retiree, both of whom have filed a Declaration of Domestic Partnership with the California Secretary of State and meet a number of legal requirements. The partners must, among other things, have a common residence, be at least 18 years of age, not be blood-related in a way that would prevent them from being married to each other in California, and be of the same sex (unless one of them is over age 62 and at least one of them is eligible for Social Security retirement benefits). The County also recognizes domestic partnerships that are valid in other states, so long as they are substantially the same as California domestic partnerships.

## DEFINITIONS (continued)

### **EMERGENCY HOSPITAL CONFINEMENT**

An Inpatient Hospital confinement for a condition which, unless immediately treated on an Inpatient basis, would jeopardize the patient's life or cause serious impairment to the patient's bodily functions.

### **EMERGENCY SERVICES**

Services provided for an unexpected medical condition, including a psychiatric emergency medical condition, manifesting itself by acute symptoms of sufficient severity (including severe pain) that the absence of immediate medical attention could reasonably be expected to result in any of the following:

1. Placing the patient's health in serious jeopardy;
2. Serious impairment to bodily functions;
3. Serious dysfunction of any bodily organ or part;
4. Serious jeopardy to the health of an unborn child.

### **EXPERIMENTAL OR INVESTIGATIONAL PROCEDURES**

Services or supplies as determined by the Claims Administrator to be experimental or investigational because:

- a) There are insufficient outcomes data available from controlled clinical trials published in peer reviewed literature to substantiate its safety and effectiveness in treatment of the disease or injury involved; or
- b) If required by the FDA, approval has not been granted for marketing; or
- c) A recognized national medical or dental society or regulatory agency has determined, in writing, that it is experimental, investigational, or for research purposes; or
- d) The written protocols or written informed consent used by the treating facility or any other facility studying substantially the same drug, device, procedure or treatment, states that it is experimental, investigational or for research purposes.

However, this exclusion will not apply with respect to routine patient care services (including drugs) associated with a clinical trial if the Claims Administrator determines the clinical trial meets the following criteria:

Phase I, II, III, or IV level clinical trial that is conducted in connection with the prevention, detection, or treatment of cancer or other life-threatening disease or condition and is:

- i) federally funded through a variety of entities or departments of the federal government; or
- ii) is conducted in connection with an investigational new drug application reviewed by the Food and Drug Administration; or
- iii) is exempt from investigational new drug application requirements.

Routine patient services do not include, and the Plan will not cover:

- the investigational service or supply itself;
- services and supplies listed herein as Exclusion;
- services or supplies related to data collection for the clinical trial;

## DEFINITIONS (continued)

- services or supplies which, in the absence of private health care coverage, are provided by a clinical trial sponsor or other party; e.g. device, drug, item or service supplied by the manufacturer and not yet FDA approved, without charge to the trial participant.

### **FAMILY DEDUCTIBLE**

The amount of Covered Medical Expenses that must be paid by the Covered Person's family before the PLAN will begin reimbursing most Covered Medical Expenses. For the purposes of this provision, a "family" means an "individual" and his "qualified Dependents."

### **HOME HEALTH CARE AGENCY**

A public or private agency or organization that specializes in providing medical care and treatment in the home. Such a provider must meet all of the following conditions:

- a) It is primarily engaged in and duly licensed, if such licensing is required, by the appropriate licensing authority to provide skilled nursing services and other therapeutic services.
- b) It has policies established by a professional group associated with the agency or organization. This professional group must include at least one Physician and at least one registered graduate nurse (R.N.) to govern the services provided, and it must provide for full-time supervision of such services by a Physician or registered graduate nurse.
- c) It maintains a complete medical record on each individual.
- d) It has a full-time administrator.

### **HOSPITAL**

An institution constituted, licensed and operated in accordance with the laws pertaining to hospitals, which maintains on its premises all the facilities needed to diagnose and treat injury and illness. It is an institution that qualifies as a hospital and a provider of services under Medicare and is accredited as a hospital by the Joint Commission on the Accreditation of Hospitals.

A hospital can specialize in the treatment of mental illness, alcoholism, drug addiction, or other related illness. It can also provide residential treatment programs, but only if it is constituted, licensed and operated in accordance with laws of legally authorized agencies responsible for medical institutions. It provides all treatment for a fee, by or under the supervision of Physicians with continuous 24-hour nursing services by qualified nurses.

The definition of "Hospital" shall also include Christian Science Sanatoriums.

An institution that is, other than incidentally, a place of rest, a place for the aged, or a nursing home will not be considered a hospital.

Hospitals will also include the following:

- Ambulatory surgical facility – a facility approved by the Claims Administrator as meeting established criteria for handling surgical cases on a same-day basis. This may also include a birthing center.

## DEFINITIONS (continued)

- Skilled nursing facility – an institution that is primarily engaged in providing Inpatient skilled nursing care and related services for patients who require medical or nursing care. A skilled nursing facility may also provide physical rehabilitation services for injured or sick persons. To do so, it must be constituted, licensed and operated in accordance with the laws of legally authorized agencies and must maintain on its premises all the facilities needed to provide medical treatment of injury or illness. It must not be, other than incidentally, a place for rest or domiciliary care; for the aged, blind, deaf, mentally deficient, or those suffering from tuberculosis; or a hotel or motel. All skilled nursing care must be provided for a fee by or under the supervision of Physicians with skilled nursing services by nurses.

### **ILLNESS**

Bodily sickness or disease, psychiatric disorders, and congenital abnormalities of a newborn child who is covered as an eligible dependent child. Illness must be medically diagnosed.

### **INPATIENT**

Confinement in a Hospital for which Room and Board charges are made by the Hospital or that exceeds 24 consecutive hours.

### **MEDICAL EXPENSE BENEFITS**

The benefits of the PLAN.

### **MEDICALLY NECESSARY**

Services or supplies to the extent that they are needed for the diagnosis of an Illness or Accidental Injury or for the medical care of a diagnosed Illness or Accidental Injury. To be considered “Medically Necessary” a service or supply must be determined by the Claims Administrator to meet all of these tests:

- It is ordered by a Physician.
- It is recognized throughout the Physician’s profession as safe and effective, is required for the diagnosis or treatment of an Illness or injury, and is employed appropriately in a manner and setting consistent with generally accepted United States medical standards.
- It is not educational in nature (that is, the primary purpose of the service or supply must not be to provide the patient with any of the following: training in the activities of daily living, instruction in scholastic skills such as reading and writing, preparation for an occupation, or treatment for learning disabilities).
- It is not Experimental or Investigational.
- It is not Custodial Care.

For purposes of the PLAN, services or supplies that are provided only because an unnecessary service or supply is being provided will also be considered not Medically Necessary.

In the case of an Inpatient Hospital stay, in addition to meeting the above tests, the length of the stay and Hospital services and supplies will be considered Medically Necessary only to the extent that the Claims Administrator determines them to be not allocable to the scholastic education or vocational training of the patient.

## DEFINITIONS (continued)

### **MEDICARE**

Title XVIII (Health Insurance for the Aged) of the United States Social Security Act as amended by Social Security Amendment of 1965 or as later amended.

### **NETWORK CONTRACT RATE**

The discounted amount a Network Provider agrees to charge a Covered Person, based on the Network Provider's contract with the Claims Administrator or Preferred Provider Organization.

### **NETWORK HOSPITAL OR PROVIDER**

A Hospital, Physician, or other provider of health care services that has entered into a written agreement with the Claims Administrator to provide health care services or supplies to a Covered Person at negotiated or discounted rates. Non-network radiologists, anesthesiologists, pathologists, and emergency room Physicians that are Network Hospital-based will be considered Network Providers if a Covered Person utilizes a Network Hospital. A listing of Network Providers shall be maintained by the Claims Administrator.

### **NON-NETWORK HOSPITAL OR PROVIDER**

A Hospital, Physician, or other provider of health care services that has not entered into a written agreement with the Claims Administrator to provide health care services or supplies to a Covered Person at negotiated or discounted rates.

### **NON-PARTICIPATING PHARMACY**

A pharmacy which does not participate in the Claims Administrator Pharmacy Network.

### **OUT-OF-POCKET COSTS**

The amount a Covered Person pays for Medical Expense Benefits, including the Deductible

### **OUTPATIENT**

A Covered Person shall be considered to be an "Outpatient" if treated at a Hospital on a basis other than as a registered bed patient. For purposes of this definition, a stay in the Hospital whether as a registered bed patient or not shall not be considered an "Outpatient" stay if the Hospital stay extends beyond 24 consecutive hours.

### **PARTICIPATING PHARMACY**

A pharmacy which participates in the Claims Administrator Pharmacy Network. These Participating Pharmacies have agreed to a contracted rate for covered prescriptions for Covered Person and Dependents.

### **PHYSICIAN**

A licensed medical practitioner who is practicing within the scope of his/her license and who is licensed to prescribe and administer drugs or to perform surgery.

Licensed medical practitioners include the following:

- Doctor of medicine (M.D.) or doctor of osteopathy (D.O.)
- Certified registered nurse anesthetist (C.R.N.A.)
- Chiropractor (D.C.)

## DEFINITIONS (continued)

- Dentist (D.D.S. or D.M.D.)
- Certified or licensed midwife
- Optometrist (O.D.)
- Podiatrist or chiropodist (D.P.M., D.S.C., or D.S.P.)
- Christian Science Practitioner who is authorized by the Mother Church, the First Church of Christ Scientist in Boston, Massachusetts, and is listed in the Christian Science Journal at the time a service is rendered
- Psychologist (Ph.D., Ed.D., or Psy.D.)
- Clinical social worker (C.S.W. or L.C.S.W.)

The following are considered covered medical professionals when they are referred by a Physician, licensed to practice where the care is given, rendering a service within the scope of that license, and providing a service for which benefits are specified in the PLAN:

- Nurse – a nurse is a registered graduate nurse, a licensed practical nurse, or a licensed vocational nurse. A nurse is a professional who has the right the use the respective title and the respective abbreviation R.N., L.P.N., or L.V.N.
- Audiologist
- Occupational therapist (O.T.)
- Physical therapist (R.P.T.)
- Speech pathologist or therapist
- Marriage, family and child counselor (M.F.C.C. or L.M.F.T.)
- Home health aide – a person who provides medical or therapeutic care and who reports to and is under the direct supervision of a Home Health Care Agency.

### **PLAN**

The benefits and provisions for payment as described herein as the County of Orange Sharewell Retiree Health Plan.

### **PLAN ADMINISTRATOR**

Chief Human Resources Officer or his/her designee  
County of Orange  
Human Resource Services/Employee Benefits  
333 Santa Ana Blvd.  
Santa Ana, California 92701

### **PRE-ADMISSION REVIEW**

An evaluation made by the Claims Administrator to determine the number of days of Inpatient Hospital confinement and level of care that will be considered Medically Necessary for the care or treatment of a Covered Person's diagnosed Illness or Accidental Injury. **However, the Covered Person and his Physician make the final decision concerning treatment.**

## DEFINITIONS (continued)

### **PRIOR AUTHORIZATION**

An evaluation made by the Claims Administrator to determine the Medical Necessity of certain health care services before the services are rendered in order to determine whether and to what extent the services will be covered by the PLAN. Prior Authorization is required for certain services as identified in this Plan Document. **However, the Covered Person and his Physician make the final decision concerning treatment.**

### **ROOM AND BOARD**

All charges commonly made by a Hospital on its own behalf for room and meals and all general services and activities needed for the care of registered bed patients.

### **SEMI-PRIVATE CHARGE**

The most common charge made by a Hospital for a room containing two beds, but does not include the charge made by the Hospital for Intensive Care.

### **SEVERE MENTAL ILLNESS**

Severe Mental Illness as defined under California Assembly Bill 88 (AB88) (1999) includes the following conditions:

- a) Schizophrenia
- b) Bipolar disorder
- c) Panic disorder
- d) Pervasive developmental disorder or autism
- e) Bulimia nervosa
- f) Schizoaffective disorder
- g) Major depressive disorders
- h) Obsessive-compulsive disorder
- i) Anorexia nervosa

Serious emotional disturbance of a child is defined under (AB88) (1999) as a condition that is:

- a) identified in the Diagnostic and Statistical Manual of Mental Disorders, other than a primary substance use disorder or developmental disorder, that results in behavior inappropriate to the child's age according to expected developmental norms, and
- b) that meets stringent criteria in Section 5600.3(a)(2) of the Welfare and Institutions guide, which includes the child's inability to function in certain environments.

### **SPECIAL TRANSPLANT FACILITY**

A Network Provider that contracts with the Claims Administrator for certain organ transplants.

### **SPECIALTY DRUGS**

Specialty Drugs are specific drugs used to treat complex or chronic conditions which usually require close monitoring such as multiple sclerosis, hepatitis, rheumatoid arthritis, cancer, and other conditions that are difficult to treat with traditional therapies. Specialty Drugs may be self-administered in the home by injection by the patient or family member (subcutaneously or intramuscularly), by inhalation, orally or topically. Infused or Intravenous (IV) medications are not included as Specialty Drugs. These drugs may also require special handling, special manufacturing processes, and may have limited prescribing or limited pharmacy availability. Specialty Drugs must be considered safe for self-administration by the Claims

## DEFINITIONS (continued)

Administrator's Pharmacy and Therapeutics Committee, be obtained from a Claims Administrator Specialty Pharmacy and may require prior authorization for Medical Necessity by the Claims Administrator.

### **SPECIALTY PHARMACY NETWORK**

Select Participating Pharmacies contracted by the Claims Administrator to provide covered Specialty Drugs. These pharmacies offer 24-hour clinical services and provide prompt home delivery of Specialty Drugs.

**THE COUNTY** is the County of Orange, California.

### **THE FUND**

The County of Orange Indemnity Health Plans Internal Service Fund (292).

### **USUAL, REASONABLE AND CUSTOMARY (URC)**

The maximum charge that the PLAN will reimburse for an eligible medical care expense received from a Non-Network Provider. The URC is determined from a collective data base of actual charges in the geographical area in which the services are delivered. Any amount charged that exceeds URC will be considered ineligible under this PLAN. URC charges are adjusted periodically to reflect the current costs being incurred for medical services.

URC is determined by Claim Administrator's methodology.

### **UTILIZATION REVIEW**

Services provided by the Claims Administrator through contract with the County to review, in coordination with the attending Physician, Hospital admissions for alternatives of outpatient services, medical necessity of the treatment plan, proposed length of Hospital stay and level of care, post Hospital service alternatives and alternate treatment plans. **However, the Covered Person and his Physician make the final decision concerning treatment.**

### **WAITING PERIOD**

Retired employees are eligible upon active retirement. Terminated employees electing deferred retirement are not eligible beyond the last day of the month in which they terminate employment.



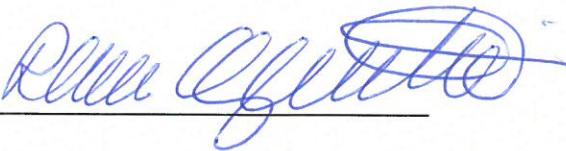
## SIGNATURE PAGE

The effective date of benefits, as described in this Plan Document is January 1, 2018.

It is agreed by the County of Orange that the provisions contained in this Plan Document are acceptable and will be the basis for the administration of said County Sharewell Retiree Health Plan described herein.

IN WITNESS WHEREOF, the County of Orange has executed this Plan Document this 22<sup>nd</sup> day of August, 2017.

COUNTY OF ORANGE

By: 

Title: Renee Catanzariti, Assistant Director of Human Resource Services