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NOTES

Comprehensive Notice Of Privacy Policy And Procedures

THIS NOTICE IS REQUIRED BY FEDERAL REGULATIONS AND DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

This Notice is provided to you on behalf of:

- University of Alaska Health Care Plan
- University of Alaska Pharmacy Plan
- University of Alaska Vision Plan
- University of Alaska Medical Flexible Spending Account

These plans comprise what is called an “Affiliated Covered Entity,” and are treated as a single plan for purposes of this Notice and the privacy rules that require it. For purposes of this Notice, we’ll refer to these plans as a single “Plan.”

THE PLAN’S DUTY TO SAFEGUARD YOUR PROTECTED HEALTH INFORMATION

Individually identifiable information about your past, present, or future health or condition, the provision of health care to you, or payment for the health care is considered “Protected Health Information” (“PHI”). The Plan is required to extend certain protections to your PHI, and to give you this Notice about its privacy practices that explains how, when and why the Plan may use or disclose your PHI. Except in specified circumstances, the Plan may use or disclose only the minimum necessary PHI to accomplish the purpose of the use or disclosure.

The Plan is required to follow the privacy practices described in this Notice, though it reserves the right to change those practices and the terms of this Notice at any time. If it does so, and the change is material, you will receive a revised version of this Notice either by hand delivery, e-mail delivery, mail delivery to your last known address, or some other fashion. This Notice, and any material revisions of it, will also be provided to you in writing upon your request (ask your Human Resources representative, or contact the Plan’s Privacy Official, described below), and will be posted on the University of Alaska’s benefits website.

You will also receive other privacy notices, from companies that provide benefit plan services to the University of Alaska. Those notices will describe how they use and disclose PHI, and your rights with respect to the PHI they maintain.

HOW THE PLAN MAY USE AND DISCLOSE YOUR PROTECTED HEALTH INFORMATION

The Plan uses and discloses PHI for a variety of reasons. For its routine uses and disclosures it does not require your authorization, but for other uses and disclosures, your authorization (or the authorization of your personal representative, e.g. a person who is your custodian, guardian, or has your power-of-attorney) may be required. The following offers more description and examples of the Plan’s uses and disclosures of your PHI.

USES AND DISCLOSURES RELATING TO TREATMENT, PAYMENT, OR HEALTH CARE OPERATIONS

- Treatment: The Plan is permitted to disclose your PHI for purposes of your medical treatment. Thus, it may disclose your PHI to doctors, nurses, hospitals, emergency medical technicians, pharmacists and other health care professionals where the disclosure is for your medical treatment.

- **Payment:** The Plan is permitted to disclose your PHI for purposes of payment of your claims. Thus, it may disclose your PHI to doctors, nurses, hospitals, emergency medical technicians, pharmacists and other health care professionals where the disclosure is for payment functions. The Plan may also share your PHI with other plans, in certain cases. For example, if you are covered by more than one health care plan, we may share your PHI with the other plans to coordinate payment of your claims.
- **Health care operations:** The Plan may use and disclose your PHI in the course of its “health care operations.” For example, it may use your PHI in evaluating the quality of services you received, or disclose your PHI to an accountant or attorney for audit purposes. In some cases, the Plan may disclose your PHI to insurance companies for purposes of obtaining various insurance coverage.

OTHER USES AND DISCLOSURES OF YOUR PHI NOT REQUIRING AUTHORIZATION

The law provides that the Plan may use and disclose your PHI without authorization in the following circumstances:

- **To the Plan Sponsor:** The Plan may disclose PHI to the employer (such as University of Alaska) who sponsors or maintains the Plan for the benefit of employees and dependents. However, the PHI may only be used for limited purposes, and may not be used for purposes of employment-related actions or decisions or in connection with any other benefit or employee benefit plan of the employer. PHI may be disclosed to: the human resources or employee benefits department for purposes of enrollments and disenrollments, census, claim resolutions, and other matters related to Plan administration; payroll department for purposes of ensuring appropriate payroll deductions and other payments by covered persons for their coverage; information technology department, as needed for preparation of data compilations and reports related to Plan administration; finance department for purposes of reconciling appropriate payments of premium to and benefits from the Plan, and other matters related to Plan administration; internal legal counsel to assist with resolution of claim, coverage and other disputes related to the Plan’s provision of benefits.
- **Required by law:** The Plan may disclose PHI when a law requires that it report information about suspected abuse, neglect or domestic violence, or relating to suspected criminal activity, or in response to a court order. It must also disclose PHI to authorities that monitor compliance with these privacy requirements.
- **For public health activities:** The Plan may disclose PHI when required to collect information about disease or injury, or to report vital statistics to the public health authority.
- **For health oversight activities:** The Plan may disclose PHI to agencies or departments responsible for monitoring the health care system for such purposes as reporting or investigation of unusual incidents.
- **Relating to decedents:** The Plan may disclose PHI relating to an individual’s death to coroners, medical examiners or funeral directors, and to organ procurement organizations relating to organ, eye, or tissue donations or transplants.
- **For research purposes:** In certain circumstances, and under strict supervision of a privacy board, the Plan may disclose PHI to assist medical and psychiatric research.
- **To avert threat to health or safety:** In order to avoid a serious threat to health or safety, the Plan may disclose PHI as necessary to law enforcement or other persons who can reasonably prevent or lessen the threat of harm.
- **For specific government functions:** The Plan may disclose PHI of military personnel and veterans in certain situations, to correctional facilities in certain situations, to government programs relating to eligibility and enrollment, and for national security reasons.
- **Uses and Disclosures Requiring Authorization:** For uses and disclosures beyond treatment, payment and operations purposes, and for reasons not included in one of the exceptions described above, the Plan is required to have your written authorization. Your authorizations can be revoked at any time to stop future uses and disclosures, except to the extent that the Plan has already undertaken an action in reliance upon your authorization.
- **Uses and Disclosures Requiring You to have an Opportunity to Object:** The Plan may share PHI with your family, friend or other person involved in your care, or payment for your care. The Plan may also share PHI with these people to notify them about your location, general condition, or death. However, the Plan may disclose your PHI only if it informs you about the disclosure in advance and you do not object (but if there is an emergency situation and you cannot be given your opportunity to object, disclosure may be made if it is consistent

with any prior expressed wishes and disclosure is determined to be in your best interests; you must be informed and given an opportunity to object to further disclosure as soon as you are able to do so).

YOUR RIGHTS REGARDING YOUR PROTECTED HEALTH INFORMATION

You have the following rights relating to your protected health information:

- To request restrictions on uses and disclosures: You have the right to ask that the Plan limit how it uses or discloses your PHI. The Plan will consider your request, but is not legally bound to agree to the restriction. To the extent that it agrees to any restrictions on its use or disclosure of your PHI, it will put the agreement in writing and abide by it except in emergency situations. The Plan cannot agree to limit uses or disclosures that are required by law.
- To choose how the Plan contacts you: You have the right to ask that the Plan send you information at an alternative address or by an alternative means. The Plan must agree to your request as long as it is reasonably easy for it to accommodate the request.
- To inspect and copy your PHI: Unless your access is restricted for clear and documented treatment reasons, you have a right to see your PHI in the possession of the Plan or its vendors if you put your request in writing. The Plan, or someone on behalf of the Plan, will respond to your request, normally within 30 days. If your request is denied, you will receive written reasons for the denial and an explanation of any right to have the denial reviewed. If you want copies of your PHI, a charge for copying may be imposed depending on your circumstances. You have a right to choose what portions of your information you want copied and to receive, upon request, prior information on the cost of copying.
- To request amendment of your PHI: If you believe that there is a mistake or missing information in a record of your PHI held by the Plan or one of its vendors, you may request, in writing, that the record be corrected or supplemented. The Plan or someone on its behalf will respond, normally within 60 days of receiving your request. The Plan may deny the request if it is determined that the PHI is: (i) correct and complete; (ii) not created by the Plan or its vendor and/or not part of the Plan's or vendor's records; or (iii) not permitted to be disclosed. Any denial will state the reasons for denial and explain your rights to have the request and denial, along with any statement in response that you provide, appended to your PHI. If the request for amendment is approved, the Plan or vendor, as the case may be, will change the PHI and so inform you, and will attempt to tell others that need to know about the change in the PHI.
- To find out what disclosures have been made: You have a right to get a list of when, to whom, for what purpose, and what portion of your PHI has been released by the Plan and its vendors, other than instances of disclosure for which you gave authorization, or instances where the disclosure was made to you or your family. In addition, the disclosure list will not include disclosures for treatment, payment, or health care operations. The list also will not include any disclosures made for national security purposes, to law enforcement officials or correctional facilities, or before the date the federal privacy rules applied to the Plan. You will normally receive a response to your written request for such a list within 60 days after you make the request in writing. Your request can relate to disclosures going as far back as six years. There will be no charge for up to one such list each year. There may be a charge for more frequent requests.

HOW TO COMPLAIN ABOUT THE PLAN'S PRIVACY PRACTICES

If you think the Plan or one of its vendors may have violated your privacy rights, or if you disagree with a decision made by the Plan or a vendor about access to your PHI, you may file a complaint with the person listed in the section immediately below. You also may file a written complaint with the Secretary of the U.S. Department of Health and Human Services. The law does not permit anyone to take retaliatory action against you if you make such complaints.

CONTACT PERSON FOR INFORMATION, OR TO SUBMIT A COMPLAINT

If you have questions about this Notice please contact the Plan's Privacy Official or Deputy Privacy Official(s) (see below). If you have any complaints about the Plan's privacy practices or handling of your PHI, please contact the Privacy Official or an authorized Deputy Privacy Official.

Privacy Official

The Plan's Privacy Official, the person responsible for ensuring compliance with this Notice, is:

Beth Behner
Chief Human Resource Officer
(907) 450-8200

The Plan's Deputy Privacy Official(s) is:

Mike Humphrey
Director of Benefits
(907) 450-8226

ORGANIZED HEALTH CARE ARRANGEMENT DESIGNATION

The Plan participates in what the federal privacy rules call an "Organized Health Care Arrangement." The purpose of that participation is that it allows PHI to be shared between the members of the Arrangement, without authorization by the persons whose PHI is shared, for health care operations. Primarily, the designation is useful to the Plan because it allows the insurers who participate in the Arrangement to share PHI with the Plan for purposes such as shopping for other insurance bids.

The members of the Organized Health Care Arrangement are:

- University of Alaska
- Premera Blue Cross Blue Shield of Alaska
- Caremark
- Fringe Benefits Management Company
- VSP

Effective Date

The effective date of this Notice is: July 1, 2009.

ABOUT THIS HANDBOOK

This handbook summarizes benefit programs currently provided by the University of Alaska. Formal agreements and rules, including but not limited to plan documents, Regents' Policy and University Regulation, determine the actual benefits that will be provided to employees. If the provisions of this summary conflict with such documents, the formal agreements and rules will govern.

The method of delivery or the company through which a benefit program is provided may change from time to time. Specific services may not be duplicated or offered by the new benefit vendor.

Alaska insurance regulations also place certain stipulations on the manner in which insurance-related disputes may be addressed and settled. As a result, each vendor has an established dispute resolution procedure. In addition, because some products are fully underwritten and/or insured by a vendor, the sole remedy for any and all disputes will rest exclusively with that benefit vendor.

This Handbook is current as of July 1, 2009. Updates to the Handbook are made as needed to clarify or correct information. The most recent version of the Handbook can be found on the University of Alaska's benefits web site at the following address:

<http://www.alaska.edu/benefits/>

Your Handbook contains the following sections:

Benefits in Brief Chart—a quick overview of your various benefits and how they interrelate.

Introduction—basic information about the benefit programs of the University.

Health Care—description of your comprehensive Medical, Dental, Pharmacy and Audio benefits, including information about eligibility and enrollment.

Pharmacy—description of your prescription drug benefit, including retail, mail order and specialty pharmacy.

Vision Care—description of the Vision Care Plan as provided by VSP

Employee Assistance Program (EAP)—description of the benefits available to employees and their dependents.

Disability—explains how the Long Term Disability plan can replace a percentage of your income in the event you cannot work because of a medical disability.

Life Insurance Benefits—summarizes Life Insurance coverage, optional Supplemental Life Insurance benefits, and voluntary Accidental Death and Dismemberment benefits.

Retirement Benefits—outlines the state-affiliated retirement plans - The Teachers' Retirement System (TRS), and Public Employees' Retirement System (PERS). Also outlines the University of Alaska Optional Retirement Plan (ORP), the University of Alaska Pension Plan, and voluntary Tax-Deferred Annuities.

Other Benefits—provides information about the University's regulations and procedures concerning leaves, sabbaticals, holidays, and educational benefits.

If you have any questions about your benefits, please contact the human resources office at your local campus.

BENEFITS IN BRIEF

HEALTH CARE PROGRAM

Regular employees are eligible from the initial day of employment (and their dependents, if enrolled). Lifetime benefits are limited to \$2,000,000. Employees may waive coverage with proof of other insurance. The University of Alaska and employees both contribute to the cost of this program.

Plan	Economy	Standard	Deluxe
Medical Care Deductible	\$500 per individual \$1,500 per family	\$250 per individual \$600 per family	\$100 per individual \$300 per family
Coinsurance (after the deductible)	80% for in-network services, 60% for out-of-network	80% for in-network services, 60% for out-of-network	80% for for in-network and out-of-network services
Out-of-Pocket Maximum (after the deductible)	\$3,000 per person, \$6,000 per family for in-net- work services; Out-of-Network Services do not apply to the maximum out-of-pocket limit.	\$750 per person, \$1,500 per family for in-net- work services; Out-of-Network Services do not apply to the maximum out-of-pocket limit.	\$400 per person, \$800 per family for in-net- work and out-of-network services
Dental Care (\$2,000 maximum benefit per covered individual per year)	Preventive services 80% Basic expenses 80% Major expenses 50% \$50 annual deductible on basic and major expenses	Preventive services 100% Basic expenses 80% Major expenses 50% \$25 annual deductible on basic and major expenses	Preventive services 100% Basic expenses 80% Major expenses 50% No deductible Orthodontia at 50% up to \$1,500 lifetime maximum

Pharmacy
Local retail and mail order benefits; non-network benefits also available

Local Network Pharmacy
(30 day supply)
Generic Drugs \$5 copay
Brand Name \$20 copay
Non-preferred \$35 copay

Mail Order Pharmacy
(Up to 100 day supply)
\$10 copay
\$40 copay
\$70 copay

There is an \$800 annual out-of-pocket maximum per enrollee for pharmacy benefits

Vision Care

\$10 copay for exam, \$25 copay for glasses (lenses and frames), no copay for contacts. Exam every 12 months, lenses and frames OR contacts every 24 months. Non-VSP provider benefits limited to allowances.

FLEXIBLE SPENDING ACCOUNTS

Program	Who Pays	Eligibility	Benefits
Health Care Flexible Spending Account	You	Regular employees upon enrollment (at the time of hire, during open enrollment, or with “life event”).	An optional program that provides employees the opportunity to be reimbursed with their own tax-free contributions for health care expenses that are not covered by the health care program. Account balances must be used during the plan year, or the money is forfeited.
Dependent Care Flexible Spending Account	You	Regular employees upon enrollment (at the time of hire, during open enrollment, or with “life event”).	An optional program that provides employees the opportunity to be reimbursed with their own tax-free contributions for dependent care expenses that are necessary to allow the employee (and his/her spouse, if married) to seek or retain employment. Account balances must be used during the plan year, or the money is forfeited.

LIFE INSURANCE

Program	Who Pays	Eligibility	Benefits
Basic Life Insurance	The University	Regular employees from the initial day of employment	\$50,000 of group life insurance coverage is provided to all employees.
Supplemental Life	You	Regular employees upon enrollment (at the time of hire, during open enrollment, or with “life event”).	Available in amounts from \$25,000 to \$400,000, in increments of \$25,000, benefits are paid in a lump sum or in monthly installments. Evidence of Insurability required for amounts over \$200,000. For employees age 65 and over, the maximum amount of life insurance that they may elect is \$25,000. Participation is optional.
Accidental Death and Dismemberment	You	Regular employees upon enrollment (at the time of hire, during open enrollment, or with “life event”).	Pays benefits for accidental loss of life or limb. Coverage is also available for dependents. Participation is optional.
Travel Accident	The University	Regular employees from the initial day of employment.	Pays benefits for accidental death while traveling on University business. Coverage is \$250,000.

RETIREMENT BENEFITS

Program	Who Pays	Eligibility	Benefits
Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS)	You contribute a percent of your salary before taxes. Contribution rate is determined by date of hire. University contribution can change annually as determined by the State of Alaska Division of Retirement.	Eligible regular employees from initial day of employment. Employees hired on or after July 1, 2006 participate in a defined contribution (DC) plan. Employees hired before July 1, 2006 participate in a defined benefit plan (DB).	Retirement benefit based on date of hire with DC members having a cash account and DB members getting credit for salary and service. Complete details on all features of PERS and TRS are available at the State of Alaska Division of Retirement and Benefits Web site at www.state.ak.us/local/akpages/ADMIN/drdb/home.htm
Optional Retirement Program (ORP)	You contribute a percentage of your pre-tax salary. University contribution is a three-year average of TRS employer rate if hired before July 1, 2005. If hired after July 1, 2005 your employer contribution rate is 12%.	Regular full-time and part-time employees must choose between the ORP and the state's retirement system programs within 30 days of being notified they are eligible to participate.	Retirement benefit based on total contributions and earnings. Contributions are placed in an individual tax-deferred account, chosen from a wide variety of investment options provided by four fund sponsors. Participants are fully vested in the employer contribution account after three years; vesting in the employee contribution account is immediate. Vested account balances may be rolled over to another qualified plan or IRA at termination after a 45-day waiting period. You may not take a lump-sum cash distribution from this plan. Please see the UA Retirement Decision Guide for more information.
University of Alaska Pension Plan	The University contributes 7.65% of your first \$42,000 in gross wages.	Eligible employees from initial day of employment. Employees hired on or after July 1, 2006 must elect the ORP to be eligible for UA Pension.	Retirement benefit based on amount contributed and investment option selected. Vesting is immediate if hired before July 1, 2006; 3-year vesting if hired on or after July 1, 2006. Account balance may be withdrawn at termination after a 45-day waiting period.
Tax Deferred Annuity Plans (TDAs)	You.	All employees upon enrollment.	Supplemental savings for retirement and defer taxes on current income. Participation is optional.
Medicare	You and the University.	All employees hired after March 31, 1986.	Medicare benefits for disabled employees and for those age 65 and over.

OTHER BENEFITS *

Program	Who Pays	Eligibility	Benefits
Sick Leave	The University	Regular employees from initial day of employment	Paid leave for illness, medical conditions, or doctors appointment. Leave accrues at 4.62 hours per pay period for full-time employees. See the Family Medical Leave (FML) section for more information.
Leave Share Program	Fellow University Employees Donate from Their Accrued Sick Leave	Regular employees from initial day of employment	If an employee has exhausted all of their annual leave and sick leave as a result of a catastrophic medical crisis, they may apply to the leave share program if they still qualify for Family Medical Leave. Under this program other employees are allowed to donate a portion of their sick leave to the employee applying for leave share.
Family Medical Leave (Parental Leave)	You and the University, depending on whether you use sick leave, annual leave, leave without pay, or combinations of the above.	All regular employees.	Leave for serious health care condition of you or a family member, or to care for newborn infant or newly adopted child or for placement of a foster child. See the Family Medical Leave (FML) section for more information.
Annual Leave	The University	Regular employees, except faculty.	Vacation time based upon years of service and part-time/full-time employment status. Accrual for a full-time employee is: First 5 years: 5.54 hrs per pay period 6-10 years: 6.46 hrs per pay period Over 10 years: 7.38 hrs per pay period
Holidays	The University	Regular employees, except faculty. Based on part/full-time employment status.	Up to 12 paid holidays each calendar year. One additional personal holiday is granted to regular classified employees.

*If you are a member of a collective bargaining unit, your benefits may differ. Please check your collective bargaining agreement (CBA).

OTHER BENEFITS

Program	Who Pays	Eligibility	Benefits
Long-term Disability	The University	Regular employees.	If you are hired and actively at work on the first day of the month coverage begins on that day. If you are hired and actively at work on any other day of the month, it starts the first of the following month. In conjunction with other available benefits, the program pays 60% of your base salary, to a maximum of \$3,000/month. Prior to being eligible for this program, an employee must have exhausted all of their sick leave and/or completed the 90-day waiting period, which ever is greater.
Worker's Compensation	The University	All employees from initial day of employment.	Compensation for on-the-job injury or illness. Provides coverage for medical expense and loss of compensation. Injury/illness form must be completed within 10 days after the initial injury of illness.
Leave of Absence	You	All employees who are granted leave by the University.	Leave for up to one year, with the possibility to extend to a second year.
Educational Benefits	The University	Regular employees and their dependents.	Employees are eligible for up to 12 tuition-free course credits per academic year. No tuition fee is charged for courses taken by eligible dependents. (Graduate credits, however, are taxable. Self-supporting classes are not covered.)

INTRODUCTION

YOUR BENEFIT PROGRAM

In recognition of the diversity of the employee population, the University of Alaska has developed a benefit program that allows flexibility and choice. The health benefit program provides coverage for you and your family not only in case of illness, but also includes several provisions that focus on preventive care. The *UA Choice* health care plan offers you three options: the Deluxe Plan, the Standard Plan or the Economy Plan, at three different costs to you. Alternatively, if you have other medical coverage and don't need coverage through the University, you can opt out (with proof of other coverage, required each year at open enrollment) and avoid payroll deductions for health care.

You may enhance whichever *UA Choice* plan you choose by selecting a medical flexible spending account. The basic life insurance benefit may be supplemented by purchasing the optional supplemental life insurance and/or accidental death and dismemberment coverage. The medical and dependent care flexible spending accounts and life insurance plans are designed to allow employees the ability to increase their total benefit coverage. Please note that all optional plans are paid for by the employee and rates are set annually.

Employees may also augment the University retirement program by selecting from a number of Tax-Deferred Annuity plans in which they set aside tax-deferred funds from their salary for income during retirement. These funds would be in addition to any benefits from the state-affiliated retirement plans, the University's Pension Plan or Optional Retirement Plan (ORP).

BENEFIT CONSIDERATIONS

It is important that you carefully evaluate each of the *UA Choice* plans and the optional plans after considering your particular needs. Age, family status, health care requirements, career goals, years of service, pay, and financial objectives are factors that need to be considered in selecting your optional benefits.

Each year during the annual open enrollment period employees can make new benefit elections to reflect changes in their benefit needs. Except in cases of a major life event, the period designated for open enrollment is the only time that employees may make benefit elections. If, however, during the plan year an employee experiences a major life event such as marriage, divorce, birth, adoption, death of a spouse or child, etc., they may be eligible to make a change in their benefit elections as long as the change is consistent with the life event. Please consult your regional campus human resources office if you experience a major life event during the plan year.

CAMPUS HUMAN RESOURCES OFFICE LOCATIONS

Contact your regional campus human resources office at the following addresses for questions about specific programs:

University of Alaska Fairbanks
Human Resources
University of Alaska Fairbanks
UAF Administrative Services Center
P.O. Box 757860
3295 College Road
Fairbanks, AK 99775-7860
907/474-7700

University of Alaska Anchorage
Human Resource Services
101 University Lake Building
3890 University Lake Drive
Anchorage, AK 99508
907/786-4608

University of Alaska Southeast
Human Resources
University of Alaska Southeast
11120 Glacier Highway
Juneau, AK 99801
907/796-6473

Statewide Administration
Statewide Office of Human Resources
University of Alaska
P.O. Box 755140
212 Butrovich Building
Fairbanks, AK 99775-5140
907/450-8200

NOTICE UNDER THE WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998

A federal law requires health plans that provide mastectomy benefits to also provide certain related benefits and to tell participants that they are available. Effective January 1, 1999, benefits available under the University of Alaska's Health Care Plan for covered individuals who are receiving benefits for a mastectomy and elect breast reconstruction in connection with the mastectomy in a manner determined in consultation with the patient and attending physician include:

- reconstruction of the breast on which the mastectomy was performed;
- surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- prostheses and treatment of physical complications of all stages of mastectomy, including lymphedemas.

These reconstructive benefits are subject to the same annual deductible and coinsurance provisions as other plan medical and surgical benefits (see Mastectomy and Breast Reconstruction Services under Covered Services and Supplies).

YOUR ROLE IN CONTROLLING YOUR HEALTH PLAN COSTS

The University's health care program has many features that have been designed to provide for your health care protection. However, your wise and careful use of the program is key to the University's ability to continue to offer a comprehensive health care program.

The University of Alaska has defined its contribution to the cost of the health care plan. In the event the cost of your plan in a given fiscal year exceeds the University's defined contribution, that excess cost shall be borne by all employees participating in that plan.

One of the most effective measures that you can take in your personal efforts to assist in controlling the cost of the health care program is to develop a healthy lifestyle. Unless you are one of the few really health-conscious individuals, your current lifestyle is almost certainly less healthy than it could be. Now is the time to modify it. You will benefit first of all by lowering your risk of developing a preventable illness. Heart disease, cardiovascular disease, and cancer are major costs to your health care program and are more easily prevented than cured. Second, as you become increasingly fit, you will feel better and will find that you are more able to enjoy life. Basic guidelines for healthy living are simple, and medical research shows convincingly that following these guidelines will improve your chances for a longer, healthier life:

- If you smoke, quit.
- If you drink, drink in moderation.
- Get some aerobic exercise, preferably three to five times each week.
- Eat a well-balanced diet.
- Get plenty of rest, and try to schedule time for yourself.

To help employees improve their health by adopting a more healthy lifestyle, the University of Alaska has partnered with WIN for Alaska to provide onsite and online seminars, information, screening tools and participant-based activities. This partnership goes beyond the health plan to help employees and their families develop a healthy lifestyle plan that meets their needs.

The University has contracted with Premera Blue Cross Blue Shield of Alaska, also referred to as Blue Cross in this Handbook, for **claims processing and payment** of the medical and dental plan benefits. Pharmacy benefits are provided by Caremark. Vision care benefits are provided by VSP. Please contact Statewide Human Resources at 450-8200, Blue Cross at (800) 364-2982, Caremark at Caremrk.com or (800) 596-2178, or VSP at www.vsp.com or (800) 877-7195 if you have any questions regarding your benefit plan. To view a copy of the contract for the University of Alaska's benefit plans, please call Statewide Human Resources.

ELIGIBILITY

EMPLOYEE ELIGIBILITY

An employee is enrolled on the date he or she becomes a regular full-time, regular part-time, or extended temporary employee of the University of Alaska. Eligible employees may elect either the Deluxe, Standard or Economy plan options, or may elect to waive coverage with verification of other coverage.

DEPENDENT ENROLLMENT TIME FRAMES

Eligible employees are not required to enroll their eligible dependents, but may choose to do so at the time of initial eligibility, open enrollment or in the case of a major life event as explained below. Coverage for dependents can only be elected within thirty (30) days of hire, within thirty (30) days after a major life event, or during open enrollment, with the exception of newborn or newly adopted children, in which case you are allowed 60 days.

In the case of a major life event, coverage begins on the date of the major life event. Coverage elected at open enrollment will become effective on July 1.

DEPENDENT ELIGIBILITY

Employees are required to notify their regional human resources office as soon as a dependent loses eligibility status.

To be eligible for coverage as a dependent under this program, the family member must fit one of the following descriptions:

- The lawful spouse of the employee, unless legally separated
Please note: Provided all requirements are met as specified by the University of Alaska, wherever “spouse” is stated in the health care plan, a financially interdependent partner and his or her eligible dependent children would also be included. Please contact your regional human resources office for details concerning financially interdependent relationships.
- A “child” 18 years of age or younger, unmarried, and primarily dependent upon the employee for support. However, if a child is an employee of the University of Alaska who meets the requirements in “Employee Eligibility” earlier in this section, the child can only enroll as an employee. A child is considered one of the following:
 - A natural offspring of either or both the employee or spouse
 - A legally adopted child of either or both the employee or spouse
 - A child for whom the employee has been granted court-appointed legal guardianship; a copy of the guardianship papers is required for enrollment
 - A child for whom the employee or spouse is under a domestic relations order to provide medical benefits as directed by a divorce decree, a medical child support order or other court-ordered dependent coverage
 - A foster child living with the employee
 - A child “placed” with the employee for the purpose of legal adoption in accordance with state law; placed for adoption means assumption and retention by the employee of a legal obligation for total or partial support of a child in anticipation of adoption of such child

A child may continue to be covered under this program through age 23 if the child is unmarried, primarily dependent on the employee for support, and is a full-time student attending an accredited educational institution. Blue Cross will verify student status twice a year. To verify student status, the employee will be sent a form that

must be signed by the registrar's office at the educational institution where the child is attending school. Health care claims for the child will not be reviewed until the verification form is received by Blue Cross.

ELIGIBILITY FOR A DISABLED CHILD

Coverage may continue past the limiting age for an unmarried dependent child who cannot support himself or herself because of a developmental or physical disability. The child will continue to be eligible if all the following requirements are met:

- The child became disabled before reaching the limiting age of 19.
- The child is incapable of self-sustaining employment by reason of developmental disability or physical handicap, and is chiefly dependent upon the employee for economic support and maintenance.
- The employee remains covered under this program.
- The employee's cost for dependent coverage continues to be paid.
- Within 30 days of the child reaching age 19, the employee must have completed and have on file with Blue Cross a "Request for Certification of Handicapped Dependent" status form.
- The employee has continued to provide Blue Cross with proof of the child's disability and dependent status when requested. Blue Cross will not ask for proof more often than once a year after the two-year period following the child's attainment of the limiting age.

Blue Cross must approve the request for certification before coverage can continue.

MAJOR LIFE EVENT

Outside of the annual open enrollment period, an employee may change an enrollment election (i.e., add or delete dependents, change level of coverage) only if there has been a major life event. The following are considered major life events:

- Marriage or divorce of the employee
- Death of the employee's spouse or a dependent
- Birth or adoption of a child by the employee
- Termination of employment (or the commencement of employment) of the employee's spouse
- Switching from part-time to full-time employment status or from full-time to part-time status by the employee or the employee's spouse
- Taking of an unpaid leave of absence by the employee or the employee's spouse
- A significant change in the health coverage of the employee or the employee's spouse attributable to the spouse's employment
- Gain or involuntary loss of health care coverage of your dependent

Changes (addition or deletion of dependents) will be limited to those that are both on account of a major life event and are consistent with that major life event. Enrollment changes are subject to the other terms and limitations of this program.

An eligible employee who previously elected not to enroll a dependent(s) in the plan when such coverage was previously offered, may enroll the dependent(s) in the plan at the same time a newly acquired dependent is enrolled.

INVOLUNTARY LOSS OF OTHER COVERAGE

If a dependent did not enroll in this program when first eligible because the dependent was not required to do so, the dependent may later enroll outside of the annual open enrollment period if each of the following requirements are met:

- your dependent was covered under group health coverage or a health insurance program at the time coverage under the University of Alaska's program was previously offered;
- you declined coverage for your dependent under this program at the time this coverage was offered, and
- your dependent's coverage under the other group health coverage or health program was terminated as a result of:
 - loss of eligibility for the coverage (including, but not limited to, as a result of legal separation, divorce, death, taking an unpaid leave of absence, termination of employment, reduction in hours of employment, a change in student status, or reaching a health care plan's overall lifetime benefit maximum);
 - termination of employer contributions toward such coverage, or
 - your dependent was covered under COBRA at the time coverage under this program was previously offered and COBRA coverage has been exhausted.
- there is a significant change in the health coverage of your spouse attributable to their employment.

When the University of Alaska receives your completed enrollment form and any required contributions within 30 days of the date such other coverage ended, coverage under this program will become effective on the day after your other coverage ended. If the University of Alaska does not receive your completed enrollment form within 30 days of the date prior coverage ended, refer to "Open Enrollment" below.

ENROLLMENT

After enrollment, coverage will become effective on the following dates:

- For the employee and enrolled family members, on the exact date the employee becomes eligible to enroll
- For a spouse and eligible children acquired through marriage, on the date of marriage
- For a spouse and eligible children who have had a loss of other coverage, the day after other coverage ended
- For a newborn child, on the child's date of birth
- For an adoptive child, on the date the child is placed with the employee for the purpose of legal adoption
- For a child covered under a court-appointed legal guardianship order, the date the court grants legal guardianship to the employee or spouse
- For a child covered under a domestic relations order to provide medical benefits as directed by a divorce decree, the date of the order
- For a foster child, on the date the child is placed in the employee's home

OPEN ENROLLMENT

An eligible dependent who is not enrolled when first eligible or who fails to maintain continuous coverage may enroll only during the University's annual open enrollment period. To enroll, proper application must be made during the open enrollment period and coverage will become effective at the beginning of the new plan year (July 1).

RE-ENROLLMENT AFTER A LAPSE IN COVERAGE

If your coverage is reinstated after a lapse of time, the date your coverage begins again becomes your effective date. All terms and conditions of the health care program, including pre-existing conditions, will apply at the time of reinstatement.

COST FOR EMPLOYEE COVERAGE

Employees are required to share in the cost of their health care coverage. The cost for employee coverage is determined annually.

COST FOR DEPENDENT COVERAGE

Employees are required to share in the cost of covering dependents on the health care plan. The cost for dependent coverage is determined annually. If you have questions as to the current cost of dependent coverage, please contact your regional human resources office.

PRE-EXISTING CONDITIONS

A pre-existing condition is any condition, regardless of cause, for which any medical advice, diagnosis, care, medication, or treatment was recommended or received within the 90 days prior to the date the enrollee's coverage becomes effective. However, the health care plan will provide up to \$1,000 in benefits, after any required deductible has been satisfied, for each condition that would otherwise be excluded by this pre-existing conditions limitation.

A condition is no longer considered pre-existing if an enrollee has been covered by the program for 90 days, and no medical services for the condition have been incurred or recommended during that time.

However, if an enrollee **has** incurred expenses for a condition during the first 90 days of coverage, then the condition will no longer be considered pre-existing once the following is satisfied:

- For the employee, once he or she has been covered under this program for a period of 6 consecutive months
- For the dependent, once he or she has been covered under this program for a period of 12 consecutive months

This waiting period limitation for pre-existing conditions does **not** apply in the following cases:

- Pregnancy
- Newborn child, provided the child has been covered under this program since birth
- Newborn child covered under creditable coverage as of the last day of the 30-day period beginning with their date of birth, provided there is no break in coverage exceeding 90 days
- Adoptive child, provided the child has been covered under this program since placement for adoption with the employee, and there is no break in coverage exceeding 90 days
- Child who is covered under legal guardianship, provided the child has been covered under this program since the date the court granted legal guardianship to the employee or spouse
- Foster child, provided the child has been covered under this program since the date the child was placed in the employee's home
- Child covered under a domestic relations order, provided the child has been covered under this program since the date of the order
- Coverage for PKU formula for enrollees with Phenylketonuria
- Genetic information in absence of a diagnosis

CREDIT FOR PRIOR COVERAGE

The waiting period for pre-existing conditions may be reduced by periods of creditable coverage you've accrued under other health care programs prior to your effective date for this plan. Most medical health care coverage is considered creditable coverage. You will receive credit for prior creditable coverage that occurred without a break in coverage of more than 90 days. Any coverage you had before a break in coverage which exceeds 90 days is not credited toward your waiting period for pre-existing conditions. Eligibility waiting periods will not be considered creditable coverage or a break in coverage. Your prior employer or health insurance carrier will provide you with a certificate of health coverage. If you have not received a certificate, or have misplaced it, you have the right to request one from a prior employer or health carrier within 24 months of the date your coverage under that plan terminated.

Certificates of prior health care coverage should be submitted to your regional human resources office.

PLAN YEAR DEDUCTIBLE—MEDICAL

INDIVIDUAL DEDUCTIBLE

Each plan year you must satisfy a deductible before your Comprehensive Medical Benefits are payable. Deductible amounts for each plan in *UA Choice* are listed below.

While some benefits have dollar maximums, others have different kinds of maximums, such as a maximum number of visits or days of care that can be covered. Allowable charges that apply to your individual plan year deductible don't count toward dollar benefit maximums. But if you receive services or supplies covered by a benefit that has any other kind of maximum, charges for those services or supplies that apply to your deductible are also applied to that benefit's maximum.

FAMILY DEDUCTIBLE

This program has a Comprehensive Medical Plan Year Deductible limit for families. If the total deductible for you and your family reaches a certain amount within one plan year, you will not be subject to any further deductible for that year. Family deductible limits are shown below. Only the amounts used to satisfy each enrolled family member's deductible will contribute toward the family's total deductible.

<u>Plan Option</u>	<u>Individual Deductible</u>	<u>Family Deductible</u>
Economy Plan	\$500	\$1,500
Standard Plan	\$250	\$600
Deluxe Plan	\$100	\$300

COMMON ACCIDENT DEDUCTIBLE

If you and one or more of your insured dependents, or two or more of your insured dependents, incur covered medical expenses as a result of the same accident, the deductible will be applied only once during the plan year in which the accident occurs and the following plan year. In other words, no matter how many insured family members receive treatment for injuries from an accident, the deductible is the applicable individual deductible.

FOURTH QUARTER DEDUCTIBLE CARRY FORWARD

Covered charges that are applied toward a deductible for services incurred during the last three months of a plan year may be carried over to reduce the deductible for the next plan year. This is also true for the family deductible.

BENEFITS NOT SUBJECT TO THE MEDICAL DEDUCTIBLE

The following benefits are not subject to the comprehensive medical plan year deductible:

- Diagnostic and Screening Mammography
- Wellness Provisions
- Dental Care (see the Dental Benefits section for information on dental deductibles)
- Pharmacy Benefits
- Audio Care

SCHEDULE OF BENEFITS—MEDICAL

The benefits of your health care plan are based on allowable charges for covered services and supplies. Please refer to the definition of Allowable Charge in the Glossary of Terms at the back of this Handbook.

Premera Blue Cross Blue Shield of Alaska has developed a broad network of providers in the state of Alaska called the *Alaska Heritage Network*. You may seek covered services from any provider licensed to provide the service. However, within Alaska, in order to receive the higher level of benefits available under this program for certain services, you must use a physician, hospital or hospital-based chemical dependency treatment facility in the Network. For this purpose, a “physician” means a provider who is licensed by the state as a Doctor of Medicine and Surgery (M.D.), Doctor of Osteopathy and Surgery (D.O.) or Podiatrist (D.P.M.).

When you use a physician, hospital, or hospital-based chemical dependency treatment facility in the Network, you will be responsible only for any applicable deductibles, copayments, coinsurance, out-of-pocket maximums, charges in excess of the stated benefit maximums, and charges for services and supplies not covered under the health care program. In addition, network providers will bill Blue Cross directly when they furnish covered services to you.

If you use a provider that doesn’t have a network agreement with Blue Cross, you’ll be responsible for amounts over the allowable charge. Amounts in excess of the allowable charge also don’t count toward the plan year deductible or as coinsurance.

DELUXE PLAN OPTION

After you satisfy your Plan Year Medical Deductible, benefits under the Deluxe Plan will be provided at 80 percent of allowable charges for covered services and supplies; there are no reduced benefit levels (i.e., 60 percent coverage) for non-network providers.

STANDARD AND ECONOMY PLAN OPTIONS

ANCHORAGE, FAIRBANKS AND JUNEAU

If you live in the greater Anchorage, Fairbanks or Juneau areas, the full network of Alaska Heritage providers is available (Alaska HeritagePlus network). For non-emergency physician services, hospital services and hospital-based chemical dependency services received in Alaska, you must use Alaska HeritagePlus network providers to receive the higher level of benefits provided under this program. After you satisfy your Plan Year Medical Deductible, the Standard Plan and Economy Plan will provide benefits for covered services as follows:

- **In-network Benefit Level:** benefits will be provided at 80 percent of allowable charges for covered services and supplies. This benefit level is also provided for non-network providers when Blue Cross has granted a benefit level exception for non-emergent care as explained below.
- **Out-of-network Benefit Level:** benefits will be provided at a constant 60 percent of allowable charges; out-of-pocket expenses do not accrue towards any out-of-pocket maximum.

To locate a network provider in your area, please refer to the Blue Cross Heritage Network *Directory of Alaska Physicians and Other Providers*. If you have questions, please contact Blue Cross Customer Service at (800) 364-2982, your regional human resources office, or check the University of Alaska’s benefits web site at www.alaska.edu/hr/benefits or Premera.com.

OUTSIDE ANCHORAGE, FAIRBANKS AND JUNEAU

If you live outside of the greater Anchorage, Fairbanks or Juneau areas, the network provider requirement in the state of Alaska applies to hospitals and hospital-based chemical dependency programs in Anchorage only. However, if you receive care outside of Alaska, you must use network providers to receive the higher level of benefits.

WHEN YOU ARE OUTSIDE ALASKA

For non-emergency physician, hospital and hospital-based chemical dependency services received in Washington, you'll receive the higher level of benefits when you use Heritage network providers. For the same services outside of Alaska and Washington, seek care from providers with preferred agreements with the local Blue Cross and/or Blue Shield Licensee.

When traveling or if eligible dependents are attending school outside the state of Alaska, it is imperative that you use preferred providers to obtain the higher level of benefits from your health care plan. See The BlueCard Program section of this Handbook for more information.

EMERGENCY SERVICES

Benefits for medical emergencies and accidental injuries will be provided at the higher level when you see any covered provider. Premera Blue Cross Blue Shield of Alaska will pay the allowable charge for these services and you'll only pay your applicable deductibles, coinsurance, copays, amounts that exceed the benefit maximums, amounts above the allowable charge for non-network providers and charges for non-covered services.

BENEFIT LEVEL EXCEPTION FOR NON-EMERGENT CARE

Premera Blue Cross Blue Shield of Alaska currently has an extensive network of providers in the Anchorage, Fairbanks and Juneau communities. However, in each community there are specialties where the network is incomplete.

If you require the services of a physician or hospital that is not in the Alaska Heritage network, you must call Blue Cross for a referral, or "benefit level exception for non-emergency care," to receive the higher level of benefits. A benefit level exception is a determination by Blue Cross to provide in-network benefits for covered services from a non-network provider.

You, your provider or medical facility may request a benefit level exception, but it must be done before you receive the service or supply. If your request is approved by Blue Cross, benefits for covered services and supplies will be provided at the in-network benefit level. Payment of your claim will be based on your eligibility and benefits available at the time you get the service or supply. You will be responsible for amounts applied towards your plan year deductible, coinsurance, amounts that exceed the benefit maximums, amounts above the allowable charge, and charges for non-covered services. If your request is denied, in-network benefits won't be provided.

Please call Premera Blue Cross Blue Shield of Alaska Customer Service at (800) 364-2982 to request a benefit level exception for non-emergency care.

Blue Cross will determine whether the benefit level exception will be authorized or denied. If you do not call Blue Cross for a benefit level exception beforehand, or if a benefit level exception is denied, benefits will be provided at a constant 60 percent of allowable charges after you have met your deductible, with no maximum out-of-pocket limit.

Premera Blue Cross Blue Shield of Alaska's benefit level exception should not be considered a guarantee of payment. Payment of any service will be based on your eligibility and benefits available at the time services are rendered.

WAIVED SERVICES

Premera Blue Cross Blue Shield of Alaska may from time to time identify providers that they don't have agreements with who provide specific services for which you'll always receive the higher level of benefits under the Standard or Economy Plan options. Waived services won't require a benefit level exception. If you'd like more information on waived services, please call Customer Service at (800) 364-2982.

PROVIDER STATUS

Since a provider's agreement with Premera Blue Cross Blue Shield of Alaska is subject to change at any time, it is important to verify a provider's status. This may help you avoid additional out-of-pocket expenses. Please call Customer Service at (800) 364-2982 to verify a provider's status. If you are outside Alaska and Washington, or in Clark County, Washington, call (800) 810-BLUE (2583) to locate or verify the status of a provider.

If you are seeing a provider and their written agreement with Blue Cross is terminated while you are receiving pregnancy care or other active treatment, Blue Cross will consider the provider as if they still have an active agreement with Blue Cross for the purpose of that care until one of the following occurs:

- This program is terminated.
- The provider's status will change on the date the provider's medically necessary treatment of a terminal condition ends. "Terminal" means that the patient is expected to live less than one year from the date the provider's agreement is terminated.
- In all other cases, the provider's status will change on the last of three dates to occur:
 - The ninetieth day after the date the provider's agreement is terminated;
 - The date the current plan year ends; or
 - The date postpartum care is completed.

OUT-OF-POCKET MAXIMUMS

This provision offers extended protection for you and your family by placing maximum limits on your out-of-pocket costs for medical services (personal expenses for covered and allowable charges) when you use Alaska Heritage network providers. Once you have reached your out-of-pocket limit, benefits will be provided at 100 percent of allowable charges for covered services received by you from network providers during the remainder of that plan year.

STANDARD AND ECONOMY PLANS

If you live in the greater Anchorage, Fairbanks or Juneau areas where the full Alaska Heritage provider network applies, and you do not use a network provider or do not obtain a benefit level exception for non-emergent care for a non-network provider, your out-of-pocket expenses will not apply to any maximum out-of-pocket limit. Please see the Benefit Level Exception for Non-Emergent Care section of this Handbook.

Please Note: The 100 percent benefit level does not apply to the following benefits, which have their own specific benefit levels. Expenses incurred for these benefits do not accrue toward your out-of-pocket maximums, with the exception of any plan year deductibles:

- Mental health care
- Dental Care Benefit
- Orthognathic Surgery Services
- Vision Care Benefit through VSP
- Pharmacy Drug Program through Caremark
- Audio Care Benefit

In addition, plan year deductibles, amounts that exceed the benefit maximums under this program, including the lifetime maximum, and amounts for services and supplies not covered under this program **do not** accrue toward your individual or family out-of-pocket maximum.

INDIVIDUAL MEDICAL OUT-OF-POCKET MAXIMUM

Based upon **covered** and allowable charges, the plan year maximum coinsurance that an individual would pay, after the deductible, is shown in the tables below. During the plan year, after you pay the out-of-pocket maximum for covered medical services from network providers, any further **covered** and allowable medical expenses incurred by you from network providers would be reimbursed at 100 percent (subject to allowable charges) for the rest of that plan year. See the following tables for detail by plan option.

FAMILY MEDICAL OUT-OF-POCKET MAXIMUM

Based upon **covered** and allowable charges for services from network providers, the yearly maximum coinsurance for a family, after satisfying the family deductible, is shown in the tables below. During the plan year, if your family were to receive sufficient covered medical services from network providers to reach your coinsurance maximum, any further covered medical expenses incurred by your family from network providers would be reimbursed at 100 percent (subject to allowable charges) for the rest of that plan year. See the following tables for detail by plan option.

OUT-OF-POCKET MAXIMUMS BY PLAN OPTION

Deluxe Plan	Individual Limit	Family Limit
Deductible	\$ 100	\$ 300
Maximum Coinsurance You'll Pay	\$ 400	\$ 800
Total Out-of-Pocket Charges You'll Pay for the Plan Year	\$ 500	\$ 1,100
Standard Plan	Individual Limit	Family Limit
Deductible	\$ 250	\$ 600
Maximum Coinsurance You'll Pay	\$ 750	\$ 1,500
Total Out-of-Pocket Charges You'll Pay for the Plan Year	\$ 1,000	\$ 2,100
Economy Plan	Individual Limit	Family Limit
Deductible	\$ 500	\$ 1,500
Maximum Coinsurance You'll Pay	\$ 3,000	\$ 6,000
Total Out-of-Pocket Charges You'll Pay for the Plan Year	\$ 3,500	\$ 7,500

MAXIMUM LIFETIME BENEFIT

The maximum lifetime benefit for any person insured under the University's health care plan is \$2,000,000. This amount is called your "Lifetime Maximum" because it applies as long as you are covered under this program.

WELLNESS PROVISIONS

Our shared goal is a healthy and productive work force. The following routine and preventive services, performed on an outpatient basis, are covered up to a plan year maximum of \$750 per enrollee over age one. Benefits are provided at 100 percent of the allowable charge and are not subject to the comprehensive medical plan year deductible. Covered services include:

- Routine physical examinations, and laboratory and x-ray services performed in connection with such examinations, including but not limited to screening tests for:
 - prostate cancer (PSA test)
 - cervical cancer
 - bone density scans for Osteoporosis
 - cholesterol level checks (includes lipid panel and lipoprotein)
- Immunizations (including flu shots)
- Physical exams related to school and sports

If, during the plan year, your \$750 wellness benefit is exhausted, additional benefits for screening tests for prostate and cervical cancer are provided under the comprehensive medical benefits of this program. Benefits for screening and diagnostic mammography are provided under the Diagnostic and Screening Mammography Benefit.

Please note: A colonoscopy is covered as a surgical procedure, subject to your medical deductible and coinsurance, whether done as a preventive measure or diagnostic.

WELLNESS LIMITATIONS

In addition to “General Limitations and Exclusions,” wellness benefits will not be provided for:

- dental examinations, treatment, the fitting of dental appliances or dentures, or other services provided by a dentist (except as specified under Dental Care Benefits);
- routine vision and hearing examinations (except as specified under Vision Care Benefits and Audio Care Benefits);
- contraceptive devices;
- services that are related to a specific illness, injury, or definitive set of symptoms exhibited by the enrollee;
- physical exams for basic life or disability insurance; or
- work-related physical exams, work-related disability evaluations or medical disability evaluations.

WELL BABY CARE (BIRTH TO AGE 1)

Well baby care benefits as outlined below are paid at 100 percent of allowable charges and are not subject to the deductible.

- Six physical exams, including immunizations
 - 1 blood test for phenylketonuria (PKU)
 - 1 blood test for thyroid functions
 - 1 hematocrit (red blood cell test for anemia)
 - 1 tuberculin skin test

CARE MANAGEMENT HEALTHCARE UTILIZATION

Care Management services work to help ensure that you receive appropriate and cost-effective medical care. Your role in the Care Management process is simple, but important.

This program's benefits do not require preauthorization for coverage. You must be eligible on the dates of service and services must be medically necessary. We encourage you to call Customer Service to verify that you meet the required criteria for claims payment and to help Blue Cross identify admissions which might benefit from case management.

INDIVIDUAL CASE MANAGEMENT

Case Management works cooperatively with you and your physician to consider care-effective and cost-effective alternatives to hospitalization and other high-cost care to make more efficient use of the health care program's benefits. The decision to provide benefits for these alternatives is within the plan's sole discretion. Your participation in an alternative treatment plan through Individual Case Management is voluntary. If an agreement is reached with Blue Cross for an alternative program, you or your legal representative, your physician and other providers participating in the treatment plan will be required to sign written agreements that set forth the terms under which benefits will be provided.

Individual Case Management is subject to the terms set forth in the signed written agreements. Blue Cross may utilize your plan benefits as specified in the signed case management agreements, but the agreements are not to be construed as a waiver of the right to administer the benefits provided under the health care program in other situations. All parties have the right to re-evaluate or terminate the Individual Case Management agreement at any time, at their sole discretion. Individual Case Management termination must be provided in writing to all parties. Your remaining benefits under this program would be available to you at that time.

APPEALS REVIEW

Should you or your physician disagree with the Care Management determination, you may follow the appeal procedures explained in the "Your Questions, Complaints and Appeals" section of this handbook.

BESTBEGINNINGS

BestBeginnings provides mothers-to-be with quick and easy access throughout their pregnancy to a nurse trained in obstetrics. The BestBeginnings nurse can help answer questions about pregnancy, prenatal care and delivery, and provide mothers-to-be with other helpful information to assist them in making healthy choices during their pregnancy.

The employee and any enrolled dependent of the employee may participate in BestBeginnings.

As soon as you know you are pregnant, call the BestBeginnings toll-free number, (888) 773-6399.

THE BLUECARD PROGRAM

Premera Blue Cross Blue Shield of Alaska, like all Blue Cross and/or Blue Shield Licensees, participates in a program called “BlueCard.” Enrollees can take advantage of BlueCard when they receive covered services outside Alaska and Washington or in Clark County, Washington from hospitals, doctors, and other medical care providers who have contracted with the local Blue Cross and/or Blue Shield licensee, called the “Host Blue” in this section. The national BlueCard program is available throughout the United States, the Commonwealth of Puerto Rico, Jamaica and the British and U.S. Virgin Islands.

Your identification card tells contracting providers which independent Blue Cross and/or Blue Shield Licensee is yours. It is important to note that receiving services through BlueCard does not change covered benefits, benefit levels, or any stated residency requirements of your program. However, when you use your identification card, you will receive many of the conveniences you’re accustomed to from Premera Blue Cross Blue Shield of Alaska. In most cases, there are no claim forms to submit because contracting providers will handle claim submission for you. In addition, your out-of-pocket costs may be less as explained below.

HERE’S HOW BLUECARD HELPS KEEP COSTS DOWN

When you obtain health care services outside Alaska and Washington or in Clark County, Washington through BlueCard (excluding BlueCard Worldwide, see below), the amount you pay for covered services is calculated on the lower of:

- The billed charges for your covered services, or
- The “negotiated price” that the Host Blue passes on to Premera Blue Cross Blue Shield of Alaska for your covered services.

The methods used to determine the negotiated price will vary among Host Blues according to the terms of their provider contracts. Often, this negotiated price will consist of a simple discount, which reflects the actual price allowed as payable by the Host Blue. But, sometimes, it is an estimated price that factors in aggregate payments expected to result from the Host Blue’s settlements, withholds, or other contingent payment arrangements and non-claims transactions with your health care provider or with a specified group of providers. The negotiated price may also be a discount from billed charges that reflects an average expected savings with your health care providers or a specific group of providers. The price that reflects average savings may result in greater variation above or below the actual price than will the estimated price. In accordance with national BlueCard policy, these estimated or average prices will also be adjusted from time to time to correct for overestimation or underestimation of past prices. However, the amount on which your payment is based remains the final price for the covered services billed on your claim.

Some states may mandate a surcharge or a method of calculating what you must pay on a claim that differs from BlueCard’s usual method noted above. If such a mandate is in force on the date you received covered care in that state, the amount you must pay for any covered services will be calculated using the methods required by that mandate. Such methods might not reflect the entire savings expected on a specific claim.

Clark County Providers

Some providers in Clark County, Washington do have contracts with Premera Blue Cross. These providers will submit claims directly to Premera Blue Cross and benefits will be based on the allowable charge for the service or supply.

NON-BLUECARD CLAIM SUBMISSION

If a hospital, doctor, or other medical care provider does not contract with the Host Blue, that claim may not be filed on your behalf. For instruction on how to file a claim in this situation, refer to the “How To Submit A Claim” section of this Handbook.

BLUECARD WORLDWIDE

If you are outside the United States, the Commonwealth of Puerto Rico, Jamaica and the British and United States Virgin Islands, you may be able to take advantage of BlueCard Worldwide. BlueCard Worldwide is unlike the national BlueCard Program in certain ways. For instance, although BlueCard Worldwide provides a network of contracting hospitals, it offers only referrals to doctors. When receiving care from doctors, you will have to submit forms on your own behalf to obtain reimbursement for the services provided through BlueCard Worldwide.

To access health care services through BlueCard Worldwide and to obtain additional information about providers' charges, please call (800) 810-BLUE (2583).

FURTHER QUESTIONS?

If you have questions or need additional information about using your card outside Alaska or Washington, please call Blue Cross' Customer Service at (800) 364-2982. To locate a preferred provider in another Blue Cross and/or Blue Shield Licensee service area, call (800) 810-BLUE (2583). Be sure to specify that your health care program is a PPO and you wish to locate a “preferred provider.”

COVERED SERVICES AND SUPPLIES

This section of your handbook describes the specific benefits available for covered services and supplies. Benefits are available for a service or supply described in this section when they meet all of these requirements:

- It must be furnished in connection with the diagnosis or treatment of a covered illness or accidental injury.
- It must be, in the judgment of Premera Blue Cross Blue Shield of Alaska, medically necessary and must be furnished in a medically necessary setting. Inpatient care is only covered when you require care that couldn't be provided in an outpatient setting without adversely affecting your condition or the quality of care you would receive.
- It must be prescribed by a physician, as defined in this handbook.
- It must not be excluded from coverage under the health care program.
- The expense for the service or supply must be incurred while you are covered under the health care program and after any applicable waiting period required under this program is satisfied.
- It must be furnished by a provider that is covered under the applicable benefit.

HOSPITAL INPATIENT CARE

Covered costs include hospital room and board; intensive and coronary care units; plus services and supplies, such as diagnostic services, surgical dressings, and drugs, furnished by and used while confined in a hospital. Benefits are payable for a maximum of 365 days per confinement.

Please Note: When covered inpatient diagnostic services are furnished and billed by an inpatient facility, they are only eligible for coverage under the applicable inpatient facility benefit. All "Hospital Inpatient Care" services are subject to the health care plan's deductibles and out-of-pocket maximums.

HOSPITAL INPATIENT LIMITATIONS

In addition to "General Limitations and Exclusions," hospital inpatient care benefits will not be provided for the following:

- Hospital admissions for diagnostic purposes only, unless the services cannot be provided without the use of inpatient hospital facilities, or unless your medical condition makes inpatient care medically necessary
- Any confinement that is covered under the "Mental Health Care" benefit
- Any days of inpatient care that exceed the length of stay that is, in the judgment of Premera Blue Cross Blue Shield of Alaska, medically necessary to treat your condition

HOSPITAL OUTPATIENT CARE

Covered costs include emergency, procedure, operating, and recovery rooms; plus services and supplies, such as surgical dressings, and drugs, furnished by and used while at a hospital for services that are furnished to an enrollee who is not confined as a full-time inpatient. For benefit information on diagnostic services done while at the hospital, see the Diagnostic Services benefit.

Please Note: All "Hospital Outpatient Care" services are subject to the health care plan's deductibles and out-of-pocket maximums.

SKILLED NURSING FACILITY

This benefit is only provided when you are at a point in your recovery where inpatient hospital care is no longer medically necessary, but skilled care in a skilled nursing facility is. Your attending physician must actively supervise your care while you are confined in the skilled nursing facility.

Covered costs include services and supplies, including room and board, furnished by and used while confined in a skilled nursing facility for up to 100 days in any one plan year.

SKILLED NURSING CARE LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following:

- Custodial care
- Care that is primarily for senile deterioration, mental deficiency or mental retardation
- Chemical dependency

AMBULATORY SURGICAL CENTER

Services and supplies furnished by and used while at the center, such as surgical dressings and drugs are covered.

PHYSICIANS’ SERVICES

Home, office, emergency room, and inpatient visits; therapeutic injections including allergy testing and allergy injections; surgery; anesthesia administration, cornea transplantation, skin grafts and transfusion of blood or blood derivatives are covered. Also included in this benefit are prostate and cervical cancer screening examinations.

ASSISTANT SURGEON

Benefits are only provided for services of an assistant surgeon when medically necessary, and can not exceed 20 percent of the primary surgeon’s allowable charge.

MULTIPLE SURGICAL PROCEDURES

If multiple or bilateral surgical procedures are performed during the same operative session, benefits will be provided based on the allowable charge for the first or major procedure, and one-half the allowable charge for secondary procedures.

THERAPEUTIC NUCLEAR MEDICINE

Services and supplies furnished in connection with radium, radioisotope, and X-ray therapy are covered.

DIAGNOSTIC SERVICES

Administration and interpretation of diagnostic imaging and scans (including X-rays and EKGs), pathology, and laboratory tests are covered. Screening tests for prostate and cervical cancer are covered.

Please Note: When covered inpatient diagnostic services are furnished and billed by an inpatient facility, they are only eligible for coverage under the applicable inpatient facility benefit. Please see the “General Preventive Benefit” under “Wellness Provisions” for information on preventive diagnostic services.

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following:

- Diagnostic surgeries and scop insertion procedures, such as colonoscopies or endoscopies which are covered under the “Physician’s Services” benefit
- Allergy testing (see the “Physician’s Services” benefit)

DIAGNOSTIC AND SCREENING MAMMOGRAPHY

This benefit is not subject to the plan year deductible or coinsurance. Benefits are provided for screening and diagnostic mammography as follows:

- a baseline mammogram and annual mammogram screenings thereafter, regardless of age; and
- as recommended by a physician for an enrollee with symptoms, a history of breast cancer, or whose parent or sibling has a history of breast cancer.

CONTRACEPTIVE MANAGEMENT AND STERILIZATION SERVICES

Professional services, including surgery and implanting or injecting contraceptives, and outpatient surgical facility services are provided, subject to the plan year deductible and coinsurance. Benefits include consultations; sterilization procedures; injectable contraceptives; implantable contraceptives (including IUDs and hormonal implants); and emergency contraception methods (oral or injectable), when furnished by your health care provider.

PRESCRIPTION CONTRACEPTIVES DISPENSED BY A PHARMACY

Prescription contraceptives (including emergency contraception) and prescription barrier devices, such as diaphragms and cervical caps, dispensed by a licensed pharmacy are covered on the same basis as any other covered prescription drug. Please see the Pharmacy Program section for more information.

CONTRACEPTIVE MANAGEMENT AND STERILIZATION SERVICES LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for nonprescription contraceptive drugs, supplies or devices; sterilization reversal; testing, diagnosis and treatment of infertility, including fertility enhancement services, procedures, supplies and drugs; or contraceptive drugs, supplies or devices dispensed by a licensed pharmacy.

MASTECTOMY AND BREAST RECONSTRUCTION SERVICES

Benefits are provided for mastectomy necessary due to illness or accidental injury. For any enrollee electing breast reconstruction in connection with a mastectomy, in a manner determined in consultation with the attending physician and the patient, this benefit covers:

- reconstruction of the breast on which mastectomy has been performed;
- surgery and reconstruction of the other breast to produce a symmetrical appearance;
- prosthesis; and
- physical complications of all stages of mastectomy, including lymphedemas.

TRANSPLANTS

Although prior approval by Premera Blue Cross Blue Shield of Alaska is not required before benefits can be provided, you or your physician are encouraged to contact Blue Cross to see if the proposed transplant will meet the requirements of this benefit.

COVERED TRANSPLANTS

Solid organ transplants and bone marrow/stem cell reinfusion procedures must not be considered experimental or investigational for the treatment of your condition. (Refer to the Glossary of Terms for the definition of “Experimental/Investigational Services.”) Premera Blue Cross Blue Shield of Alaska reserves the right to base coverage on all of the following:

- Solid organ transplants and bone marrow/stem cell reinfusion procedures must be medically necessary and meet Blue Cross’ criteria for coverage. Premera Blue Cross Blue Shield of Alaska reviews the medical indications for transplant, documented effectiveness of the procedure to treat the condition, and failure of medical alternatives.
- The types of solid organ transplants and bone marrow/stem cell reinfusion procedures that currently meet Blue Cross’ criteria for coverage are:
 - heart
 - heart/double lung
 - single lung
 - double lung
 - liver
 - kidney
 - pancreas
 - pancreas with kidney
 - bone marrow (autologous and allogenic)
 - stem cell (autologous)

For the purposes of this program, the term “transplant” does not include: cornea transplantation, skin grafts, or the transplant of blood or blood derivatives (except for bone marrow or stem cells). Benefits for such services are provided under other benefits of this program.

- Your medical condition must meet our written standards. Please call Premera Blue Cross Customer Service at (800) 364-2982 for more information.
- The transplant or reinfusion must be furnished in an approved transplant center. (“Approved transplant center” is a hospital or other provider that has developed expertise in performing solid organ transplants, or bone marrow or stem cell reinfusion, and is approved by Blue Cross.) Premera Blue Cross Blue Shield of Alaska has agreements with approved transplant centers in Alaska and Washington, and has access to a special network of approved transplant centers around the country. Whenever medically possible, Blue Cross will direct you to an approved transplant center that has contracted for transplant services.
- Of course, if none of Premera Blue Cross Blue Shield of Alaska’s centers or the network centers can provide the type of transplant you need, benefits will be provided for your transplant furnished by another transplant center.

Please Note: Transplants are subject to the health care program’s pre-existing condition waiting period.

TRANSPLANT SERVICES AND SUPPLIES

This benefit covers the services and supplies listed below for all covered transplants:

- **Recipient Costs**—Hospital and professional services and supplies furnished by the transplant center during the

stay in which the transplant is performed. For bone marrow transplants, covered services include any chemotherapy and radiation therapy that is a part of the care that is covered by this benefit.

- **Donor Costs**—Covered services include the selection, removal (harvesting) and evaluation of the donor organ, bone marrow or stem cell; transportation of donor organ, bone marrow, and stem cells, including the surgical and harvesting teams; donor acquisition costs such as testing and typing expenses; and storage costs for bone marrow and stem cells for a period of up to 12 months.
- **Transportation and Lodging Expenses**—Reasonable and necessary expenses for travel, lodging and meals for the transplant recipient (while not confined) and one companion, except as stated below, are covered but limited as follows:
 - the transplant recipient must reside more than 50 miles from the approved transplant center;
 - the travel must be to and/or from the site of the transplant for purposes of an evaluation, the transplant procedure, or necessary post-discharge follow-up;
 - when the recipient is not a dependent minor child, transportation, covered lodging and meal expenses for the recipient and one companion will be reimbursed up to \$80 per day;
 - when the recipient is a dependent minor child, transportation, covered lodging and meal expenses for the recipient and two companions will be reimbursed up to \$125 per day.
 - Covered transportation, lodging and meal expenses incurred by the transplant recipient and companion(s) are limited to \$7,500 per transplant.

TRANSPLANT LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following:

- services and supplies that are payable by any government, foundation, or charitable grant, including services performed on potential or actual living donors and recipients, and on cadavers;
- donor costs for a solid organ transplant or bone marrow or stem cell reinfusion that is not covered under this benefit or for a recipient who is not an enrollee; however, complications and unforeseen effects from an enrollee’s organ or bone marrow donation will be covered under this program as any other illness;
- donor costs for which benefits are available under other group or individual coverage;
- nonhuman or mechanical organs, unless Blue Cross determines they are not experimental or investigational according to the criteria stated under “Glossary of Terms;”
- personal care items;
- anti-rejection drugs, except those administered by the transplant center during the inpatient or outpatient hospital stay in which the transplant is performed. Outpatient prescription drugs are covered under your Pharmacy Drug Benefit.

REHABILITATION THERAPY, CHRONIC PAIN CARE, AND NEURODEVELOPMENTAL THERAPY

Inpatient care is only covered when services cannot be done in a less intensive setting.

REHABILITATION THERAPY

Services must be medically necessary to restore and improve a bodily or cognitive function that was previously normal but was lost as a result of an accidental injury, illness, or surgery.

Inpatient Care

Services must be furnished in a specialized rehabilitative unit of a hospital and billed by the hospital or be furnished

and billed by another rehabilitation facility approved by Premera Blue Cross Blue Shield of Alaska. The care must also be part of a written plan of multidisciplinary treatment prescribed and periodically reviewed by a physician specializing in rehabilitation medicine.

Outpatient Care

The following services are covered when furnished and billed by a hospital, another rehabilitation facility approved by Premera Blue Cross Blue Shield of Alaska, a physician (M.D. or D.O.), or a physical, occupational, or speech therapist:

- physical, speech, and occupational therapy services, including cardiac rehabilitation; and
- neurological and psychological tests and evaluations required to prescribe an appropriate treatment plan. This includes any later reevaluations to make sure that the treatment is achieving the desired medical results. For these services, a psychologist, psychological associate, or licensed clinical social worker is covered in addition to the providers listed above.

Chronic Pain Care

The Inpatient and Outpatient Rehabilitation Therapy Benefits also cover services that are medically necessary to treat intractable or chronic pain.

Neurodevelopmental Therapy

Neurodevelopmental therapy must be medically necessary to restore and improve function, or to maintain function where, in the judgment of Blue Cross, significant physical deterioration would occur without the therapy.

- **Inpatient Care**—Services must be furnished and billed by a hospital or by another rehabilitation facility approved by Blue Cross.
- **Outpatient Care**—The following services are covered when furnished and billed by a hospital, another rehabilitation facility approved by Blue Cross, a physician (M.D. or D.O.), or with a physician’s referral, by a physical, occupational, or speech therapist:
 - physical, speech, and occupational therapy services; and
 - neurological and psychological tests and evaluations required to prescribe an appropriate treatment plan. This includes any later reevaluations to make sure that the treatment is achieving the desired medical results. For these services, a psychologist, psychological associate, or licensed clinical social worker is covered in addition to the providers listed above.

REHABILITATION THERAPY, CHRONIC PAIN CARE, AND NEURODEVELOPMENTAL THERAPY LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following situations:

- nonmedical self-help, such as “Outward Bound” or “Wilderness Survival;” recreational, vocational, or educational therapy; work hardening, exercise, or maintenance-level programs;
- social or cultural therapy;
- acupressure or services of a massage therapist, except as supervised and billed by a physician (M.D. or D.O.), physical therapist, or chiropractor;
- treatment which is not actively engaged in by the ill, injured, or impaired enrollee;
- gym or swim therapy; and
- custodial care, except habilitative services under the Neurodevelopmental Therapy Benefit.

HOME HEALTH CARE

To be covered, the home health care services must be part of a written plan of treatment prescribed, periodically reviewed, and approved by a physician (M.D. or D.O.), and it must begin within seven days after discharge from a hospital as an inpatient. In the plan of care, the physician must certify that confinement in a hospital or skilled nursing facility would be required without home health care services. Medically necessary home health care must be rendered and billed by a home health agency that is Medicare-certified as such or is licensed or certified as such by the state in which it operates.

Covered services include home care by one or more of the following agency employees up to a maximum of 130 intermittent visits per enrollee each plan year:

- a registered or licensed practical nurse;
- a licensed or registered physical therapist;
- a certified respiratory therapist;
- a speech therapist certified by the American Speech, Language, and Hearing Association;
- a licensed occupational therapist;
- a licensed clinical social worker;
- a master of social work; or
- a home health aide who is directly supervised by one of the above providers (performing services prescribed in the plan of care to achieve the desired medical results).

HOME HEALTH CARE LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following:

- social services;
- services of family members or volunteers;
- nonmedical services, such as spiritual, bereavement, legal, or financial counseling;
- normal living expenses, such as food, clothing, and household supplies;
- housekeeping services, except for those of a home health aide as prescribed by the plan of care;
- transportation services;
- charges in excess of the average wholesale price shown in the *Pharmacist's Red Book* for prescription drugs, insulin, and intravenous drugs and solutions;
- over-the-counter drugs, solutions, and nutritional supplements;
- drugs and solutions received while you are an inpatient;
- services provided to someone other than the ill or injured enrollee;
- services, supplies, or providers not in the written plan of care or not named as covered in this Benefit;
- custodial care;
- dietary assistance, such as “Meals on Wheels,” or nutritional guidance; or
- services provided during any period of time in which the enrollee is receiving hospice care benefits of this program.

HOSPICE CARE

To be covered, hospice care services must be furnished and billed by a hospice agency that is Medicare-certified as such or licensed or certified as such by the state in which it operates, and must be part of a written plan of care

prescribed and periodically reviewed by a physician (M.D. or D.O.). This physician must certify that the enrollee is terminally ill and that hospital or skilled nursing home confinement would be required in the absence of the hospice plan of care. The plan of care shall also describe the services and supplies for the palliative care and medically necessary treatment to be provided to the enrollee.

Benefits are available for the first six months from the initial date of hospice care covered under this program. However, at the end of the six-month period, applications may be made for an extension if hospice care benefits have not been exhausted.

This hospice benefit covers only the services and supplies listed below:

- Home care up to a maximum of \$4,000 for visits by each of the following for intermittent care:
 - registered or licensed practical nurse;
 - licensed physical therapist;
 - certified respiratory therapist;
 - American Speech, Language, and Hearing Association-certified speech therapist;
 - licensed occupational therapist;
 - licensed clinical social worker;
 - master of social work; or
 - home health aide who is directly supervised by one of the above providers (performing services prescribed in the plan of care to achieve the medically desired results).
- Up to 10 days of inpatient care in a hospice that is Medicare-certified as such or licensed or certified as such by the state in which it operates when ordered by the attending physician (M.D. or D.O.)
- Up to 120 hours of respite care for a homebound enrollee in each three-month period of hospice care; the three-month period begins on the initial date of hospice care covered under this program

HOSPICE CARE LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following:

- services provided to other than the terminally ill enrollee, including bereavement counseling;
- pastoral and spiritual counseling;
- services performed by family members or volunteer workers;
- homemaker or housekeeping services, except by home health aides as ordered in the hospice plan of care;
- supportive environmental materials including, but not limited to, handrails, ramps, air conditioners, and telephones;
- expenses for the normal necessities of living including, but not limited to, food, clothing, and household supplies;
- dietary assistance (e.g., Meals on Wheels) or nutritional guidance;
- separate charges for reports, records, or transportation;
- legal and financial counseling services;
- services and supplies not included in the hospice plan of care, or not specifically set forth as a covered expense;
- services and supplies in excess of the specified limitations; or
- services provided during any period of time in which the enrollee is receiving benefits under the home health care benefit of this program.

LICENSED AMBULANCE SERVICE

Benefits are provided for medically necessary transportation to the nearest medical facility equipped to treat your condition. Medically necessary services and supplies provided by the ambulance are also covered.

SPECIAL TRANSPORT

Please Note: The travel benefit is intended to allow you access to health care services when no local option exists.

Benefits for transportation will be provided to the nearest hospital equipped to furnish special care deemed medically necessary for treatment of injury or illness if the injury or disease is life-endangering, if surgery is required that cannot be performed locally, or if a condition exists that cannot be treated locally. Transportation may be by air, ambulance, railroad, or commercial airlines on a regularly scheduled flight. Travel in personal vehicles is not covered.

Air fare for three round trips per plan year by the patient will be allowed for any one condition. If the patient is a minor age 17 or younger, air fare will be paid for one accompanying parent or guardian for each trip.

The attending physician must certify the necessity of any charges for special transportation. Although prior approval by Premera Blue Cross Blue Shield of Alaska is not required before benefits can be provided, you or your physician are encouraged to contact Blue Cross to see if the proposed travel will meet the requirements of this benefit.

HOME MEDICAL AND RESPIRATORY EQUIPMENT/MEDICAL SUPPLIES

Durable medical equipment and medical supplies are eligible expenses as follows:

- **Home Medical and Respiratory Equipment**—Rental, not to exceed the purchase price, is covered when medically necessary and prescribed by a physician for therapeutic use in direct treatment of a covered illness or injury. Blue Cross may also provide benefits for the initial purchase of equipment, in lieu of rental. Examples of medical equipment are a wheelchair, a hospital-type bed, traction equipment, ventilators, diabetic equipment and light boxes.
 - In cases where there is an alternative type of equipment that is less costly and serves the same medical purpose, Blue Cross will provide benefits only up to the lesser amount.
 - Repair or replacement of home medical and respiratory equipment medically necessary due to normal use or growth of a child is covered.
- **Medical Supplies, Orthotics And Orthopedic Appliances**
 - Appliances such as braces, rib belts, crutches and diabetic supplies are covered.
 - Orthotics for the feet (shoe inserts), including impression casting, and related supplies, devices, and shoes are covered. Benefits are limited to a plan year maximum of \$350.

HOME MEDICAL AND RESPIRATORY EQUIPMENT/MEDICAL SUPPLIES LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following:

- special or extra-cost convenience features;
- items such as corrective shoes, exercise equipment or weights;
- orthopedic appliances prescribed primarily for use during participation in sports, recreation, or similar activities;
- whirlpools, whirlpool baths, portable whirlpool pumps, sauna baths, and massage devices;
- over-bed tables, elevators, vision aids and telephone alert systems; or
- structural modifications to your home or personal vehicle.

PROSTHETIC DEVICES

Devices to replace all or part of an absent body limb or to replace all or part of the function of a permanently inoperative or malfunctioning body organ are covered.

Benefits will only be provided for the initial purchase of a prosthetic device, unless the existing device cannot be repaired, or replacement is prescribed by a physician because of a change in your physical condition.

Benefits will be provided for the purchase of a wig or hairpiece to replace hair lost due to an accident or radiation therapy or chemotherapy for a covered condition. Benefits will be limited to one wig or hairpiece per plan year, up to a plan year maximum of \$350.

PROSTHETIC DEVICES LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following:

- electronic prostheses, penile prostheses, or devices directly related to an organ transplant; or
- prosthetics, intraocular lenses, appliances or devices requiring surgical implantation, These items are covered under the Surgical Services benefit. Items provided and billed by a hospital are covered under the Hospital Inpatient Care or Outpatient Care benefits.

BLOOD TRANSFUSIONS

The cost of blood and blood derivatives are covered when medically necessary.

PKU DIETARY FORMULA

A dietary formula that is medically necessary for the treatment of phenylketonuria (PKU) is covered. This benefit is not subject to the waiting period for pre-existing conditions.

OBSTETRIC CARE

Pregnancy, childbirth, and related conditions are covered the same as any other condition. Covered services include screening and diagnostic procedures during pregnancy, and related genetic counseling, when medically necessary for prenatal diagnosis of congenital disorders. Plan benefits are also provided for medically necessary services and supplies related to home births.

If the attending provider bills a single fee that includes prenatal, delivery or postpartum services received on multiple dates of service, this plan will cover those services as it would any other surgery.

Inpatient hospital services and related inpatient medical care following childbirth as determined to be necessary by the attending provider, in consultation with the mother, will be provided up to:

- 48 hours after a vaginal birth; or
- 96 hours after a cesarean birth.

If it is determined that the length of stay will exceed the above limitations, Blue Cross recommends that the hospital contact Care Management at (800) 722-4714 for discharge planning and potential case management.

Helpful information about pregnancy and proper prenatal care is available by calling BestBeginnings' resource line, (888) 773-6399. Please see "BestBeginnings" in the Care Management section of this handbook.

ROUTINE NEWBORN CARE

Benefits for routine hospital nursery charges and related inpatient well-baby care for a newborn dependent child are provided up to:

- 48 hours after a vaginal birth; or
- 96 hours after a cesarean birth.

Benefits are also provided for routine circumcision up to six months following birth.

Newborn children born to dependent daughters are not eligible for coverage.

If it is determined that the length of stay will exceed the above limitations, Blue Cross recommends that the hospital contact Care Management at (800) 722-4714 for discharge planning and potential case management.

Please Note: Benefits for care of an ill baby are provided under the child's coverage, subject to his or her own Comprehensive Medical Calendar Year Deductible and out-of-pocket requirements.

The University requests that you enroll your newborn as soon as possible from the date of birth. Enrollments after 60 days from date of birth will not be accepted until the next open enrollment period. Please contact your regional human resources office for assistance with enrolling your newborn.

NEWBORN HEARING EXAMS AND TESTING

This benefit provides for one screening hearing exam for newborns up to 30 days after birth. Benefits are also provided for diagnostic hearing tests, including administration and interpretation, for children up to age 24 months if the newborn hearing screening exam indicates a hearing impairment.

ACUPUNCTURE

Benefits are provided for acupuncture services when medically necessary to relieve pain, induce surgical anesthesia, or to treat a covered illness, injury or condition. Acupuncture benefits aren't subject to a calendar year benefit maximum.

CHIROPRACTORS' SERVICES

The services of a chiropractor (D.C.) operating within the scope of his or her license are covered on the same basis as for any covered physician providing medically necessary services.

Please Note: the Economy Plan option limits chiropractic benefits to a maximum of 26 visits per plan year.

DIABETES HEALTH EDUCATION

Covered services include outpatient self-management training and education for diabetes, including medical nutritional therapy, performed by a provider with training in the treatment of diabetes.

SKILLED NURSING CARE

Services of a Registered Nurse (R.N.) or a Licensed Practical Nurse (L.P.N.) are covered for the purpose of performing skilled nursing care. Covered services include the following:

- visiting nursing care of not more than two hours per day for the purpose of performing specific skilled nursing tasks; or
- private duty nursing care of greater than two hours per day, if Blue Cross determines that visiting nursing care is not adequate to treat your condition

SKILLED NURSING CARE LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following services:

- all or that part of any nursing care that does not require the skills of an R.N. or L.P.N.; or
- any nursing care, given while the enrollee is an inpatient in a health care facility, that could safely and adequately be furnished by the facility’s general nursing staff if it were fully staffed.

TEMPOROMANDIBULAR JOINT (TMJ) DISORDERS

Benefits for medical services and supplies for the treatment of temporomandibular joint (TMJ) disorders are provided on the same basis as any other medical condition. This benefit covers inpatient and outpatient facility and professional care, including professional visits. Covered services include the following:

- Inpatient and outpatient professional services, including surgery
- Outpatient surgical facility services
- Inpatient facility services

Medical services and supplies are those that meet all of the following requirements:

- reasonable and appropriate for the treatment of a disorder of the temporomandibular joint, under all the factual circumstances of the case;
- effective for the control or elimination of one or more of the following, caused by a disorder of the temporomandibular joint: pain, infection, disease, difficulty in speaking, or difficulty in chewing or swallowing food;
- not experimental or investigational, as determined according to the criteria stated under “Definitions,” or primarily for cosmetic purposes.

DELUXE AND STANDARD PLANS ONLY

The following benefits (Morbid Obesity and Orthognathic Surgery) are not available under the Economy Plan option.

MORBID OBESITY

Treatment of morbid obesity will be covered up to a lifetime benefit maximum of \$25,000. The enrollee must meet the criteria for morbid obesity of being 100 percent greater than what an insurance table allows for height, weight and sex or 100 lbs greater than what an insurance table allows for height, weight and sex. Services must be medically necessary and meet Blue Cross' medical criteria. Covered services include:

- support group fees (i.e. Weight Watchers, Jenny Craig, etc.);
- physician care; and
- surgery.

ORTHOGNATHIC SURGERY (JAW AUGMENTATION OR REDUCTION)

When medically necessary criteria are met, benefits for upper and/or lower jaw augmentation or reduction (orthognathic and/or maxillofacial) surgery is provided at a constant 80 percent of allowable charges, up to a lifetime benefit maximum of \$25,000.

PHARMACY PROGRAM

Your prescription drug plan is administered by CVS Caremark and is separate from your medical plan. Please use your CVS Caremark ID card when having a prescription filled. Your CVS Caremark member ID number for you and all enrolled family members is your University of Alaska Employee ID. You will receive an ID card for you and your spouse, if applicable. If additional cards are needed for your dependents, please call Customer Care for CVS Caremark toll-free at 1-800-596-2178.

The pharmacy benefit provides coverage for medically necessary prescription drugs and insulin when prescribed by a physician for your use outside of a medical facility and dispensed by a licensed pharmacist in participating mail order or retail pharmacies licensed by the state in which the pharmacy is located. For the purposes of this program, a prescription drug is any medical substance that, under federal law, must be labeled as follows: “Caution: Federal law prohibits dispensing without a prescription.” It does not include any drugs labeled, “Caution—limited by federal law to investigational use.”

This program also provides coverage for the following:

- Prenatal and Fluoridated Vitamins
- Oral Contraceptive Drugs
- Prescription Nicotine Dependency Drugs
- Inhalation spacer devices and peak flow meters
- Insulin needles/syringes and other disposable diabetic supplies

MAXIMUM MEDICATION SUPPLY

When you purchase prescriptions at a participating (network) pharmacy, you will receive a maximum 30-day supply, unless the drug maker’s packaging limits the supply in some other way. This 30-day supply limitation is typical of most prescription drug programs because it reduces waste and conforms with standard physician prescribing patterns. If you are taking a prescription for a long-term or chronic condition, you should consider using CVS Caremark Mail Service Pharmacy, the mail service pharmacy which allows you to purchase up to a 100-day supply.

SPECIAL FEATURES OF THE PHARMACY NETWORK PROGRAM

The University of Alaska has contracted with CVS Caremark to access their pharmacy network. These pharmacies have agreed to provide University of Alaska plan participants discounts equal to or greater than any available when purchasing the medication for cash. The pharmacy network program also includes some important quality and cost-saving features such as:

- drug utilization review;
- electronic submission of claims; and
- reduced prices on most prescription drugs.

DRUG UTILIZATION REVIEW

Your drug benefit includes a special computerized real-time monitoring service. When you have a prescription filled at a network pharmacy (including the CVS Caremark Mail Service Pharmacy mentioned later in this section), your

prescription will be analyzed for certain types of potential problems related to:

- interactions with other drugs you are taking;
- inappropriate drugs, based on your age;
- unusually high or low drug dosage; and
- drug duplication or excessive use.

This monitoring is based on information stored from previous prescriptions you have had dispensed from a network pharmacy. If any of these potential problems arise, a message is transmitted to your pharmacist before the drug is dispensed. The pharmacist may consult with you and may want to contact your physician to resolve any questions about the appropriateness of a particular drug.

To receive benefits for prescription drugs at a network pharmacy, just show your CVS Caremark ID card and pay your copayment for the prescription. The pharmacist will electronically file the balance of the claim with CVS Caremark. You don't have to file a claim form and you don't have to wait to be reimbursed. If you are covered by an additional program you may submit your receipt for the copayment for reimbursement from the secondary carrier. If your secondary carrier is also CVS Caremark, complete a CVS Caremark Prescription Claim Form and send it, along with your receipt for the primary coverage, to CVS Caremark. Forms are available through the university's benefits Web site at www.alaska.edu/hr/benefits.

GENERIC DRUGS

One of the most important ways that you can help keep program costs down over time is by utilizing generic drugs whenever possible. The generic version of a drug is made from the same chemical compound as its brand name counterpart. Generic drugs are manufactured according to the same standards as brand name drugs and have the FDA's approval for safety and effectiveness, yet generic drugs cost a fraction of the price of their brand name counterparts. The use of generic drugs offers a simple and safe alternative to help reduce your medication costs. You can ensure that you will receive the generic product when it is available by asking your doctor to write your prescription for the generic or by indicating generic substitution is allowed.

You do not have to use the generic in place of the name brand drug, but it is suggested that you ask whether a generic drug is available and appropriate for you when your physician prescribes medication. Using the most cost-effective medication saves money and helps ensure that you will continue to enjoy a high level of coverage.

Under this program (including the CVS Caremark Mail Service Pharmacy) generics will be used in all situations except in the following cases:

- there is no generic equivalent;
- the pharmacy is unable to provide the generic equivalent at the time the prescription is filled;
- the employee or dependent requests the name brand drug and agrees to pay the difference in the cost between the generic and name brand drug; or
- the prescription is for a brand name drug and it states that the prescription is to be dispensed as written.

APPROVED DRUG LIST

Your coverage for drugs is not restricted to drugs on a specific list. However, CVS Caremark has identified a list of approved or preferred drugs, called a "formulary," made up of all FDA-approved generic drugs and many brand name drugs. Newly FDA-approved medications will be subject to any non-formulary copayment pending a review by the Pharmacy and Therapeutics committee. A list of formulary drugs is in your pharmacy benefit booklet, sent to you with your ID cards. Periodic updates to the formulary may occur. For the most current formulary information

please call Customer Care for CVS Caremark toll-free at 1-800-596-2178, or visit www.Caremark.com/members. Drugs that are not on the approved list (called non-preferred brand-name drugs) are covered at the highest copay (please see the following table).

Please note: certain categories of drugs are excluded; see “Pharmacy Limitations” for more information on excluded drugs.

PRESCRIPTION DRUG COPAYMENT

Each enrollee must pay a copay for each separate new prescription or refill. A “copay” is a fixed up-front dollar amount that you’re required to pay for each prescription drug purchase. If purchased at a participating pharmacy, the amount you’ll pay will be as follows:

Per Prescription or Refill	Generic Drug Copayment	Brand Name Drug Copayment	Non-Preferred Brand Drug Copayment
Network Pharmacy (up to 30-day supply)	\$5 for generic drugs	\$20 for brand name	\$35 copay for non-preferred brand name
CVS Caremark Mail Service (up to 100-day supply)	\$10 for generic drugs	\$40 for brand name	\$70 copay for non-preferred brand name

When available and indicated by the prescriber, a generic drug will be dispensed in place of a brand name drug. In the event a generic equivalent is not manufactured, the brand name copayment will apply.

If you request a brand name drug when a generic equivalent is allowed by law and available, in addition to the brand name copayment or coinsurance amount, you will be required to pay the difference in price between the brand name drug and the generic equivalent.

REFILLS

Benefits for refills will be provided only when you have used three-fourths (75 percent) of the current supply. The 75 percent is calculated based on the number of units and days supply dispensed on the last refill.

OUT-OF-POCKET MAXIMUM

Pharmacy plan copays are limited to an individual out-of-pocket maximum of \$800 per person, per plan year. This is a separate out-of-pocket maximum from the medical plan maximum, and is not combined with any other plan limits.

PHARMACIES OUTSIDE ALASKA

Your identification card will also be honored at more than 62,000 participating independent and chain pharmacies located in the other 49 states, Puerto Rico, and the District of Columbia that have contracts with CVS Caremark. When you show your identification card, these pharmacies will send the claim information directly to CVS Caremark. You will only have to pay your plan’s applicable copayment at time of purchase.

If you do not show your identification card at a CVS Caremark network pharmacy or if you use a non-participating pharmacy, you will have to submit the claim as described below in the “Non-Participating Retail Pharmacy” section. You will be reimbursed up to the amount charged by a participating pharmacy, less the applicable copayment. The CVS Caremark Prescription Claim Form is available through the university’s benefits Web site at www.alaska.edu/hr/benefits. To confirm the status of a pharmacy, ask the pharmacist or call Customer Care for CVS Caremark toll-free at 1-800-596-2178.

NON-PARTICIPATING RETAIL PHARMACY

If you fill a prescription at a non-participating pharmacy, you will be reimbursed up to the amount allowed at a participating pharmacy, less your applicable copayment. You will be responsible for the full retail cost of the prescription at the time the pharmacist issues your medication; you will not receive the discounted price of a participating pharmacy. This benefit applies to all prescriptions filled by a non-participating pharmacy, including those filled via mail or other home delivery. To be reimbursed, you will need to submit a CVS Caremark Prescription Claim Form to CVS Caremark at the address on the form. Forms are available through the university’s benefits Web site at www.alaska.edu/hr/benefits.

COORDINATION OF BENEFITS FOR PRESCRIPTION DRUG CLAIMS

To file a claim for coordination of benefits for secondary coverage you will need to submit a CVS Caremark Prescription Claim Form to CVS Caremark at the address on the form. The form is available through the university’s benefits Web site at www.alaska.edu/hr/benefits. Be sure to include any receipts or explanations of benefits you received from the primary coverage.

CVS CAREMARK MAIL SERVICE PHARMACY

The CVS Caremark Mail Service Pharmacy allows employees and their dependents to fill maintenance prescriptions at less cost than through a retail pharmacy. If you take prescription medication on an ongoing basis and/or you have a prescription that will need a 30-day to a 100-day supply, you can order that prescription (and refills) by mail. Up to a 100-day supply of covered medications may be purchased through the mail service program, unless the drug maker’s packaging limits the supply in some other way, and the cost to you is the copayment shown in the Prescription Drug Copayment table per prescription or refill. When you receive your medication from the CVS Caremark Mail Service Pharmacy, you will only receive a bill for your copayment amount, and CVS Caremark will be billed directly for the balance.

ORDERING FROM CVS CAREMARK MAIL SERVICE PHARMACY

You will need to set up an account with CVS Caremark Mail Service Pharmacy by completing the confidential Mail Service Enrollment Form, found in your Prescription Benefit Services Booklet, and mail it in the postage-paid envelope provided. You will only need to complete this form for your first order. Obtain a new prescription written for a 100-day supply with refills as needed for a year. Make sure that you have at least a two to three week supply of each medication on hand before you submit your mail service claim.

Your prescription drug order will be processed and mailed to you via First Class Mail or UPS, along with instructions for future prescriptions and/or refills. Refills can be ordered over the phone or the internet. Please allow up to 21 days for delivery of your first order, and 14 days for refills.

For more information about the CVS Caremark Mail Service Pharmacy, call Customer Care at 1-800-596-2178.

CVS CAREMARK SPECIALTY PHARMACY

Patients with complex, chronic medical conditions need the necessary care management to monitor their condition. CVS Caremark Specialty Pharmacy is a program that provides that attention, working one-on-one with patients, managing their treatment. CVS Caremark Specialty Pharmacy provides a full complement of specialized drugs and services for patients with hepatitis C, cancer, hemophilia, RSV, Crohn's disease, multiple sclerosis, rheumatoid arthritis, growth deficiency, organ transplants, and HIV/AIDS. If you are taking medications for a complex, chronic medical condition, contact CVS Caremark Specialty Pharmacy toll-free at 1-800-619-7610, or visit the Member Services section of www.Caremark.com/members.

The first fill of a specialty medication may be obtained at a local retail pharmacy. Future refills are filled via mail service through the CVS Caremark Specialty Pharmacy and are subject to the applicable copay or coinsurance per 30-day fill.

PHARMACY LIMITATIONS

In addition to "General Limitations and Exclusions," this benefit will not be provided for the following:

- Prescription vitamins and food supplements, except for pre-natal and fluoridated vitamins
- Fertility drugs, regardless of their intended use
- Therapeutic devices or appliances (including, but not limited to, hypodermic needles, syringes, support garments, and other nonmedical substances), except for insulin needles/syringes and other disposable diabetic supplies
- Any prescription or refill that is in excess of the quantity specified, or that is dispensed after one year from the date the prescription was written
- Any claim or demand for injury or damage arising in connection with the manufacturing, compounding, dispensing, or use of any prescription drug
- Over-the-counter drugs (non-legend), other than insulin and ephedrine-containing products (e.g. emergency allergy treatment kits); drugs that by law do not require a physician's prescription; herbal, naturopathic, or homeopathic medicines or devices
- Drugs that are prescribed or dispensed for cosmetic use
- Drugs for experimental or investigational use

Prescription drugs covered under this benefit are not eligible for Comprehensive Medical Benefits.

This pharmacy program benefit is intended to provide coverage for prescription drugs and insulin when dispensed by a pharmacy. Although the following drugs, services, and supplies are not available under the pharmacy program, they may be available elsewhere in this plan:

- Immunization agents; biological sera, such as rabies serum
- Blood or blood plasma
- Human growth hormone drugs
- Any infusion therapy drugs or solutions
- Injectables or other prescriptions requiring parenteral administration or use (other than insulin)
- Services other than prescription drugs
- Administration or injection of any drug
- Drugs delivered or administered by the prescriber
- Take-home prescription drugs dispensed and billed by a medical facility

MENTAL HEALTH & CHEMICAL DEPENDENCY

MENTAL HEALTH CARE

For inpatient and outpatient mental health care of psychiatric conditions, including treatment of eating disorders (such as anorexia nervosa, bulimia, or any similar condition), benefits will be provided for a maximum of 25 days of inpatient care and 52 visits for outpatient care per enrollee each plan year at a constant 80% of allowable charges for services rendered by an Alaska Heritage provider, and a constant 60% of allowable charges for services rendered by a non-network provider. Please Note: the Deluxe Plan option provides benefits at the higher level of coverage regardless of the provider's network status.

As an alternative to inpatient care, your program covers "partial hospital days." Two partial days will count as one inpatient day.

"Outpatient therapeutic visit" (outpatient visit) means a clinical treatment session with a mental health provider of a duration consistent with relevant professional standards as defined in the **Physician's Current Procedural Terminology**, as published by the American Medical Association.

There is no out-of-pocket maximum applied to mental health services. Covered services must be furnished by a legally-operated hospital, a physician, a psychologist, a psychological associate, a master of social work, a licensed family and marital therapist or counselor, a licensed clinical social worker, or an Advanced Nurse Practitioner (A.N.P.). See the "Glossary of Terms" for further definition of a covered provider.

MENTAL HEALTH CARE LIMITATIONS

In addition to "General Limitations and Exclusions," this benefit will not be provided for what are, in the judgment of Blue Cross, the following cases:

- substance use disorders such as alcoholism or drug addiction (see below), sexual dysfunctions, dementia, and sleep disorders;
- services furnished in connection with obesity, even if the obesity is affected by psychological factors;
- neurological and psychological testing and evaluations related to rehabilitation therapy; or
- testing, evaluations, and other psychological services related to chronic pain care.

CHEMICAL DEPENDENCY TREATMENT

For inpatient and outpatient treatment of chemical dependency conditions, including detoxification, the plan will pay up to \$10,000 in allowable charges per enrollee per plan year according to the medical schedule of benefits. Covered services must be furnished by a state-approved treatment facility, hospital, physician (M.D. or D.O.), psychologist, psychological associate, licensed clinical social worker, licensed family and marital counselor, or a government-approved methadone clinic. See the "Glossary of Terms" for further definition of a covered provider.

Benefits for therapeutic and supporting services that are provided to enrolled family members to assist in the chemically dependent enrollee's diagnosis and treatment are applied to the benefit maximums of the chemically dependent enrollee.

CHEMICAL DEPENDENCY TREATMENT LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following situations:

- treatment of nondependent alcohol or drug use or abuse;
- voluntary support groups, such as Alanon or Alcoholics Anonymous; or
- court-ordered services or services related to deferred prosecution, deferred or suspended sentencing, or to driving rights, except as deemed medically necessary by Blue Cross.

In determining whether services for chemical dependency treatment are medically necessary, Premera Blue Cross Blue Shield of Alaska will use the current edition of the **Patient Placement Criteria for the Treatment of Substance-Related Disorders**, as published by the American Society of Addiction Medicine.

DENTAL CARE BENEFITS

INTRODUCTION

Benefits are available under the dental care section of the benefit program for services and supplies furnished in connection with the diagnosis and treatment of a covered dental condition if such services and supplies meet all of these requirements:

- They must not be excluded from coverage under this program.
- They must be furnished by a dentist, except that they may also be provided by a dental hygienist or other individual performing within the scope of his or her license as allowed by law. These services must also be rendered under the supervision and guidance of the dentist.
- They must be dentally necessary. A service is dentally necessary if, in the judgment of Blue Cross, it meets all of the following requirements:
 - Essential to, consistent with, and provided for the diagnosis or the direct care and treatment of a disease, accidental injury, or condition harmful or threatening to the enrollee's dental health
 - Consistent with standards of good dental practice within the organized dental community
 - Not primarily for the convenience of the enrollee or the enrollee's dentist

Please Note: The fact that the covered services were furnished, prescribed, or approved by a dentist does not in itself mean that the services were dentally necessary.

The deductibles and out-of-pocket maximums from the comprehensive medical benefit section of your benefit plan do not apply to the dental care benefit.

You are responsible for furnishing to Blue Cross all diagnostic evaluative material, such as study models, dental X-rays, and charts that Blue Cross may require to determine available benefits. Benefits will only be provided for dental services that can be verified as covered services based on the diagnostic material Blue Cross has been furnished. Blue Cross will not provide benefits for those dental services which it is unable to verify as covered services when any necessary materials are not furnished upon request.

ESTIMATE OF BENEFITS

Your dentist may submit an estimate of benefits request to Blue Cross for any proposed dental service or series of dental services for which the total charge will exceed \$500. It is also important that any cast or porcelain restorations, prosthetic appliances, or periodontal surgeries be sent for an estimate of dental benefits. Within 72 hours after Blue Cross receives the fully documented request, Blue Cross will determine whether the service meets the standard for coverage under this program. Estimates are valid for six months.

Blue Cross strongly recommends that you request an estimate of dental benefits so that benefit questions are answered before your course of treatment begins. If your dentist makes a major change in the treatment plan, he or she should submit a revised plan.

Blue Cross' estimate is conditioned on the provisions of this program and your eligibility for coverage at the time the service is rendered. If Blue Cross finds the proposed treatment to be dentally necessary, they will not reverse that decision unless the information on which their decision was based is later found to be materially incomplete or inaccurate. The decision to deny, reduce, or end benefits for an otherwise covered service because the service is not dentally necessary will be made by a Blue Cross employee or consultant who is a licensed dental care provider.

ALTERNATIVE BENEFITS

To determine benefits available under this program, Blue Cross considers alternative procedures or services carrying different fees and are, in the judgment of Blue Cross, consistent with acceptable standards of dental practice. In all cases where there is an alternative course of treatment that is less costly, Blue Cross will only provide benefits for the treatment carrying the lesser fee. If you and your dentist decide upon a more costly treatment, then you are responsible for the additional charges beyond those for the less costly alternative treatment.

PLAN YEAR DEDUCTIBLE (STANDARD AND ECONOMY PLANS ONLY)

Covered dental services are classified as Type A, Type B, or Type C. Type A covered services (Preventive) are not subject to any deductible. However a deductible does apply to Type B and Type C covered services. A deductible is the amount of expense you must incur for Type B and Type C covered services and supplies in each plan year before benefits are payable under this program for those services and supplies. For each enrollee, this deductible amount is either \$25 (for the Standard Plan option), or \$50 (for the Economy Plan option). The amount credited toward the deductible will not exceed the allowable charge for the covered service or supply, and will not apply to any other deductible under the health care program. The Deluxe Plan option does not have a deductible.

COVERED DENTAL EXPENSES

Dental benefits are provided for each enrollee according to the plan option in effect at the time services are rendered, up to the dental benefit plan year maximum of \$2,000.

<u>Type Of Covered Service</u>	<u>Deluxe Plan</u>	<u>Standard Plan</u>	<u>Economy Plan</u>
Deductibles:			
Type A - Preventive Care Expenses	\$0	\$0	\$0
Type B - Other Basic Expenses	\$0	\$25	\$50
Type C - Major Dental Expenses	\$0	\$25 (combined with Basic Expenses)	\$50 (combined with Basic Expenses)
Coinsurance (the percent of allowable charge you are responsible for):			
Type A - Preventive Care Expenses	0%	0%	20%
Type B - Other Basic Expenses	20%	20%	20%
Type C - Major Dental Expenses	50%	50%	50%

The dental benefits of this program are based on allowable charges for dentally necessary covered services. The percentage of an allowable charge that you are responsible for is called coinsurance. Please refer to the "Glossary of Terms" section for a detailed explanation of Allowable Charge.

The dental benefits available under this section will be provided prior to any dental benefits which may be available under other provisions of this program.

TYPE A—PREVENTIVE CARE EXPENSES (NOT SUBJECT TO DENTAL DEDUCTIBLE)

- Oral examinations (two per year), which includes prophylaxis (cleaning, scaling, and polishing of teeth)
- Dental X-rays for diagnosis; also other x-rays not to exceed the following:
 - one full mouth series in a 36-month period; and
 - one set of bitewings (twice a year).
- Topical application of fluoride, for enrollees age 15 or younger
- Emergency palliative treatment
- Space maintainers
- Sealants, for enrollees age 15 or younger

TYPE B—BASIC EXPENSES

- Permanent fillings, consisting of silver amalgam, silicate, and composite resins; when dentally necessary, resin fillings will be allowed only for the front teeth; for other types of fillings, such as gold foils, the allowance will be limited to what would have been otherwise allowed for amalgam fillings
- Temporary fillings
- Extractions, including surgery to remove one of the following:
 - teeth partly or completely impacted in the bone of the jaw;
 - teeth that will not erupt through the gum;
 - other teeth that cannot be removed without cutting into bone;
 - the roots of a tooth without removing the entire tooth
- Oral surgery for diagnosis and treatment of cysts and abscesses
- General anesthetics given in connection with covered dental services
- Periodontal examinations, and treatment of diseased periodontal structures
- Endodontic treatment, including root canal therapy
- Injection of antibiotic drugs
- Repair and recementing of crowns, inlays, bridgework, and dentures
- Treatments of impactions and gingivectomies
- Relining and/or rebasing of dentures
- Tissue conditioning
- Occlusal analysis, adjustments, and guards
- Dental implants (prior approval is required)

TYPE C—MAJOR DENTAL EXPENSES

- Inlays, onlays, gold fillings, and crowns when, in the judgment of Blue Cross, amalgam or composite resin fillings would not adequately restore the teeth; this circumstance includes precision attachments for dentures
- Initial installation of dentures (including adjustments during the first six-month period following installation) and fixed bridgework (including inlays and crowns to form abutments)
- Replacement inlays, onlays, crowns, dentures, and fixed bridgework, but only when one of the following is true:
 - the present inlay, onlay, crown, denture or bridgework cannot be made serviceable, and was seated at least five years prior to replacement;

- the replacement or addition of teeth is required to replace one or more additional teeth extracted after initial placement;
- reparation of the natural tooth structure (or natural tooth structure under the existing fixed bridgework) is required as a result of an accidental injury to that structure; or
- the present denture is an immediate, temporary one and cannot be made permanent; replacement by a permanent denture is needed; and it takes place within 12 months from the date the immediate temporary one was first installed.
- Labial veneers
- Temporary prosthetics

DENTAL LIMITATIONS

In addition to “General Limitations and Exclusions,” this benefit will not be provided for the following:

- Any services or supplies received when this benefit is not in effect or when you are not covered under this benefit (including bridges, dentures, crowns, or root canals fitted, prepared, started, or ordered before your effective date), except for prosthetic devices, crowns, or root canals that fulfill the following requirements:
 - were fitted, prepared, started, or ordered prior to the date your coverage under this benefit ended; and
 - were completed or seated, and delivered to you within 30 days after the date your coverage under this benefit ended.
- Services and supplies to increase or alter the vertical dimension
- Services and supplies provided by more than one dentist for the same dental procedure
- Services and supplies not customary and accepted by the dental profession in the states of Alaska or Washington
- Services and supplies for orthodontia under the Standard or Economy Plan options, except as provided for accidental injury, including casts, models, X-rays, photographs, examinations, appliances, braces, and retainers; however, this exclusion does not apply to extractions incidental to orthodontic services
- Services and supplies to treat congenital malformations, except when the patient is a dependent child
- Services and supplies for cosmetic or aesthetic purposes
- Myofunctional therapy, which means muscle training therapy or training to correct or control harmful habits
- Dietary planning for the control of dental caries, oral hygiene instruction, and training in preventive dental care
- Charges for broken appointments
- Extra dentures or other appliances, including replacements due to loss or theft
- Other than standard techniques used in the making of restorations or prosthetic appliances, such as personalized restorations or precision attachments
- Any drugs and medicines, including vitamins and food supplements, except as specified in this benefit; however, benefits may be available for fluoridated vitamins under other benefits of this program
- Dental services received from one of the following:
 - Dental or medical department maintained for employees by or on behalf of an employer
 - Mutual benefit association, labor union, trustee, or similar person or group
- Facility charges for dental procedures
- Any services or supplies connected with the diagnosis or treatment of temporomandibular joint (TMJ) disorders fractures and dislocations; however benefits may be available under Comprehensive Medical.

ORTHODONTIA (AVAILABLE ON DELUXE PLAN ONLY)

Benefits are available for the services and supplies described in this section subject to the following requirements:

- An existing orthodontic condition must be diagnosed as consisting of a handicapping malocclusion which is abnormal and which can be reduced or eliminated by correcting abnormally positioned teeth; and
- An expense for an orthodontic service or supply is incurred on the date the service is received or the supply is ordered.
- Any plan year deductibles, coinsurance and benefit maximums of other benefits under this plan don't apply to this benefit.

Covered services and supplies include

- diagnostic services and supplies, including examinations, x-rays, models, and photographs;
- active treatment, including initial and subsequent necessary appliances; and
- retention treatment, including necessary appliances.

Premiera Blue Cross Blue Shield of Alaska reserves the right to review your dental records, including x-rays, models and photographs, to determine if the requested services and supplies are within the limits of this benefit.

Benefits are provided at a constant 50 percent up to a lifetime maximum of \$1,500 per enrollee, or until the enrollee's total treatment plan, including retention treatment, is paid, whichever occurs first.

ORTHODONTIA LIMITATIONS

In addition to "Dental Limitations" and "General Limitations and Exclusions," this benefit will not be provided for the following:

- Any replacement or repair to any appliance
- Charges beyond the month of termination of orthodontic services if such services are terminated for any reason before completion
- Further orthodontic services and supplies, after completion of the initial treatment plan, unless this benefit's lifetime maximum hasn't been reached
- Services rendered by a dental care provider beyond the scope of his or her license or certification
- Orthognathic surgery (jaw augmentation or reduction), although benefits may be available under the medical plan
- Services provided by more than one dental care provider for the same dental procedure
- Expenses incurred for orthodontic services or supplies when this benefit isn't in effect or when you're not covered by this benefit

In all cases where there are alternative techniques of treatment which are, in Blue Cross' judgment, consistent with acceptable standards of dental practice, but which carry different charges, benefits will be provided only for the technique carrying the lesser charge.

The orthodontia benefits available under this section will be provided prior to any orthodontia benefits that may be available under other provisions of this plan.

VISION CARE BENEFITS

INTRODUCTION

Vision coverage is provided through VSP. VSP has an extensive nationwide network of doctors who agree to provide vision care and materials to participants at discounted rates. Finding a VSP network doctor is easy—visit www.vsp.com and click on “Find a Doctor” or call (800) 877-7195.

Once you are enrolled in the VSP plan, your personalized benefit information is available on www.vsp.com. Simply register at the site by entering your employee ID where indicated, and follow the steps to access your account. Your employee ID will be your VSP identification number; you will not receive a separate ID card. You can also check details such as your eligibility, date of your last eye exam and which VSP network doctor you used. All UA Choice plan options have the same vision benefit.

COVERED VISION SERVICES

There is no plan year deductible or coinsurance for vision benefits. Benefits for you or any of your covered dependents are payable according to the following schedule:

Type Of Service	Benefit
Complete Vision Examination Once every 12 months	VSP doctor: Paid in full after \$10 copay Non-VSP doctor: Up to a \$45 reimbursement after the \$10 copay
Lenses and Frames—Every 24 months VSP Provider	Lenses covered in full after \$25 copay, frame of your choice up to \$120, plus 20% off any out-of-pocket costs
Non-VSP Provider	Reimbursement after \$25 copay as follows: Single vision lenses Up to \$45 Lined bifocal lenses Up to \$65 Lined trifocal lenses Up to \$85 Frames Up to \$47
OR Contact Lenses—Every 24 months VSP Provider	Contact Lens Care program gives you a \$120 allowance with no copay every 24 months for the cost of your contacts and the contact lens exam. Soft contact lens wearers may qualify for a special program that includes evaluation and initial supply of replacement lenses. Ask your doctor, or visit vsp.com .
Non-VSP Provider	Reimbursement up to \$105

EXTRA DISCOUNTS AND SAVINGS

When you go to a VSP network doctor, you will receive the following discounts:

- 30% savings on lens extras (such as scratch resistant and anti-reflective coatings and progressives)
- 20% discount when you purchase additional prescription glasses, including prescription sunglasses, from any VSP network doctor within 12 months of your last eye exam

- 15% discount off the cost of your contact lens fitting and evaluation exam from a VSP network doctor;
- Discounts on laser vision correction through a VSP network doctor.

Benefits renew every twelve months for covered vision examinations, and every two years for eyeglasses (lenses and frames) or contacts. Benefits will be provided for either eyeglasses or contact lenses during the same benefit period, not both.

USING NON-VSP PROVIDERS

You may obtain eyecare services from non-VSP providers. Reimbursement for services is according to the reimbursement benefits stated above. However, VSP cannot guarantee satisfaction or extend the additional discount towards materials or any options that you may choose.

When you obtain services and/or materials from a non-VSP provider, please follow these steps:

- Pay the non-VSP provider the full amount of the bill and request an itemized copy of the bill. The bill needs to show the charges for the eye exam and materials, including lens type.
- Log in to the VSP web site and click the link for “Out-of-Network Reimbursement” and follow the instructions to complete and then print the online form.
- Send a copy of the itemized bill along with the completed Out-of-Network Reimbursement Form to:

VSP
PO Box 997105
Sacramento, CA 95899-7105

Please note that claims for reimbursement must be filed within six months of the date of service. You will be reimbursed according to the reimbursement schedule.

COORDINATION OF BENEFITS

If you have coverage as an employee and as a dependent, please let the VSP member doctor know at the time services are rendered, and provide the other coverage ID number. The doctor’s office will file the claims on your behalf.

If you choose to use a non-VSP provider, you will need to pay the full amount of the bill at the time of service, and submit your itemized copy of the bill as described above, being sure to reference both the primary and secondary ID numbers.

VISION LIMITATIONS

In addition to “General Limitations and Exclusions,” the following limitations will apply to this benefit:

- vision therapy, eye exercise, or any sort of training to correct muscular imbalance of the eye (orthoptics), or pleoptics;
- plano lenses;
- expenses associated with securing materials such as lenses and frames;
- medical or surgical treatment of the eyes; or
- replacement of lenses and frames furnished under this program (under a covered allowance), except at the normal intervals when services are available. Discounts on additional materials are provided on an unlimited basis for twelve months following an eye exam.

AUDIO CARE BENEFITS

INTRODUCTION

Benefits are available for the services and supplies described in this section that are furnished in connection with hearing loss.

The deductibles and out-of-pocket maximums of the comprehensive medical benefits in this program do not apply to this benefit.

In order to receive your audio care benefit, you must be examined by one of the following:

- a physician certified as an otolaryngologist or otologist; or
- an audiologist performing the examination at the written direction of a legally qualified otolaryngologist or otologist; the audiologist must either be legally qualified in audiology, or hold a Certificate of Clinical Competence in Audiology from the American Speech and Hearing Association in the absence of any applicable licensing requirements.

A “covered hearing aid” is an electronic hearing aid installed in accordance with a prescription written during a covered hearing examination as stated above.

COVERED SERVICES AND SUPPLIES

Benefits will be provided according to the medical schedule of benefits up to a maximum benefit of \$400 in a period of three consecutive plan years for the following:

- one audiometric (hearing) examination; and
- one hearing aid per ear
- hearing aid rental while the primary unit is being repaired

AUDIO LIMITATIONS

In addition to “General Limitations and Exclusions,” the hearing benefits of this program will not be provided for the following:

- any ear or hearing examination to determine the presence of disease or injury, for medical or surgical treatment or for drugs or medicines;
- batteries or other ancillary equipment other than that obtained upon purchase of the hearing aid;
- repairs, servicing, and alteration of hearing aid equipment purchased under this plan;
- expenses incurred after your coverage ends under this program unless a hearing aid was ordered prior to that date and was delivered within 30 days after the day coverage ended;
- services and supplies that were received prior to the enrollee’s effective date; and
- hearing aids furnished or ordered as a result of a hearing examination that occurred prior to the enrollee’s effective date.
- Hearing aid charges in excess of this benefit are not eligible for comprehensive major medical benefits.

HOW TO SUBMIT A CLAIM

AUTOMATIC CLAIMS SUBMISSION

Generally if you use a Blue Cross network provider, the provider will submit your claim directly to Blue Cross. On receipt of the claim from a network provider, Blue Cross will pay the provider directly—even if you pay the provider in-full up front for their service. The contracts between network providers and Blue Cross require all payments be sent directly to the provider.

If you are outside of Alaska and Washington and have received medical services from a hospital or other health care provider, your provider of care must bill the local Blue Cross and/or Blue Shield Licensee directly.

Blue Cross is available to answer questions regarding health insurance benefits and their payment. They can be reached by letter at:

Premera Blue Cross Blue Shield of Alaska
PO Box 327
Seattle, WA 98111-0327

Or you may phone toll free:

(800) 364-2982

Unresolved questions should be taken to your regional human resource office or to the Statewide Office of Human Resources.

MANUAL CLAIMS FILING

If you choose to go to a non-network provider, or to a provider outside of Alaska and Washington for dental or vision services, you have the option to mark the claim form for direct payment to the provider or yourself. If you do not indicate on the claim form that you want the payment sent to you, Blue Cross will pay benefits to the hospital, doctor, dentist, or any other covered provider who served you.

Step 1

Complete a claim form. A separate claim form is necessary for each patient and each provider. Claim forms are available from Blue Cross, your regional human resources office, or on the University of Alaska benefits web page at <http://www.alaska.edu/hr/benefits/>.

Step 2

Attach the itemized bill. The itemized bill must contain all of the following information:

- Names of the employee and the enrollee who incurred the expense
- Identification numbers for both the enrollee and the University of Alaska (these are shown on the enrollee's identification card)
- Name, address, and IRS tax identification number of the provider
- Information about other insurance coverage
- Date of onset of the illness or injury

- Diagnosis or ICD-9 code
- Procedure codes (CPT-4, HCPCS, ADA, or UB-92) or descriptive English nomenclature for each service
- Dates of service and itemized charges for each service rendered
- If the services rendered are for treatment of an accidental injury, the date, time, location, and a brief description of the accident

Step 3

If you are also covered by Medicare, and Medicare is primary, you must attach a copy of the “Explanation of Medicare Benefits.”

Step 4

Check that all required information is complete. Bills received will not be considered claims until all necessary information is included.

Step 5

Sign the claim form in the space provided.

Step 6

Mail your claims to the following address:

Premera Blue Cross Blue Shield of Alaska
P.O. Box 240609
Anchorage, Alaska 99524-0609

SUBMISSION OF PHARMACY DRUG CLAIMS

To make a claim for covered pharmacy drugs, please refer to the “Pharmacy Drug Benefit” section of this handbook.

CLAIMS FILING TIMELINES

You should submit all claims within 90 days of the start of service or within 30 days after the service is completed. Blue Cross must receive claims within the following time limits:

- Within 365 days of discharge for hospital or other medical facility expenses, or within 365 days of the date on which expenses were incurred for any other services or supplies
- For enrollees who have Medicare, claims must be filed within the above-mentioned 365-day time frame or within 90 days of the process date shown on the Explanation of Medicare Benefits, whichever is greater

Blue Cross will not provide benefits for claims they receive after the later of these two dates, nor will Blue Cross provide benefits for claims which were denied by Medicare because they were received past Medicare’s submission deadline.

CLAIMS PROCEDURE

Blue Cross will make every effort to process claims as quickly as possible. Claims for benefits will be processed

under the following time frames;

- If the claim includes all of the information needed to process the claim, Blue Cross will process it within 30 calendar days of receipt.
- If more information is needed to process the claim, Blue Cross will tell you or the provider who submitted the claim that they need more information. They will make that request within 30 calendar days of receipt. You or your provider will have 45 days from the notice to provide the additional information. If the additional information is not received, Blue Cross will continue to notify you every 45 calendar days from the initial notice, until a decision is made about your claim.
- Once Blue Cross receives the additional information for your claim, they will process your claim within 15 days of the date they receive the information.

When your claim is processed, Blue Cross will send a written notice explaining how the claim was processed (an “Explanation of Benefits,” or “EOB”). If the claim is denied in whole or in part, they will send a written notice that states the reason for the denial, and information on how to request an appeal of that decision.

DENIED CLAIMS

Blue Cross may deny benefits after you have filed a claim. The University of Alaska has also granted Blue Cross the discretionary authority to determine eligibility for benefits and to construe the terms used in this program. Once Blue Cross has made a decision, they will send you an “Explanation of Benefits” (EOB) showing benefits provided under this program. If your claim was denied, in whole or in part, the EOB will include the reasons for the denial and a reference to the provisions of this program on which it is based, as well as a description of additional information Blue Cross may need and why it is needed.

YOUR QUESTIONS, COMPLAINTS AND APPEALS

WHEN YOU HAVE QUESTIONS

Call your provider of care when you have questions about the health care services you receive. If you need more information about this program or have a question about your claim, you may contact Blue Cross Customer Service at the following numbers:

- **University of Alaska dedicated number:** 1-800-364-2982
- **Alaska Number:** 1-800-345-6784
- **Hearing-impaired TTY:** 1-800-842-5357 (Only calls from the hearing-impaired will be accepted on this line.)

Please give Blue Cross the Group and employee numbers shown on your identification card when you call or write. Blue Cross needs this information to identify the type of coverage you have. If you are asking about a specific claim that Blue Cross has processed, please also include or have available the EOB you received from them for that claim.

If you need an interpreter to help with your question, please tell Blue Cross when you call, and they will provide one for the call.

WHEN YOU HAVE A COMPLAINT

A complaint is an expression of dissatisfaction with an action or policy of Blue Cross, a claim for benefits, or with a provider of care or service. The complaint process lets Customer Service quickly and informally correct errors, clarify decisions or benefits, or take steps to improve Blue Cross’ service. Blue Cross recommends, but does not require, that you take advantage of this process when you have a concern about a benefit or coverage decision. If

Customer Service finds that you need to submit your complaint as a formal appeal, they will tell you.

When you have a complaint, call or write Blue Cross' Customer Service Department. If your complaint is about the quality of care you receive, it will be given to the Clinical Quality Management staff for review. If the complaint is of a non-medical nature relating to a provider, it will be given to the Provider Network staff for review. Blue Cross may request more information if needed. When they receive all needed information, they will review your complaint and respond as soon as possible, but in no case more than 30 days.

WHEN YOU HAVE AN APPEAL

An appeal is an oral or written request to reconsider

- a decision on a complaint, or
- a decision to deny, modify, reduce, or end payment, coverage, or authorization of coverage.

This includes admissions to, and continued stays in, a facility. Your appeal must be received within 180 calendar days of the date you received notice of the decision, If you are appealing a complaint decision, your appeal must be received within 180 calendar days of the date that decision was given to you.

Although an appeal made by phone to the Customer Service Department will be accepted, it's a better idea to put appeals in writing. Please send all written appeals to the address below. You will be notified when your appeal is received. You have the right to send Blue Cross written comments, documents, or other information to support your appeal.

Mail all appeals to:

Premera Blue Cross Blue Shield of Alaska

Attn: Appeals Coordinator
PO Box 91102
Seattle, WA 98111-9202

APPEALS PROCESS

The plan's standard appeals process has two levels of review, as explained below.

Level I: The Level I appeal panel will decide most appeals within 30 calendar days. This panel will include health care providers as needed. Persons involved in the initial decision will not be on the panel. The review time can be extended up to 15 more calendar days if more information is needed. You'll be notified if a delay occurs.

If you don't agree with the decision reached in the Level I review, you may ask Premera Blue Cross to perform a Level II review of your appeal. You may also send more information to support your appeal. You must make your request for a Level II review no more than 60 calendar days after the date you receive the Level I decision.

Level II: Your appeal will be reviewed by a panel that includes health care providers and is different from the Level I panel. You and/or your authorized representative may meet with the panel. The panel will give you a decision within 45 calendar days of the date your Level II request is received.

Note: Unless your appeal is deemed urgent, your written notice of the level I and Level II decisions will be mailed to you within five days after the review is complete.

If you do not agree with this final administrative decision you have thirty (30) days from the date of receipt of notification to file an appeal to superior court in accordance with Alaska Rule of Appellate Procedure 602(a)(2).

Please call Customer Service if you have questions or need more information about Blue Cross' complaint or appeal process. The numbers are shown in "When You Have Questions" above.

COORDINATION OF BENEFITS

INTRODUCTION

You may also be covered under one or more other health care plans, such as one sponsored by your spouse's employer. Your health care plan includes a "coordination of benefits" feature to handle such situations. Blue Cross will coordinate the benefits of the University's plan with those of your other plans to make certain that, in each plan year, the total payments from all plans are not more than the total allowable expenses. All of the benefits of this plan are subject to coordination of benefits.

If you do have other coverage besides this plan, Blue Cross recommends that you send your claims to the employee's primary plan first. In that way, the proper coordinated benefits may be most quickly determined and paid.

If you are covered as an employee and also as a dependent of a covered employee, you will receive benefits both as an employee and as a dependent. Benefits you receive are subject to this Coordination of Benefits provision.

TERMS YOU SHOULD KNOW

To understand coordination of benefits, it is important to know the meanings of the following terms:

- **Allowable Medical Expense**—the usual, customary and reasonable charge for any medically necessary health care service or supply when the service or supply provided by a licensed medical professional is covered at least in part under any of the plans involved. 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 provided shall be considered an allowable expense.
- **Allowable Dental Expense**—the usual, customary and reasonable charge for any dentally necessary service or supply provided by a licensed dental professional when the service or supply is covered at least in part under this plan. 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 provided shall be considered an allowable expense.
- **Claim Determination Period**—a plan year (July 1 through June 30)
- **Medical Plan**—all of the following, even if they don't have their own coordination provisions:
 - Group, individual or blanket disability insurance policies
 - Group agreements with health care service contractors and health maintenance organizations that are issued by insurers, health care service contractors, and health maintenance organizations
 - Labor-management trusteed plans, labor organization plans, employer organization plans, or employee benefit organization plans
 - Government programs that provide benefits for their own civilian employees or their dependents
 - Group coverage required or provided by any law including Medicare; this does not include workers' compensation
 - Group student coverage that is sponsored by a school or other educational institution, and includes medical benefits for illness or disease
- **Dental Plan**—all of the following
 - Group, individual or blanket disability insurance policies
 - Group agreements with health care service contractors and health maintenance organizations that are issued by insurers, health care service contractors, and health maintenance organizations
 - Labor-management trusteed plans, labor organization plans, employer organization plans, or employee

benefit organization plans

- Government programs that provide benefits for their own civilian employees or their dependents

Each contract or other arrangement for coverage described above is a separate plan. Also, if an arrangement has two or more parts and the coordination of benefits provision applies only to one of the two, each of the two parts is a separate plan.

ORDER OF CLAIM FILING

An important part of coordinating benefits is determining the order in which the plans provide benefits. One plan is responsible for providing benefits first. This is called the “primary” plan. The primary plan provides its full benefits as if there were no other plans involved. The other plans then become “secondary.” This means they reduce their payment amounts so that the total benefits from all plans are not more than the allowable expenses. Coordination of benefits always considers amounts that **would** be payable under the other plan, whether or not a claim has actually been filed.

Here is the order in which the plans should provide benefits:

First: A plan that does not provide for coordination of benefits.

Next: A plan that covers you as other than a dependent, i.e. as an employee.

Next: A plan that covers you as a dependent. For dependent children, the following rules apply:

- When the parents **are not** separated or divorced—The plan of the parent whose birthday falls earlier in the year will be primary, if that is in accord with the coordination of benefits provisions of both plans. Otherwise, the rule set forth in the plan which does not have this provision shall determine the order of benefits.
- When the parents **are** separated or divorced—If a court decree makes one parent responsible for paying the child’s health care costs, that parent’s plan will be primary. Otherwise, the plan of the parent with custody will be primary, followed by the plan of the spouse of the parent with custody, followed by the plan of the parent who does not have custody.

If the rules above do not apply, the plan that has covered you for the longest time will be primary, except benefits of a plan that covers you as a laid-off or retired employee, or as the dependent of such an employee, shall be determined after the benefits of any plan that covers you as other than a laid-off or retired employee, or as the dependent of such an employee. This applies, however, only when other plans involved have this provision regarding laid-off or retired employees.

EFFECT OF MEDICARE

If you are also covered under Medicare, federal law may require this program to be primary over Medicare. When this program is not primary, Blue Cross will coordinate benefits with Medicare as stated in Coordination of Benefits.

RIGHT OF RECOVERY/FACILITY OF PAYMENT

Premera Blue Cross Blue Shield of Alaska has the right to recover, on behalf of the Group, any payments made by the plan that are greater than those required by the coordination of benefits provisions from one or more of the following: the persons the plan paid or for whom it has paid, providers of service, insurance companies, service plans, or other organizations. If a payment that should have been made under this program was made by another program, Premera Blue Cross Blue Shield of Alaska also has the right to direct the plan’s payment directly to another program of any amount that should have been paid by the plan. The payment will be considered a benefit under this program and will meet the plan’s obligations to the extent of that payment.

THIRD PARTY LIABILITY (SUBROGATION)

The plan has the right to be reimbursed for the amount of benefits it has provided because of a condition or injury for which you are not legally liable. As explained below, reimbursement may be sought by you or by Blue Cross, on behalf of the plan, from the party who is legally liable or from that party's insurance carrier.

If you receive payment from a third party, including payments from insurance held by you or by the third party, the plan will have the right to be paid back out of that payment. This right allows the plan to pursue any claim that you have against any third party or insurer, whether or not you choose to pursue that claim. The plan's rights and priority are limited to the extent the plan has made or will make benefit payments for the injury or illness, but do extend to any costs that result from the enforcement of its rights.

The plan is "subrogated" to your rights against any third party who is responsible for the condition, meaning that the plan has the right to sue any such third party in your name and has a security interest in, and lien upon, any recovery to the extent explained above.

If you bring an action or claim against another person, you must also seek recovery of the benefits the plan paid under this program. Blue Cross may, however, assert the right of the plan to recover benefits directly from the other person, or from you. If Blue Cross does so, you do not need to take any action on its behalf. You must, however, do nothing to impair the plan's right of recovery. Should Blue Cross assert the plan's right of recovery directly, it has the right to join as a party in the action or claim you brought.

In recovering benefits provided, Blue Cross may, at the Group's election, either hire its own attorneys or be represented by your attorney. If the Group chooses for the plan to be represented by your attorney, the plan will pay, on a contingent basis, a reasonable portion of the attorney's fees that are necessary for asserting the plan's rights of recovery in the case. This portion will usually not be more than 20 percent of the amount it seeks to recover on behalf of the plan. The plan will not pay for any legal costs incurred by you as the enrollee, or for costs incurred on your behalf.

Before accepting any settlement on your claim against a third party, you must notify Premera Blue Cross in writing of any terms or conditions offered, and you must notify the third party of the plan's interest in the settlement established by this provision. If you obtain a settlement or recovery, you are obligated to reimburse Blue Cross for the full amount of benefits paid on your behalf.

Any person who is obligated to pay for the services or supplies for which benefits have been paid must pay to Premera Blue Cross on behalf of the plan the amounts to which the plan is entitled.

AGREEMENT TO ARBITRATE

Any disputes between you and the Group and/or Premera Blue Cross on the Group's behalf that arise in carrying out this provision will be resolved by arbitration. You and Blue Cross and the University of Alaska will be bound by the decisions of the arbitration proceedings.

Disputes will be resolved by a single arbitrator in accordance with the current rules of the American Arbitration Association. Either party may demand arbitration by serving notice of this demand on the other party. Each party will bear its own costs and share equally in the fees of the arbitrator. Arbitration proceedings pursuant to this provision shall take place in a mutually agreed upon location.

This agreement to arbitrate will begin on the date the plan goes into effect. It will continue until any dispute about Premera Blue Cross' efforts to recover payment have been resolved.

TERMINATION OF BENEFITS

TERMINATION OF COVERAGE

Except as specified under “Extended Benefits,” coverage will end without notice on the last day of the month for which required contributions have been paid and in which one of these events occurs:

- For the employee and dependents, when the next required monthly charge for coverage is not paid when due or within the grace period, or the employee dies or is no longer eligible as an employee
- For a spouse, when his or her marriage to the employee is annulled, or he or she becomes legally separated or divorced from the employee
- For a child, when he or she is no longer eligible as a dependent

Please Note: The employee must notify the University within 30 days of the date of the enrollee’s loss of eligibility when an enrolled family member is no longer eligible to be enrolled as a dependent under this program. Failure to notify the University within 30 days may result in loss of eligibility for continuation of coverage. The University will give Blue Cross notice of an enrollee’s cancellation.

CERTIFICATE OF GROUP HEALTH COVERAGE

When your coverage through the University of Alaska’s health plan terminates, the University of Alaska will provide you with a “Certificate of Group Health Coverage.” The certificate will provide information regarding your coverage under the University of Alaska’s health plan. When you provide a copy of the certificate to your new health plan, you may receive credit toward any waiting period for pre-existing conditions. You will need a certificate each time you leave a health plan and enroll in a plan that has a waiting period for pre-existing conditions. Therefore, it is important for you to keep the certificate in a safe place.

If you have not received a certificate, or have misplaced it, you have the right to request one from the University of Alaska within 24 months of the date coverage terminated.

When you receive your Certificate of Group Health Coverage, make sure the information is correct. Contact the Statewide Office of Human Resources if any of the information listed is not accurate.

PLAN TERMINATION

No rights are vested under this plan. The Group is not required. Termination of the Group Contract for this program completely ends all enrollees’ coverage and all University of Alaska and Premera Blue Cross Blue Shield of Alaska’s obligations, except as provided under “Extended Benefits.”

COVERAGE CONTINUATION (COBRA)

Under the following conditions, you and/or your dependents may continue to participate in the health plans after you, or they, would normally become ineligible for coverage. You may continue coverage for yourself and your dependents for up to 18 months after one of the following qualifying events:

- You retire
- You are terminated (for reasons other than gross misconduct)
- Your employment status is changed to a position that does not include benefits

Your spouse and/or dependent children may continue coverage for up to 36 months after one of the following qualifying events:

- Your death (the University of Alaska will pay their first twelve months of coverage and will count this time concurrent with COBRA)
- You are divorced or legally separated
- Your dependent children cease to qualify for coverage because of age

Under the COBRA regulations, you (the employee) or a family member has the responsibility to notify the University of Alaska upon a divorce, legal separation, or a child's loss of dependent status. To notify the University of Alaska of a qualifying event for spouse or dependent child, you must submit a dependent enrollment/drop form to your regional human resources office. You or a family member must provide this notice no later than 60 days after the date of divorce, legal separation or a child losing dependent status.

If you or a family member fails to provide this notice to the University of Alaska during this 60-day notice period, any family member who loses coverage *will not be offered the option to elect COBRA continuation coverage*. Furthermore, if you or a family member fails to notify the University of Alaska, and any claim are mistakenly paid for expenses incurred after the date of the divorce, legal separation or a child losing dependent status, then you and your qualifying family members will be required to reimburse the Plan for any claims so paid.

Individuals will no longer be eligible for this continued coverage if one of the following occurs:

- You or your dependents fail to pay the required premium for a participating individual on a timely basis
- You or your dependents become covered under another group health plan with no pre-existing condition clause after the date you elect COBRA coverage
- You or your dependents become entitled to Medicare benefits after the date you elect COBRA coverage
- An eligible spouse remarries and becomes covered by a group health plan
- You or your dependents are no longer subject to the pre-existing condition clause of another group health plan
- The University ceases to provide a group health plan

The continuation coverage provides the same benefits as the University's Health Care Plan. No medical examination is required for continuation; however, the election must be made within 60 days of either the date coverage was to end due to the qualifying event or the date you are notified of your continuation rights, whichever is later.

Should you wish to continue plan coverage, you and/or your dependents are required to pay the cost of the insurance premiums. Contact your regional human resources office for continuation coverage information and current rates.

LEAVE OF ABSENCE

Coverage for an employee and enrolled dependents may be continued for up to 18 months when the University of Alaska grants the employee a leave of absence and the required premiums continue to be paid.

The leave of absence period counts toward the maximum COBRA continuation period, except as prohibited by state and federal family leave laws. Contact your regional human resources office for information on leaves of absence.

MEDICARE SUPPLEMENT COVERAGE

If you are eligible for and enrolled in Parts A and B of Medicare, you **may** be eligible for guarantee-issued coverage under certain Medicare supplement plans. You must apply within 63 days of losing coverage under this plan. For more information, contact Premera Blue Cross Blue Shield of Alaska customer service at (800) 364-2982.

EXTENDED BENEFITS

Under the following circumstances, certain benefits of this program may be extended after your coverage ends.

EXTENDED INPATIENT BENEFITS

The inpatient benefits of this program will continue to be available after coverage ends if:

- your coverage had been in effect for more than 31 days;
- your coverage did not end because of fraud or an intentional misrepresentation of material fact under the terms of the coverage by you or the Group;
- you were admitted to a medical facility prior to the date coverage ended; and
- you remained continuously confined in a medical facility because of the same medical condition for which you were admitted.

Such continued inpatient coverage will end when the first of the following occurs:

- You are covered under a health plan or contract that provides benefits for your confinement or could provide benefits for your confinement if coverage under this program did not exist.
- You are discharged from that facility or from any other facility to which you were transferred.
- Inpatient care is no longer medically necessary.
- The maximum benefit for inpatient care in the medical facility has been provided. If the plan year ends before a plan year maximum has been reached, the balance is still available for the covered inpatient care you receive in the next year. Once it is used up, however, a plan year maximum benefit will not be renewed.
- This program's lifetime maximum has been provided.

CONTINUED ELIGIBILITY FOR A DISABLED ENROLLEE

If on the date an employee's coverage terminates, he or she is disabled by injury or illness (including pregnancy) and is unable to work at his or her own occupation as determined by an approved application for LTD benefits, the benefits of the Standard Plan option will be paid for the employee and enrolled dependents for up to 12 months just as if the employee's coverage were still in effect. The Standard Plan option is the default university-paid option; Deluxe Plan benefits may be purchased on a self-pay basis.

However, these benefits will be available only if expenses are for covered services and supplies that have been rendered and/or received prior to the end of the 12-month period.

Such benefits will be paid for charges incurred until the earliest of the following:

- one year from the date the enrollee's coverage terminates for comprehensive medical benefits
- the date on which the enrollee becomes covered under another group program
- the date the enrollee is no longer disabled
- the date the enrollee's maximum benefit is paid

This continued eligibility runs concurrent with the first 12 months of your COBRA eligibility.

SURVIVING DEPENDENTS

In the event of your death, your surviving enrolled dependents will continue to receive the benefits of the Standard Plan option for up to 12 months, at no cost to the surviving dependents. The Standard Plan option is the default university-paid option; Deluxe Plan benefits may be purchased on a self-pay basis.

However, these benefits will be available only if expenses are for covered services and supplies that have been rendered and/or received prior to the end of the 12-month period.

Such benefits will be paid for charges incurred until the earlier of the following:

- The 12-month period ends
- A dependent becomes covered under another group medical program
- Dependent coverage ceases under this program
- For the spouse, when he or she remarries
- For a child, when he or she is no longer eligible as a dependent

This continued eligibility runs concurrent with the first 12 months of their COBRA eligibility. If coverage is being continued for your dependents, your child born after your death will also be covered.

GOVERNMENTAL EXCLUSIONS

Excluded from coverage under this plan are benefits for services available under any plan or program established by any government or in which any government participates other than as an employer. Services or benefits available include all benefits to which the covered person would be entitled whether or not he or she is enrolled for all governmental plan coverage for which he or she is eligible. This provision is subject to any governmental requirement that insurance benefits be used before governmental plan benefits are available.

Additional discussion of Medicare coverage is included in the section on Coordination of Benefits.

GENERAL LIMITATIONS AND EXCLUSIONS

This section of your handbook outlines circumstances in which benefits of this program are limited or in which no benefits are provided. Benefits can also be affected by Blue Cross' Care Management provisions and your eligibility. In addition, some benefits have their own specific limitations.

WHAT YOUR PROGRAM DOES NOT COVER

In addition to the specific limitations stated elsewhere in this program, benefits will not be provided for the following:

- Services and supplies directly related to any condition, service, or supply that is not covered under this program
- Services and supplies received or ordered when this program is not in effect, or when you are not covered under this program, except as stated under specific benefits and under "Extended Benefits"
- Services and supplies for which no charge is made, for which none would have been made if this program were not in effect, or for which you do not legally have to pay, unless benefits must be provided by law in the case of federally qualified health center services
- Services and supplies that are outside the scope of the provider's license, registration, or certification, or that are furnished by a provider that is not licensed, registered, or certified by the jurisdiction in which the services or supplies were received
- Services and supplies that you furnish to yourself or that are furnished to you by a provider who lives in your home or is related to you by blood, marriage, or adoption; examples of such providers are your spouse, parent, or child
- Services and supplies that are not medically necessary, in the judgment of Blue Cross, even if they are court-ordered; this also includes places of service, such as inpatient hospital care
- Services and supplies that are for your convenience or that of your family; services of a personal nature, such as meals for guests, long-distance telephone charges, radio or television charges, or barber or beautician charges
- Any direct complications, consequences, or aftereffects, whether immediate or delayed, that arise from any condition, service, or supply that is not covered under this program, except as specifically stated in this program
- Amounts that exceed the allowable charge or maximum benefit for a covered service
- Separate charges for records, correspondence or reports, except those requested for utilization review
- Custodial care, except as specified in the Hospice Benefit
- Any service or supply that Blue Cross determines is experimental or investigational on the date it is furnished; the determination is based on the criteria stated in the definition of "Experimental/Investigational"

If Blue Cross determines that a service is experimental or investigational, and therefore not covered, you may appeal the decision. Please refer to "Your Questions, Complaints and Appeals" for an explanation of the appeals process.

Note: this exclusion does not apply to certain experimental or investigational services provided as part of oncology clinical trials. Benefit determination is based on the criteria specified in the definition of "Oncology Clinical Trials" in the Glossary of Terms section.

- Care rendered by any medical facility that is owned or operated by a government agency to the extent required by state and federal law; however, this exclusion does not apply to covered services to treat a medical emergency, or to covered services for which available benefits must be provided by law or regulation.
- Counseling, education, or training services, except as stated under the Diabetes Health Education Benefit, services related to contraceptive management and the support services stated in the Chemical Dependency Treatment Benefit; this includes vocational assistance and outreach; nicotine dependency programs; and family, marital, social, sexual, lifestyle, nutritional, and fitness counseling

- Habilitative, education, or training services or supplies for dyslexia, for attention deficit disorders, and for disorders or delays in the development of a child’s language, cognitive, motor, or social skills, including evaluations therefor; however, this exclusion does not apply to treatment of neurodevelopmental disabilities under the Rehabilitation Therapy, Chronic Pain Care, And Neurodevelopmental Therapy Benefit
- Therapy designed to provide a changed or controlled environment
- Cosmetic services and supplies (including reconstructive surgery and drugs) or other services and supplies which improve, alter or enhance appearance, **except that benefits will be provided for the following:**
 - All stages of the repair of a defect that is the result of an accidental injury if the surgery is performed in the calendar year of the accident or in the next calendar year
 - All stages of the repair of a dependent child’s congenital anomaly
 - Reconstructive breast surgery in connection with a mastectomy as provided under the Mastectomy and Breast Reconstruction Services benefit
 - All stages of the repair of a malformation that is a direct result of a disease, or surgery performed to treat a disease or injury
 - Correction of functional disorders upon Blue Cross’ review and approval
- Hair prosthesis, such as wigs or air weaves, transplants, and implants, except as stated in the Prosthetic Devices benefit; drugs, supplies, equipment or procedures to replace hair, slow hair loss, or stimulate hair growth
- Treatment of obesity and services and supplies connected with weight loss or weight control, except as specified under Morbid Obesity
- Routine or palliative foot care, including hygienic care; impression casting for prosthetics or appliances and prescriptions therefor, except as specified under the “Home Medical and Respiratory Equipment/Medical Supplies” benefit; fallen arches, flat feet, care of corns, bunions (except for bone surgery), calluses, and toenails (except for ingrown toenail surgery), and other symptomatic foot problems; this includes foot-support supplies, devices, and shoes
- Diagnosis and treatment of sexual disorders and defects, whether or not they are the consequence of illness or injury; examples are impotence, frigidity, and infertility
- Assisted fertilization techniques, regardless of reason or origin of condition, including but not limited to artificial insemination, in-vitro fertilization, and gamete intra-fallopian transplant (GIFT)
- Reversal of surgical sterilization
- Treatment or surgery to change gender
- Military and war-related conditions, including illegal acts. This includes:
 - Acts of war, declared or undeclared, including acts of armed invasion
 - Service in the armed forces of any country, including the Air Force, Army, Coast Guard, Marines, National Guard, Navy, or civilian forces or units auxiliary thereto
 - an enrollee’s commission of an act of riot or insurrection
 - an enrollee’s commission of a felony or act of terrorism
- Treatment of caffeine dependence
- Treatment of nicotine dependence, except as specified in the Pharmacy Drug Benefit
- Any illness or injury arising out of or in the course of employment or self-employment for wages or profit; for which the enrollee is entitled to receive benefits, whether or not a proper and timely claim for such benefits has been made under
 - Occupational coverage required of, or voluntarily obtained by, the employer
 - State or federal workers’ compensation acts, or
 - any legislative act providing compensation for work-related illness or injury
- Services or supplies to the extent that benefits are payable under the terms of any contract or insurance offering one of these coverages:
 - Motor vehicle medical, motor vehicle no-fault, or personal injury protection (PIP) coverage

- Commercial premises or homeowner’s medical premises coverage, or other similar type of contract or insurance
- Services and supplies that are not directly related to an illness, accidental injury, or distinct physical symptoms, except as specified under the Routine Newborn Care Benefit, the Wellness Provisions Benefit, Physicians’ Services Benefit, Diagnostic Services Benefit, or the Diagnostic and Screening Mammography Benefit
- Well-baby care, except for the services provided under the Routine Newborn Care Benefit and the Wellness Provisions Benefit
- Vision therapy, eye exercise, or any sort of training to correct muscular imbalance of the eye (orthoptics), and pleoptics; also not covered are treatment to change the refractive character of the cornea; examples are radial keratotomy, keratomileusis, or refractive keratoplasty, including any results of such treatment; routine vision services and supplies, including services of an optician, are not covered except as specified in the Vision Benefit
- Routine hearing care, including hearing examinations, diagnostic screenings, and tests; services and supplies for or related to hearing aids or other devices to improve hearing sharpness except as specified in the Audio Care Benefit
- Birth control devices, except as stated under the Contraceptive Management and Sterilization and the Pharmacy Drug Benefit
- Over-the-counter drugs, food supplements, and supplies, except as specified under the Pharmacy Drug Benefit
- Vitamins, except for pre-natal and fluoridated vitamins
- Dental services, except as specified under the Dental Care Benefit, and except those performed in conjunction with treatment that is the direct result of an accidental injury to natural teeth, gums, or jaw, but only when all of the following requirements are met:
 - the services are within the scope of the provider’s license;
 - the injury is not caused by biting or chewing, even if due to a foreign object in food;
 - the services are performed in the plan year of the accident or in the next plan year;
 - for services provided to a natural tooth, the tooth must be the enrollee’s natural, living tooth that was free from decay and otherwise functionally sound at the time of the injury. “Functionally sound” means that the affected teeth:
 - do not have extensive restoration, veneers, crowns or splints; and
 - do not have periodontal disease or other condition that, in the judgment of Blue Cross, would cause the tooth to be in a weakened state prior to the injury.
 - the services are, in the judgment of Blue Cross, essential and appropriate to the repair of the accidental injury (treatment plan review will be performed by a dentist licensed to practice dentistry in the State of Alaska); and
 - the maximum benefits under the Dental Benefit for the accidental injury have been provided.
- Orthodontia, including casts, models, X-rays, photographs, examinations, appliances, braces, and retainers, except in the case of accidental injury as described above, and as stated under the Orthodontia Benefit of the Deluxe Plan option
- Hospital care for dental procedures, unless adequate treatment cannot be provided without the use of hospital facilities, **and** you have a medical condition besides the one requiring treatment that makes hospital care medically necessary
- Treatment of psychiatric conditions and eating disorders, such as anorexia nervosa, bulimia, or any similar conditions, except as specified under the Mental Health Care Benefit
- Electronic, on-line or internet medical consultations or evaluations.

GENERAL PROVISIONS

ENROLLEE COOPERATION

All enrollees are duty-bound to cooperate in a timely and appropriate manner with the University and Premera Blue Cross Blue Shield of Alaska in the administration of benefits or in the event of a lawsuit.

NOTICE OF OTHER COVERAGE

As a condition of receiving benefits under the University's health care program, you must notify Blue Cross of the following:

- Any legal action or claim against another party for a condition or injury for which Blue Cross paid benefits; and the name and address of that party's insurance carrier
- The name and address of any insurance carrier that provides personal injury protection (PIP), underinsured motorist, uninsured motorist, or any other insurance under which you are or may be entitled to recover compensation
- The name of any other group insurance plan(s) under which you are covered

EVIDENCE OF MEDICAL NECESSITY

Premera Blue Cross Blue Shield of Alaska has the right to require proof of medical necessity from you or your provider when you are receiving benefits under this program. No benefits will be available under this program if the proof is not provided or not acceptable to the plan.

NOTICE OF INFORMATION USE AND DISCLOSURE

Premera Blue Cross Blue Shield of Alaska may collect, use, or disclose certain information about you. This protected personal information (PPI) may include health information, or personal data such as your address, telephone number or Social Security Number. Blue Cross may receive this information from, or release it to, health care providers, insurance companies, or other sources. This information is collected, used or disclosed for conducting routine business operations such as:

- underwriting and determining your eligibility for benefits and paying claims;
- coordinating benefits with other health care plans;
- conducting care management, case management or quality reviews; and
- fulfilling other legal obligations that are specified under the plan and the administrative services contract with the University of Alaska.

This information may also be collected, used, or disclosed as required or permitted by law.

To safeguard your privacy, Blue Cross takes care to ensure that your information remains confidential by having a company confidentiality policy and by requiring all employees to sign it. If a disclosure of PPI is not related to a routine business function, Blue Cross removes anything that could be used to easily identify you or they obtain your prior written authorization. You have the right to request inspection and/or amendment of records retained by Blue Cross that contain your PPI. Please contact Blue Cross Customer Service and ask that a request form be mailed to you.

RIGHT TO AND PAYMENT OF BENEFITS

All rights to the benefits of this program are available only to members.

However, Blue Cross, on behalf of the plan, will honor subscribers' requests to assign benefit payments to the provider who furnished the care when such requests do not conflict with Blue Cross' obligations under their provider agreements. Blue Cross will also honor such assignments on behalf of the plan when they are made by a third party to whom the right to make such assignments has been clearly designated in a valid qualified domestic relations order. To find out how to make assignments, please call Customer Service at the numbers shown in "Your Questions, Complaints and Appeals" section of this Handbook. Blue Cross will not honor any other attempted assignment, garnishment, attachment or transfer of any right of this program.

At Blue Cross' option and in accordance with this provision, Blue Cross has the right to direct the plan's benefits to the subscriber, provider, other carrier, member, or other party legally entitled to such payment under federal or state medical child support laws, or jointly to any of these. Such payment will discharge the plan's obligation to the extent of the amount paid so that the plan will not be liable to anyone aggrieved by their choice of payee.

RIGHT OF RECOVERY

On behalf of the plan, Premera Blue Cross has the right to recover amounts the plan has overpaid in error. Such amounts may be recovered from the employee/subscriber or any other payee, including a provider. Or, such amounts may be deducted from future benefits of the subscriber or any of his or her dependents (even if the original payment was not made on that member's behalf) when the future benefits would otherwise have been paid directly to the subscriber or to a provider that does not have a contract with Blue Cross. The plan may also exercise the right to delegate all or part of the responsibility for recoveries to another third party.

VENUE

All suits or legal proceedings, including arbitration proceedings, brought against the University of Alaska and/or Blue Cross Blue Shield of Alaska by you or anyone claiming any right under this program must be filed:

- within 3 years of the date Blue Cross denied, in writing, the rights or benefits claimed under this program; and
- in a mutually agreed upon location.

WORKERS' COMPENSATION INSURANCE

This contract does not replace, affect, or supplement any state or federal requirement for the University of Alaska to provide workers' compensation insurance, employer's liability insurance or other similar insurance.

INTENTIONALLY FALSE OR MISLEADING STATEMENTS

If this program's benefits are paid in error due to any intentionally false or misleading statements, the plan will be entitled to recover these amounts on behalf of the University of Alaska. See "Right Of Recovery" above.

Intentionally false or misleading statements on any group form required by Blue Cross or the University of Alaska may cause the enrollee's coverage to be canceled retroactively to the contract effective date.

LIMITATIONS OF LIABILITY

The plan, the University of Alaska and Blue Cross are not liable for any of the following:

- Situations such as epidemics, disasters, or other causes or conditions beyond their control, that prevent enrollees from obtaining the benefits of this contract
- The quality of services or supplies received by enrollees, or the regulation of the amounts charged by any provider, because all those who provide care do so as independent contractors
- Harm that comes to an enrollee while in a provider's care
- Amounts in excess of the actual cost of services and supplies
- Amounts in excess of this program's maximums; this includes recovery under any claim of breach
- General damages including, without limitation, alleged pain, suffering, or mental anguish

FLEXIBLE SPENDING ACCOUNTS

INTRODUCTION

The high costs of healthcare and dependent care aren't going away. How can you get the care you need and keep more money in your pocket? Open a Flexible Spending Account (FSA). These IRS-approved accounts allow you to set aside a portion of your taxable income prior to paying taxes. Then, as you incur eligible expenses, you request tax-free withdrawals from your account to reimburse yourself. There are two kinds of FSAs: a Medical FSA and a Dependent Care FSA. These flexible spending accounts are administered by Fringe Benefits Management Company.

BENEFITS

Beginning on your effective date in the Plan, you may choose to reduce your salary to pay for the following tax-free benefits:

- **Medical FSA**— Allows you to pay for your medical, dental and vision out-of-pocket expenses before taxes. Employees can contribute a maximum of \$5,000 per Plan Year.
- **Dependent Care FSA**— Allows you to pay for employment-related daycare expenses before taxes. You may contribute a maximum of \$5,000 per Plan Year (\$2,500, if married, filing separately).

PLAN YEAR

The Plan Year for both the Medical FSA and the Dependent Care FSA runs from July 1 through June 30. All claims must be submitted by September 30 following the end of the plan year.

ELIGIBILITY

If you are a regular or term-funded employee and eligible to participate in the University's health care plan, you are eligible to participate in the FSA Plan. Current employees have the opportunity to elect a flexible spending account either during open enrollment or within 30 days after a major life event.

ENROLLMENT

To become a participant, you must fill out and sign the appropriate form. If you are a new employee, this form should be completed and signed **prior** to receiving your first paycheck, but no later than 30 days after you become eligible.

If you will be an eligible employee on July 1, your effective date will be July 1. If you become an eligible employee after July 1, your effective date will be the date you become eligible to participate. If you elect an FSA because of an eligible major life event, your effective date will be the date of your life event. Your payroll reductions will start on the first payday on or after your effective date.

You **must** complete and sign a new election form during the open enrollment period for each new Plan Year.

If you do not complete the appropriate form as indicated above, you will not be eligible to participate in the plan until the following July 1, unless you have a major life event.

MAJOR LIFE EVENT

Once you have enrolled in the Plan, you cannot revoke, discontinue, or change your election for the duration of the Plan Year unless you have a qualified change in family status, or major life event. If you have a major life event, you are allowed to change your election providing the change is appropriate and consistent with your life event.

Some examples of major life events are as follows:

- Marriage or divorce of the employee
- Birth or adoption of a child
- Termination or commencement of your spouse's employment
- Death of a spouse or child
- Reduction or increase in hours of your or your spouse's employment

Contact your regional human resources office immediately if you experience a major life event and would like to change your election. You must notify your regional human resources office within 30 days of your major life event. The effective date of the change will be the date the major life event occurred.

If you elect to reduce the contribution to your Medical FSA due to a major life event, your annual contribution amount will be recalculated and reduced based on your new election regardless of the amount of reimbursements made to you. If you elect to increase the contribution to your Medical FSA due to a major life event, your annual contribution amount will be recalculated and increased based on your new election regardless of the amount of reimbursements made to you.

TERMINATION OF BENEFITS

You will remain a participant in the FSA Plan until the earliest of the following dates:

- The date you are no longer an eligible employee (through termination or transfer to an ineligible position)
- The date you stop participating in the Plan because of a major life event
- The date the Plan Year ends (June 30)
- The date the Plan ends

USE IT OR LOSE IT RULE

The IRS has established strict guidelines for flexible spending accounts. One of the guidelines is known as the “use it or lose it” rule. This means that if you elect to contribute money to a Flexible Spending Account, and then do not incur enough expenses during the Plan Year to meet the amount you elected, you will lose the unused money. If you leave the University during the Plan Year, you may continue to submit claims and be reimbursed during the remainder of the Plan Year; however, the dates of service you are submitting **must** have been prior to your termination. By law, any forfeited amount will revert back to the University to cover administrative costs associated with the FSA Plan.

Be conservative when determining the amount you want to put into your Medical and/or Dependent Care FSA.

MEDICAL FLEXIBLE SPENDING ACCOUNT

If you know you will have out-of-pocket health care expenses during the Plan Year, you may elect to set up a Medical FSA to pay for those expenses with tax-free dollars. After you determine the amount you want to contribute, the University will deduct a set dollar amount each pay period, on a pre-tax basis, until you have reached your annual goal amount. The money will be placed in your Medical FSA, with the total annual goal amount available to you at any time during your period of coverage. It's like a cash advance because you don't have to wait for the cash to accumulate in your account before you can use it.

As your health care claims are processed by Blue Cross, your out-of-pocket expenses will be eligible for reimbursement from your Medical FSA. If you have expenses that are not submitted to Blue Cross because they are not eligible under your health plan, or you have secondary health care insurance, you may submit a copy of the provider's billing or a copy of the Explanation of Benefits (EOB) from Blue Cross (and any other insurance you may have) with a completed FSA Reimbursement Request Form for reimbursement. Please see "How To Submit a Reimbursement Claim" for detailed instructions.

Please note: premiums for continued coverage under COBRA are not an eligible expense for your Medical FSA.

ELIGIBLE EXPENSES

Health care expenses that are eligible for reimbursement, per IRS regulations, are expenses incurred by you, or your spouse or dependent(s), for medically necessary services as defined in Section 213 of the IRS Code. Your dependents do not have to be enrolled in the health care plan to be eligible for this plan, but they do need to be dependents as defined by IRS Code. *Taxable financially interdependent partners are not eligible for this plan.* Expenses are treated as having been incurred when the medical care was given, not the date you were billed or charged, or the date you paid for the services. In addition, the expense must not be eligible for reimbursement from any other health plan.

Recent IRS rulings have expanded the use of the Medical FSA to include certain over-the-counter (OTC) medical supplies, antacids, pain relief, cold and allergy medications. A current list of eligible OTC items and medications is available at www.fbmc-benefits.com. As soon as an item is added to the list, it will be reimbursable retroactively to the start of the then-current plan year. All claims for OTC expenses must include a detailed receipt showing the purchase date and name of the item.

Some examples of eligible expenses are:

- Your out-of-pocket expenses
- Routine physicals
- Deductibles (medical and dental)
- Hearing aids
- Orthodontics
- Dentures
- Charges over the usual and customary amount
- Acupuncture
- Alcohol and substance abuse treatment charges not covered under your health plan
- Naturopathy
- Biofeedback
- Psychiatric care not covered by your health plan
- Eye examination charges not covered by your vision plan
- Home health care

- Contact lenses and glasses
- Experimental or investigative treatments
- Certain over-the-counter medications and supplies
- Contact lens cleaning and saline solutions

Some expenses that are **not** eligible for reimbursement from your Medical Flexible Spending Account include:

- Services for purely cosmetic purposes
- Vitamin or mineral supplements not covered by Blue Cross
- Services with dates of service occurring prior to your effective date or after the close of the Plan Year
- Weight loss programs prescribed by your doctor for general health purposes
- Insurance premiums (including premiums for continuing coverage under COBRA)
- Exercise equipment prescribed by your doctor for general health purposes
- Claims submitted without a fully completed Reimbursement Request Form, along with a copy of an explanation of benefits from your insurance company, or a provider's billing showing dates of service and charge

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

If you know you will have employment-related dependent daycare expenses for an eligible dependent during the Plan Year, you may elect to use the Dependent Care FSA to pay for them with tax-free dollars. This may be done only if the expenses are incurred to allow you (and your spouse, if applicable) to work. The maximum amount you may contribute to the plan in a plan year is \$5,000 (\$2,500 if married and filing separately); or if you or your spouse earns less than \$5,000 a year, your maximum contribution is equal to the lower of the two incomes. If your spouse is a full-time student or incapable of self-care, your maximum contribution amount is \$2,400 a year for one dependent and \$4,800 a year for two or more dependents.

An eligible dependent falls under one of these two categories:

- You or your spouse's child (depending on the tax status of that dependent) who is under 13 years of age
- Your spouse (or other individual claimed as a dependent for federal tax purposes) who is physically or mentally incapable of self-care and who regularly spends at least eight hours a day in your home

Dependent care can be rendered either inside or outside the home. If care outside the home is provided by a dependent care center that cares for seven or more children, it must comply with all applicable state or local laws and regulations. Also, the provider must not be your child age 18 or younger, or someone who you claim as a dependent for federal income tax purposes.

After you determine the amount of dependent care expenses you will incur during the Plan Year, the University will deduct a portion each pay period, on a pre-tax basis, until you have reached your annual goal amount. The money will be placed in your Dependent Care FSA, to be reimbursed to you as you incur dependent care expenses. Please see "How To Submit a Reimbursement Claim" for detailed instructions.

Depending on your income level, you may also use the Federal Income Tax Credit for dependent care expenses. It is important to remember that you may use either of these up to the maximum allowable, but you may not take a tax deduction for those expenses reimbursed under this plan, or vice versa. See IRS Publication 503 or your tax advisor for more details.

Unlike the Medical FSA, any reimbursement will not exceed the balance available in your account when your claim is received. Dependent care services must have been incurred to receive reimbursement, regardless of when you pay for the service.

HOW TO SUBMIT A CLAIM FOR REIMBURSEMENT

MEDICAL FSA CLAIM SUBMISSIONS

It's easy to submit a claim to Fringe Benefits Management Company. Just complete a Flexible Spending Account Reimbursement Request Form along with the Explanation of Benefits (EOB) from Blue Cross (and any other insurance you may have) for services covered by the health care plan, or a detailed receipt with actual date of service, name and address of the provider, description of the services rendered and actual amount charged for non-covered services to FBMC.

Remember, to be reimbursed for your out-of-pocket expenses you must submit a claim form. If you have questions about your claim, call FBMC Customer Service at (800) 342-8017, from 4 a.m. to 6 p.m. Alaska Time.

Please complete all sections of the claim form so that FBMC can process your claim. If you fail to complete the form in full and/or you do not provide an Explanation of Benefits or itemized billing showing dates of service and charge, your claim will be delayed or denied.

DEPENDENT CARE FSA CLAIM SUBMISSIONS

Complete a Flexible Spending Account Reimbursement Request Form along with the receipts from your dependent/child care provider showing the name, address and tax ID number (or Social Security number) of the provider, and beginning and end dates of service. If your provider is an individual, they must sign the receipt. In lieu of a separate receipt, your day care provider may sign the Claim Form.

Mail your claims to this address:

Fringe Benefits Management Company
PO Box 1800
Tallahassee FL 32302-1800

Or you can fax your claim toll free to (866) 440-7145.

Please retain originals of all claims and documentation for IRS purposes. It is your responsibility to provide the claims information if you are audited by the IRS.

QUESTIONS REGARDING YOUR PLAN?

If you need additional information about your Flexible Spending Accounts Plan, please contact the FBMC Customer Service Department at the following number:

(800) 342-8017

COBRA RIGHTS

To the extent required by the Consolidated Budget Reconciliation Act of 1985 (COBRA, codified under Code Section 4980B), the Participant, Spouse, and Dependents, whose coverage terminated under the Plan because of a COBRA qualifying event, shall be given the opportunity to continue their coverage under the Medical Reimbursement Plan on an after-tax basis for the time period prescribed by COBRA, subject to all conditions and limitations under COBRA.

If you have questions about the Plan, you should contact your regional human resources office.

EMPLOYEE ASSISTANCE PROGRAM

The University offers an Employee Assistance Program (EAP) to all its regular full- or part-time faculty and staff and their dependents, as well as COBRA participants. The University offers this program because from time to time, anyone can be burdened by the pressures of life. Such burdens can affect your health, family life, abilities, and work performance.

Maintaining a healthy balance between your work and personal life is important to you. At work and home, our lives are busier than ever, and at times, we all can use a little extra help in coping with personal challenges. Your EAP provides you and your family with short-term, person-to-person counseling services to help you handle concerns before they become major issues.

To provide you with a full-service benefit that you and your family can easily access as you need it, the University of Alaska selected ComPsych, one of the nation's leading independent providers of EAP services.

Professional counselors are available 24 hours a day, 7 days a week to help you with issues such as

- Job or work stress
- Family / Parenting issues
- Alcohol, drugs and other substance abuse
- Burnout
- Marital or relationship problems
- Anxiety or depression
- Anger management
- Legal issues
- Financial concerns
- Coping with change
- Self-esteem
- Grief or bereavement

Crisis counseling is always available to provide you with assistance you need when you need it. ComPsych also offers free, easy-to-use personal help with child and elder care services.

All EAP counselors are fully qualified and licensed in their area of service. The program's staff includes licensed psychologists, social workers, marriage and family counselors, and lawyers. The identity of the people who elect to use this program, as well as any information revealed to EAP staff, is held in the strictest professional confidence allowed by law.

HOW TO USE THE PROGRAM

You or your eligible family members may contact ComPsych, the Guidance Resources Company, directly any time, 24 hours a day, 7 days a week, at (866) 465-8934 for any reason and talk to a trained counselor. These counseling professionals can assist you and guide you to in-person care with an expert in your area. The EAP is *strictly confidential*, as mandated by law.

You can also access your EAP services via the Web with GuidanceResources Online. Go to www.guidanceresources.com and enter the university ID: GC5901Q. Information about health, work-life balance, buying cars, relocating, buying a new home, exercise and fitness, life events (such as marriage, having or adopting children, sending children to college, divorce, death of a loved one) and a variety of other topics is just a click away.

For most types of problems, you and your eligible dependents are entitled to receive up to 6 counseling sessions per incident. All EAP sessions are prepaid by the University of Alaska. If you want counseling beyond the benefits of the EAP, your EAP counselor can help you select the most cost-effective and appropriate treatment resources.

Contact your local human resources office for further information about the Employee Assistance Program.

DISABILITY BENEFITS

INTRODUCTION

The University's disability plan will help to replace lost income from serious disabilities that last longer than 90 days. The Long Term Disability income plan premium is paid by the University on your behalf. The Long Term Disability plan benefits are provided by ING ReliaStar Life Insurance Co.

In addition to this plan, you may be entitled to disability benefits from the following sources:

- other group insurance contracts
- Workers' Compensation
- benefits provided by any state or federal government
- any retirement plan benefit toward which the University contributes or makes payroll deductions (such as PERS or TRS)
- leave share program(s)

Because disability insurance is designed to supplement other disability benefits, the amount payable under the Long Term Disability plan will be reduced when coordinated with payments from other sources.

ELIGIBILITY

If you are an active regular or term-funded employee working at least 20 hours a week, you are eligible for Long Term Disability coverage. Your eligibility begins on the first day of the month following the date you are hired. Disabilities resulting from pregnancy are covered on the same basis as an illness or injury.

DEFINITION OF DISABILITY

During the first 36 months, disability means that you are unable to perform with reasonable continuity the essential functions of your own occupation.

After you receive Long Term Disability benefits for 36 months, you are considered disabled if you are unable to perform the essential functions of any gainful occupation for which you are qualified by education, experience, or training.

BENEFITS

Long Term Disability benefits start after you have been disabled for the longer of these qualifying periods:

- 90 days
- the duration of your accumulated sick leave plus any leave benefits from any applicable leave share program(s)
If you are able to return to work in some capacity, you may still be eligible for benefits.

Periods of disability as a result of the same cause or causes are considered a single period of disability, provided they are separated by a recovery period of less than 180 days.

If you have more than one period of disability and the periods are from different causes, they are considered separate periods of disability. Each period of disability is subject to a new qualifying period and to the maximum duration of the benefit.

MONTHLY BENEFIT AMOUNT

The income you receive from the Long Term Disability plan depends upon your monthly earnings at the time you are disabled. The maximum monthly benefit is the lesser of the following:

- 60% of your monthly earnings
- or \$3,000

The maximum disability benefit is reduced by benefits you may receive from other sources (see Benefit Offsets, Monthly Payment Limit).

The minimum monthly benefit is \$100, regardless of how much you receive from other sources. If you are disabled for less than a full month, your benefits will be prorated for that month.

MONTHLY EARNINGS

If you are compensated on a 12-month basis, monthly earnings means your current rate of wages or salary, computed on a monthly basis. This does not include overtime pay, out-of-class earnings, overload pay, additional assignment pay, bonuses, shift differential, premium pay, or other special compensation. The following rules apply to the computation of your annual rate of earnings:

- If you are paid on an annual contract basis, your annual rate of earnings is your annual salary for your primary assignment.
- If you are paid on an hourly basis, your annual rate of earnings is your hourly rate times the number of hours you are regularly scheduled to work each year. If you do not have regular hours, your annual rate of earnings will be based on the number of months you worked, not counting any hours over 173 in any one calendar month.
- If you are paid on any other basis, your annual rate of earnings will be the pay you received for the period you are regularly scheduled to work each year.

Months in which you would not otherwise receive a salary are not used in computing monthly earnings. Monthly earnings are based on your salary or wages the last day you are at work before you were disabled.

BENEFIT OFFSETS (INCOME FROM OTHER SOURCES)

If you are also eligible to receive disability benefits from any of the following sources, the amount you receive may be subtracted from your monthly Long Term Disability benefit:

- Benefits for loss of time provided by the following:
 - Any other group-sponsored disability insurance contract
 - Worker's compensation, non-job-related disability benefit laws, or similar legislation
- Benefits payable under the U.S. Social Security Act (as a primary benefit), or any other benefits provided by U.S. or Canadian law, or by any state or federal regulation
- Retirement benefits that are provided by the Public Employees' Retirement System, the Teachers' Retirement

System or the University of Alaska Optional Retirement Plan

- Periodic benefits for loss of time in connection with accidental bodily injury or illness

REHABILITATION/CASE MANAGEMENT

The Long Term Disability plan includes a rehabilitation and case management program to help you get back to work, if at all possible. Entering a rehabilitative treatment plan requires agreement between you, your physician and the ING ReliaStar rehabilitation case manager. If and when there is a consensus agreement, the employee then enters a rehabilitative program, which can include education and vocational training.

MONTHLY PAYMENT LIMIT

The following benefits, when added together with the maximum disability benefit, cannot exceed 75 percent of your pre-disability earnings:

- Any sick pay or other salary continuation plan offered by the University, but not including vacation pay
- Any amount you receive or are eligible to receive because of disability benefits under any group insurance plan, or other credit or group mortgage disability insurance
- Any disability benefits provided by no-fault motor vehicle laws, except when the amount of the “no fault” is based on the amount of the Long Term Disability benefit
- Family Social Security disability benefits

If you receive an amount from any of these sources by compromise, settlement, or other method, the payment will be allocated as if it had been received on a monthly basis.

LENGTH OF BENEFIT PAYMENTS

The longest period for which disability benefits are payable for one period of continuous disability is determined as follows:

<u>Your Age When Disability Begins</u>	<u>Your Maximum Benefit Period</u>
59 years of age or younger	To age 65
60 through 64 years of age	Five years
65 through 67 years of age	Through age 69
68 years of age or older	Two years

LIMITATION OF BENEFITS

Benefits will not be paid for any period when you are not under the care of a physician.

If a disability is caused by a mental disorder, alcoholism, drug addiction, or chemical dependency, payment of benefits is limited to 24 months during your entire lifetime.

However, if you are a resident patient in a hospital at the end of the 24 months, or you become a resident patient in a hospital within 6 months of discharge from a previous confinement for which LTD benefits were payable, this limitation will not apply while you remain continuously confined.

Payment of benefits is limited to 12 months while you are continuously residing outside of the United States and Canada.

LONG TERM DISABILITY EXCLUSIONS

Your Long Term Disability insurance does not cover any disability caused or contributed to by self-inflicted injury, war or an act of war, your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or riot.

LONG TERM DISABILITY CLAIMS

Notify your regional human resources office immediately of your disability and obtain a claim form. Completed forms are to be returned to that office for transmittal to the insurance carrier. You must file written proof of your disability within 90 days after the beginning of the disability. The insurance carrier has the right to have you examined by the doctor(s) of their choice.

TERMINATION OF INSURANCE

Your insurance ends when your employment with the University ends, your position no longer meets the eligibility requirements, or the University discontinues offering a Long Term Disability program. If you renew your employment contract with the University for the following year and then cease active, full-time work during the summer months, your coverage continues during the summer months.

CONVERSION PRIVILEGE

If this protection ceases because your employment with the University terminates, you may arrange with the insurance carrier to provide Long Term Disability coverage under an individual policy. This coverage may be converted without medical examination if you apply within 30 days from the date your group coverage ceases. The individual Long Term Disability benefits are not the same as the University's Group Long Term Disability Plan.

To request conversion coverage, contact your regional human resources office for forms. You may not convert to an individual plan if you are disabled at the time employment terminates.

LIFE INSURANCE BENEFITS

INTRODUCTION

Financial protection for your survivors in the event of your death is important for your family's welfare. The University of Alaska provides the opportunity for income protection through the following benefit plans:

- Basic life insurance
- Supplemental life insurance
- Accidental death and dismemberment insurance

Benefits paid to your beneficiary and/or benefits to which they may be entitled at the time of your death may include the following:

- Life Insurance
- PERS/TRS Retirement Benefits
- University of Alaska Pension Plan Benefits
- Sick Leave Payoff
- Annual Leave Payoff
- Special Continuation of Health Care Benefits
- Distributions from TDA Accounts
- Optional Retirement Plan Accounts

The University of Alaska's life insurance benefits are provided by LifeWise Assurance Company.

BASIC LIFE INSURANCE

INTRODUCTION

The University provides a basic \$50,000 Life Insurance benefit at no cost to employees.

Employees may purchase additional life insurance through payroll deductions (see supplemental life insurance sections).

ELIGIBILITY

All regular full-time, and regular part-time employees are eligible for insurance coverage. Eligibility begins on the date of hire.

BENEFITS

The amount that will be paid to your beneficiary in the event of your death is \$50,000 (unless you have elected to purchase additional insurance).

BENEFICIARIES

The benefits will be paid to the beneficiary you designate on the beneficiary form. You may change your beneficiary at any time by completing a new beneficiary form and returning it to your regional human resources office.

CLAIMS

Life insurance and travel accident claims should be filed through your regional human resources office. Claims should be returned to that office for final completion and transmittal to the insurance carrier.

TERMINATION

Your Group Life Insurance ceases on the date that you terminate eligible employment with the University. If you'd like to convert this benefit to an individual policy, see the Conversion Privilege information at the end of this section.

TRAVEL ACCIDENT BENEFITS

There is an additional \$250,000 travel accident policy in effect anytime you are traveling on University business. (Commuting to and from work is not covered.) This benefit is provided by UA Risk Management and is not part of your Group Basic Life Insurance.

DISABILITY WAIVER OF PREMIUM

If an employee becomes totally disabled while insured and before reaching age 60, basic life insurance coverage will remain in effect without further premium payment as long as the disability continues or until age 65, whichever is sooner.

Proof of your inability to work because of total disability must be furnished annually. If disabled prior to age 60, insurance will continue as long as you are disabled, but not past age 65. If disabled on or after age 60, but before age 65, insurance may continue for one year, but not past age 65. The amount of continued protection is subject to any plan changes and to reductions shown in the insurance schedule. Within one year of the start of your disability, you must submit proof that you are currently disabled and have been continuously disabled for at least six months.

Application for the waiver of premium should be made within the 90-day waiting period prior to the commencement of Long-Term Disability benefits, but no later than six months after you become disabled.

CONVERSION PRIVILEGE

You may arrange with LifeWise Assurance Company to continue your life insurance protection under an individual policy, without medical examination, if you apply for it within 31 days after the date your group insurance ceases.

Because the Group Life Insurance will be payable for death occurring during the 31 days after the date your insurance ceases, the individual policy will not become effective until after the 31-day period has expired. In addition, the individual life insurance benefits may not be the same as the University's Group Life Insurance plan.

For further information contact your regional human resources office or application can be made directly to the company:

LifeWise Assurance Company
PO Box 2272
Seattle WA 98111-2272

SUPPLEMENTAL LIFE INSURANCE

INTRODUCTION

This plan provides for income benefits to the survivors of a deceased employee. Coverage amounts under this plan are in blocks of \$25,000 to a maximum of \$400,000. A new employee may purchase the maximum amount of coverage within 30 days of hire. If you do not enroll in Supplemental Life within this time, you may not enroll until the next open enrollment period, or after a major life event.

ELIGIBILITY

Only University of Alaska employees are eligible for enrollment in the plan; dependents are not covered. If you are a regular full-time or regular part-time employee, you are eligible for this optional plan; however benefit reductions apply to employees age 65 or older.

ENROLLMENT

You may enroll within 30 days of the date of your employment, during open enrollment, or after a major life event. The maximum amount of supplemental life insurance that a university employee can purchase under this plan is \$400,000. You will need to submit evidence of insurability if you are electing over \$200,000 of coverage.

Submit the Supplemental Benefits Election form and the Evidence of Insurability form together to your regional human resources office. If electing more than \$200,000 of coverage, you will be set up for \$200,000 until the higher benefit level is approved by LifeWise Assurance Co. Initial enrollment in the supplemental life insurance benefit also requires a completed beneficiary form. All forms are available on the benefits web site at www.alaska.edu/hr/forms.

You may discontinue this coverage at any time by completing an optional benefit selection form or upon written notice to your regional human resources office.

COSTS

This plan is age-rated so that each employee pays only for his or her own coverage. The rate that will be charged an employee is based upon their age as of July 1 of each year.

Payments for the coverage are made through bi-weekly payroll deductions.

For the most current rates, please consult with your regional human resources office.

BENEFITS

The amount that will be paid to your beneficiary in the event of your death is the most recent effective level of supplemental insurance. Employees age 65 or older are limited to \$25,000 of supplemental coverage.

PAYMENT OF BENEFITS

If you die while covered by the plan, your beneficiary may choose to take the benefit in a lump-sum, in a series of payments over a predetermined period (annuity) or withdrawn as needed from an interest bearing account. The size of these payments would vary, depending on how many payments are made, the lump-sum value of the benefits, and prevailing interest rates.

CLAIMS

To request payment of benefits, the beneficiary should contact your regional human resources office for a claim form and information about other required documents. Claims should be returned to that office for final completion and processing.

TERMINATION

Your Supplemental Life Insurance ceases on the date that you terminate eligible employment with the University. Conversion to an individual policy is available; see the Conversion Privilege information below.

DISABILITY WAIVER OF PREMIUM

If an employee becomes totally disabled while insured and before reaching age 60, coverage will remain in effect without further premium payment as long as the disability continues or until age 65, whichever is sooner.

Proof of your inability to work because of total disability must be furnished annually. If disabled prior to age 60, insurance will continue as long as you are disabled, but not past age 65. If disabled on or after age 60, but before age 65, insurance may continue for one year, but not past age 65. The amount of continued protection is subject to any plan changes and to reductions shown in the insurance schedule. Within one year of the start of your disability, you must submit proof that you are currently disabled and have been continuously disabled for at least six months.

Application for the waiver of premium should be made within the 90-day waiting period prior to the commencement of Long-Term Disability benefits, but no later than six months after you become disabled.

CONVERSION PRIVILEGE

You may arrange with LifeWise Assurance Company to continue your life insurance protection under an individual policy, without medical examination, if you apply for it within 31 days after the date your group insurance ceases.

Because the Group Life Insurance will be payable for death occurring during the 31 days after the date your insurance ceases, the individual policy will not become effective until after the 31-day period has expired. In addition, the individual life insurance benefits may not be the same as the University Group Supplemental Life Insurance plan.

For further information contact your regional human resources office or application can be made directly to the company:

LifeWise Assurance Company
PO Box 2272
Seattle WA 98111-2272

ACCIDENTAL DEATH AND DISMEMBERMENT

INTRODUCTION

This supplemental plan provides financial benefits for loss of life, limbs, or eyes as a result of bodily injury in an accident.

ELIGIBILITY

All regular full-time and regular part-time employees and their dependents are eligible for this plan. Employees become eligible for enrollment in the plan on their date of hire into an eligible position. Employee dependents become eligible for coverage if and when the employee enrolls for family coverage in the plan.

ENROLLMENT

To enroll, complete the optional benefit selection form and return it to your regional human resources office. Your coverage will begin the first day of the pay period following your payroll deduction for this coverage. You may enroll within 30 days of the date you are hired, during open enrollment, or following a major life event.

COSTS

Current rates may be obtained at your regional human resources office.

BENEFITS

The full benefit amount for you, the employee, is \$100,000.

If, while you are covered under this plan, you should die within one year of the accident, the full benefit will be paid to the beneficiary you have designated.

If you should have any of the following losses within one year of the accident, benefits will be paid as follows:

- Loss of both eyes, feet, or hands or any combination thereof: full benefit amount
- Loss of one eye, foot, or hand: one-half of benefit amount
- Loss of thumb and index finger of same hand: one-fourth of benefit amount

If you enroll for family coverage, the benefit amount for dependents is based on the composition of the family at the time of the loss. The actual amount that will be paid is a percentage of the amount that you would be paid if you sustained the same loss:

- If you have a spouse but no dependent children, your spouse will be covered for 50% of the full benefit.
- If you have dependent children but no spouse, each child will be covered for 15% of the full benefit.
- If you have both a spouse and dependent children, your spouse will be covered for 40% and each child for 10% of the full benefit.

BENEFICIARIES

Employee Accidental Death benefits will be paid to the beneficiary they have selected. If you wish to change your beneficiary, complete a new beneficiary form and return it to your regional human resources office. Employee Accidental Dismemberment benefits and dependent AD&D benefits will be paid to the employee.

EXCLUSIONS

Benefits will not be paid if the loss results directly or indirectly from any of the following:

- War or an act of war, whether declared or not
- Taking part in a riot or insurrection, or an act of riot or insurrection
- Service in the armed forces of any country, combination of countries, or international organization at war, whether declared or not
- Any physical or mental disease
- Any infection, except a pyogenic infection that occurs from an accidental wound
- An assault or felony you commit
- Suicide or attempted suicide while sane or insane
- Intentional self-inflicted injury, while sane or insane
- The use of any drug, unless you use it as prescribed by a doctor
- Your intoxication, which is limited to operating a passenger vehicle while you are intoxicated; “intoxication” and “intoxicated” mean your blood alcohol level at death or dismemberment exceeds the legal limit for operating a motor vehicle in the jurisdiction in which the loss occurs. “Passenger vehicle” means a four-wheel car of the private passenger type, including pick-up trucks, motor homes and vans with a load capacity of one ton or less.

CLAIMS

To request payment of benefits, you or your representative should contact your regional human resources office for claim forms and information about other required documents. Claims should be returned to that office for processing.

RETIREMENT PLANS AND OPTIONS

INTRODUCTION

There are several retirement programs available to University of Alaska employees. They are the:

- University of Alaska Optional Retirement Plan (ORP)
- University of Alaska Pension Plan
- State of Alaska Public Employees' Retirement System (PERS)
- State of Alaska Teachers' Retirement System (TRS)
- Tax-Deferred Annuity Program (TDA)
- Social Security

Each of the above plans has limitations as to which employees are eligible to participate. The plans are described in summary on the following pages. For more detailed information, please consult the specific plan's handbook or plan document.

SOCIAL SECURITY

The University of Alaska withdrew from the federal Social Security system on January 1, 1982, after university employees voted to discontinue participation in the program. Consequently, university employees do not earn quarters toward a Social Security benefit during their employment with the university.

Pension income based on earnings from a job not covered by Social Security can reduce future Social Security benefits when you retire or become disabled. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

- Under the *Windfall Elimination Provision*, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. This provision reduces, but does not totally eliminate, your Social Security benefit.
- The *Government Pension Offset Provision* offsets any Social Security spouse or widow(er) benefit to which you become entitled by two-thirds of the amount of your pension. Even if your pension is high enough to totally offset your spouse or widow(er) benefit, you are still eligible for Medicare at age 65.

Social Security publications and additional information, including information about exceptions to each provision, are available at www.socialsecurity.gov. You may also call toll free (800) 772-1213, or for the deaf or hard of hearing, call the TTY number (800) 325-0778, or contact your local Social Security office.

Effective April 1, 1986, federal law requires that all employees hired after March 31, 1986, participate in the Medicare portion of the Social Security program. The Medicare portion of the Social Security contribution is 1.45% of gross wages in a calendar year.

Effective July 1, 1991, all temporary staff employees are required by federal law to participate fully in both Medicare and Social Security. The contribution for both portions is 7.65% of subject gross wages. If you have any questions regarding your participation in either plan, contact your regional human resources office.

UNIVERSITY OF ALASKA OPTIONAL RETIREMENT PLAN

Eligible University of Alaska employees must make an irrevocable election to participate in either the Optional Retirement Plan (ORP) or the appropriate state retirement system (TRS or PERS) within 30 days from notification of eligibility. Your choice to participate or not to participate is irrevocable for the duration of your current employment or future employment with the University of Alaska or as long as you remain in a participating position. Please see the University of Alaska Retirement Plan Decision Guide for more detailed information about this program and a description of the tiers.

ELIGIBILITY

Effective July 1, 2006, all newly hired benefit-eligible employees are eligible to participate in the ORP Tier 3. Employees first hired before July 1, 2006 had to be a faculty member, officer or senior administrator to participate in either Tier 1 or Tier 2 of the ORP.

CONTRIBUTIONS

Contributions made by you and by the University on your behalf will be invested in an account in your name and with the fund sponsor(s) you select from the list below. The amount of the contribution depends on which Tier of the plan you are participating in, based on your initial date of hire in an eligible position.

VESTING

The Optional Retirement Plan Tier 3 provides for full vesting of the employer contribution account after three years of employment. The Tier 3 employee contribution account is always 100% vested with the employee. Employees participating in the ORP Tier 1 or Tier 2 are immediately 100% vested in both the employer and employee accounts.

YOUR INVESTMENT DECISION

You must choose an investment company for all your employee and employer contributions (can be the same fund sponsor, or a different one for each type of contribution) from these four investment fund sponsors:

Company	Phone Number	Company	Phone Number
Fidelity Investments	(800) 343-0860	TIAA-CREF	(800) 842-2776
Lincoln National	(800) 348-1212	VALIC	(866) 350-8302
Toll Free in Alaska	(800) 478-6393	in Anchorage	279-8302
in Fairbanks	452-6393	in Fairbanks	451-0511

The plan allows you to change your investment elections within or between fund sponsors at any time.

FORMS OF PAYMENT

After an official termination of all employment and a 45-day waiting period, you may choose one of the following options for your ORP account:

- Transfer your account to another qualified plan
- Roll your account to an IRA
- Receive payment of your account balance through an annuity contract purchased from the fund sponsor
- Receive a lump-sum distribution, subject to any applicable early withdrawal penalties and taxes

Please Note: Loans or hardship distributions are not permitted under this plan. All distributions require employer authorization.

If there is any conflict between information in the Retirement Plan document and this handbook, the Retirement Plan document will prevail.

YOUR CHOICES OF INVESTMENT OPTIONS

The ORP consists of two accounts: one for contributions made by you (the mandatory 403(b) account), and one for contributions made by the University on your behalf (the 401(a) employer-funded account). Only one of the options listed below can be selected for each account at any one time, yet changes could be made each pay period. You can use the same fund sponsor for both accounts, or different fund sponsors. You may also transfer account balances between the fund sponsors as allowed by your fund sponsor. Please be aware that some of the accounts that fund sponsors offer do have restrictions, penalties for early withdrawal and charges for making transfers.

FIDELITY INVESTMENTS

Fidelity Investments applies more than 50 years of investment experience, innovation and professionalism to help meet the needs of its clients. Once known primarily as a mutual fund company, Fidelity has adapted and evolved over the years to meet the changing needs of its customers. Investing with Fidelity Investments will give you a broad range of over 100 investment options. You can choose from relatively conservative money market funds to aggressive international equity funds. Fidelity also offers a fixed annuity which is underwritten by Metropolitan Life. At www.fidelity.com/atwork you will find an extensive array of retirement planning tools, calculators, videos and other retirement planning resources.

LINCOLN NATIONAL

Lincoln National Life Insurance Company, a member of the Lincoln Financial Group, was founded in 1905. Lincoln National has been selected by over half a million individuals, with approximately half of these employed by an educational organization. Lincoln's variable annuity business is the sixth largest in the nation, as measured by assets as of June 30, 2005. With an emphasis on customer service, Lincoln National clients can access their accounts on line, through Lincoln's automated telephone network, or by contacting a Lincoln retirement representative with offices in Fairbanks and Anchorage. Lincoln offers a wide variety of investment options and brings you the choices and flexibility necessary to help you meet your retirement goals.

TIAA-CREF

TIAA-CREF is the nationwide, non-profit organization serving the education and research communities. Founded in 1918, TIAA-CREF manages more than \$350 billion in assets, providing retirement services to over three million participants at 15,000 institutions. TIAA-CREF offers you a choice of ten accounts in four different asset classes. The TIAA Traditional Annuity is a guaranteed account with the top ratings from the nation's leading insurance rating

agencies. The TIAA-CREF variable accounts, with broadly diversified portfolios, offer participants the opportunity to diversify their retirement savings in equities, fixed-income and real estate investments. Expenses for the TIAA-CREF accounts are among the lowest in the insurance and mutual fund industries.

VALIC

VALIC strives to positively and dramatically impact our clients' and their families' financial futures. As both an industry pioneer and current leader over the past half-century, we specialize in providing retirement programs and related investment, recordkeeping and administrative services to two million employees of more than 28,000 employers in the education, healthcare and government sectors. Our national network of experienced, trusted financial advisors include full-time advisors in Anchorage and Fairbanks. Their mission is to help clients plan for their future by offering objective and expert advice and a choice from a vast array of products and services. Valic is the marketing name for the group of companies comprising VALIC Financial Advisors, Inc., VALIC Retirement Services Company, and the Variable Annuity Life Insurance Company (VALIC), each of which is a member company of American International Group, Inc.

DEFAULT INVESTMENT

The University will direct contributions for both ORP accounts to the Fidelity Investments default account until you have selected an investment option. The default investment is one of the Fidelity Freedom Funds, a mix of equity and income investments based on your projected retirement date.

CHOOSING A FUND SPONSOR

The variety of investment opportunities provides considerable flexibility in designing a retirement investment program that fits your personal financial situation. You might consider a few things when making your decision:

- Your family circumstances
- The balance of risk and return you are comfortable with
- Your anticipated income needs at retirement
- Your financial objectives
- Your ability to save outside the pension plan
- The number of years to retirement

If you have questions about the University's plan, contact your regional human resources office.

DISTRIBUTIONS

Vested ORP account balances can be distributed after an official termination of all employment from the University; however, distributions are subject to a 45-day waiting period. Termination of employment means that for an extended period of time you have not received any wages or salary from the University (transferring into a position or status that is not benefit eligible is not a termination). The exception to this rule is employees who have reached normal retirement age (60) and have transferred to a non-participating position.

To roll over your account to an Individual Retirement Account or another qualified plan, begin an annuity payment or request a lump-sum distribution, contact your fund sponsor for the appropriate forms. All distributions require employer authorization.

If there is any conflict between information in the Retirement Program plan document and this Handbook, the Retirement Program plan document will prevail.

UNIVERSITY OF ALASKA PENSION PLAN

On January 1, 1982, in conjunction with the University's withdrawal from the federal Social Security system, a supplemental retirement plan was adopted for University employees called the University of Alaska Pension Plan. It does not attempt to duplicate benefits available under Social Security. The Pension Plan is a University-sponsored 401(a) plan. The University contributes to this program on behalf of eligible regular full-time and part-time faculty and staff. Employees are not eligible to make supplemental contributions into this plan.

ELIGIBILITY

Regular full-time and part-time faculty and staff hired prior to July 1, 2006 are eligible for the Pension Plan. Employees first hired on or after July 1, 2006 must elect the Optional Retirement Plan to participate in the Pension Plan.

CONTRIBUTION RATE

The University contributes an amount equal to 7.65% of an employee's wages, up to an annual wage base of \$42,000, to the employee's Pension Plan account.

VESTING AND DISTRIBUTIONS

Employees first hired and participating in the plan before July 1, 2006 are 100% vested from the date of hire. Participants first hired on or after July 1, 2006 are subject to a vesting period of three years from date of hire in an eligible position.

Vested account balances are available for distribution after termination of all employment from the University (subject to a 45-day waiting period). The exception to this rule is employees who have reached normal retirement age (60) and have transferred to a non-participating position. Please note that hardship distributions or loans against this account are not allowed.

INVESTMENT OPTIONS

The University's Pension Plan provides employees investment flexibility and broad investment opportunities. You should receive a statement on a quarterly basis from the company you select to manage your pension plan account. It is critical that you thoroughly review your quarterly statement and notify the company and/or the University of any errors.

The plan offers employees four investment company (or Fund Sponsor) options:

Company	Phone Number	Company	Phone Number
Fidelity Investments	(800) 343-0860	TIAA-CREF	(800) 842-2776
Lincoln National	(800) 348-1212	VALIC	(866) 350-8302
Toll Free in Alaska	(800) 478-6393	in Anchorage	279-8302
in Fairbanks	452-6393	in Fairbanks	451-0511

STATE RETIREMENT PLANS

Through the University's affiliation with the State of Alaska, regular employees are eligible to participate in either the Teachers' Retirement System (TRS) or the Public Employees' Retirement System (PERS).

ELIGIBILITY

TRS

If you are an active regular employee occupying a regular position that requires academic standing and/or teaching, you are eligible to participate in TRS on the effective date of hire or the first day of employment unless an election is made within 30 days to participate in the Optional Retirement Plan.

PERS

All regular full-time and part-time exempt or non-exempt staff members are eligible for PERS on the first day of employment. Employees first hired before July 1, 2006 identified as Executive Staff, and all eligible staff members hired on or after July 1, 2006, may choose between PERS and ORP.

CONTRIBUTION RATE

Costs of the plan are shared by the employee and the University. The amount of the contribution depends on whether you are a participant of TRS or PERS, and your date of hire.

TRS

Employees participating in the TRS defined contribution plan hired on or after July 1, 2006 contribute 8% of salary through a bi-weekly pre-tax payroll deduction. The defined contribution plan is referred to as TRS Tier III.

Employees in TRS hired before July 1, 2006 contribute 8.65% of their salary through a bi-weekly payroll deduction to the TRS defined benefit plan known as TRS Tier I or Tier II.

For all TRS tiers, the University contributes an additional percentage of salary as determined annually by the TRS program.

PERS

Employees participating in the PERS defined contribution plan hired on or after July 1, 2006 contribute 8% of salary through a bi-weekly pre-tax payroll deduction. The defined contribution plan is referred to as PERS Tier IV.

Employees in PERS hired before July 1, 2006 contribute 6.75% of their salary (7.5% for Peace Officers and Firefighters) through a bi-weekly pre-tax payroll deduction to the PERS defined benefit program under PERS Tiers I, II or III.

For all PERS tiers, the University contributes an additional percentage of salary as determined annually by the PERS retirement program.

VESTING

Both TRS and PERS contain vesting features that give you the right to your account balance or retirement benefits after a specified period of time. Defined benefit plan members accrue membership service that, when vested, gives you the right to future retirement benefits regardless of continued employment with the University. Please refer to your PERS or TRS handbook for more detailed information on vesting.

BENEFITS

DEFINED CONTRIBUTION PLAN MEMBERS

With a defined contribution plan, you and the university make bi-weekly contributions to accounts set up for you by the State of Alaska Division of Retirement and Benefits. Contributions and investment earnings (and losses) accumulate in your account and the benefit payable at retirement depends on the value of your account.

DEFINED BENEFITS MEMBERS

The amount of your monthly retirement income is determined by your length of service at the University, as well as any additional credited service, and your average monthly compensation (usually your three highest years' salary; PERS years must be consecutive, highest five consecutive years for PERS employees first hired between July 1, 1996 and June 30, 2006). Benefits may also be paid in the event of a permanent disability or in the event of your death. Please refer to your PERS or TRS handbook for more detailed information.

TERMINATION

In the event of your termination of employment with the University, your employee contributions to either TRS or PERS may be refunded to you; employer contributions are non-refundable. If you have question regarding vesting and/or benefits available upon your termination, please contact your regional human resources office.

ADDITIONAL INFORMATION

This summary highlights only key features of the TRS and PERS plans. For more specific information, please refer to the TRS or PERS handbook. Where any inconsistency exists between this description and the official documents, the rules and regulations of PERS and TRS will take precedence. All of the provisions of the plans are explained in more detail in the PERS and TRS handbooks. The handbooks are available from the State of Alaska Division of Retirement and Benefits, P.O. Box 110203, Juneau, AK 99811-0203, or 550 West 7th Avenue, Suite 540, Anchorage, AK 99501-3555. You can also access the handbooks on-line at the following address (case sensitive):

<http://www.state.ak.us/local/akpages/ADMIN/drb/home.htm>

TAX-DEFERRED ANNUITY (TDA) PLANS

Tax-deferred annuity plans (TDAs) are designed to offer you the opportunity to make tax-deferred contributions to supplement your retirement income. These plans are available only to employees of nonprofit and governmental organizations.

All University of Alaska employees have the opportunity to invest in a variety of tax-deferred annuity or 403(b) plans. Each of these plans has specific advantages for retirement security. When combined with the University's other retirement programs, they enhance your ability to provide a solid financial foundation for your retirement years.

Tax-deferred annuities are available with a variety of companies through the University of Alaska. Contact your regional human resources office for an updated list, or visit the benefits web site at www.alaska.edu/hr/benefits.

DISCLAIMER OF RESPONSIBILITY

As a benefit to its employees, the University of Alaska allows participation in various TDA plans. A number of the tax-deferred annuities (Internal Revenue Code Section 403(b) plans) are available through various providers who are registered with the University. Registration merely indicates that the annuity or fund provider has agreed to provide tax-deferred annuities to university employees and has demonstrated that a number of employees have an interest in participating in their plan. Registration does not mean that the provider has met any specific standard of quality or reliability.

Important: The participant is solely responsible for personal income tax consequences associated with the participation in tax-deferred annuity arrangements. IRS requirements related to 403(b) plans can be extremely complex. While recent tax law changes have made contributing to a TDA easier for many employees, the participant is urged to seek appropriate income tax advice prior to contributing to a TDA plan.

ELIGIBILITY

All employees of the University of Alaska are eligible to participate in the tax-deferred annuity plans. Participation is voluntary.

ENROLLMENT

To enroll in this program, you need to complete an enrollment form or application with the appropriate company as well as a Salary Reduction Agreement form (available from your regional human resources office or on the web at www.alaska.edu/hr/benefits). Through this agreement, you authorize the University of Alaska to reduce your salary by a designated amount and direct this portion of your salary to a tax-deferred annuity.

CONTRIBUTIONS

You decide the amount of your bi-weekly payroll reduction and how the funds will be invested. The amount you may invest is limited by the Internal Revenue Code. Employees are responsible for determining if their contributions are within the provisions of the law. For details, refer to IRS Publication 571.

In effect, your total yearly contributions to the TDA account reduce your gross annual salary by that amount. You

pay federal income tax only on your reduced annual salary. Contributions and earnings will be taxed upon their withdrawal.

If the University determines that you have exceeded the maximum allowable contribution limits, the University will take corrective action.

PAYMENT OF BENEFITS

Tax-deferred annuities can be used for a variety of purposes. They are primarily used for retirement because of the immediate tax reductions to your income. Some TDA programs allow you to borrow against the value of your account; check with your TDA provider to see if loans are a provision of their 403(b) program.

Many different payout options are offered at retirement, including single life and survivor annuities; funds can be distributed as a lifetime annuity, an annuity over a fixed period of years, a partial or total lump-sum payment withdrawn at one time, or other options. Contact your TDA provider for the options offered under their program.

If your death should occur before TDA retirement benefits begin, a variety of options are generally available to beneficiaries for the payment of death benefits.

OTHER BENEFITS

INTRODUCTION

This section summarizes University policies such as leaves and educational benefits that directly affect regular non-union employees. You are encouraged to contact your regional human resources office for any further policy information you may need.

EDUCATIONAL BENEFITS

All regular full-time and part-time employees may take up to six hours of University course credits per semester, with no tuition fee, to a maximum of 12 hours per calendar year. You may take up to 3 semester hours during working hours, without being required to make up the time, if the course will enhance job-related skills or knowledge; approval must be granted by your supervisor and the appropriate forms completed.

Your spouse and dependent children through age 23 may take University course credits without limitation or a tuition fee (self-support courses excluded).

If the courses taken by either an employee, spouse, or dependent are considered graduate level courses, the value of these classes will be added to the employee's gross income and taxed as if it were regular earnings. However, if the employee is taking graduate-level courses that are a requirement of their position, those courses may not be subject to taxation.

HOLIDAYS

The University observes twelve holidays each year. These include New Year's Day, Martin Luther King, Jr. Day in Celebration of Alaska Civil Rights (the third Monday in January), a day during spring recess, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the following Friday, and Christmas Day. Three additional days, either the day before or after New Year's, July 4, and Christmas, are also observed as holidays. Each member of the classified staff may also select a personal holiday, which must be approved by the immediate supervisor. Personal holiday cannot be used during the pay period in which July 1 falls.

A list of holidays and the dates on which they are observed is issued by the President's Office. Generally, holidays falling on a Saturday are observed on the preceding Friday, while those falling on a Sunday are celebrated on the following Monday.

ANNUAL LEAVE

University employees (non-faculty) earn annual leave on a bi-weekly basis. The amount earned depends on the number of years employed. Regular full-time, regular part-time, and extended temporary employees who work at least 20 hours a week are entitled to earn annual leave. Regular part-time employees are eligible to earn an amount of leave based on the percentage of full-time hours they work per week. Your immediate supervisor must approve all annual leave taken. Annual leave must be taken while an employee is on contract. Faculty do not accrue annual leave

Annual leave for full-time employees is accrued as follows:

- 5.54 hours per pay period during the first 5 years of employment
- 6.46 hours per pay period during years 6 through 10
- 7.38 hours per pay period after 10 years of employment

Unused annual leave may be accrued to a maximum of 240 hours. Any unused leave in excess of this amount will be canceled at the end of the pay period in which January 31 falls.

If you transfer from a position that provides annual leave to one that does not, or if you terminate from the University, you will be paid for the balance of your earned annual leave time up to 240 hours. If you die while employed, your beneficiary will be paid for your accrued leave time.

Annual leave cannot be accrued during leave without pay, nor can an employee accrue leave when running out annual leave for termination purposes. Annual leave pay-off at termination does not count towards calculating annual salary for retirement verification.

SICK LEAVE

The University grants paid sick leave to all faculty members, regular full-time, regular part-time, and extended temporary employees who work 20 or more hours per week on a regular basis. Full-time employees accrue 4.62 hours per pay period (if they are in pay status for the entire pay period), while part-time employees earn an amount based on the percentage of full time hours they work per pay period. You may use sick leave for those hours you are regularly scheduled to work. If your sick leave balance is exhausted, eligible sick leave hours will be deducted from your annual leave. If all leave is exhausted, you may be eligible for the Leave Share Program or leave without pay.

Sick leave may be taken for a variety of reasons:

- Illness or medical condition
- An appointment with a doctor or dentist
- Emergency care for members of your immediate family
- Childbirth (by you or your spouse) or newborn adopted child
- Adoption of a minor if required by the adoption process
- A death in the family; funeral attendance (maximum of five days); additional time may be granted by the supervisor/department head upon approval of a written request from the employee

When you must be absent, you must notify your immediate supervisor within the first hour of the normally scheduled work day (exceptions may be made in emergency situations). An absence due to an illness may require a physician's note or other verification as to your illness (unless waived by your supervisor).

For more information, or for extended use of sick leave, please see the section on Family Medical Leave (FML).

LEAVE OF ABSENCE WITHOUT PAY

If an employee must be gone from work for an extended period of time, the University may grant a leave of absence without pay. Up to a year of approved leave time may be granted. If necessary, the leave may be renewed for an additional year.

During the leave, annual or sick leave does not accrue. However, participation in health, life, and retirement pro-

grams may be continued if the employee pays the premium. The effect on PERS or TRS retirement service credit varies. Please contact your regional human resources office for more information on benefit continuation while on a leave of absence without pay.

The University may grant leaves of absence for a variety of reasons, and available benefits may vary with each set of circumstances. Your regional human resources office can explain how an extended leave of absence would affect your own position and University benefits. In general, application must be made to continue benefits.

OTHER LEAVES

Leaves of absence are granted for a variety of reasons, including medical, family, and military, as well as jury duty.

MEDICAL LEAVE

Medical leave may be granted in case of serious illness, accident, surgery, or other medical condition as certified by a physician. During a medical leave of absence, you will be required to use all paid leave that you have accrued before beginning leave without pay. This paid leave includes sick leave benefits and annual leave. After 90 days of medical disability, you may become eligible to receive long-term disability benefits.

FAMILY MEDICAL LEAVE (FML)

The University's benefit programs have two distinct types of sick leave absences: absences for minor illness, injuries, and professional appointments; *or* absences for health conditions that qualify under the University's Family and Medical Leave provisions. Family and Medical Leave (FML) will be granted in accordance with applicable state and federal law when an employee takes leave for one of the following reasons:

- the employee is unable to work because of a serious health condition
- the employee's or spouse's health is affected by pregnancy
- childbirth
- to care for a child (within the first 12 months following birth or placement through adoption or foster care)
- to care for a spouse or certain immediate family members with a serious health condition
- a qualifying exigency when a covered member of the National Guard or Reserves is called to active duty

Upon approval of the employee's request or need for FML, the employee will be granted FML for one or more of the following:

- up to 18 weeks (720 hours) in a "rolling" 24-month period for a serious health condition under state law, or
- up to 18 weeks (720 hours) in a "rolling" 12-month period for pregnancy or childbirth under state law, and
- up to 12 weeks (520 hours) in a "rolling" 12-month period for any qualifying reason under federal law,

The 12- and 24-month periods are calculated backward from the date of any FMLA leave usage. All FML taken, either paid or unpaid depending on the employee's available leave balances, will be counted towards the length of leave available under the University's FML Regulation (R04.06.160). Whenever possible, state and federal FML entitlements are counted concurrently. FML will not continue beyond the expiration of an employee's appointment.

In addition to the above reasons for leave, under the federal FMLA, eligible employees may also take up to 26 weeks of unpaid leave in a single 12-month period to care for a covered servicemember with a serious injury or illness.

An employee must give 30 days' notice for scheduled or anticipated leave, such as scheduled surgery, childbirth or adoption. If 30 days' notice is not possible, the employee must give notice as soon as it is practicable to do so.

To be eligible for state FML, an employee must have been employed with the University of Alaska for at least 35 hours a week for at least six consecutive months, *or* for at least 17 1/2 hours a week for twelve consecutive months immediately preceding the leave. To be eligible for federal FML, an employee must have been employed with the University of Alaska for at least twelve months and have worked at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave.

The employee will be asked to provide certification of the serious health condition from their health care provider. The employer may place an employee on FML when there is cause to believe a serious health condition exists.

If you anticipate the need for leave under FML, please contact your regional human resources office for more information and the necessary forms.

LEAVE SHARE PROGRAM

A leave share program has been established to allow employees to voluntarily transfer hours from their unused sick leave balance to the sick leave balance of an employee with a catastrophic medical crisis. To be eligible for leave share, an employee must be eligible for FML. The leave share program is limited to a maximum of 520 hours in a calendar year.

Procedures for request and use of the leave share program are available through your regional human resources office.

PARENTAL LEAVE

Parental leave is available to employees and will be granted in the order of sick leave with pay, accrued annual leave and sick leave without pay. All parental leave will be granted in accordance with the University's FML Regulations. Parental leave is not eligible for the leave share program. The use of intermittent FML for parental leave is subject to supervisory approval.

JURY DUTY

In order that University employees may fulfill their civic responsibility as jurors or subpoenaed witnesses, regular employees are granted leave of absence with pay for these purposes.

It is the responsibility of the employee to keep her/his supervisor or department head informed of the anticipated time to be spent away from the job for this purpose.

Any pay received by regular employees from a court system must be promptly submitted by the employee to the University to offset part of the cost of such absences. Temporary employees receive leave without pay and may retain the moneys from the court.

MILITARY LEAVE

A regular employee who is a member of a reserve component of the United States Armed Forces is entitled to a leave of absence with pay for all days during which the employee is required to serve in order to keep current their status with the National Guard or Reserve Forces. Such leaves of absence with pay may not exceed 16 and one-half

working days in one calendar year. Other than for training periods discussed above, regular employees of the University are entitled to a military leave of absence without pay to serve in the Armed Forces of the United States and shall be entitled to statutory re-employment benefits provided for by federal law.

GLOSSARY OF TERMS

Accidental Injury—Physical harm caused by a sudden and unforeseen event at a specific time and place. It is independent of illness, except for infection of a cut or wound.

Allowable Charge—Premera Blue Cross Blue Shield of Alaska reserves the right to determine the amount allowed for any given service or supply. The meaning of this term depends on the provider:

Providers in Alaska and Washington Who Have Agreements with Blue Cross—The allowable charge is the fee that the provider has agreed to accept as full payment for medically necessary covered services and supplies. This fee is determined by agreements that Blue Cross has with the providers. Providers that have contracts with Blue Cross will seek payment from Blue Cross when they furnish covered services to you. You will be responsible only for any applicable deductibles, coinsurance, copayments, charges in excess of the stated benefit maximums, and charges for services and supplies not covered under this program.

Your liability for any applicable deductibles, coinsurance, copayments, and amounts applied toward benefit maximums will be calculated on the basis of the allowable charge.

Providers Outside Alaska and Washington Who Have Agreements with other Blue Cross Blue Shield Licensees—For covered services and supplies received outside Alaska and Washington, allowable charges are determined as stated in “The BlueCard Program” section of this handbook.

Providers Who Do Not Have Agreements with Blue Cross—The allowable charge will be no greater than the maximum allowance Premera Blue Cross Blue Shield of Alaska otherwise would have allowed had the medically necessary covered services been furnished by a provider that has an agreement in effect with Premera Blue Cross Blue Shield of Alaska.

When you seek services from providers that do not have agreements with Blue Cross, your liability is for any amount above the allowable charge, and for any applicable deductibles, copayments, coinsurance, amounts in excess of stated benefit maximums, and charges for noncovered services and supplies. These amounts will be reflected on the Explanation of Benefits that Blue Cross sends to you.

Blue Cross determines the reasonable allowance for a service by reviewing the range of charges and fees for the same or a similar service billed or accepted by providers within the geographical area where the service was performed. A reasonable allowance is established within said range by considering:

A reasonable allowance will be between the 75th and 90th percentile of billed or accepted charges or fees. However, if there is not sufficient statistical data within the geographical area where the service was performed upon which to base an assessment, Blue Cross may include a wider geographical area so that a statistically reliable base can be established.

If Blue Cross is not able to develop a reasonable allowance based upon geographic area, the final basis for payment will be based upon the following:

- The value of the particular service or category of services relative to other services based on published schedules and relative value studies, such as the Medicare program’s Fee Schedule for Physicians’ Services or the California Relative Value Studies
- The level of skill and training of the provider with regard to the field of practice; for example, advanced training and certification by a specialty board to practice a particular branch of medicine or surgery
- When appropriate, the attending circumstances of a particular case, including but not limited to the time required to perform the service or procedure, the severity of the condition being treated, the complexity of the treatment of a particular case, or the newness of a particular service or procedure

Ambulatory Surgical Center—A facility that is certified or licensed as required by the state in which it operates and meets all of the following requirements:

- It has an organized staff of physicians.
- It has permanent facilities that are equipped and operated primarily for the purpose of performing surgical procedures.
- It does not provide inpatient services or accommodations.

Chemical Dependency—A condition characterized by a physiological and/or psychological dependence on alcohol or a state-regulated, controlled substance. It is further characterized by a frequent or intense pattern of pathological use, to the point that the user:

- Loses self-control over the amount and circumstances of use
- Develops symptoms of tolerance, or psychological and/or physiological withdrawal if use is reduced or stopped
- Substantially impairs or endangers his or her health or substantially disrupts his or her social or economic function

Chemical dependency includes alcohol and drug psychoses, and alcohol and drug dependence syndromes.

Complication of Pregnancy—A condition falling into one of the three categories listed below that requires covered, medically necessary services in addition to those services usually provided for antepartum care, normal or cesarean delivery, and postpartum care, in order to treat the condition:

- Diseases of the mother that are not caused by pregnancy but co-exist with and are adversely affected by pregnancy
- Maternal conditions caused by the pregnancy that make its treatment more difficult. These conditions are limited to the following:
 - Ectopic pregnancy
 - Hydatidiform mole/molar pregnancy
 - Incompetent cervix requiring treatment
 - Complications of administration of anesthesia or sedation during labor or delivery
 - Obstetrical trauma uterine rupture before onset or during labor
 - Antepartum or postpartum hemorrhage requiring medical/surgical treatment
 - Placental conditions that require surgical intervention
 - Preterm labor and monitoring
 - Toxemia
 - Gestational diabetes
 - Hyperemesis gravidarum
 - Spontaneous miscarriage or missed abortion
- Fetal conditions requiring in utero surgical intervention

Congenital Anomaly—A marked difference, from the normal structure of a body part, that is physically evident at birth.

Coordination of Benefits—A group health program procedure designed to eliminate duplicate payments for the same service as a result of a claim being submitted to two different programs.

Convalescent Nursing Home—An institution that provides room, board, and skilled nursing care 24 hours a day or under the supervision of a registered professional nurse.

Cost Containment—Plan modifications that are aimed at holding down the cost of the health care program or reducing its rate of increase.

Cost Sharing—A plan modification whereby employees pay a portion of the cost of their health care program.

Custodial Care—Any portion of a service, procedure, or supply that, in the judgment of Blue Cross, is provided primarily for the following reasons:

- Ongoing maintenance of the enrollee’s health, and not for therapeutic value in the treatment of an illness or injury.
- To assist the enrollee in meeting the activities of daily living. Examples are help in walking, bathing, dressing, eating, preparation of special diets, and supervision over self-administration of medication not requiring constant attention of trained medical personnel.

Dental Care Provider—A dentist or other dental care professional named in this plan that is licensed or certified as required by the state in which the services were received to provide a dental service or supply, and who does so within the lawful scope of that license or certification.

Dentally Necessary—Those covered services and supplies that are, in the judgment of Blue Cross, determined to meet all of the following requirements:

- Essential to, consistent with, and provided for the diagnosis or the direct care and treatment of a disease, accidental injury or condition harmful or threatening to the enrollee’s dental health, unless provided for preventive services when specified as covered under this plan
- Appropriate and consistent with authoritative dental or scientific literature
- Not primarily for research or data collection
- Not primarily for the convenience of the member, the member’s family, the member’s dentist or another provider
- The least costly of the alternative levels of service which can safely be provided to the enrollee

The fact that covered services were furnished, prescribed or approved by a dental care provider doesn’t in itself mean that the services are dentally necessary. When, in the judgment of Blue Cross, it is necessary to review the dentist’s treatment plan or conduct a utilization review, the review will be performed by a dentist licensed to practice dentistry in the State of Alaska.

Disability—Disability occurs when you are prevented from engaging in your customary occupation because of injury or disease, and are performing no work of any kind for pay or profit, or when any insured dependent is prevented, because of injury or disease, from engaging in substantially all of the normal activities of a person of like age and in good health.

Effective Date—The date on which your coverage under this program begins. If you reenroll in this program after a lapse in coverage, your effective date will be the date that the coverage begins again.

Enrollee—A person who is covered under this program as an employee or dependent, as described in the “Eligibility” section of this handbook; also called “you” and “your” in this booklet.

Enrollment Date—For the employee and eligible dependents enrolling when first eligible, the enrollment date is the employee’s date of hire or the date they enter an eligible class, whichever is later. For a dependent who enrolls on a date other than when first eligible for coverage, the enrollment date is the effective date of coverage.

Expense Incurred—An expense is incurred on the date that the service is received or the supply is ordered.

Experimental/Investigational—Any service, including a treatment, procedure, equipment, drug, drug usage, medi-

cal device, or supply which, as determined by Premera Blue Cross Blue Shield of Alaska, meets one or more of the following criteria:

- A drug or device which cannot be lawfully marketed without the approval of the United States Food and Drug Administration, and has not been granted such approval on the date it is furnished.
- The service is subject to oversight by an Institutional Review Board.
- Reliable evidence does not demonstrate efficacy of the service, nor does it define a specific role for the service in clinical evaluation, management or treatment.
- The service is the subject of ongoing clinical trials to determine its maximum tolerated dose, toxicity, safety or efficacy.
- Evaluation of reliable evidence indicates that additional research is necessary before the service can be classified as equally or more effective than conventional therapies.

Reliable evidence includes, but is not limited to, reports and articles published in authoritative medical and scientific literature, and assessments and coverage recommendations published by the Blue Cross Blue Shield Association Technical Evaluation Center (TEC).

Explanation of Benefits (EOB)—A summary description of benefits received and paid under the health program.

Group—The entity that sponsors the self-funded health plan, in this case the University of Alaska.

Home Medical and Respiratory Equipment/Medical Supplies—Mechanical equipment that can stand repeated use and is used in connection with the direct treatment of an illness or accidental injury. It is of no use in the absence of illness or accidental injury.

Hospital—A facility legally operating as a hospital in the state in which it operates and that meets the following requirements:

- It has facilities for the inpatient diagnosis, treatment, and acute care of injured and ill persons by or under the supervision of a staff of physicians.
- It continuously provides 24-hour nursing services by or under the supervision of registered nurses.

In no event will a “hospital” be an institution that is run mainly as one of the following:

- A rest, nursing, or convalescent home; residential treatment center; or health resort
- To provide hospice care for terminally ill patients
- For care of the elderly
- For treatment of chemical dependency or tuberculosis

Illness—A sickness, disease, medical condition, complication of pregnancy, or pregnancy.

Inpatient—Confined in a medical facility as an overnight bed patient.

Medical Emergency—A sudden onset of a medical condition or accidental injury manifesting itself by acute symptoms of sufficient severity that the absence of immediate medical attention would reasonably be expected by a prudent person who possesses an average knowledge of health and medicine to result in one of the following:

- Place the enrollee’s life in serious jeopardy
- Serious impairment to bodily functions
- Serious and permanent dysfunction of any bodily organ or part

Medical Facility (also called **Facility**)—A hospital, skilled nursing facility, state-approved chemical dependency treatment facility, or hospice.

Medically Necessary—Those covered services and supplies that are, in the judgment of Blue Cross, determined necessary to meet **all** of the following requirements:

- Essential to, consistent with, and provided for the diagnosis or the direct care and treatment of an illness, accidental injury, or condition harmful or threatening to the enrollee’s life or health, unless provided for preventive services when specified as covered under this program
- Appropriate for the medical condition as specified in accordance with authoritative medical or scientific literature
- Medically effective treatment of the diagnosis as demonstrated by:
 - Sufficient evidence exists to draw conclusions about the effect of the health intervention on the medical outcome
 - Evidence demonstrates that the health intervention can be expected to produce its intended effects on health outcomes
 - Expected beneficial effects of the health intervention on health outcomes is expected to outweigh its expected harmful effects
- Cost effective as determined by being the least costly of the alternative supplies or levels of service which is medically effective and can safely be provided to the enrollee. A health intervention is cost effective if there is no other available health intervention that offers a clinically appropriate benefit at a lower cost.
- Not primarily for the convenience of the enrollee, the enrollee’s family, the enrollee’s physician, or another provider
- Not primarily for research or data accumulation

Health Intervention is defined as an activity undertaken for the primary purpose of preventing, improving or stabilizing a medical condition. Activities that are primarily custodial, part of normal existence, or undertaken for the convenience of a patient, family, health professional or third party are not health interventions.

Health Outcome is defined as the results of medical interventions that directly affect the length or quality of life of the enrollee.

Sufficient Evidence is defined as evidence derived from clinical research that is (1) peer-reviewed, (2) well-controlled, (3) directly or indirectly relates to intervention to health outcomes, and (4) reproducible both within and outside of a research setting.

The fact that the covered services were furnished, prescribed, or approved by a physician or other provider does not in itself mean that the services were medically necessary.

Non-Occupational Injury/Disease—A non-occupational injury is an accidental bodily injury that does not arise out of (or in the course of) any work for pay or profit, nor in any way results from an injury that does.

A non-occupational disease is a disease that does not arise out of (or in the course of) any work for pay or profit, nor in any way results from a disease which does. However, if proof is furnished that the individual is covered under a workers’ compensation law or similar law, but is not covered for that particular disease under such a law, that disease will be considered non-occupational regardless of cause.

Oncology Clinical Trials— Treatment that is part of a scientific study of therapy or intervention in the treatment of cancer being conducted at the phase 2 or phase 3 level in a national clinical trial sponsored by the National Cancer Institute or institution of similar stature, or trials conducted by established research institutions funded or sanctioned by private or public sources of similar stature. All approvable trials must have Institutional Review Board (IRB) approval by a qualified IRB.

The clinical trial must also be to treat cancer that is either life-threatening or severely and chronically disabling, has

a poor chance of a positive outcome using current treatment, and the treatment subject to the clinical trial has shown promise of being effective.

An oncology clinical trial does not include treatment for

- costs for treatment that are not primarily for the care of the patient (such as lab services performed solely to collect data for the trial);
- any drug or device provided as part of a phase 1 oncology clinical trial;
- services, supplies or pharmaceuticals that would not be charged to the member, were there no coverage;
- services provided in a clinical trial that are fully funded by another source.

The member for whom benefits are requested must be enrolled in the trial at the time of treatment for which coverage is being requested. You, your provider, or the medical facility should ask Blue Cross for a benefit advisory to determine coverage **before** you enroll in the clinical trial.

Orthodontia—The branch of dentistry that specializes in the correction of tooth arrangement problems, including poor relationships between the upper and lower teeth (malocclusion).

Orthotics—A support or brace applied to an existing portion of the body for weak or ineffective joints or muscles, to aid, restore, or improve function.

Outpatient—Treatment received in a setting other than as an inpatient in a medical facility.

Period of Convalescent Nursing Home Confinement—If you are re-admitted into a convalescent nursing home and less than 90 days has passed between confinements, it is considered one stay.

Periods of Hospital Confinement—If you are re-admitted into a hospital and there has not been at least 90 days between confinements, it is considered one stay.

Physician—A state-licensed Doctor of Medicine and Surgery (M.D.), Doctor of Osteopathy and Surgery (D.O.) or a Podiatrist (D.P.M.). Professional services provided by one of the following types of providers will also be considered to be physicians' services for the purposes of this program but only when the provider is licensed to practice where the care is provided, is providing a service within the scope of that license, is providing a service or supply for which benefits are specified in this program, and when benefits would be payable if the services were provided by a "Physician" as defined above:

- Advanced Registered Nurse Practitioner (A.R.N.P.)
- Certified Direct-Entry Midwife
- Chiropractor (D.C.)
- Christian Science Practitioner authorized by the Mother Church, the First Church of Christ, Scientist, in Boston, Massachusetts
- Dentist (D.D.S. or D.M.D.)
- Licensed Clinical Social Worker (L.C.S.W.)
- Licensed Marital and Family Therapist (L.M.F.T)
- Licensed Marriage and Family Counselor (L.M.F.C.)
- Naturopath (N.D.)
- Nurse Midwife
- Occupational Therapist (O.T.)
- Optometrist (O.D.)
- Physical Therapist (P.T.)

- Physician Assistant supervised by a collaborating M.D. or D.O.
- Psychological Associate
- Psychologist

Physician Assistant—A professional who is trained to perform certain medical procedures and is employed under the supervision of a physician.

Plan (also called “This Plan”)—The self-funded health plan described in this Handbook.

Plan Year—The period of 12 consecutive months that starts each July 1 at 12:01 a.m. and ends on the next June 30 at midnight.

Premera Blue Cross Blue Shield of Alaska—Premera Blue Cross Blue Shield of Alaska in the State of Alaska, and Premera Blue Cross in Washington State.

Prescription Drug—Any medical substance, including biologicals used in an anticancer chemotherapeutic regimen for a medically accepted indication or for the treatment of people with HIV or AIDS, the label of which—under the Federal Food, Drug, and Cosmetic Act, as amended—is required to bear the legend: “Caution: Federal law prohibits dispensing without a prescription.”

Benefits available under this program will be provided for “off-label” use, including administration, of prescription drugs for treatment of a covered condition when use of the drug is recognized as effective for treatment of such condition by one of the following standard reference compendia:

- The American Hospital Formulary Service-Drug Information;
- The American Medical Association Drug Evaluation;
- The United States Pharmacopoeia-Drug Information; or
- Other authoritative compendia as identified from time to time by the Federal Secretary of Health and Human Services or the Insurance Commissioner.

If not recognized by one of the standard reference compendia cited above, then recognized by the majority of relevant, peer-reviewed medical literature (original manuscripts of scientific studies published in medical or scientific journals after critical review for scientific accuracy, validity, and reliability by independent unbiased experts), or the Federal Secretary of Health and Human Services.

“Off-label” use means the prescribed use of a drug which is other than that stated in its FDA-approved labeling.

Benefits are not available for any drug when the U.S. Food and Drug Administration (FDA) has determined its use to be contraindicated, or for experimental or investigational drugs not otherwise approved for any indication by the FDA.

Program, This—The benefits, terms, and limitations set forth in the contract between Premera Blue Cross Blue Shield of Alaska and the University of Alaska.

Provider—A physician or other health care professional or facility named in this program that is licensed, registered, or certified to provide a medical service or supply as required by the state in which the services were received, and who does so within the lawful scope of that license, registration, or certification.

Psychiatric Condition—A condition listed in the current edition of “Diagnostic and Statistical Manual of Mental Disorders.”

Required Contributions—The rates for the benefits offered in this program.

Reasonable and Customary Charge—See Allowable Charge.

Skilled Care—Care which is ordered by a physician and, in the judgment of Blue Cross, requires the medical knowledge and technical training of a licensed registered nurse.

Skilled Nursing Facility—A medical facility providing services that require the direction of a physician and nursing supervised by a registered nurse, and that is approved by Medicare or would qualify for Medicare approval if so requested.

Temporomandibular Joint (TMJ) Disorders—TMJ disorders shall include those disorders which have one or more of the following characteristics: pain in the musculature associated with the temporomandibular joint, internal derangements of the temporomandibular joint, arthritic problems with the temporomandibular joint, or an abnormal range of motion or limitation of motion of the temporomandibular joint.

University—University of Alaska