State Health Plan for Teachers and State Employees

High Deductible Health Plan (HDHP) Benefits Booklet

January 1, 2019 – December 31, 2019

Revised: March 26, 2019
Welcome to the State Health Plan’s High Deductible Health Plan (HDHP), also referred to in this benefits booklet simply as your health benefit plan. Your health benefit plan is offered under a Blue Options Plan administered by Blue Cross and Blue Shield of North Carolina (Blue Cross NC).

Please read this benefits booklet carefully so that you will understand your benefits. Your provider or medical professional is not responsible for explaining your benefits to you.

The State Health Plan has contracted with Blue Cross NC to use its Blue Options network. As a member, you will enjoy quality health care from the Blue Options network of health care providers and easy access to specialists. Blue Cross NC provides administrative services only and does not assume any financial risk or obligation with respect to claims.

You also have the freedom to choose health care providers who do not participate in the Blue Options network. You may receive, upon request, information about your health benefit plan, its services and providers, including this benefits booklet with a benefit summary, and a directory of in-network providers.

If any information in this booklet conflicts with North Carolina state law or it conflicts with medical policies adopted under your health benefit plan, North Carolina law will prevail, followed by medical policies. If any of the Blue Cross NC medical policies conflict with the State Health Plan medical policies, the State Health Plan medical policies will be applied.

The benefit plan described in this booklet is subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). A summary of benefits, conditions, limitations and exclusions is set forth in this benefits booklet for easy reference.

The information contained in this booklet is supported by medical policies which are used as guides to make coverage determinations.

For specific detailed information, or medical policies, please call Customer Service at 888-234-2416, or visit the State Health Plan website at www.shpnc.org. To obtain a copy of the General Statutes visit the North Carolina General Assembly at www.ncga.state.nc.us and search for Article 3B in Chapter 135.

As you read this benefits booklet, keep in mind that any word you see in italics is a defined term and will appear in the “Definitions” section at the end of this benefits booklet.
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<th>Contact Information</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Health Plan Customer Service</strong></td>
<td>888-234-2416</td>
<td>For questions regarding your benefits, claim inquiries and new <em>Identification Card (ID card)</em> requests.</td>
</tr>
<tr>
<td></td>
<td>8 a.m. - 6 p.m., Monday-Friday, except holidays</td>
<td></td>
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<tr>
<td><strong>Medical Certification or Prior Authorization</strong></td>
<td>800-672-7897</td>
<td>To request <em>prior authorization (certification)</em> for certain <em>out-of-network</em> or out-of-state services.</td>
</tr>
<tr>
<td><strong>Medical Claims Filing</strong></td>
<td></td>
<td>Mail completed medical claims to:</td>
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<tr>
<td></td>
<td></td>
<td><em>State Health Plan</em></td>
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<tr>
<td></td>
<td></td>
<td>c/o <em>Blue Cross NC</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>PO Box 30087</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Durham, NC 27702</td>
</tr>
<tr>
<td><strong>State Health Plan Eligibility and Enrollment Center</strong></td>
<td>855-859-0966</td>
<td>For questions regarding <em>member</em> eligibility and enrollment.</td>
</tr>
<tr>
<td></td>
<td>8 a.m. - 5 p.m., Monday-Friday, except holidays</td>
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</tr>
<tr>
<td><strong>COBRA Administration and Individual Billing Services Customer Service</strong></td>
<td>877-679-6272</td>
<td>For questions relating to premium payments for <em>Retirees/COBRA/Surviving Spouses.</em></td>
</tr>
<tr>
<td></td>
<td>8 a.m. - 5 p.m., Monday-Friday, except holidays</td>
<td></td>
</tr>
<tr>
<td><strong>CVS Caremark Customer Service</strong></td>
<td>888-321-3124</td>
<td>For questions regarding your <em>prescription</em> benefits, to obtain a preferred drug list, the information on <em>prior authorizations</em>, refills, and the tobacco cessation program information. Please note: <em>Blue Cross NC</em> does not administer your prescription drug benefits.</td>
</tr>
<tr>
<td></td>
<td>24 hours a day, 7 days per week</td>
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</tr>
<tr>
<td><strong>CVS Caremark Specialty Pharmacy</strong></td>
<td>800-238-7828</td>
<td>For information regarding the specialty pharmacy services offered or to obtain <em>specialty medications.</em></td>
</tr>
<tr>
<td><strong>CVS Caremark - Prior Authorization Number</strong></td>
<td>800-294-5979</td>
<td>To initiate a <em>prior authorization</em> request for a <em>prescription medication.</em></td>
</tr>
<tr>
<td><strong>Prescription Drug Claims Filing</strong></td>
<td></td>
<td>Mail completed <em>prescription drug</em> claim forms to:</td>
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<tr>
<td></td>
<td></td>
<td><em>CVS Caremark</em></td>
</tr>
<tr>
<td></td>
<td></td>
<td>P.O. Box 52136</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Phoenix, Arizona 85072-2136</td>
</tr>
<tr>
<td><strong>Medical and Pharmacy Appeals</strong></td>
<td>888-234-2416</td>
<td>See &quot;<em>Appeals Correspondence</em>&quot; in &quot;What If You Disagree With A Decision?&quot;</td>
</tr>
<tr>
<td><strong>Mental Health Case Manager:</strong></td>
<td>800-367-6143</td>
<td>For mental health and <em>chemical dependency prior authorization</em> and <em>certification</em> available 24 hours a day, 7 days per week. Services for the speech and hearing impaired are available.</td>
</tr>
<tr>
<td><strong>Mental Health TTY (Teletypewriter)</strong></td>
<td>866-835-2755</td>
<td></td>
</tr>
<tr>
<td><strong>Mental Health Appeals</strong></td>
<td>800-367-6143</td>
<td>See &quot;<em>Appeals Correspondence</em>&quot; in &quot;What If You Disagree With A Decision?&quot;</td>
</tr>
<tr>
<td><strong>BlueCard® PPO Program</strong></td>
<td>To find a participating <em>provider</em> outside of North Carolina and worldwide.</td>
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<tr>
<td>800-810-2583 (Inside USA)</td>
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<tr>
<td>804-673-1177 (Call collect outside USA)</td>
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</table>

**Blue365™**

1-855-511-2583
8 a.m. - 6 p.m. Monday-Friday, except holidays

Health and wellness information support and services, and special *Member* savings available 365 days a year.

**N.C. Department of State Treasurer, Retirement Systems Division**

325 North Salisbury Street
Raleigh, NC 27603-1385
919-733-4191 or 877-733-4191 toll-free
[www.myncretirement.com](http://www.myncretirement.com)

If you are a benefit recipient (Retirees, Beneficiaries, Disability recipients) and you have questions about your retirement benefits.

**Blue Connect®**

[www.shpnc.org](http://www.shpnc.org)

To enroll in a safe, secure customer service website in order to: Check claim status, verify benefits and eligibility, change your address or request a new *ID card*.

**State Health Plan Website**

[www.shpnc.org](http://www.shpnc.org)

To obtain information on Pharmacy benefits, search for a *provider*, obtain claim forms, obtain "proof of coverage" portability certificates, NC HealthSmart and more.

**State Health Plan Office**

919-814-4400

Enrollment exceptions for Non-Active Members (Retirees, Disabled Members, RIF Members, COBRA Members, former Members of the General Assembly, and other 100% contributory Members). Active members must contact their HBR.
UNDERSTANDING YOUR STATE HEALTH PLAN COVERAGE

This benefit booklet provides important information about your benefits and can help you understand how to maximize them. To help you become familiar with some common insurance terms concerning what you may owe after visiting your provider, see the chart below:

| **Deductible** | The dollar amount you must incur for covered services in a benefit period before benefits are payable under the Plan. The deductible does not include coinsurance, charges in excess of the allowed amount, amounts exceeding any maximum, or expenses for non-covered expenses. This Plan has an embedded deductible, which means you have an individual deductible and if dependents are covered, you also have a combined family deductible. You must meet your individual deductible before benefits are payable under the Plan. However, once the family deductible is met, it is met for all covered family members. Amounts applied to your out-of-network deductible are credited to your in-network deductible. However, amounts applied to your in-network deductible are not credited to your out-of-network deductible. |
| **Coinsurance** | Your share of the cost of a covered health service, after you have met your benefit period deductible. This is stated as a percentage of the allowed amount. |
| **Out-of-pocket limit** | The out-of-pocket limit is the dollar amount you pay for covered services in a benefit period before the Plan pays 100%. Your out-of-pocket limit is determined by your type of coverage. The individual out-of-pocket limit applies to each individual covered by the Plan. If one or more dependents are covered under the HDHP, all covered family members contribute to the same family out-of-pocket limit. When either the family in-network or out-of-network out-of-pocket limit is met, the family out-of-pocket limit is met for all covered family members. Charges for in-network services apply to the in-network out-of-pocket limit. However, charges for out-of-network services apply to both the out-of-network and the in-network out-of-pocket limit. |

Please note: The deductible and total out-of-pocket limit amounts listed in the “Summary of Benefits” may be revised each year in accordance with Internal Revenue Service (IRS) rulings.

If you are trying to determine whether coverage will be provided for a specific service, you may want to review all of the following:

- “Summary of Benefits” to get an overview of your specific benefits, such as deductible, coinsurance, and maximum amounts.
- “Covered Services” to get more detailed information on what is covered and what is excluded from coverage.
- “What Is Not Covered?” to see general exclusions from coverage.
- “Utilization Management” for important information on when prior authorization and certification are required.

Please note: This health benefit plan is intended to be a high deductible health plan that qualifies its members to contribute to a Health Savings Account (HSA), unless its members are otherwise ineligible under applicable federal requirements. Please consult a qualified tax advisor if you are unsure about whether or not you are ineligible. In addition, the deductible and out-of-pocket limit amounts listed in the “Summary of Benefits” may be revised each year in accordance with Internal Revenue Service (IRS) rulings.
TIPS FOR GETTING THE MOST OUT OF YOUR HEALTH CARE BENEFITS

Understand Your Health Care Plan

The more you know about your benefits, the easier it will be to take control of your health. Let the State Health Plan help you understand your plan and use it effectively through our customer friendly website (www.shpnc.org), Customer Service (888-234-2416), and your benefits booklet.

Manage Your Out-of-Pocket Costs by Managing the Locations in which You Receive Care

Generally speaking, care received in a provider’s office is the most cost effective for you, followed by hospital outpatient services. Hospital inpatient and emergency room services often bear the highest cost. In addition, remember that in-network care (services from a Blue Options participating in-network provider who agrees to charge specified rates) will cost you less than similar care provided by an out-of-network provider. You should ask the receptionist whether the provider’s office is hospital owned or operated, or provides hospital based services. This may subject your medical services to the Outpatient Services benefit, which requires deductibles and coinsurance. Know what your financial responsibility is before receiving care.

Save on Prescription Medications

Print out the preferred drug list and take it with you when visiting your provider. Ask your provider to authorize a generic substitute whenever a generic is available. You will save money using generics since they typically have the lowest cost. When there is more than one brand name drug available for your medical condition, it is suggested that you ask your physician which drug is more cost effective.

Pick a Primary Care Provider (PCP)

While your health benefit plan does NOT require you to have a Primary Care Provider, we strongly urge you to select and use one. A Primary Care Provider informs you of your health care options, documents your care, and maintains your records for you. In addition, they save you time and unnecessary additional costs by recommending appropriate specialists, coordinating your care with them, and informing them of things such as your medical history and potential drug interactions.

Take Charge of Your Health

The State Health Plan offers telephonic coaching for disease and case management for members with the following conditions: asthma, chronic obstructive pulmonary disease (COPD), cerebrovascular disease (CVD), coronary artery disease (CAD), peripheral vascular disease (PAD), heart failure, and diabetes. Case management will also be provided for members with complex health care needs and with conditions such as chronic and end stage renal disease.
**MEMBER RIGHTS AND RESPONSIBILITIES**

**As a State Health Plan member, you have the right to:**

- Receive, upon request, information about your health benefit plan including its services and providers, a benefits booklet, benefit summary and directory of in-network providers.
- Receive courteous service from the State Health Plan and its representatives.
- Receive considerate and respectful care from your in-network providers.
- Receive the reasons for the denial of a requested treatment or health care service, including (upon request) an explanation of the Utilization Management criteria and treatment protocol used to reach the decision.
- Receive (upon request) information on the procedure and medical criteria used to determine whether a procedure, treatment, facility, equipment, drug, or device is investigational, experimental, or requires prior approval.
- Receive accurate, reader friendly information to help you make informed decisions about your health care.
- Expect that measures will be taken to ensure the confidentiality of your health care information.
- File a grievance and expect a fair and efficient appeals process for resolving any differences you may have with the coverage determination of your health benefit plan.
- Be treated with respect and recognition of your dignity and right to privacy.
- Voice complaints or appeals about the organization or the care it provides.
- Make recommendations regarding the organization's members' rights and responsibilities policies.

**As a State Health Plan member, you have the responsibility to:**

- Present your ID card each time you receive services.
- Give your provider permission to ask for medical records from other providers you have seen. You will be asked to sign a transfer of medical records authorization form.
- Read your benefits booklet and all other member materials.
- Call State Health Plan Customer Service if you have a question or do not understand the material provided by them.
- Follow the course of treatment prescribed by your provider. If you choose not to comply, tell your provider.
- Provide complete information about any illness, accident, or health care issues to the State Health Plan or its representatives and providers.
- Make and keep appointments for non-emergency medical care. If it is necessary to cancel an appointment, give the provider's office adequate notice.
- Ensure any advance certifications have been received for out-of-network services (see "Prospective Reviews" section for information on certifications).
- File claims for out-of-network services in a complete and timely manner.
- Participate in understanding your health problems and the medical decisions regarding your health care.
- Be considerate and courteous to Blue Options providers, their staff and State Health Plan representatives.
- Notify your employer and the State Health Plan if you have any other group coverage or become eligible for Medicare.
- Notify your employer and the State Health Plan of any changes regarding dependents as soon as possible.
- Notify your employer and the State Health Plan if you have a change in marital status as soon as possible.
• Use *Blue Connect* to manage claims and related benefit issues.
• Protect your *ID card* from unauthorized use.
• Notify your employing unit and the *State Health Plan* of any address or phone number changes.
HIGH DEDUCTIBLE HEALTH PLAN (HDHP)
SUMMARY OF BENEFITS

The following is a summary of your HDHP benefits. A more complete description of your benefits is found in "Covered Services." General exclusions may also apply. Please see "What is not Covered?" As you review the Summary of Benefits chart, keep in mind:

- There are no copayments with this plan.
- Coinsurance percentages shown in this section are the portion of the allowed amount that you pay.
- Deductible and coinsurance amounts are based on the allowed amount.
- Services applied to the deductible also count toward any visit or day maximums.
- If your benefit level for services includes deductibles and coinsurance, your provider may collect an estimated amount of these at the time you receive services.
- To receive in-network benefits, you must receive care from a Blue Options in-network provider. However, in an emergency, or when in-network providers are not reasonably available as determined by Blue Cross NC’s access to care standards, you may also receive in-network benefits for care from an out-of-network provider. Please see “Out-of-Network Benefits” and "Emergency and Urgent Care Services" for additional information on emergency care. Access to care standards are available on our website at www.shpnc.org or by calling the State Health Plan Customer Service number given in “Who to Contact.”
- If you see an out-of-network provider, you will receive out-of-network benefits unless otherwise approved by the State Health Plan or its representative.
- Out-of-Network Labs: If your provider sends your lab work to an out-of-network lab for processing, your claims will no longer be paid at the in-network coinsurance. Your claims for these services will be paid at the appropriate out-of-network coinsurance. This may result in you having to pay more for out-of-network lab work. Talk to your provider to ensure they are using Blue Cross NC’s in-network labs.
- Preventive Care as described under the Affordable Care Act (ACA) is covered at 100% in-network so long as utilization management requirements (if applicable) are met.
- Preventive medications listed under the Affordable Care Act (ACA) with a prescription written by a provider and filled at a participating pharmacy, are covered at 100%.

Please note the list of in-network providers may change from time to time, so please verify that the provider is still in the Blue Options network before receiving care. There is a “Find a Doctor Tool” available on the Plan’s website at www.shpnc.org or you can locate a provider by calling State Health Plan Customer Service at the number given in "Who to Contact."

Note: If a member uses Health Savings Account (HSA) funds to pay their provider and the provider refunds money to the member as a result of an overestimation of the member’s deductible or coinsurance, the member must return this money to the HSA in order to avoid any tax impacts.
### Lifetime Maximum, Deductible, and Out-of-Pocket Limit

Benefit payments are based on where services are received and how services are billed.

<table>
<thead>
<tr>
<th>Lifetime Maximum</th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
</tbody>
</table>

Unlimited for all covered services except where otherwise specifically indicated or excluded. If you exceed any lifetime maximum, additional services of that type are not covered. In this case, you may be responsible for the entire amount of the Provider's billed charge.

### Deductible

<table>
<thead>
<tr>
<th></th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual, per benefit period</td>
<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Family, per benefit period</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Charges for the following do not apply to the benefit period deductible:
- Preventive Care as defined by the Affordable Care Act.
- In-Network services do not apply to the Out-of-Network deductible.

### Total Out-of-Pocket Maximum

<table>
<thead>
<tr>
<th></th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual, per benefit period</td>
<td>$6,450</td>
<td>$12,900</td>
</tr>
<tr>
<td>Family, per benefit period</td>
<td>$12,900</td>
<td>$25,800</td>
</tr>
</tbody>
</table>

Charges over allowed amounts and charges for non-covered services do not apply to the total out-of-pocket maximum. The total out-of-pocket maximum, which is the deductible plus the coinsurance you pay, is the total amount you will pay for covered services.

### Preventive Care

<table>
<thead>
<tr>
<th></th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Provider or Specialist</td>
<td>No Charge</td>
<td>60% after deductible</td>
</tr>
</tbody>
</table>

Available in an office-based, outpatient, or ambulatory surgical setting, or urgent care center. Services include: routine physical exams and screenings, well-baby care, well-child care, well-woman care, immunizations, nutritional counseling (regardless of diagnosis), gynecological exams, cervical cancer screening, ovarian cancer screening, mammograms (regardless of diagnosis), colorectal screening, bone mass measurement, prostate-specific antigen tests, and newborn hearing screening.

This benefit is only for services that indicate a primary diagnosis of preventive or wellness. Please visit the Plan’s website at [www.shpnc.org](http://www.shpnc.org) for the most up-to-date information on preventive care covered under federal law.

### Provider’s Office

Office visits for the evaluation and treatment of obesity are limited to a combined in- and out-of-network maximum of four visits per benefit period. Any visits in excess of these benefit period maximum are not covered services.

<table>
<thead>
<tr>
<th></th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Provider or Specialist</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
</tr>
</tbody>
</table>

Includes office surgery, X-rays and lab tests. For MRIs, MRAs, CT scans and PET scans, see Outpatient Diagnostic Services.

### Short-Term Therapy Services (Includes Evaluation and Management)

Limited to rehabilitative speech, physical, and occupational therapy.

<table>
<thead>
<tr>
<th></th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Rehabilitative Therapies</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
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</tbody>
</table>

Short-Term Rehabilitative Therapies include chiropractic care, occupational therapy, and physical therapy. Combined in- and out-of-network benefit maximums apply to chiropractic services only. There is a 30-visit limit for Chiropractic care. Any visits in excess of this benefit period maximum are not covered services.
### Other Therapies

<table>
<thead>
<tr>
<th></th>
<th>In-Network</th>
<th>Out-of-Network</th>
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</thead>
<tbody>
<tr>
<td>Chemotherapy, dialysis and cardiac rehabilitation provided in the office.</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
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</tbody>
</table>

### Infertility and Sexual Dysfunction Services

<table>
<thead>
<tr>
<th>Primary Care Provider or Specialist</th>
<th>In-Network</th>
<th>Out-of-Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined in- and out-of-network limit of 3 ovulation induction cycles and associated services per lifetime. Any services in excess of this lifetime limit are not covered services. Ovulation induction cycles associated with artificial means of conception are not covered.</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
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### Urgent Care Centers, Emergency Rooms, and Ambulance Services

<table>
<thead>
<tr>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urgent Care Centers</td>
<td>50% after deductible</td>
</tr>
<tr>
<td>Emergency Room Visit</td>
<td>50% after deductible</td>
</tr>
<tr>
<td>Ambulance Services</td>
<td>50% after deductible</td>
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### Ambulatory Surgical Centers

<table>
<thead>
<tr>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulatory Surgical Services</td>
<td>50% after deductible</td>
</tr>
</tbody>
</table>

### Outpatient Services

<table>
<thead>
<tr>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outpatient Services</td>
<td>50% after deductible</td>
</tr>
</tbody>
</table>

Includes physician services, hospital and hospital-based outpatient clinic services, outpatient diagnostic services, and therapy services including short-term rehabilitative therapies, and other therapies including dialysis. See provider’s office for visit maximums.

### Inpatient Hospital Services

<table>
<thead>
<tr>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider Services</td>
<td>50% after deductible</td>
</tr>
</tbody>
</table>

Includes physician services, hospital and hospital-based services, and maternity delivery, prenatal and post-delivery care. If you are in a hospital as an inpatient at the time you begin a new benefit period, you may have to meet a new deductible for covered services from providers or other professional providers.

### Nursing

<table>
<thead>
<tr>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled Nursing Facility</td>
<td>50% after deductible</td>
</tr>
</tbody>
</table>

Combined in- and out-of-network maximum of 100 days per benefit period. Services applied to the deductible count towards this day maximum. Any services in excess of this benefit period maximum are not covered services.

<table>
<thead>
<tr>
<th>Other Services</th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% after deductible</td>
<td>60% after deductible</td>
<td></td>
</tr>
</tbody>
</table>

Includes durable medical equipment, hospice services, medical supplies, orthotic devices, private duty nursing, prosthetic appliances, and home health care. Orthotic devices for correction of positional plagiocephaly are limited to one per lifetime. Hearing aids are limited to one per hearing-impaired ear every 36 months for members under the age of 22. Any services in excess of these benefit period or lifetime maximums are not covered services.
## Mental Health / Substance Abuse Services

<table>
<thead>
<tr>
<th>Service</th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mental Health Office Services</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
</tr>
<tr>
<td>Mental Health Inpatient/Outpatient Services</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
</tr>
<tr>
<td>Substance Abuse Office Services</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
</tr>
<tr>
<td>Substance Abuse Inpatient/Outpatient Services</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
</tr>
</tbody>
</table>

## Prescription Medications

Prescription drug benefits are administered by CVS Caremark. See “Prescription Drug Coinsurance and Benefits” in “Covered Services” for more information.

<table>
<thead>
<tr>
<th>Service</th>
<th>In-Network</th>
<th>Out-of-Network*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prescription Drugs (Generic, Brand-Name, and Specialty Drugs)</td>
<td>50% after deductible</td>
<td>60% after deductible</td>
</tr>
<tr>
<td>Diabetic Supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable Care Act Preventive Medications</td>
<td>0% coinsurance</td>
<td>60% after deductible</td>
</tr>
</tbody>
</table>

A list of Affordable Care Act Preventive Medications is listed on the Plan’s website at [www.shpnc.org](http://www.shpnc.org) under High Deductible Health Plan.

**NOTICE:** All non-acute specialty drugs covered under the pharmacy benefit must be obtained through CVS Caremark Specialty Pharmacy.

*Certification Requirements*

Certain medical services, regardless of the location, require prior review and certification in order to receive benefits. If you go to an in-network provider in North Carolina, your provider will request prior review when necessary. If you go to an out-of-network provider in North Carolina or to any provider outside of North Carolina, you are responsible for requesting or ensuring that your provider requests prior review. Failure to request prior review and receive certification will result in full denial of benefits. See “Covered Services” and “Prior Review (pre-service)” in “Utilization Management.” The following services require precertification:

- Hospital admissions.
- Hospital observation unit stays of more than 48 hours.
- Transplant Services.
- MRI, CT and PET scans performed Outpatient or in a Physician’s office.
- Dialysis.

Certain prescription drugs require prior review and certification before they are covered. Your physician may call CVS Caremark at 800-294-5979 to initiate a certification request.

**NOTICE:** Your actual expenses for covered services may exceed the stated coinsurance amount because actual provider charges may not be used to determine the plan’s and member’s payment obligations. For out-of-network benefits, you may be required to pay for charges over the allowed amount in addition to any deductible and coinsurance amount.
HOW THE HDHP WORKS

The HDHP gives you the freedom to choose any provider — the main difference will be the cost to you depending on whether you see an in-network or out-of-network provider.

The Role of a Primary Care Provider (PCP)

A Primary Care Provider (PCP) can help you manage your health and make decisions about your health care needs. It is important for you to maintain a relationship with a PCP. If you change PCPs, be sure to have your medical records transferred, especially immunization records, to provide your new provider with your medical history.

Please note, however, that not every provider in these specialties is available to be a PCP in the Blue Options plan. Please visit the State Health Plan website at www.shpnc.org or call State Health Plan Customer Service to be sure the provider you choose is available to be a Blue Options PCP. You may want to confirm that the provider is in the network before receiving care.

If your PCP or specialist leaves the Blue Options provider network and is currently treating you for an ongoing special condition that meets the continuity of care criteria, Blue Cross NC will notify you 30 days before the provider's termination, as long as Blue Cross NC receives timely notification from the provider.

You may be eligible to elect continuing coverage for a period of time if, at the time of the provider's termination, you meet the eligibility requirements. See Continuity Of Care in "Utilization Management." Please contact the State Health Plan Customer Service at the number in "Who to Contact" for additional information.

In-Network Benefits

By receiving care from an in-network provider, you receive a higher level of benefit coverage. In-network providers will file claims for you and request prior authorization when necessary. You may want to check with your in-network provider to make sure that prior authorization has been requested. Your in-network provider is required to use the Blue Options network hospital where they practice, unless that hospital cannot provide the services you need. Blue Cross NC contracts with a broad network of North Carolina providers to deliver covered services to Blue Options members. Please note that dentists and orthodontists do not participate in the Blue Options provider network, but there are a limited number of oral maxillofacial surgeons available in-network. However, if the condition is an emergency or if an in-network provider is not reasonably available or that provider type does not participate in the network, benefits will be paid at the in-network level. For more information on Blue Cross NC's access to care standards, see the State Health Plan website at www.shpnc.org or call Customer Service at the number given in “Who to Contact.” In-network providers include:

- Providers — classified as primary care providers (described above) or specialists.
- Other Providers — health care professionals, such as physical therapists, occupational therapists, speech pathologists, clinical social workers and nurse practitioners.
- Hospitals — both general and specialty hospitals.
- Non-hospital facilities — such as skilled nursing facilities, ambulatory surgical centers and chemical dependency treatment facilities.

You do not need a referral to see a Blue Options provider. To see which providers are available in-network, please refer to a Blue Options provider directory, the “Find a Provider” section of this Benefits
Booklet, on our website at www.shpnc.org, or call State Health Plan Customer Service at the number given in "Who to Contact." The list of in-network providers may change from time to time, so please verify that the provider is still in the Blue Options network before receiving care, even if referred by an in-network provider.

If you see a Blue Options provider outside of North Carolina, see “Receiving Care When You Are Outside Of North Carolina” for information about requesting prior authorization.

Please refer to "Summary of Benefits" to see when deductibles or coinsurance apply to any of your in-network benefits. Also see "Understanding Your Share of the Cost" for an explanation of deductibles, coinsurance, and out-of-pocket limits.

Out-of-Network Benefits

You may choose to receive covered services from an out-of-network provider and benefits will be paid at the lower out-of-network level. However, if the condition is an emergency, or if in-network providers are not reasonably available to the member as determined by Blue Cross NC’s access to care standards, benefits will be paid at the in-network benefit level. For more information on Blue Cross NC’s access to care standards, see the State Health Plan website at www.shpnc.org or call Customer Service at the number given in "Who to Contact." If you believe an in-network provider is not reasonably available, you can help assure that benefits are paid at the correct benefit level by calling State Health Plan Customer Service before receiving care from an out-of-network provider. See the number for "Prior Authorization (Certification)" in "Who to Contact."

When you see an out-of-network provider, you may be responsible for more of the cost. Out-of-network benefits are generally lower than in-network benefits. In addition, you may be required to pay the difference between the provider’s actual charge and the allowed amount. You eliminate this additional cost by receiving care from in-network providers. The State Health Plan encourages you to discuss the cost of services with out-of-network providers before receiving care so you will be aware of your total financial responsibility. Out-of-network providers may or may not bill the State Health Plan directly for services. If the provider does not bill the State Health Plan, you will need to submit a claim form to the State Health Plan.

Out-of-network providers, unlike in-network providers, are not obligated by contract to request prior authorization by the State Health Plan. If you go to an out-of-network provider or receive care outside of North Carolina, it is your responsibility to request or ensure that your provider requests prior authorization by the State Health Plan or its representative. Failure to request prior authorization and obtain certification will result in a full denial of benefits. Before receiving the service, you may want to verify with the State Health Plan or its representative, that certification has been obtained. See “Prospective Review/Prior Authorization” in “Utilization Management” for additional information.

Note: Some services may not be covered out-of-network. See "Summary of Benefits" and "Covered Services." For out-of-network benefits, you may be required to pay for charges over the allowed amount, in addition to any coinsurance amount. For emergencies or if in-network providers are not reasonably available as determined by Blue Cross NC’s access to care standards, you may receive in-network benefits for care from an out-of-network provider. See "Out-of-Network Benefits" and "Emergency and Urgent Care Services." Access to care standards are available on our website at www.shpnc.org or by calling State Health Plan Customer Service at the number given in “Who to Contact.” Also see "Mental Health and Chemical Dependency Services" for additional information on prior authorization and certification requirements for these services.
How to File a Claim

If you visit in-network providers, they will file claims for you. If you visit out-of-network providers, you may be responsible for paying for care at the time of service and filing claims for reimbursement. Whenever you need to file a claim, you should mail the completed claim form to:

For your medical, mental health and chemical dependency services:

State Health Plan

c/o Blue Cross NC

PO Box 30087

Durham, NC 27702

For your prescription medications:

CVS Caremark

P.O. Box 52136

Phoenix, Arizona 85072-2136

You may obtain a claim form, including international claim forms, by visiting the State Health Plan website at www.shpnc.org or calling State Health Plan Customer Service at the number listed in "Who to Contact." For help filing a claim, call State Health Plan Customer Service at the number given in “Who to Contact.”

Making an Appointment

Call the provider's office and identify yourself as a State Health Plan member. Please ask the receptionist whether the provider's office is hospital-owned or operated or provides hospital-based services. This may subject your in-network medical services to the Outpatient Services benefit. Your provider directory will also help you make this determination. Provider locators are available online at our website or by calling State Health Plan Customer Service at the number given in "Who to Contact." If you need non-emergency services after your provider's office has closed, please call your provider's office for their recorded instructions. If you cannot keep an appointment, call the provider's office as soon as possible. Charges for missed appointments, which providers may require as part of their routine practice, are not covered.
UNDERSTANDING YOUR SHARE OF THE COST

As a member of the HDHP, you enjoy quality health care from a network of health care providers and easy access to specialists. You also have the freedom to choose health care providers who do not participate in the Blue Options network – the main difference will be the cost to you. Benefits are available for service from an *in- or out-of-network* provider that is recognized as eligible. For a list of eligible providers, please visit the Plan’s website at [www.shpnc.org](http://www.shpnc.org) or call Customer Service at the number listed in “Who to Contact.”

<table>
<thead>
<tr>
<th>Type of Provider</th>
<th>In-Network</th>
<th>Out-of-Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Provider</td>
<td>In-network providers are health care professionals and facilities that have contracted with <em>Blue Cross NC</em>, or a provider participating in the BlueCard program. Ancillary providers outside of North Carolina are considered <em>in-network</em> if they contract directly with the Blue Cross and Blue Shield plan in the state where services are received, even if they participate in the BlueCard program. In-network providers agree to limit charges for covered services to the allowed amount. Please note that dentists and orthodontists do not participate in the Blue Options provider network but there are a limited number of oral maxillofacial surgeons available in-network. The list of in-network providers may change from time to time. In-network providers are listed on the Plan’s website at <a href="http://www.shpnc.org">www.shpnc.org</a> or call Customer Service at the number listed in “Who to Contact.”</td>
<td>Out-of-network providers are not designated as Blue Options providers by <em>Blue Cross NC</em>. Also see “Out-of-Network Benefit Exceptions.”</td>
</tr>
<tr>
<td>Allowed Amount vs. Billed Amount</td>
<td>If the billed amount for a covered service is greater than the allowed amount, you are not responsible for the difference. You only pay any applicable deductible, coinsurance, and non-covered expenses.</td>
<td>You may be responsible for paying any charges over the allowed amount in addition to any applicable deductible, coinsurance, non-covered expenses and certification amounts, if any, except for emergency services in the case of an emergency.</td>
</tr>
<tr>
<td>Referrals</td>
<td>The Plan does not require you to obtain any referrals.</td>
<td>The Plan does not require you to obtain any referrals.</td>
</tr>
<tr>
<td>After-hours Care</td>
<td>If you need non-emergency services after your provider’s office has closed, please call your provider’s office for their recorded instructions.</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Care Outside of North Carolina</td>
<td>Your ID card gives you access to participating providers outside the state of North Carolina through the BlueCard program, and benefits are provided at the in-network benefit level.</td>
<td>If you are in an area that has participating providers and you choose a provider outside the network, you will receive the lower out-of-network benefit. Also see “Out-of-Network Benefit Exceptions.”</td>
</tr>
<tr>
<td>Prior authorization</td>
<td>In-network providers in North Carolina will request prior authorization when necessary. If you receive services outside of North Carolina (even if you see an in-network provider, except for Veterans Affairs (VA) and military providers), you are responsible for ensuring that you or your provider requests prior authorization. For inpatient or certain outpatient mental health and substance abuse services, either in or outside of North Carolina, contact the Mental Health Case Manager to request prior authorization and receive certification. Prior authorization is not required for an emergency or for an inpatient hospital stay for 48 hours after a vaginal delivery or 96 hours after a cesarean section.</td>
<td>You are responsible for ensuring that you or your out-of-network provider requests prior authorization. Failure to request prior authorization and obtain certification will result in full denial of benefits. Prior authorization is not required for an emergency or for an inpatient hospital stay for 48 hours after a vaginal delivery or 96 hours after a cesarean section.</td>
</tr>
<tr>
<td>Filing Claims</td>
<td>In-network providers in North Carolina are responsible for filing claims directly with Blue Cross NC.</td>
<td>You may have to pay the out-of-network provider in full and submit your own claim to Blue Cross NC. Mail claims in time to be received within 18 months of the date the service was provided. Claims not received within 18 months from the service date will not be covered.</td>
</tr>
</tbody>
</table>

**Out-of-Network Benefit Exceptions**

In an emergency, in situations where in-network providers are not reasonably available as determined by Blue Cross NC’s access to care standards, or in continuity of care situations, out-of-network benefits will be paid at your in-network benefit level. However, you may be responsible for charges billed separately.
by the provider which are not eligible for additional reimbursement. If you are billed by the provider, you will be responsible for paying the bill and filing a claim with Blue Cross NC.

If you believe an in-network provider is not reasonably available, you can help assure that benefits are paid at the correct benefit level by calling Customer Service before receiving care from an out-of-network provider.

Carry Your Identification Card
Your ID card identifies you as a Blue Options HDHP member and serves as your health and pharmacy ID card. Be sure to carry your ID card with you at all times and present it each time you seek health care. Each dependent will receive their own ID card.

Only subscribers and their enrolled eligible dependents may seek services with their card. The State Health Plan may consider unauthorized use of this card to be fraud. To find out how to report fraud go to “Report Suspected Abuse and Fraud” in the Contact Us section of the State Health Plan’s website at www.shpnc.org. The Plan will seek reimbursement for claims incurred with a State Health Plan ID card before coverage is effective or after coverage has ended.

For ID card requests, please visit “Blue Connect” on the Plan’s website at www.shpnc.org or call Customer Service at the number listed in “Who to Contact” or on the back of your ID card.
COVERED SERVICES

Covered services described on the following pages are available at both the in-network and out-of-network benefit levels, when medically necessary, unless otherwise noted. If you have a question about whether a certain health care service is covered, and you cannot find the information in "Covered Services," see "Summary of Benefits" or call State Health Plan Customer Service at the number listed in "Who to Contact."

Also keep in mind as you read this section:

- Certain services require prior authorization and certification in order for you to avoid a denial of your services. General categories or services are noted below requiring prior authorization. Please see “Prior Authorization/Pre-Service” in “Utilization Management” for information about the review process, and visit our website at www.shpnc.org or call Customer Service to ask whether a specific service requires prior authorization and certification.

- Exclusions and limitations may apply to your coverage. Service-specific exclusions are stated along with the benefit description in “Covered Services.” Exclusions that apply to many services are listed in “What Is Not Covered?” To understand the exclusions and limitations that apply to each service, read “Covered Services,” “Summary of Benefits” and “What Is Not Covered.”

- Certain services are covered pursuant to Blue Cross NC medical policies and reimbursement policies, which are updated throughout the plan year. These policies lay out the procedure and criteria to determine whether a procedure, treatment, facility, equipment, drug or device is medically necessary and eligible for coverage, investigational or experimental, cosmetic, a convenience item, or requires prior authorization and certification by Blue Cross NC. The most up-to-date medical policies are available at www.shpnc.org, or call State Health Plan Customer Service at the number listed in “Who to Contact?”

Office Services

Your health benefit plan covers care you receive as part of an office visit, including:

- Electronic visits;
- Evaluation and treatment of obesity; and
- House calls.

Some providers may get ancillary services, such as laboratory services, medical equipment or supplies, or specialty medications from third parties. In these cases, you may be billed directly by the ancillary provider. Benefit payments for these services will be based on the type of ancillary provider, its network status, and how the services are billed.

Office Services Exclusion:

- Certain self-injectable prescription drugs that can be self-administered are excluded as an office service. The list of these excluded medications may change from time to time. See our website at www.shpnc.org under Pharmacy Benefits or call State Health Plan Customer Service for a list of these medications excluded as an office service.

Preventive Services

The Plan covers preventive care services that can help you stay safe and healthy.

Under federal law, you can receive certain covered preventive care services from an in-network provider in an office-based, outpatient, or ambulatory surgical setting, or urgent care center, at no cost to you.
Please note, this benefit is only for services that indicate a primary diagnosis of preventive or wellness and which are identified by recent federal legislation as being eligible. Services, such as diagnostic lab tests, that may be delivered with a preventive care service are not considered preventive care. These services, and services that do not include a primary diagnosis of preventive or wellness, will be subject to your in-network benefit level for the location where services are received. In addition, if a particular preventive care service does not have a federal recommendation or guideline concerning the frequency, method, treatment or setting in which it must be provided, the Plan may use reasonable medical management procedures to determine any coverage limitations or restrictions that may apply.

Please visit the Plan’s website at www.shpnc.org or call Customer Service at the number in “Who to Contact” for the most up-to-date information on preventive care that is covered under federal law, including any limitations that may apply. Certain over-the-counter medications may also be available. These over-the-counter medications are covered only as indicated and when a provider’s prescription is presented at the pharmacy.

Preventive care covered services include:

**Nutritional Counseling**

The Plan covers nutritional counseling visits, which may include counseling specific to achieving or maintaining a healthy weight.

**Routine Physical Examinations and Screenings**

Routine physical examinations and related diagnostic services and screenings are covered for members as recommended with an A or B rating by the United State Preventive Services Task Force (USPSTF).

**Well-Baby and Well-Child Care**

These services are covered for each member including periodic assessments as recommended by the Health Resources and Services Administration (HRSA).

**Well-Woman Care**

These services are covered for each member, including periodic assessments, screenings, counseling, or support services, as recommended by the Health Resources and Services Administration (HRSA).

**Contraceptive Methods**

Contraceptive methods and procedures requiring a prescription and approved by the U.S. Food and Drug Administration are covered for each member with reproductive capacity through age 50. This includes intrauterine devices, diaphragms and caps, injectable or transdermal contraceptives, intravaginal hormonal contraceptives, implanted hormonal contraceptives, certain emergency contraceptives and generic oral contraceptives. In addition, over-the-counter contraceptives are covered when a provider’s prescription is presented at the pharmacy.

**Contraceptive Methods Exclusion:**

- Male contraceptives.
**Immunizations**

The full series of standard immunizations recommended by the Centers for Disease Control and Prevention (CDC) and the American Academy of Family Physicians (AAFP) is covered. Covered immunizations include the following:

- Diphtheria-Pertussis-Tetanus Toxoid (DPT)
- Polio
- Measles-Mumps-Rubella (MMR)
- Influenza
- Pneumococcal vaccine
- Human papilloma virus (HPV)
- HiB
- Hepatitis A and B
- Meningococcal vaccine
- Chicken pox
- Rotavirus
- Shingles (covered in accordance with the Food and Drug Administration guidelines)

**Immunizations Exclusions:**

- Immunizations that are required for occupational hazard.
- Immunizations that are required for international travel.

**Bone Mass Measurement Services**

The Plan covers one scientifically proven and approved bone mass measurement for the diagnosis and evaluation of osteoporosis or low bone mass during any 23-month period for certain qualified individuals only. Additional follow-up bone mass measurement tests will be covered if medically necessary. Please note that bone mass measurement tests will be covered under your diagnostic benefit (not your preventive care benefit) if the claim for these services indicates a primary diagnosis of something other than preventive or wellness. Your diagnostic benefit will be subject to your in-network benefit level for the location where services are received.

Qualified individuals include members who have any one of the following conditions:

- Estrogen-deficient and at clinical risk of osteoporosis or low bone mass.
- Radiographic osteopenia anywhere in the skeleton.
- Receiving long-term glucocorticoid (steroid) therapy.
- Primary hyperparathyroidism.
- Being monitored to assess the response or effect of commonly accepted osteoporosis drug therapies.
- History of low-trauma fractures.
- Other conditions, or receiving medical therapies known to cause osteoporosis or low bone mass.

**Colorectal Screening**

Colorectal cancer examinations and laboratory tests for cancer are covered for any symptomatic or asymptomatic member who is at least 50 years of age, or is less than 50 years of age and at high risk for colorectal cancer. Increased/high-risk individuals are those who have a higher potential of developing colon cancer because of a personal or family history of certain intestinal disorders. Some of these procedures are considered surgery, such as colonoscopy and sigmoidoscopy, and others are considered lab tests, such as hemoccult screenings. Lab work done as a result of a colorectal screening exam will be covered under your diagnostic benefit and not be considered preventive care. It will be subject to your benefit level for the location where services are received. However, lab work for the removal of polyps during the screening exam is considered preventive care.
Gynecological Exam and Cervical Cancer Screening
The cervical cancer screening benefit includes the examination and laboratory tests for early
detection and screening of cervical cancer, and a provider’s interpretation of the lab results.
Coverage for cervical cancer screening includes Pap smear screening, liquid-based cytology, and
human papillomavirus detection, and shall follow the American Cancer Society guidelines or
guidelines adopted by the North Carolina Advisory Committee on Cancer Coordination and Control.

Newborn Hearing Screening
Coverage is provided for newborn hearing screening ordered by a provider to determine the
presence of permanent hearing loss.

Ovarian Cancer Screening
For members ages 25 and older at risk for ovarian cancer, an annual screening, including a
transvaginal ultrasound and a rectovaginal pelvic examination, is covered. A member is considered
“at risk” if the member:
- Has a family history with at least one first-degree relative with ovarian cancer, and a second
  relative, either first-degree or second-degree with breast, ovarian, or nonpolyposis
colorectal cancer; or
- Tested positive for a hereditary ovarian cancer syndrome.

Prostate Screening
One prostate-specific antigen (PSA) test or an equivalent serological test will be covered per
member per benefit period. Additional PSA tests will be covered if recommended by a provider.

Screening Mammograms
The Plan provides coverage for one baseline mammogram for any member between the ages of 35
and 39. Beginning at age 40, one screening mammogram will be covered per member per benefit
period, along with a provider’s interpretation of the results. More frequent or earlier mammograms
will be covered as recommended by a provider when a member is considered at risk for breast
cancer.
A member is “at risk” if the member:
- Has a personal history of breast cancer;
- Has a personal history of biopsy-proven benign breast disease;
- Has a mother, sister, or daughter who has or has had breast cancer; or
- Has not given birth before the age of 30.

Diagnostic Services
Diagnostic procedures such as laboratory studies, radiology services, sleep studies and other diagnostic
testing, which may include electroencephalograms (EEGs), electrocardiograms (ECGs), Doppler scans
and pulmonary function tests (PFTs), help your provider find the cause and extent of your condition in
order to plan for your care. Multiple radiology or imaging procedures on the same date of service and/or
during the same patient encounter may not be eligible for separate reimbursement.

Certain diagnostic imaging procedures, such as CT scans, PET scans, MRIs, genetic and other lab testing,
and sleep studies (including associated with durable medical equipment) may require prior authorization
and certification or services will not be covered.
Your *provider* may refer you to a freestanding laboratory, radiology center, or a sample collection device for these procedures. Separate benefits for interpretation of diagnostic services by the attending *provider* are not provided in addition to benefits for that *provider*’s medical or surgical service, except as otherwise determined by the Plan.

Out-of-Network Labs: If your provider sends your lab work to an out-of-network lab for processing, your claims will no longer be paid at the in-network *coinsurance*. Your claims for these services will be paid at the appropriate out-of-network *coinsurance*. This may result in you having to pay more for out-of-network lab work. Talk to your provider to ensure they are using Blue Cross NC in-network labs.

**Diagnostic Services Exclusion:**

- Lab test that are not ordered by your *doctor* or *other provider*.

**Emergency Care**

The Plan provides benefits for *emergency services*.

An *emergency* is the sudden or unexpected onset of a condition of such severity that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in any of the following:

- Placing the health of an individual, or with respect to a pregnant woman, the health of the pregnant woman or her unborn child, in serious jeopardy.
- Serious physical impairment to bodily functions.
- Serious dysfunction of any bodily organ or part.
- Death.

Heart attacks, strokes, uncontrolled bleeding, poisonings, major burns, prolonged loss of consciousness, spinal injuries, shock and other severe, acute conditions are examples of *emergencies*.

**What to do in an Emergency**

In an *emergency*, you should seek care from an *emergency* room or other similar facility. If necessary and available, call 911 or use other community *emergency* resources to obtain assistance in handling life-threatening *emergencies*. Prior authorization is not required for *emergency services*. Your visit to the *emergency* room will be covered if your condition meets the definition of an *emergency*.

**Benefits for services in the emergency room**

<table>
<thead>
<tr>
<th>Situation</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>You go to the <em>emergency</em> room for a non-<em>emergency</em> condition.</td>
<td>Applicable <em>deductible</em> and <em>coinsurance</em>.</td>
</tr>
<tr>
<td>You go to an <em>in-network hospital emergency</em> room for an <em>emergency</em> condition.</td>
<td>Applicable <em>deductible</em> and <em>coinsurance</em>. Prior authorization and <em>certification</em> are not required.</td>
</tr>
<tr>
<td>You go to an <em>out-of-network hospital emergency</em> room for an <em>emergency</em> condition.</td>
<td>Benefits are paid as in-network. Because it is an out-of-network provider, you may be required to pay the entire bill at the time of service and file a claim. <em>Prior authorization</em> and <em>certification</em> are not required.</td>
</tr>
</tbody>
</table>
You are held for observation.  
Outpatient benefits may apply to all covered services received in the emergency room and during observation.

You are admitted to the hospital from the ER following emergency services.  
Inpatient hospital benefits apply for all covered services received in the emergency room and during hospitalization. Prior authorization and certification are required for inpatient hospitalization and other selected services following emergency services (including screening and stabilization) or coverage will be denied. You may need to transfer to an in-network hospital once your condition is stabilized in order to continue receiving in-network benefits.

You get follow-up care (such as office visits or therapy) after you leave the ER or are discharged.  
Use in-network providers to receive in-network benefits. Follow-up care related to the emergency condition is not considered an emergency.

**Urgent Care**

The Plan also provides benefits for urgent care services.

Urgent care includes services provided for a condition that occurs suddenly and unexpectedly, and requires prompt diagnosis or treatment, such that in the absence of immediate care, the member could reasonably expect to suffer chronic illness, prolonged impairment or the need for more serious treatment. Fever over 101 degrees Fahrenheit, ear infection, sprains, some lacerations, and dizziness are examples of conditions that would be considered urgent.

When you need urgent care, you should call your PCP, a specialist or go to an urgent care provider.

**Family Planning**

**Maternity Care**

Maternity care includes prenatal care, labor and delivery, and post-delivery care, and are available to all subscribers and enrolled spouses of subscribers. However, maternity benefits for dependent children cover only the treatment for complications of pregnancy. Coverage for breastfeeding counseling and certain breast pumps for pregnant or postpartum members are covered under your preventive care benefit.

<table>
<thead>
<tr>
<th></th>
<th>Mom</th>
<th>Newborn</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prenatal care</strong></td>
<td>Care related to the pregnancy before birth.</td>
<td></td>
<td>Coinsurance and any applicable deductible apply.</td>
</tr>
<tr>
<td><strong>Labor &amp; delivery services</strong></td>
<td>No prior authorization required for inpatient hospital stay for 48 hours after a vaginal delivery or 96 hours after a cesarean</td>
<td>No prior authorization required for inpatient well baby care for 48 hours after a vaginal delivery or 96 hours after a cesarean</td>
<td>Deductible and coinsurance apply. If adding the baby changes your policy from employee to family</td>
</tr>
</tbody>
</table>
section. Mothers choosing a shorter stay are eligible for a home health visit for post-delivery follow-up care if received within 72 hours of discharge.

section. Benefits include newborn hearing screening ordered by a provider to determine the presence of permanent hearing loss. (Please see preventive care in “Summary of Benefits.”)

Post-delivery services

| All care for the mother after baby’s birth that is related to the pregnancy. | After the first 48/96 hours, whether inpatient (sick baby) or outpatient (well baby), the newborn must be enrolled for coverage as a dependent child, according to the rules in “When Coverage Begins Ends.” For inpatient services following the first 48/96 hours, prior authorization and certification are required or coverage will be denied. |

Statement of Rights under the Newborns’ and Mothers’ Health Protection Act

Under federal law, group health plans and health insurance issuers offering group health insurance coverage generally may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a delivery by cesarean section. However, the plan or issuer may pay for a shorter stay if the attending provider (e.g., your provider, nurse midwife or physician assistant), after consultation with the mother, discharges the mother or newborn earlier.

Also, under federal law, group health plans and health insurance issuers may not set the level of benefits or out-of-pocket costs so that any later portion of the 48 hour (or 96 hour) stay is treated in a manner less favorable to the mother or newborn than any earlier portion of the stay.

In addition, a plan or issuer may not, under federal law, require that a provider or other health care provider obtain certification for prescribing a length of stay of up to 48 hours (or 96 hours). However, to use certain providers or facilities, or to reduce your out-of-pocket costs, you may be required to obtain certification. For information on certification, contact State Health Plan Customer Service at the number given in “Who to Contact.”

Complications of Pregnancy

Benefits for complications of pregnancy are available to all members including dependent children. Please see "Definitions" for an explanation of complications of pregnancy.
Complications of Pregnancy

Please see “Definitions” for an explanation of complications of pregnancy.

Complications of Abortion

Benefits for complications of abortion are available to all members.

Newborn Care

Inpatient newborn care is covered under the mother’s maternity benefits described above only during the first 48 hours after a vaginal delivery or 96 hours after delivery by cesarean section. This inpatient newborn care requires only one admission coinsurance and benefit period deductible for both mother and baby. Benefits also include circumcision and newborn hearing screening ordered by a doctor to determine the presence of permanent hearing loss.

For additional coverage of the newborn after the first 48/96 hours, whether inpatient or outpatient, the newborn must be enrolled for coverage as a dependent child, according to the rules in “When Coverage Begins and Ends.” At this time, the baby must meet its individual benefit period deductible if applicable and prior authorization and certification are required to avoid a denial of services.

Infertility Services

Benefits are provided for certain services related to the diagnosis, treatment and correction of any underlying causes of infertility for all members except dependent children. See “Summary of Benefits” for limitations that may apply. For information about coverage of prescription medications for infertility, see “Prescription Benefits.”

Sexual Dysfunction Services

The Plan provides benefits for certain services related to the diagnosis, treatment and correction of any underlying causes of sexual dysfunction for all members.

Sexual Dysfunction Exclusion:
- Prescription medications related to sexual dysfunction are not covered. See Prescription Medication Exclusions.

Sterilization

This benefit is available for all members. Sterilization includes tubal occlusion and vasectomy. Certain sterilization procedures for members are covered under your preventive care benefit. Call Customer Service for information about procedures that are covered according to federal regulations and any limitations that may apply.

Contraceptive Medications and Devices

This benefit is available for all members. Coverage includes the insertion or removal of any medically necessary examination associated with the use of a covered contraceptive device. Covered contraceptives include oral medications, intrauterine devices, diaphragms, injectable contraceptives and implanted hormonal contraceptives.

Family Planning Exclusions:
• Assisted reproductive technologies as defined by the Center for Disease Control and Prevention, including, but not limited to, in vitro fertilization (IVF) with fresh or frozen embryos, ovum or embryo placement, intracytoplasmic sperm injection (ICSI), zygote intrafallopian transfer (ZIFT), specialized sperm retrieval techniques, and gamete intrafallopian (GIFT) and associated services.
• Intrauterine and intracervical insemination.
• Donor eggs and sperm.
• Oocyte and sperm donation.
• Cryopreservation of oocytes, sperm, or embryos.
• Surrogate mothers.
• Care or treatment of the following:
  o Services performed by a doula.
  o Expenses incurred by any member who receives compensation from a third party in exchange for such medical procedure, such as surrogacy-related medical expenses.
  o Expenses incurred by a surrogate parent not covered as a member.
• Abortions, except for when the pregnancy is the result of rape, incest, or for subscribers and enrolled spouses of the subscribers when the life of the mother would be endangered if the unborn child was carried to term. This also applies to dependent children.
• Benefits for infertility or reduced fertility that result from a prior sterilization procedure or when infertility or reduced fertility is the result of a normal physiological change such as menopause.
• Any medications associated with artificial reproductive technology.
• Ovulation tests.
• Blood typing for paternity testing.
• Biopsy, oocyte polar body or embryo blastomere, microtechnique.

Facility Services

Benefits are provided for:

• Outpatient services received in a hospital, a hospital based facility, non-hospital facility or a hospital-based or outpatient clinic.

• Inpatient services received in a hospital or non-hospital facility. You are considered an inpatient if you are admitted to the hospital or non-hospital facility as a registered bed patient for whom a room and board charge is made. Your in-network provider is required to use the Blue Options network hospital where they practice, unless that hospital cannot provide the services you need. If you are admitted before the effective date, benefits will not be available for services received prior to the effective date. Take home medications are covered as part of your pharmacy benefit.

  Prior authorization must be requested and certification must be obtained in advance for inpatient admissions or coverage will be denied, except for maternity deliveries and emergencies. See “Maternity Care,” if applicable and “Emergency Care.”

• Surgical services received in an ambulatory surgical center.

• Covered services received in a skilled nursing facility, skilled nursing facility services are limited to a combined in- and out-of-network day maximum per benefit period.

Prior authorization must be requested and certification must be obtained in advance for payment of claims. Service for which prior authorization is not obtained will not be covered. However, certification is not required for members who have Medicare as their primary coverage and who are admitted to a Medicare-certified skilled nursing facility. See “Summary of Benefits.”
**Other Services**

**Ambulance Services**

The Plan covers services in a ground ambulance traveling:

- From a member’s home, scene of an accident, or site of an emergency to a hospital
- Between hospitals
- Between a hospital and a skilled nursing facility when such a facility is the closest one that can provide covered services appropriate to the member’s condition
- Benefits may also be provided for ambulance services from a hospital or skilled nursing facility to a member’s home when medically necessary.

Transport to and from a dialysis center:

- Transportation to and from a dialysis center will be covered when the member is certified as having end-stage renal disease, and Medicare is the member’s primary insurance.
- Transportation to or from a dialysis center for members other than those noted above will not be covered unless it is determined to be medically necessary.

Medical documentation from a physician may be required to substantiate medical necessity of transport by ambulance and that other means of transportation would be contraindicated for your condition.

Ambulance transportation services will be reviewed for medical necessity in the case of:

- Ambulance services from a hospital or skilled nursing facility to a member’s home
- Non-emergency air ambulance services

The Plan covers services in an air ambulance traveling from the site of an emergency to a hospital when such a facility is the closest one that can provide covered services appropriate to the member’s condition. Air ambulance services are eligible for coverage only when ground transportation is not medically appropriate due to the severity of the illness, or the pick-up point is inaccessible by land.

- Non-emergency air ambulance services require prior authorization and certification or services will not be covered.

**Ambulance Service Exclusion:**

- No benefits are provided primarily for the convenience of travel or where not medically necessary.
- Transportation for the purpose of receiving services that are not considered covered services, even if the destination is an appropriate facility.

**Bariatric Surgery**

The Plan covers bariatric surgery when performed at a Blue Distinction Center (BDC). Surgeries performed at non-BDCs will not be a covered benefit and prior approval will not be granted to non-BDC facilities. Complications arising from surgeries performed at a non-BDC will be covered under emergency services criteria. Bariatric surgeries for which prior approval is not obtained will not be covered regardless of the facility’s BDC status. For a listing of Blue Distinction Centers (BDC), visit the State Health Plan website at [www.shpnc.org](http://www.shpnc.org), Find a Provider and select “Obesity Surgery Blue Distinction Center.”
**Bariatric Surgery Exclusion:**
- Services provided at non-Blue Distinction Center facilities.

**Blood**
The Plan covers the cost of transfusions of blood, plasma, blood plasma expanders and other fluids injected into the bloodstream. Benefits are provided for the cost of storing a member's own blood only when it is stored and used for a previously scheduled procedure.

**Blood Exclusion:**
- Charges for the collection or obtainment of blood or blood products from a blood donor, including the member in the case of autologous blood donation.

**Clinical Trials**
The Plan provides benefits for participation in clinical trials phases I, II, III, and IV. Coverage is provided only for medically necessary costs of health care services associated with the trials, and only to the extent such costs have not been or are not funded by other resources. The member must meet all protocol requirements and provide informed consent in order to participate. The trial must involve the treatment of cancer or a life-threatening medical condition with services that are medically indicated and preferable for that member compared to non-investigational alternatives. In addition, the trial must:
  - Involve determinations by treating physicians, relevant scientific data and opinions of relevant medical specialists;
  - Be approved by centers or groups funded by the National Institutes of Health, the Food and Drug Administration (FDA), the Centers for Disease Control and Prevention, the Agency for Health Care Research and Quality, or the Department of Defense or the Department of Veterans Affairs; and
  - Be conducted in a setting and by personnel of high expertise based on training, experience and patient volume.

**Clinical Trials Exclusions:**
- Non-health care services, such as services provided for data collection and analysis.
- Investigational medications and devices and services that are not for the direct clinical management of the patient.

**Dental Treatments Covered Under Your Medical Benefit**
The Plan provides benefits for services provided by a duly licensed provider, provider of dental surgery or provider of dental medicine for diagnostic, therapeutic or surgical procedures, including oral surgery involving bones or joints of the jaw, when the procedure or dental treatment is related to one of the following conditions:
  - Accidental injury of the sound teeth, jaw, cheeks, lips, tongue, roof and floor of the mouth.
  - Congenital deformity, including cleft lip and cleft palate.
  - Removal of:
    - Oral tumors which are not related to teeth or associated dental procedures.
    - Oral cysts which are not related to teeth or associated dental procedures.
    - Exostoses for reasons other than preparation for dentures.

The Plan provides benefits for dental implants and related procedures, such as bone grafting associated with the above three conditions.

Benefits are also provided for extractions, root canal therapy, crowns, bridges, and dentures necessary for treatment of accidental injury or for reconstruction for the conditions listed above. In
addition, benefits may be provided for dentures and orthodontic braces if used to treat congenital deformity including cleft lip and cleft palate.

When any of the conditions listed above require surgical correction, benefits for surgery will be subject to medical necessity review to examine whether or not the condition resulted in functional impairment. Examples of functional impairment include an impairment that affects speech or the ability to eat, or injury to soft tissue of the mouth. In special cases, benefits are provided only for anesthesia and facility charges related to dental procedures performed in a hospital or ambulatory surgical center. This benefit is only available to dependent children below the age of nine years, persons with serious mental or physical conditions and persons with significant behavioral problems. The treating provider must certify that the patient's age, condition or problem requires hospitalization or general anesthesia in order to safely and effectively perform the procedure. Other dental services, including the charge for surgery, are not covered unless specifically covered by the Plan.

In addition, benefits will be provided if a member is treated in a hospital following accidental injury, and covered services such as oral surgery or reconstructive procedures are required at the same time as treatment for the bodily injury.

Unless reconstructive dental services following accidental injury are related to the bones or joints of the jaw, face, or head, reconstructive dental services are covered only when provided within two years of the accident.

Prior authorization and certification are required for certain surgical procedures or services will not be covered, unless treatment is for an emergency.

**Dental Treatments Excluded Under Your Medical Benefit**

Treatment for the following conditions:
- Injury related to chewing or biting.
- Preventive dental care, diagnosis or treatment of or related to teeth or gums.
- Periodontal disease or cavities and disease due to infection or tumor.

And except as specifically stated as covered, treatment such as:
- Dental implants or root canals.
- Orthodontic braces.
- Removal of teeth and intrabony cysts.
- Procedures performed for the preparation of the mouth for dentures.
- Crowns, bridges, dentures or in-mouth appliances.

**Diabetes Related Services**

All medically necessary diabetes-related services, including equipment, supplies, medications and laboratory procedures are covered. Diabetic outpatient self-management training and educational services are also covered.

**Diabetes Related Services Exclusions:**
- Diabetic shoes, including accessories, fittings, and associated services and supplies.
- Glasses.

**Durable Medical Equipment**

Benefits are provided for durable medical equipment and supplies required for operation of equipment when prescribed by a provider. Equipment may be purchased or rented at the discretion of the State Health Plan or its representative. The State Health Plan provides benefits for repair or
replacement of the covered equipment. Benefits will end when it is determined that the equipment is no longer medically necessary. In order to receive the in-network benefit, durable medical equipment must be provided by a participating supplier. It is important that you or provider verify that the durable medical equipment supplier is an in-network provider. Most out-of-state suppliers are out-of-network providers. Certain durable medical equipment requires prior authorization and certification or services will not be covered.

**Durable Medical Equipment Exclusions:**

- Appliances or devices that serve no medical purpose or that are primarily for comfort or convenience.
- Repair or replacement of equipment due to abuse or desire for new equipment.
- Heel or elbow protectors.
- Batteries except as required for operation of medically necessary equipment prescribed by a provider.
- Gravity assisted traction devices.
- Wheelchair accessories of any kind, including trays, commode seats, narrowing devices, and roll-about chairs with castors 5 or greater, crutch and cane holders, cylinder tank carriers, arm troughs, IV hangers.
- Immersion external heater for nebulizer.
- Commode chairs, seat lifts, toilet rails, toilet benches.
- Bath or shower chairs, wall or tub rails, tub stools or benches.
- Mattresses, bed boards, rocking beds, pediatric cribs, bed safety frames or canopies or bed accessories of any type.
- Patient lifts, seat lifts, standing frame/table systems.

**Hearing Aids**

The Plan provides coverage for medically necessary hearing aids including implantable bone-anchored hearing aids (BAHA) and related services that are ordered by a provider or an audiologist for each member under the age of 22. Benefits are provided for one hearing aid per hearing-impaired ear, and replacement hearing aids when alterations to an existing hearing aid are not adequate to meet the member’s needs. This benefit is limited to once every 36 months. Reimbursement will be limited to the usual, customary and reasonable (UCR) amount and you may be billed by the provider for charges greater than the allowed amount. Benefits are also provided for the evaluation, fitting, and adjustments of hearing aids or replacement of hearing aids, and for supplies, including ear molds. Certain hearing aids and related services may require prior review and certification or services will not be covered.

**Home Health Care**

**Home health care** services are covered when ordered by a provider for a member who is homebound due to illness, injury, or is actively receiving treatment for a cancer-related problem, and you need part-time or intermittent skilled nursing care from a registered nurse (RN) or licensed practical nurse (LPN) and/or other skilled care services like short-term rehabilitative therapies and habilitative services. Usually, a home health agency coordinates the services your provider orders for you. Services from a home health aide may be eligible for coverage only when the care provided supports a skilled service being delivered in the home.

**Home health skilled nursing care** requires prior authorization and certification or services will not be covered.

**Home Health Care Exclusions:**
• Dietitian services or meals.
• Homemaker services, such as cooking and housekeeping.
• Services that are provided by a close relative or a member of your household.

**Home Infusion Therapy Services**

Home infusion therapy is covered for the administration of prescription medications directly into a body organ or cavity or via intravenous, intraspinal, intramuscular, subcutaneous or epidural routes, under a plan prescribed by a *provider*. These services must be provided under the supervision of a licensed, registered, or certified health care professional acting within the scope of their practice.

Home infusion therapy requires prior authorization and *certification* or services will not be covered.

**Hospice Services**

Your coverage provides benefits for *hospice* services for care of a terminally ill member with a life expectancy of six months or less. Services are covered only as part of a licensed health care program centrally coordinated through an interdisciplinary team directed by a *provider* that provides an integrated set of services and supplies designed to give comfort, pain relief and support to terminally ill patients and their families.

*Hospice Services Exclusion:*

• Homemaker services, such as cooking, housekeeping, food or meals.

**Lymphedema-Related Services**

Coverage is provided for the diagnosis, evaluation, and treatment of lymphedema. These services must be provided by a licensed occupational or physical therapist or licensed nurse that has experience providing this treatment, or other licensed health care professional whose treatment of lymphedema is within their scope of practice. Benefits include medically necessary equipment, supplies and services such as complex decongestive therapy or self-management therapy and training. Gradient compression garments may be covered with a prescription and when custom-fit for the patient.

*Lymphedema-Related Services Exclusion:*

• Over-the-counter compression or elastic knee-high or other stocking products.

**Medical Supplies**

Coverage is provided for medical supplies. Your benefits are based on where supplies are received, either as part of your medical supplies benefit or pharmacy benefit.

To obtain medical supplies and equipment, please find a provider on our website at [www.shpnc.org](http://www.shpnc.org) or call Customer Service.

*Medical Supplies Exclusions:*

• Medical supplies not ordered by a *provider* for treatment of a specific diagnosis or procedure.
• Thermometers.
• Gauze, tape, adhesive first-aid bandages.
• Spirometers and all related accessories.
• Lubricants for any purpose.
• Chemical or antiseptic solutions for any purpose.
• Mucus traps.
• Pocket nebulizers.
• Replacement bulbs or lamps for therapeutic light.
Orthotic Devices

Orthotic devices, which are rigid or semi-rigid supportive devices that restrict or eliminate motion of a weak or diseased body part, are covered if medically necessary and prescribed by a provider. Foot orthotics may be covered only when custom molded to the patient. Orthotic devices for correction of positional plagiocephaly, including dynamic orthotic cranioplasty (DOC) bands and soft helmets, are subject to a benefit limit, which is one per lifetime. Please see “Lifetime Maximums” in the "Summary of Benefits."

**Orthotic Devices Exclusions:**
- Premolded foot orthotics.
- Over-the-counter supportive devices.
- Plastazote shoes or sandals.

Private Duty Nursing

The Plan provides benefits for medically necessary private duty services of an RN or LPN when ordered by your **provider** for a member who is receiving active care management. Private duty nursing provides more individual and continuous skilled care than can be provided in a skilled nursing visit through a **home health agency**. There is a 4 hour per day limit on private duty nursing care for non-ventilated patients and 12 hours per day limit on private duty nursing for ventilated patients.

PDN services are intended to be intermittent and temporary services for members with an unstable condition. The goal is for the member/family to be as independent as possible and to work toward a plan to eventually terminate PDN services. See the Blue Cross NC Private Duty Nursing Services Medical Policy [here](#).

Private duty nursing requires prior authorization and **certification** or services will not be covered.

**Private Duty Nursing Exclusion:**
- Services provided by a close relative or a member of your household.

Prosthetic Appliances

The Plan provides benefits for the purchase, fitting, adjustments, repairs, and replacement of prosthetic appliances. The prosthetic appliances must replace all or part of a body part or its function. The type of prosthetic appliance will be based on the functional level of the member. Therapeutic contact lenses may be covered when used as a corneal bandage for a medical condition. Benefits include a one-time replacement of eyeglass or contact lenses due to a prescription change after cataract surgery.

Certain prosthetic appliances require prior authorization and **certification** or services will not be covered.

**Prosthetic Appliances Exclusions:**
- Dental appliances except when medically necessary for the treatment of temporomandibular joint disease or obstructive sleep apnea.
- **Cosmetic** improvements, such as implantation of hair follicles and skin tone enhancements.
- Lenses for keratoconus or any other eye procedure except as specifically covered under the Plan.

Surgical Benefits

Surgical benefits by a professional or facility provider on an **inpatient** or outpatient basis, including pre-operative and post-operative care and care of complications, are covered. Surgical benefits include
diagnostic surgery, such as biopsies, and reconstructive surgery performed to correct congenital defects that result in functional impairment of newborn, adoptive, and foster children.

Certain surgical procedures, including those that are potentially cosmetic, require prior authorization and certification or services will not be covered.

Multiple surgical procedures performed on the same date of service and/or during the same patient encounter, may not be eligible for separate reimbursement.

For information about coverage of multiple surgical procedures, please refer to the Blue Options reimbursement policies, which are on our website at www.shpnc.org, or call State Health Plan Customer Service at the number listed in "Who to Contact."

**Anesthesia**

Your anesthesia benefit includes coverage for general, spinal block anesthetics or monitored regional anesthesia ordered by the attending provider and administered by or under the supervision of a provider other than the attending surgeon or assistant at surgery.

Benefits are not available for charges billed separately by the provider which are not eligible for additional reimbursement. Also, your coverage does not provide additional benefits for local anesthetics, which are covered as part of your surgical benefit.
Mastectomy Benefits

Under the Women’s Health and Cancer Rights Act of 1998, the Plan provides for the following services related to mastectomy surgery:

- Reconstruction of the breast on which the mastectomy has been performed.
- Surgery and reconstruction of the non-diseased breast to produce a symmetrical appearance without regard to the lapse of time between the mastectomy and the reconstructive surgery.
- Prostheses and physical complications of all stages of the mastectomy, including lymphedemas.

Please note that the decision to discharge the patient following mastectomy surgery is made by the attending physician in consultation with the patient.

The benefits described above are subject to the same applicable deductibles and coinsurance and limitations as applied to other medical and surgical benefits provided under the Plan.

Temporomandibular Joint (TMJ) Services

The Plan provides benefits for services provided by a duly licensed provider, provider of dental surgery, or provider of dental medicine for diagnostic, therapeutic or surgical procedures, including oral surgery involving bones or joints of the jaw, face or head when the procedure is related to TMJ disease. Therapeutic benefits for TMJ disease include splinting and use of intra-oral prosthetic appliances to reposition the bones. Surgical benefits for TMJ disease are limited to surgery performed on the temporomandibular joint. If TMJ is caused by malocclusion, benefits are provided for surgical correction of the malocclusion when surgical management of the TMJ is medically necessary. Please have your provider contact the Plan before receiving surgical treatment for TMJ.

Prior authorization and certification are required for certain surgical procedures or these services will not be covered, unless treatment is for an emergency.

Temporomandibular Joint (TMJ) Services Exclusions:

- Treatment for periodontal disease.
- Dental implants or root canals.
- Crowns and bridges.
- Orthodontic braces.
- Occlusal (bite) adjustments.
- Extractions.

Therapies

The Plan provides coverage for the following therapy services to promote the recovery of a member from an illness, disease or injury when ordered by a provider or other professional provider.

Short-Term Rehabilitative Therapies

The following therapies are covered only for treatment of conditions that are expected to result in significant clinical improvement in a member’s condition:

- Occupational therapy and/or physical therapy up to a one-hour session per day (no visits or combined visit limits).
- Speech therapy (no visit limits).

Chiropractic Therapy

Benefits are limited to a combined in-network and out-of-network benefit period maximum for chiropractic services. This visit limit applies in all places of service (e.g., outpatient, office and home.
therapies). There is a 30-visit limit for Chiropractic care. Any visits in excess of this benefit period maximum are not covered services.

In-network chiropractic providers file claims through Health Network Solutions (HNS). Your in-network provider is responsible for filing your claim. If you or your provider has a question, please call Customer Service at the number listed in “Who to Contact.” Refer to “Summary of Benefits” for additional information.

**Other Therapies**

The Plan covers:
- Cardiac rehabilitation therapy.
- Pulmonary and respiratory therapy.
- Dialysis treatment.
- Radiation therapy, including accelerated partial breast radiotherapy (breast brachytherapy).
- Breast brachytherapy is investigational but will be covered upon prior authorization and certification.
- Chemotherapy, including intravenous chemotherapy.

Chemotherapy benefits are based on where services are received. For chemotherapy received in conjunction with bone marrow or peripheral blood stem cell transplants, follow transplant guidelines described in “Transplants.” Also see “Prescription Medication Benefits” regarding related covered prescription medications.

**Therapy Exclusions:**
- Adaptive Behavioral Treatment (ABT) therapy except as specifically covered by your benefit plan.
- Cognitive rehabilitative therapy.
- Speech therapy for stammering, stuttering, or developmental delay.
- Treatment of speech, language, voice, communication and/or auditory processing disorder.
- Pulmonary rehabilitation group sessions.
- Peripheral arterial disease rehabilitation.
- Community or work integration training, work hardening or conditioning.

**Transplants**

The Plan provides benefits for transplants, including hospital and professional services for covered transplant procedures. The Plan provides care management for transplant services and will help you find a hospital or Blue Distinction Centers for Transplants that provides the transplant services required. Travel and lodging expenses may be reimbursed based on guidelines that are available upon request from a transplant coordinator.

A transplant is the surgical transfer of a human organ, bone marrow, tissue, or peripheral blood stem cells taken from the body and returned or grafted into another area of the same body or into another body.

For a list of covered transplants, call Customer Service at the number listed in “Who to Contact” to speak with a transplant coordinator and request prior authorization. Certification must be obtained in advance for all transplant-related services in order to assure coverage of these services. Grafting procedures associated with reconstructive surgery are not considered transplants.
If a transplant is provided from a living donor to the recipient member who will receive the transplant:

- Benefits are provided for reasonable and necessary services related to the search for a donor up to a maximum of $10,000 per transplant.
- Both the recipient and the donor are entitled to benefits of this coverage when the recipient is a member. Benefits provided to the donor will be charged against the recipient's coverage.

Some transplant services are investigational for some or all conditions or illnesses. Please see "Definitions" for an explanation of investigational.

**Transplants Exclusions:**
- The purchase price of the organ or tissue if any organ or tissue is sold rather than donated to the recipient member.
- The procurement of organs, tissue, bone marrow or peripheral blood stem cells or any other donor services if the recipient is not a member.
- Transplants, including high dose chemotherapy, considered experimental or investigational.
- Services for or related to the transplantation of animal or artificial organs or tissues.

**Mental Health and Chemical Dependency Benefits**

The Plan provides benefits for the treatment of mental illness and chemical dependency by a hospital, provider or other provider.

Coverage for in-network inpatient and outpatient services is coordinated through your Mental Health Case Manager. The Plan delegates administration of these benefits to the Mental Health Case Manager. To understand more about when you need to contact the Mental Health Case Manager, see “How to Access Mental Health and Chemical Dependency Services.”

**Office Visit Services**

The following professional services are covered when provided in an office setting:
- Evaluation and diagnosis.
- Medically necessary biofeedback and neuropsychological testing.
- Individual and family counseling.
- Group therapy.

**Outpatient Services**

Covered outpatient treatment services when provided in a mental health or chemical dependency treatment facility include:
- Each service listed in the section under office visit services.
- Partial-day/night hospitalization services (minimum of four hours per day and 20 hours per week).
- Intensive Outpatient Program services (less than four hours per day and minimum of nine hours per week).
- Certain in-network and out-of-network outpatient services, such as partial hospitalization and intensive therapy, require prior authorization and certification or services will not be covered. The timeframe for receiving prior authorization and treatment certification are set forth in the table below. The list of services that require prior authorization may change from time to time.

**Inpatient Services**

Covered inpatient treatment services also include:
- Each service listed under office visit services.
• Semi-private room and board.
• Detoxification to treat chemical dependency.

**Applied Behavior Analysis**

Coverage is provided for *Applied Behavior Analysis* when all of the following conditions are met:

- The **member** is younger than age 26;
- Diagnosed with Autism Spectrum Disorder by a licensed physician (MD or DO) or a licensed provider-level clinical psychologist (PhD or PsyD) utilizing results from a face-to-face evaluation and a clinically recognized, validated tool endorsed by the Mental Health Case Manager; and
- Treatment is determined by the Mental Health Case Manager to be medically necessary.

Other than those listed in the second bullet above, no other providers are eligible for reimbursement of the diagnostic evaluation. Licensure of the MD, DO, PhD or PsyD must be in the state in which the diagnostic evaluation is performed.

The diagnostic evaluation does not require prior approval. However, the results of the diagnostic evaluation may be requested by the Mental Health Case Manager when authorization for ABA (Applied Behavior Analysis) is requested.

Clinically recognized, validated tools endorsed by the Mental Health Case Manager can be found at [http://www.cdc.gov/ncbddd/autism/screening.html](http://www.cdc.gov/ncbddd/autism/screening.html).

ABA medical necessity criteria are available on the Mental Health Case Manager’s web site at [https://www.beaconhealthoptions.com/providers/beacon/handbook/clinical-criteria/](https://www.beaconhealthoptions.com/providers/beacon/handbook/clinical-criteria/).

Prior approval by the Mental Health Case Manager is required for the initiation of ABA treatment services. ABA therapy for which prior approval is not obtained will not be covered.

Coverage for *Applied Behavior Analysis* (ABA) is limited to a maximum of $36,000 per benefit year and is only available in-network, both in-state and out-of-state.

Coverage of ABA services is limited to:

- Mental health providers who are currently licensed in the state in which services are delivered, and for whom ABA is within their scope of practice; or
- A psychiatrist or developmental pediatrician licensed as an MD or DO in the state in which services are delivered.

Board Certified Behavior Analysts (BCBAs) or Board Certified Assistant Behavior Analysts (BCaBAs) with no other current mental health license must be supervised by a licensed mental health provider, including but not limited to a psychiatrist, or a licensed developmental pediatrician. The licensed mental health provider, psychiatrist, or developmental pediatrician must submit both the request for authorization and the claim for payment. A provider in any state who ONLY holds a certification as a BCBA or BCaBA from the national Behavior Analyst Certification Board is not eligible for reimbursement by the *State Health Plan* even though they may be eligible for reimbursement in the state in which they practice.

Substance abuse providers who are licensed or certified by NC Substance Abuse Professional Practice Board, or by the state in which services are provided, and who do not also have a current mental health license in their state of practice, are not eligible for reimbursement of ABA services.

**Applied Behavior Analysis Exclusions**

Treatments for the following are not covered:
• **Members** with medical conditions or impairments that would prevent beneficial utilization of services.
• **Members** requiring 24 hour medical/nursing monitoring or procedures provided in a hospital setting.

ABA treatment will not be certified for the following services:
• Speech therapy.
• Occupational therapy.
• Vocational rehabilitation.
• Supportive respite care.
• Recreational therapy.
• Orientation and mobility.
• Respite Care.
• Equine therapy/Hippotherapy.
• Dolphin therapy.
• Service Animals.
• Other educational services.

**How to Access Mental Health and Chemical Dependency Services**

When you need mental health or chemical dependency treatment, you should call a Mental Health Case Manager customer service representative at the number given in "Who to Contact" available 24 hours a day, 7 days a week. The Mental Health Case Manager customer service representative will refer you to a list of in-network providers and will give you the information you need to receive services. Language services are available free of charge through your Mental Health Case Manager. Please let the Customer Service representative know if you need an interpreter to talk about your behavioral health benefits or help in translating any letters you receive from your Mental Health Case Manager regarding your care.

**Certification for Inpatient and Outpatient Services**

Prior to seeking care in an inpatient hospital, a Residential Treatment Center, partial day/night programs or intensive outpatient treatment programs, you or your provider must receive certification from the Mental Health Case Manager. In order to receive in-network benefits, you must go to a Blue Options network provider. You may want to check with your in-network provider to make sure that certification has been obtained for services. Your in-network provider is required to use the Blue Options network hospital where they practice, unless that hospital cannot provide the services needed.

If you choose to go to an out-of-network provider without obtaining certification for inpatient or outpatient services, or you go to any provider outside of North Carolina without obtaining certification for services, it will result in a full denial of your services.

If you receive certification for out-of-network services, the services will be considered at the out-of-network benefit level. However, if in-network providers are not available as determined by Blue Cross NC's access to care standards and certification is obtained, the Mental Health Case Manager will authorize the services to be covered at the in-network benefit level.

Emergency inpatient admissions do not require certification prior to the admission. However, you or your provider should notify the Mental Health Case Manager of your inpatient admissions. See table below for timeframes in order to meet the Plan’s requirements for prior authorization and continuing treatment certifications of covered services.
You should work with your provider or other professional provider to make sure that certification has been obtained for partial-day/night, intensive therapy, or inpatient services. See "Utilization Management." Contact the Mental Health Case Manager at the number given in "Who to Contact" for certification.
### Timeframe Requirements for Prior Authorization and Treatment Certification of Covered Services

<table>
<thead>
<tr>
<th>Covered Service</th>
<th>Within Two (2) Business Days of Admission</th>
<th>Prior to Admission to the Program</th>
<th>Continuing Treatment Certifications*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisis Evaluation &amp; Stabilization</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Psychiatric</td>
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<tr>
<td>Inpatient Hospital</td>
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<tr>
<td>Chemical Dependency Inpatient Hospital</td>
<td>X</td>
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<tr>
<td>Inpatient Medical Detoxification</td>
<td>X</td>
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<tr>
<td>Psychiatric Residential Treatment Center</td>
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<td>Chemical Dependency Residential Treatment Center</td>
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<td>Psychiatric Partial Hospitalization Program</td>
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<td>Psychiatric Intensive Outpatient Program</td>
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<tr>
<td>Chemical Dependency Intensive Outpatient Program</td>
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</tbody>
</table>

*Continuing treatment certifications must be requested by the last date of any previously certified period. Otherwise, certification decisions by the Mental Health Case Manager are effective as of the date the request for certification is received by the Mental Health Case Manager.*

**The following notice applies only when you are responsible for obtaining certification.**

**NOTICE:** Your actual expenses for covered services may exceed the stated coinsurance percentage amount because actual provider charges may not be used to determine the plan’s and member’s payment obligations. For out-of-network benefits, you may be required to pay for charges over the allowed amount in addition to any coinsurance amount. In addition, certain services require prior authorization and certification. You are responsible for obtaining or having your provider obtain certification on your behalf if you go to an out-of-network, or out-of-state provider. Failure to obtain certification will result in a full denial of benefits.

**Mental Health and Chemical Dependency Services Exclusions:**

- Care for conditions not classified as psychiatric, emotional, or substance abuse illnesses.
- Psychoanalysis.
- Counseling with relatives about a patient with mental illness, alcoholism, drug addiction or substance abuse.
- *Inpatient* confinements that are primarily intended as a change of environment.
- Mental health services received in residential treatment facilities when age 18 or older. Residential treatment facilities are covered for chemical dependency.
- Marriage Counseling.
- Inpatient psychiatric care rendered in a hospital not accredited by JCAHO.
- Inpatient chemical dependency care rendered in a facility which is not currently accredited by a national health care organization approved by the Mental Health Case Manager.
- Inpatient hospital care for medical detoxification rendered in a facility which is not licensed as a hospital and accredited by a national health care organization approved by the Mental Health Case Manager.
- Outdoor components of a residential chemical dependency treatment program, when such program is licensed as a chemical dependency treatment program in the state in which services are provided, are covered only if facility based services are available as a part of the same program.
- Primary treatment of a psychiatric disorder in a residential treatment center (RTC) unless the RTC is licensed as a psychiatric RTC.
- Primary treatment of a chemical dependency or substance abuse disorder in a residential treatment center (RTC) unless the RTC is licensed as a chemical dependency or substance abuse RTC.
- Services by providers not currently licensed in the state in which services are provided.
- Psychotherapy as part of artificial means of conception.
- Psychological assessment and psychotherapy treatment in conjunction with proposed gender transformation.
- Psychological testing for those persons with a chemical dependency diagnosis until 30 consecutive days of abstinence are obtained.
- Therapeutic boarding schools as a psychiatric residential treatment center (RTC) unless the program is licensed for psychiatric RTC in the state in which services are provided, has registered nurses who are present on-site 24-hours per day, and holds current national accreditation by a national health care accrediting body approved by the Mental Health Case Manager.
- Therapeutic boarding schools as a chemical dependency or substance abuse residential treatment center (RTC) unless the program is licensed as a chemical dependency RTC in the state in which services are provided and has licensed supervision of all residents 24 hours per day, seven days per week.
- Wilderness camps, wilderness “step-down” components of a residential program, and stand-alone outdoor treatment programs or outdoor “step-down” components of a residential program are not covered as a psychiatric RTC unless the program is licensed for psychiatric residential treatment in the state in which services are provided, has registered nurses who are present on-site 24-hours per day, and holds current national accreditation by a national health care accrediting body approved by the Mental Health Case Manager.
- Wilderness camps and stand-alone outdoor treatment programs are not covered as chemical dependency or substance abuse RTC programs.
- Academic education during residential treatment when charged separately.
- Administrative psychiatric services (e.g., expert testimony, report writing, medical records review and maintenance, case management or case coordination, chart review, etc.)
- Consultation with a mental health professional for adjudication of marital, child support, and custody cases.
- Evaluations, consultations, testing or therapy for educational, professional training, or for investigation purposes relating to employment, insurance, judicial or administrative proceedings.
- Training analysis.
- Treatment for personal or professional growth, development, training or professional certification.
- Aversive Treatment.
- Treatment programs based solely on the 12-step Model.
- Erhard Seminar Training (EST) or similar motivational services.
- Bioenergetic, carbon dioxide, confrontational, hyperbaric or normobaric oxygen, marathon, megavitamin, orthomolecular, primal, rebirthing, or sleep therapies.
- Expressive therapies (art, poetry, movement, psychodrama), guided imagery, or stress and relaxation therapy when billed separately.
- Telephonic crisis management as a separate charge.
- Sedative action, electro stimulation therapy.
- Z therapy, also known as “holding therapy.”
- Narcotherapy with LSD.
- Environmental ecology treatments.
- Hemodialysis for schizophrenia.
- Rolfing.
- Sensitivity training.
- Room and Board costs for patients admitted to a partial hospital or intensive outpatient program are not covered.
- Intensive in-home services less than two hours per day.
- Private duty nursing.
- Therapeutic family, foster or home care.
- L-tryptophan and vitamins, except thiamine injections on admission for alcoholism when there is a diagnosed nutritional deficiency.
- Travel time necessary for service delivery.
- Behavioral health; long term care residential (non-acute care in a residential treatment program where stay is typically longer than 30 days), with room and board, per diem.
- Community or work integration training, work hardening or conditioning.
- Family psychotherapy without patient present.
- Assertive Community Treatment Team Program.
- Community Support Team.
- Psychosocial Rehabilitation.
- Day Treatment programs licensed for day treatment by the N.C. Division of Health Service Regulation but not licensed as a Partial Hospitalization Program.
- Multi-Systemic Therapy.
- Residential treatment services described as follows:
  - Level I and Level II therapeutic foster care providers licensed under the NC Division of Social Service (131-D) as family setting homes.
  - Level II program type, Level III, and Level IV residential providers/group homes licensed by the NC Division of Health Service Regulation as a Mental Health Facility under 10A NCAC 27G.
- Substance Abuse Non-Medical Community Residential Program.
- Developmental Testing (unless this is covered under the physical health benefits).
Pharmacy Benefits

A Pharmacy Benefit Manager (PBM), manages administration of the pharmacy benefit.

Your prescription benefit offers a custom, closed formulary, which means that certain medications are not covered. For more information on covered medications, see the information listed under the Preferred Drug List section below.

Prescription medications are subject to the benefit period deductible and both deductible and coinsurance amounts apply to the out-of-pocket maximum.

After the out-of-pocket maximum is reached, the health benefit plan pays 100% of allowed prescription medication charges.

A prescription cannot be refilled until three fourths (3/4) of the medication has been used as prescribed by your physician; exceptions may apply to certain prior authorized medications.

Some prescription medications may require certification, also known as prior approval, or be subject to step therapy or formulary coverage review in order to be covered. It is very important to make sure that prior approval is received before going to the pharmacy.

Some prescription medications may be subject to quantity limits based on criteria developed by the State Health Plan or its representative. Prior approval is required before excess quantities of these medications will be covered. If you need quantities in excess of the limit for a medication that is subject to quantity limits, it is important to make sure your provider has received prior approval before going to the pharmacy.

To get a list of prescription medications that require prior approval to be covered or require approval for additional quantities, you may call Pharmacy Customer Service at the number listed in "Who to Contact" or visit the State Health Plan website. The State Health Plan or its representative may change the list of these prescription medications from time to time.

For certification of your prescription medications, your physician may call the PBM's Prior Authorization number listed in “Who to Contact” to initiate a certification request.

Using a Contracting Pharmacy

Most chain and independent pharmacies contract with the PBM. You may obtain information about which pharmacies are contracting by:

- Visiting the State Health Plan’s website; or
- Calling the PBM at the number listed in "Who to Contact."

When you use a pharmacy not contracting with the PBM, you will be responsible for paying the total amount of the prescription at the time of purchase. You or the pharmacy will be required to file a paper claim with the PBM for reimbursement. You may obtain a claim form on the State Health Plan’s website or by calling the PBM. You are responsible for any amount above the allowed amount and your coinsurance.

The convenience of mail order pharmacy is available for your maintenance medications by using the PBM’s online pharmacy services, by telephone, or by completing a Mail Service Order Form and returning it with your original prescription and appropriate coinsurance amount to the PBM. You may obtain a Mail Service Order Form on the State Health Plan’s website or by calling the PBM at the number in "Who to Contact." To learn how to register for the PBM’s online pharmacy services, visit the State Health Plan’s website at www.shpnc.org.

You may use a credit card for coinsurance amounts for telephone or online refills.
Affordable Care Act Preventive Medications

Some medications that are identified by the Affordable Care Act are covered to members on this plan at 100%. Members must meet certain criteria for these medications to be covered at 100% and a PCP must write a prescription for the medication to be filled at a participating pharmacy counter in order for the prescription to be covered at a $0 cost-share.

Keep in mind that your provider must write a prescription and it must be filled at a participating pharmacy. Additionally, there may be some prescription medications that are administered by a provider in a medical office that may be limited to coverage under your medical benefit.

Preferred Drug List

The State Health Plan, with guidance from the Pharmacy and Therapeutics Committee (P & T Committee), compiles the Preferred Drug List. The Preferred Drug List can be obtained from the State Health Plan’s website or by calling the PBM at the number listed in "Who to Contact". The Preferred Drug List is subject to change without notification.

Generic medications are often an effective alternative to brand medications. Ask your physician to consider generic medications whenever possible. When there is more than one brand name medication available for your medical condition, it is suggested that you ask your physician which drug is more cost effective. This may reduce your coinsurance.

Diabetic Testing Supplies

Diabetic testing supplies are covered under your medical and pharmacy benefit.

Tobacco Cessation Coverage

For information on the tobacco cessation coverage, please see the Tobacco Cessation Support section under “Special Programs.”

Specialty Pharmacy

Specialty and biosimilar medications are designated and classified by the Plan as medications that meet the below criteria and are listed on the Specialty Drug List, which is located on the Plan’s website at www.shpnc.org. Click on Plans for Active Employees, then High Deductible Health Plan, then Pharmacy Benefits and finally on Specialty Medications. Specialty and biosimilar medications are classified as such if they meet the following criteria:

• Treats complex medical conditions(s);
• Requires frequent clinical monitoring, e.g. dosing adjustments;
• Requires special patient education, training and/or coordination of care; and
• Generally prescribed by a specialist provider.

If you use specialty medications, you must use the contracted specialty vendor for all specialty medications covered under the pharmacy benefit, excluding cancer medications. If you use a pharmacy other than the contracted vendor to purchase any specialty medications, you will be responsible for paying the total amount of the prescription at the time of purchase. For more information call the specialty pharmacy at the number listed in "Who to Contact."

How to File a Claim for Prescription Medications

When you use a pharmacy contracting with the PBM, present your ID card to the pharmacist and you will not be required to pay more than the appropriate coinsurance amount for each 30-day supply. The pharmacist will file the claim.
If you purchased *prescription medications* from a pharmacy not contracted with the *PBM*, you will be responsible for the total amount of the *prescription* at the time of purchase. You will be reimbursed for your costs minus the applicable *coinsurance amounts* and charges in excess of the *allowed amount*. You will need to complete a *Prescription Drug Claim Form* for reimbursement and submit it to:

CVS Caremark  
ATTN: Direct Claims  
PO Box 52136  
Phoenix, AZ 85072-2136

If you are sending the original pharmacy receipts, a pharmacist’s signature is not required. All receipts must contain the following information in order to process the claim:

- Date *prescription* filled;
- Name and address of pharmacy;
- *Provider* name or *ID number*;
- National Drug Code (NDC);
- Name of drug and strength;
- Quantity and day supply;
- *Prescription* number (Rx number);
- DAW (Dispense As Written); and
- Amount paid.

Complete a separate form for each family *member* and pharmacy.

**Drug receipts from the label or bag should not be submitted. Claims will be returned if not properly completed.** For information on how to properly submit a pharmacy claim, call CVS Caremark Customer Service at the number given in "Who to Contact."
WHAT IS NOT COVERED?

Exclusions for a specific type of service are stated along with the benefit description in "Covered Services." Exclusions that apply to many services are listed in this section, starting with general exclusions and then the remaining exclusions are listed in alphabetical order. To understand all of the exclusions that apply, read "Covered Services," “Summary of Benefits” and “What Is Not Covered?” The Plan does not cover services, supplies, drugs or charges for:

- Anything specifically listed in this benefits booklet as not covered or excluded, regardless of medical necessity.
- Skin tag excisions, cryotherapy or chemical exfoliation for active acne and acne scarring.
- Superficial dermabrasion.
- Injection of dermal fillers.
- Services for hair transplants.
- Electrolysis.
- Any condition, disease, ailment, injury or diagnostic service to the extent that benefits are provided or persons are eligible for coverage under Title XVIII of the Social Security Act of 1965, including amendments, except as otherwise required by federal law.
- Conditions that federal, state or local law requires to be treated in a public facility.
- Any condition, disease, illness or injury that occurs in the course of employment, if the member, employer or carrier is liable or responsible for the specific medical charge (1) according to a final adjudication of the claim under a state’s workers’ compensation laws, or (2) by an order of a state Industrial Commission or other applicable regulatory agency approving a settlement agreement.
- Basic life or work-related or medical disability examinations.
- Benefits that are provided by any governmental unit except as required by law.
- Services that are ordered by a court that are otherwise excluded from benefits under this plan.
- Any condition suffered as a result of any act of war or while on active or reserve military duty.
- Services in excess of any benefit period maximum or lifetime maximum.
- Received prior to the member’s effective date.
- Received after the coverage termination date, regardless of when the treated condition occurred, and regardless of whether the care is a continuation of care received prior to the termination.
- Received from a dental or medical department maintained by or on behalf of an employer, a mutual benefit association, labor union, trust or similar person or group.
- Services provided at request of patient in a location other than physician’s office which are normally provided in the physician’s office.
- Day care services, chore services, attendant care services, homemaker services, companion care services, foster care services.
- Telephone consultations or web-based, online or other electronic evaluations.
- Camisoles, or other clothing, post-mastectomy.
- Alternative therapy services.
- Incontinence products (including briefs, diapers, underwear, underpads).
- Communication boards or alternative communication devices.
- Safety equipment, devices or accessories, including but limited to helmets with face guards and soft interfaces and any type of restraints.
- Athletic training evaluations or re-evaluations.
- Audiometric testing of groups, Bekesy audiometry, ear protector attenuation measurements.
- Massage therapy services, including but not limited to reflexology.
- Childbirth preparation classes, including but not limited to Lamaze classes, childbirth refresher classes, cesarean birth classes, vaginal birth after cesarean classes, and infant safety classes including CPR by a non-physician provider.
• Human breast milk processing, storage and distribution.
• Medical testimony.
• Genetic testing for amyotrophic lateral sclerosis (ALS).
• Hair analysis, excluding arsenic.
• Low density lipoprotein (LDL) apheresis using heparin-induced extracorporeal LDL precipitation.
• Bone density wrist or heel radiology testing.
• Thermography or thermograph examination.
• Transportation of portable X-ray equipment and personnel to home or nursing home, transportation of portable EKG to facility or other location.
• Compression stockings, garter belts, except as specifically covered by your health benefit plan.
• Hypothermia therapy.
• Necropsies.
• Telehealth services originating site facility fees.
• Extracorporeal shockwave lithotripsy (ESWL) of gallbladder and other sites.
• Emergency response systems.
• Postural drainage boards and similar equipment.
• Pacemaker monitors and external defibrillators with integrated electrocardiogram analysis.

In addition, the Plan does not cover the following services, supplies, medications or charges:

A

• **Acupuncture** and **acupressure**.

• **Administrative** charges billed by a provider, including charges for failure to keep a scheduled visit, completion of a claim form, obtaining medical records, late payments and telephone charges.

• Costs in excess of the **allowed amount** for services usually provided by one **provider**, when those services are provided by multiple **providers** or medical care provided by more than one **provider** for treatment of the same condition.

B

• **Body** piercing.

• Collection and storage of **blood** and stem cells taken from the umbilical cord and placenta for future use in fighting a disease.

C

• **Claims** not submitted to the Plan within 18 months of the date the charge was **incurred**,

• Side effects and **complications** of **non-covered services**, except for **emergency services** in the case of an **emergency**.

• **Convenience** items such as, but not limited to, devices and equipment used for environmental control, urinary incontinence devices (including bed wetting devices) and equipment, heating pads, hot water bottles, ice packs and personal hygiene items.

• **Cosmetic** services, which include the removal of excess skin from the abdomen, arms or thighs, skin tag excisions, cryotherapy or chemical exfoliation for active acne scarring, superficial dermabrasion, injection of dermal fillers, services for hair transplants, skin tone enhancements, electrolysis, and surgery for psychological or emotional reasons, except as specifically covered by the Plan.

• Services received either before or after the **coverage period** of the Plan, regardless of when the treated condition occurred, and regardless of whether the
care is a continuation of care received prior to the termination.

- **Custodial care** designed essentially to assist an individual with activities of daily living, with or without routine nursing care and the supervisory care of a provider. While some skilled nursing services may be provided, the patient does not require continuing skill services 24 hours daily. The individual is not under specific medical, surgical, or psychiatric treatment to reduce a physical or mental disability to the extent necessary to enable the patient to live outside either the institution or the home setting with substantial assistance and supervision, nor is there reasonable likelihood that the disability will be reduced to that level even with treatment. **Custodial care** includes, but is not limited to, help in walking, bathing, dressing, feeding, preparation of special diets and supervision over medications that could otherwise be self-administered. Such services and supplies are custodial as determined by the Plan without regard to the place of service or the provider prescribing or providing the services.

- **Dental care**, dentures, dental implants, oral orthotic devices, palate expanders and orthodontics except as specifically covered by the Plan.
- **Dental services** provided in a hospital, except as specifically covered by the Plan.
- **Dental appliances** except when medically necessary for the treatment of temporomandibular joint disease or obstructive sleep apnea.
- Considered as evaluation and treatment of **developmental dysfunction** and/or learning disability.
- The following medications:
  - Injections by a health care professional of injectable prescription drugs which can be self-administered, unless medical supervision is required.
  - Drugs associated with conception by artificial means.
  - For prescribed **sexual dysfunction** medications.
  - Take home drugs furnished by a hospital or non-hospital facility.
- **Experimental** medication or any **drug or device** not approved by the Food and Drug Administration (FDA) for the applicable diagnosis or treatment. However, this exclusion does not apply to **prescription medications** used in covered phases I, II, III and IV clinical trials, or medications approved by the FDA for treatment of cancer, if prescribed for the treatment of any type of cancer for which the medication has been approved as effective and accepted in any one of the following nationally recognized drug reference guides:
  - The American Medical Association Drug Evaluations;
  - The American Hospital Formulary Service Drug Information;
  - The United States Pharmacopoeia Drug Information;
  - The National Comprehensive Cancer Network Drugs & Biologics Compendium;
  - The Thomson Micromedex DrugDex;
  - The Elsevier Gold Standard’s Clinical Pharmacology; or
  - Any other authoritative compendia as recognized periodically by the United States Secretary of Health and Human Services.
**E**

- Services primarily for *educational treatment* including, but not limited to, books, tapes, pamphlets, seminars, classroom, web or computer programs, individual or group instruction and counseling, except as specifically covered by the Plan.

For *educational* or achievement testing for the sole purpose of resolving educational performance questions.

- The following *equipment*:
  - Air conditioners, furnaces, humidifiers, vacuum cleaners, electronic air filters and similar equipment.
  - Devices and equipment used for environmental accommodation requiring vehicle and/or building modifications such as, but not limited to, positioning seats, chair lifts, stair lifts, home elevators, and ramps.
  - Physical fitness equipment, hot tubs, Jacuzzis, heated spas, whirlpools, pools or membership to health clubs.
  - Personal computers.
  - Standing frames.

- *Experimental* services including services whose efficacy has not been established by controlled clinical trials, or are not recommended as a preventive service by the U.S. Public Health Service except as specifically covered by the Plan.

**F**

- Routine *foot care* that is palliative or *cosmetic*.

**G**

- *Genetic testing*, except for high risk patients when the identification of a genetic abnormality correlates with the likelihood of a disease or condition, and when the therapeutic or diagnostic course would be determined by the outcome of the testing.

**H**

- Routine *hearing* examinations and hearing aids or examinations for the fitting of hearing aids except as specifically covered by the Plan.

- *Holistic* or *alternative medicine* services, which are unproven preventive or treatment modalities, generally described as alternative, integrative or complementary medicine, whether performed by a physician or any other provider, except as specifically covered by your health benefit plan.

- *Hypnosis* except when used for control of acute or chronic pain.

**I**

- *Inpatient admissions* primarily for the purpose of receiving diagnostic services or a physical examination. *Inpatient* admissions primarily for the purpose of receiving therapy services, except when the admission is a continuation of treatment following care at an *inpatient* facility for an illness or accident requiring therapy.

- *Inpatient confinements* that are primarily intended as a change of environment.

- Services that are *investigational* in nature or obsolete, including any service, drugs, procedure or treatment directly related to an investigational treatment, except as specifically covered by the Plan.
• Services or supplies deemed not medically necessary or not ordered by a provider.

• Services that would not be necessary if a non-covered service had not been received, except for emergency services in the case of an emergency. This includes any services, procedures or supplies associated with cosmetic services, investigational services, services deemed not medically necessary, or elective termination of pregnancy, if not specifically covered by the Plan.

• Any treatment or regimen, medical or surgical, for the purpose of reducing or controlling the weight of a member or for treatment of obesity, except for surgical treatment of morbid obesity, or as specifically covered by the Plan.

• Care or services from a provider who:
  • Cannot legally provide or legally charge for the services or services are outside the scope of the provider’s license or certification.
  • Provides and bills for services from a licensed health care professional who is in training.
  • Is in a member’s immediate family.
  • Is not recognized by the Plan as an eligible provider.

• The following residential care services:
  • Care in a self-care unit, apartment or similar facility operated by or connected with a hospital.
  • Domiciliary care or rest cures, care provided and billed for by a hotel, health resort, convalescent home, rest home, nursing home or other extended care facility, home for the aged, infirmary, school infirmary, institution providing education in special environments, in residential treatment facilities (except for chemical dependency and mental health treatment) or any similar facility or institution.
  • Respite care, whether in the home or in a facility or inpatient setting, except as specifically covered by the Plan.

• Services or supplies that are:
  • Not performed by or upon the direction of a provider or other provider; or
  • Available to a member without charge.

• Sexual dysfunction unrelated to organic disease.

• Shoe lifts, shoe accessories, attachment, equipment, inserts and other modifications, and shoes of any type unless part of a brace, and except as specifically covered by your health benefit plan.

• Services, supplies, drugs or equipment used for the control or treatment of stammering or stuttering.

• The following types of therapy:
  • Applied Behavior Analysis (ABA) therapy except as specifically identified by the plan.
  • Music therapy, recreational or activity therapy, and all types of animal therapy. Remedial reading and all forms of special education and supplies or equipment used similarly, except as specifically covered by the Plan.
  • Maintenance therapy.
  • Massage therapy.
  • Cognitive rehabilitation therapy.
  • Group classes for pulmonary rehabilitation.
• **Travel**, whether or not recommended or prescribed by a provider or other licensed health care professional, except as specifically covered by the Plan.
• **Treatment** or studies leading to or in connection with sex changes or modifications and related care.

V

- The following **vision** services:
  - Radial keratotomy and other refractive eye surgery, and related services to correct vision except for surgical correction of an eye injury. Also excluded are premium intraocular lenses or the services related to the insertion of premium lenses beyond what is required for insertion of conventional intraocular lenses, which are small, lightweight, clear disks that replace the distance-focusing power of the eye’s natural crystalline lens.
  - Routine eye examination services except as specifically covered by the Plan.
  - Eyeglasses or contact lenses, except as specifically covered in “Prosthetic appliances.
  - Orthoptics, vision training, and low vision aids.

- For over-the-counter and non-federal legend **Vitamins**, food supplements or replacements, medical foods, nutritional or dietary supplements, formulas or special foods of any kind, except for prescription prenatal vitamins or prescription vitamin B-12 injections for anemias, neuropathies or dementias secondary to a vitamin B-12 deficiency, or certain over-the-counter medications that may be available under your preventive care benefits for certain individuals.

W

- **Wigs**, hair pieces and services for hair implants and electrolysis for any reason.
To make sure you have access to high quality, cost effective health care, the State Health Plan has a Utilization Management (UM) program. The UM program requires that certain health care services be reviewed and approved by the State Health Plan or its representative in order to receive benefits. As part of this process, the State Health Plan determines whether health care services are medically necessary, provided in the proper setting and for a reasonable length of time. The State Health Plan will honor a certification to cover medical services or supplies under your health benefit plan unless the certification was based on a material misrepresentation about your health condition, or you were not eligible for these services under your health benefit plan due to termination of coverage, or non-payment of premiums.

Rights and Responsibilities Under the UM Program

Your Member Rights

Under the UM program, you have the right to:

- A UM decision that is timely, meeting applicable federal time frames.
- The reasons for denial of a requested treatment or health care service, including an explanation of the UM criteria and treatment protocol used to reach the decision.
- Have a medical director from the State Health Plan or its representative make a review of all denials of service that were based upon medical necessity.
- Request a review of denial of benefit coverage through the grievance process. See "What If You Disagree With A Decision?"
- Have an authorized representative pursue payment of a claim or make an appeal on your behalf.

An authorized representative may act on the member’s behalf with the member’s written consent. In the event you appoint an authorized representative, references to “you” under the "Utilization Management" section mean "you or your authorized representative" (i.e., the authorized representative may pursue your rights and will receive all notices and benefit determinations).

The State Health Plan’s Responsibilities

As part of all UM decisions, the State Health Plan or its representative will:

- Provide you and your provider with a toll-free telephone number to call UM review staff when certification of a health care service is needed. See "Who to Contact."
- Limit what the State Health Plan or its representative requests from you or your provider to information that is needed to review the service in question.
- Request all information necessary to make the UM decision, including pertinent clinical information.
- Provide you and your provider prompt notification of the UM decision consistent with your health benefit plan.

In the event the State Health Plan or its representative does not receive sufficient information to approve coverage for a health care service within specified time frames, your health benefit plan will notify you in writing that benefit coverage has been denied. The notice will explain how you may pursue a review of the UM decision.
Prior Authorization (Pre-Service)

In-network providers outside of North Carolina, except for Veterans’ Affairs (VA) and military providers, are responsible for requesting prior authorization for inpatient facility services. For all other covered services received outside of North Carolina, you are responsible for ensuring that you or your provider requests prior authorization by the State Health Plan even if you see an in-network provider.

The State Health Plan requires that certain health care services receive prior authorization as noted in “Covered Services.” These types of reviews are called pre-service reviews. If neither you nor your provider requests prior authorization and receives certification, this will result in a complete denial of benefits. The list of services that require prior authorization may change from time to time.

General categories of services with this requirement are noted in “Covered Services.” You may also visit our website at www.shpnc.org or call Customer Service at the number listed in “Who to Contact” for a detailed list of services.

If you fail to follow the procedures for filing a request, the Plan or its authorized representative will notify you of the failure and the proper procedures to be followed in filing your request within five days of receiving the request.

The State Health Plan or its representative will make a decision on your request for certification within a reasonable amount of time taking into account the medical circumstances. The decision will be made and communicated within three business days after the State Health Plan or its representative receives all necessary information, but no later than 15 days from the date your request has been received. If your request is incomplete, then within five days of receipt of your request, you and your provider will be notified of how to properly complete your request. The State Health Plan or its representative may also take an extension of up to 15 days, if additional information is needed. The State Health Plan or its representative will notify you and your provider before the end of the initial 15-day period of the information needed and the date by which the State Health Plan or its representative expects to make a decision. You will have 45 days to provide the requested information. As soon as the State Health Plan or its representative receives the requested information, or at the end of the 45 days, whichever is earlier, a decision will be made within three business days. The State Health Plan or its representative will notify you and your provider of an adverse benefit determination electronically or in writing.

Urgent Prior Authorization

You have a right to an urgent review when the regular time frames for a decision: (i) could seriously jeopardize your life, health, or safety or the life, health or safety of others, due to your psychological state, or (ii) in the opinion of a practitioner with knowledge of your medical or behavioral condition, would subject you to adverse health consequences without the care or treatment that is the subject of the request. Blue Cross NC will let you and your provider know of its decision within 72 hours after receiving the request. Your provider will be notified of the decision, and if the decision results in an adverse benefit determination, written notification will be given to you and your provider.

If the Plan needs more information to process your urgent review, the Plan will let you and your provider know of the information needed as soon as possible but no later than 24 hours following the receipt of your request. You will then be given a reasonable amount of time, but not less than 48 hours, to provide the requested information. The Plan will make a decision on your request within a reasonable time but no later than 48 hours after receipt of requested information or within 48 hours after the time period given to the provider to submit necessary clinical information, whichever comes first.

An urgent review may be requested by calling Customer Service at the number given in “Who to Contact.”
Concurrent Reviews

The State Health Plan or its representative will also review health care services at the time you receive them. These types of reviews are concurrent reviews.

If a request for an extension of treatment is non-urgent, a decision will be made and communicated to the requesting hospital or other facility within three business days after receipt of all necessary clinical information, but no later than 15 days after we receive the request.

Urgent Concurrent Review

If a request for an extension of treatment is urgent, and the request is received at least 24 hours before the expiration of a previously approved inpatient stay or course of treatment at the requesting hospital or other facility, a decision will be made and communicated to the requesting hospital or other facility as soon as possible, but no later than 24 hours after we receive the request.

If a request for extension of treatment is urgent, and the request is not received at least 24 hours before the expiration of a previously approved inpatient stay or course of treatment at the requesting hospital or other facility, a decision will be made and communicated as soon as possible but no later than 72 hours after we receive the request.

If the State Health Plan or its representative need more information to process your urgent review, the Plan will notify the requesting hospital or other facility of the information needed as soon as possible but no later than 24 hours after we receive the request. The requesting hospital or other facility will then be given a reasonable amount of time, but not less than 48 hours, to provide the requested information. The Plan or its representative will make a decision within 48 hours after receipt of the requested information, or within 48 hours after the deadline given to the requesting hospital or other facility to provide the information, whichever comes first.

In the event of an adverse benefit determination, the Plan will let you, your hospital’s or other facility’s UM department and your provider know within three business days after receipt of all necessary clinical information, but no later than 15 days after receiving the request. Written confirmation of the decision will also be sent to your home by U.S. mail. For concurrent reviews, the Plan will remain responsible for covered services you are receiving until you or your representatives have been notified of the adverse benefit determination.

Retrospective Reviews (Post-Service)

The State Health Plan or its representative also reviews the coverage of health care services after you receive them (retrospective reviews). Retrospective review may include a review to determine if services received in an emergency setting qualify as an emergency. The State Health Plan or its representative will make all retrospective review decisions and notify you of its decision within a reasonable time but no later than 30 days from the date the State Health Plan or its representative received the request. In the event of an adverse benefit determination, the Plan or its representative will notify you and your provider in writing within five business days of the decision. All decisions will be based on medical necessity and whether the service received was a benefit under the Plan. If more information is needed before the end of the initial 30-day period, the Plan or its representative will notify you of the information needed. You will then have 90 days to provide the requested information. As soon as the Plan or its representative receives the requested information, or at the end of the 90 days, whichever is earlier, the Plan or its representative will make a decision within 15 days. Services that were approve in advance by the Plan or its representative will not be subject to denial for medical necessity once the claim is received, unless the certification was based on a material misrepresentation about your health condition or you were not eligible for these services under your health benefit plan due to termination of coverage or non-payment of premiums. All other services
may be subject to retrospective review and could be denied for medical necessity or for a benefit limitation or exclusion.

**Care Management**

*Members* with complicated and/or chronic medical needs may be eligible for care management services. Care management, also known as case management, encourages *members* with complicated or chronic medical needs, their *providers*, and the *State Health Plan* or its representative to work together to identify the appropriate services to meet the individual’s health needs and promote quality outcomes. To accomplish this, *members* enrolled in or eligible for care management programs may be contacted by the *State Health Plan* or by a representative of the *State Health Plan*. Care Management services are provided solely at the option of the *State Health Plan* or its representative, and the *State Health Plan* is not obligated to provide the same benefits or services to a *member* at a later date or to any other *member*. Information about these services can be obtained by calling *State Health Plan* Customer Service.

**Continuity of Care**

Continuity of care is a process that allows you to continue receiving care from an *out-of-network* provider for an ongoing special condition at the *in-network* benefit level when you or your employer changes health benefit plans or when your *provider* is no longer in the Blue Options network. To be eligible for continuity of care, you must be actively being seen by an *out-of-network* provider for an ongoing special condition and the *provider* must agree to abide by the *State Health Plan’s* or its representative’s requirements for continuity of care.

An ongoing special condition means:

- In the case of an acute illness, a condition that is serious enough to require medical care or treatment to avoid a reasonable possibility of death or permanent harm.
- In the case of a chronic illness or condition, a disease or condition that is life-threatening, degenerative, or disabling, and requires medical care or treatment over a prolonged period of time.
- In the case of pregnancy, the second and third trimesters of pregnancy.
- In the case of a terminal illness, an individual has a medical prognosis that the *member’s* life expectancy is six months or less.

The allowed transitional period shall extend up to 90 days, as determined by the *provider*, except in the cases of:

- Scheduled surgery, organ transplantation, or inpatient care which shall extend through the date of discharge and post discharge follow-up care or other inpatient care occurring within 90 days of the date of discharge.
- Second trimester pregnancy which shall extend through the provision of 60 days of postpartum care.
- Terminal illness which shall extend through the remainder of the individual’s life with the respect to care directly related to the treatment of the terminal illness.

Continuity of care requests will be reviewed by a medical professional based on the information provided about specific medical conditions. Claims for approved continuity of care services will be paid at the *in-network* benefit level. Continuity of care will not be provided when the *provider’s* contract was terminated for reasons relating to quality of care or fraud. Such a decision may not be reviewed on appeal. Please call *State Health Plan* Customer Service at the number listed in “Whom Do I Call?” for additional information.
Further Review of Utilization Management Decisions

If you receive a non-certification as part of the prior authorization process, you have the right to request that the State Health Plan or its representative review the decision through the grievance process. Refer to "What If You Disagree With A Decision?"

Delegated Utilization Management

For UM and the first level grievance review for inpatient and outpatient mental health and chemical dependency services, your Mental Health Case Manager is responsible. The Case Manager’s decision making is based on the appropriateness of care and service as well as existence of coverage. Claim determinations and second level grievance reviews are provided by the State Health Plan or its representative. The Mental Health Case Manager does not reward practitioners, or other individuals, for issuing denials of coverage or service. Financial incentives are not given that would encourage decisions resulting in less care than needed.

Evaluating New Technology

In an effort to allow for continuous quality improvement, the State Health Plan or its representative has processes in place to evaluate new medical technology, procedures and equipment. These policies allow the State Health Plan or its representative to determine the best services and products to offer members. They also help the State Health Plan or its representative to keep pace with the ever-advancing medical field. Before implementing any new or revised policies, the State Health Plan or its representative reviews professionally supported scientific literature as well as state and federal guidelines, regulations, recommendations, and requirements. The State Health Plan or its representative then seeks additional input from providers who know the needs of the patients they serve.
WHAT IF YOU DISAGREE WITH A DECISION?

In addition to the UM program, your health benefit plan offers a grievance procedure for members. Grievances include dissatisfaction with a claims denial or any decisions (including an appeal of a non-certification decision), policies or actions related to the availability, delivery or quality of health care services. If you have a grievance, you have the right to request that the State Health Plan or its representative review the decision through the grievance process. Grievances are not allowed for benefits or services that are clearly excluded by this benefits booklet or for deductibles, coinsurance or out-of-pocket limit, as well as other aspects of coverage excluded from appeal by law. The grievance process is voluntary and may be requested by the member or an authorized representative acting on the member’s behalf with the member’s written consent. In the event you appoint an authorized representative, references to "you" under this section mean "you or your authorized representative" (i.e., the authorized representative may pursue your rights and shall receive all notices and benefit determinations). For each step in this process, there are specified time frames for filing a grievance and for notifying you or your provider of the decision.

In addition, members may also receive assistance with grievances from the Health Insurance Smart NC, a program offered by the North Carolina Department of Insurance by contacting:

North Carolina Department of Insurance
Health Insurance Smart NC
1201 Mail Service Center
Raleigh, NC 27699-1201
Toll-free: (855) 408-1212
www.ncdoi.com/smart

Steps To Follow In the Grievance Process

First Level Grievance Review

The review must be requested in writing, within 180 days of a denial of benefit coverage. To request a form to submit a first level grievance review, visit the State Health Plan website or call State Health Plan Customer Service at the number given in "Who to Contact."

Any request for review should include:

- Member’s ID number.
- Member’s name.
- Patient’s name.
- The nature of the grievance.
- Any other information that may be helpful for the review.

Although you are not allowed to participate in a first level grievance review, the State Health Plan or its representative asks that you send all of the written material you feel is necessary to make a decision. The State Health Plan or its representative will use the material provided in the request for review, along with other available information, to reach a decision. You will be notified in clear written terms of the decision within a reasonable time but no later than 30 days from the date the State Health Plan or its representative received the request. You may then request, free of charge, all information that was relevant to the review.
Second Level Grievance Review

If you are dissatisfied with the first level grievance review decision, you have the right to a second level grievance review. Second level grievances are not allowed for benefits or services that are clearly excluded by this benefit booklet or for quality of care complaints. The request must be made in writing within 180 days of the first level grievance review decision. Within ten business days after the State Health Plan or its representative receives your request for a second level grievance review, the following information will be given to you:

- Name, address and telephone number of the grievance coordinator.
- A statement of your rights, including the right to:
  - Request and receive from the State Health Plan or its representative all information that applies to your case.
  - Participate in the second level grievance review meeting.
  - Present your case to the review panel.
  - Submit supporting material before and during the review meeting.
  - Ask questions of any member of the review panel.
  - Be assisted or represented by a person of your choosing, including a family member, an employer representative, or an attorney.

The second level review meeting, which will be conducted by a review panel coordinated by the State Health Plan or its representative using external physicians and/or benefit experts, will be held within 45 days after the State Health Plan or its representative receives a second level grievance review request. You will receive notice of the meeting date and time at least 15 days before the meeting. You have the right to a full review of your grievance even if you do not participate in the meeting. A written decision will be issued to you within seven business days of the review meeting.

Expedited Review

You have the right to a more rapid or expedited review of a denial of coverage if a delay: (i) would reasonably appear to seriously jeopardize your or your dependent’s life, health or ability to regain maximum function; or (ii) in the opinion of your provider, would subject you or your dependent to severe pain that cannot be adequately managed without the requested care or treatment. You can request an expedited second level review even if you did not request that the initial review be expedited. An expedited review may be initiated by calling State Health Plan Customer Service at the number listed in “Who to Contact.” An expedited review will take place in consultation with a medical provider. All of the same conditions for a first level or second level grievance review apply to an expedited review. The State Health Plan or its representative will communicate the decision by phone to you and your provider as soon as possible, taking into account the medical circumstances, but no later than 72 hours after receiving the request. A written decision will be communicated within four days after receiving the request for the expedited appeal. Information initially given by telephone must also be given in writing.

After requesting an expedited review, the State Health Plan will remain responsible for covered health care services you are receiving until you have been notified of the review decision.

External Review

North Carolina law provides for review of non-certification decisions by an external, independent review organization (IRO). The North Carolina General Statute can be found at N.C.G.S. 58-50-80. The North Carolina Department of Insurance (NCDOI) administers this service at no charge to you, arranging for an IRO to review your case once the NCDOI establishes that your request is complete and eligible for review.
The State Health Plan will notify you of your right to request an external review each time you receive:
- A non-certification decision; or
- An appeal decision upholding a non-certification decision.

In order for your request to be eligible for an external review, the NCDOI must determine the following:
- Your request is about a medical necessity determination that resulted in non-certification;
- You had coverage with the State Health Plan when the non-certification was issued;
- The service for which the non-certification was issued appears to be a covered service; and
- You have exhausted the State Health Plan’s first and second level grievance process as described above.

External reviews are performed on a standard or expedited basis, depending on which is requested and on whether medical circumstances meet the criteria for expedited review.

**Standard External Review**

For all requests for a standard external review, you must file your request with the NCDOI within 120 days of receiving one of the notices listed above. If the request for an external review is related to a retrospective non-certification (a non-certification which occurs after you have already received the services in question), the 60-day time limit for receiving the State Health Plan’s second level determination does not apply. You will not be eligible to request an external review until you have exhausted the internal appeal process and have received a written second level determination from the State Health Plan or its representative.

For a standard external review, you will have exhausted the internal grievance review process if you have:
- Completed the State Health Plan’s first and second level grievance review and received a written second level determination from the State Health Plan or its representative; or
- Filed a second level grievance and have not requested or agreed to a delay in the second level grievance process, but have not received the State Health Plan’s or its representative’s written decision within 60 days from the date that you can demonstrate that an appeal was filed with Blue Cross NC, or received written notification that the State Health Plan or its representative has agreed to waive the requirement to exhaust the internal appeal and/or second level grievance process.

**Expedited External Review**

An expedited external review may be available if the time required to complete either an expedited internal first or second level grievance review or standard external review would reasonably be expected to seriously jeopardize your life or health or to jeopardize your ability to regain maximum function. If you meet this requirement, you may make a written or verbal request to the NCDOI for an expedited external review, after you receive:
- A non-certification from the State Health Plan or its representative and have filed a request with the State Health Plan or its representative for an expedited first level appeal; ;
- A first level appeal decision upholding a non-certification and have filed a request with the State Health Plan or its representative for an expedited second level grievance review; or
- A second level grievance review decision from the State Health Plan or its representative.

In addition, prior to your discharge from an inpatient facility, you may also request an expedited external review after receiving a first level appeal or second level grievance decision concerning a non-certification of the admission, availability of care, continued stay or emergency health care services.

If your request is not accepted for expedited review, the NCDOI may: (1) accept the case for standard external review if you have exhausted the internal grievance review process; or (2) require the
The completion of the internal grievance review process and another request for an external review. An expedited external review is not available for retrospective non-certifications.

When processing your request for external review, the NCDOI will require you to provide the NCDOI with a written, signed authorization for the release of any of your medical records that need to be reviewed for the purpose of reaching a decision on the external review. For further information about external review or to request an external review, contact the NCDOI at:

Mail
NC Department of Insurance
Health Insurance Smart NC
1201 Mail Service Center
Raleigh, NC 27699-1201

In person
For the physical address, please visit
www.ncdoi.com/Smart
Toll-Free Telephone: 855-408-1212

Web
www.ncdoi.com/Smart
for external review information and request form

The Health Insurance Smart NC Program provides consumer counseling on utilization review and grievance issues. Within ten business days (or, for an expedited review, within two business days after the receipt of your request for an external review, the NCDOI will notify you and your provider of whether your request is complete and whether it has been accepted. If the NCDOI notifies you that your request is incomplete, you must provide all requested, additional information to the NCDOI within 150 days of the written notice from the State Health Plan or its representative, upholding a non-certification (generally the notice of a second level grievance review decision), which initiated your request for an external review. If the NCDOI accepts your request, the acceptance notice will include: (i) name and contact information for the IRO assigned to your case; (ii) a copy of the information about your case that the State Health Plan or its representative has provided to the NCDOI; and (iii) a notification that you may submit additional written information and supporting documentation relevant to the initial non-certification to the assigned IRO within seven days after the receipt of the notice. It is presumed that you have received written notice two days after the notice was mailed. Within seven days of the State Health Plan’s receipt of the acceptance notice (or, for an expedited review, within the same day), the State Health Plan or its representative shall provide the IRO and you, by the same or similar expeditious means of communication, the documents and any information considered in making the non-certification appeal decision or the second level grievance review decision. If you choose to provide any additional information to the IRO, you must also provide that same information to the State Health Plan at the same time and by the same means of communication (e.g., you must fax the information to Blue Cross NC if you faxed it to the IRO).

When sending additional information to the State Health Plan, send it to:

State Health Plan
c/o Blue Cross NC Appeals Department
P.O. Box 30055
Durham, NC 27702-3055

Please note that you may also provide this additional information to the NCDOI within the seven-day deadline rather than sending it directly to the IRO and the State Health Plan. The NCDOI will forward this information to the IRO and the State Health Plan within two days after receiving the additional information.
The IRO will send you a written notice of its decision within 45 days (or, for an expedited review, within three business days after the date NCDOI received your external review request. If the IRO’s decision is to reverse the non-certification, the State Health Plan will, within three business days (or, for an expedited review, within the same after receiving notice of the IRO’s decision, reverse the non-certification decision and provide coverage for the requested service or supply. If you are no longer covered by the State Health Plan at the time the State Health Plan receives notice of the IRO’s decision to reverse the non-certification, the State Health Plan will only provide coverage for those services or supplies you actually received or would have received prior to disenrollment if the service had not been non-certified when first requested.

The IRO’s external review decision is binding on the State Health Plan and you, except to the extent you may have other remedies available under applicable federal or state law. You may not file a subsequent request for an external review involving the same non-certification for which you have already received an external review decision.

Third Level Grievance Review

If you do not agree with the second level decision, you may be able to appeal this decision by filing a Petition for Contested Case Hearing with the North Carolina Office of Administrative Hearings (OAH). This appeal must be received and filed with OAH within sixty (60) days of the date of the second level decision. Your second level decision and North Carolina General Statute (NCGS) 135-48.24 identifies those appeals that may be filed at OAH, OAH’s address, the time period for filing an appeal, and any applicable fees. N.C.G.S. 135-48.24, as well as all State Health Plan statutes and medical policies, can be found at www.shpnc.org. The OAH statute is found in the North Carolina General Statutes at Chapter 150B. Information is also available on OAH’s website at www.oah.state.nc.us.

Appeals Correspondence

Correspondence related to a request for a review through the grievance process should be sent to:

Medical Appeals
State Health Plan
c/o Blue Cross NC Appeals Department
P.O. Box 30055
Durham, NC 27702-3055

Pharmacy Appeals
The State Health Plan or its representative is responsible for all first and second level grievance review of pharmacy benefits. Please forward grievances to:
State Health Plan
c/o Blue Cross NC Appeals Department
P.O. Box 30055
Durham, NC 27702-3055
Mental Health Appeals

Your Mental Health Case Manager is responsible for the first level grievance review for mental health and chemical dependency inpatient hospitalizations, residential treatment centers, partial day/night programs, and intensive outpatient program services. Please forward grievances to:

State Health Plan
c/o Mental Health Case Manager
P.O. Box 12438
Research Triangle Park, NC 27709
Attn: Appeals

For special handling (i.e., FedEx or UPS), send to:

State Health Plan
c/o Mental Health Case Manager
3800 Paramount Parkway, Suite 300
Morrisville, NC 27560-6901
Attn: Appeals

Second level grievance review is provided by the State Health Plan or its representative. Please forward second level appeals to:

State Health Plan
c/o Blue Cross NC Appeals Department
P.O. Box 30055
Durham, NC 27702-3055
ADDITIONAL TERMS OF YOUR COVERAGE

Benefits to Which Members are Entitled

The benefits described in this benefit booklet are provided only for members. These benefits and the right to receive payment under this health benefit plan and the right to enforce any claim arising under this health benefit plan cannot be transferred or assigned to any other person or entity, including providers. Under the health benefit plan, the State Health Plan’s Third Party Administrator, Blue Cross NC may pay a provider directly. For example, Blue Cross NC pays in-network providers directly under applicable contracts with those providers. However, any provider’s right to be paid directly is through such contract with Blue Cross NC, and not through the plan. Under the plan, Blue Cross NC has the right to determine whether payment for services is made to the provider, to the subscriber, or allocated among both. Blue Cross NC’s decision to pay a provider directly in no way reflects or creates any rights of the provider under the plan, including but not limited to benefits, payments or procedures.

If a member resides with a custodial parent or legal guardian who is not the subscriber, the State Health Plan or its representative will, at its option, make payment to either the provider of the services or to the custodial parent or legal guardian for services provided to the member. If the State Health Plan or its representative chooses to make the payment to the subscriber or custodial parent or legal guardian, it is his or her responsibility to pay the provider.

Benefits for covered services specified in your health benefit plan will be provided only for services and supplies that are performed by a provider as specified in your health benefit plan and regularly included in the allowed amount. The State Health Plan or its representative establishes coverage determination guidelines that specify how services and supplies must be billed in order for payment to be made under your health benefit plan.

Any amounts paid by the State Health Plan for services not covered or that are in excess of the benefit provided under your health benefit plan coverage may be recovered by the State Health Plan. The State Health Plan or its representative may recover the amounts by deducting from a member’s future claims payments or by collecting directly from the member. This can result in a reduction or elimination of future claims payments. In addition, under certain circumstances, if the State Health Plan pays the provider amounts that are your responsibility, such as deductible, coinsurance, the State Health Plan may collect such amounts directly from you. Amounts paid by the State Health Plan for work related accidents, injuries, or illnesses covered under state workers’ compensation laws will be recovered upon final adjudication of the claim or an order of the applicable state agency approving a settlement agreement. It is the legal obligation of the member, the employer or the workers’ compensation insurer (whoever is responsible for payment of the medical expenses) to notify the State Health Plan or its representative in writing that there has been a final adjudication or settlement.

Providers are independent contractors, and they are solely responsible for injuries and damages to members resulting from misconduct or negligence.

Disclosure of Protected Health Information (PHI)

The State Health Plan and its representatives, takes your privacy seriously and handles all PHI as required by state and federal laws and regulations. The State Health Plan has developed a privacy notice that explains the procedures. The State Health Plan privacy notice is included in the back of this booklet or it can be found on the website at www.shpnc.org.

Administrative Discretion

The State Health Plan and its representatives have the authority to make reasonable determinations in the administration of coverage. These determinations will be final. Such determinations include
decisions concerning coverage of services, care, treatment or supplies, and reasonableness of charges. Medical policies are guides considered when making coverage determinations.

**Services Received Outside Of North Carolina**

*Blue Cross NC* has a variety of relationships with other Blue Cross and/or Blue Shield licensees, generally referred to as “Inter-Plan Arrangements.” As a member of the Plan, you have access to providers outside the state of North Carolina. Your ID card tells providers that you are a member of the Plan. While the Plan maintains its contractual obligation to provide benefits to members for covered services, the Blue Cross and/or Blue Shield licensee in the state where you receive services (“Host Blue”) is responsible for contracting with and generally handling all interactions with its participating providers.

All claim types are eligible to be processed through Inter-Plan Arrangements, as described above, except for all dental services (unless provided under your medical benefits), prescription medication or vision care benefits that may be administered by a third party contracted by *Blue Cross NC* to provide the specific service or services.

Whenever you obtain health care services outside the area in which the *Blue Cross NC* network operates, the claims for these services may be processed through one of these Inter-Plan Arrangements, which include the BlueCard Program and may include Negotiated National Account Arrangements available between *Blue Cross NC* and other Blue Cross and/or Blue Shield licensees.

Under the BlueCard Program, the amount you pay toward such covered services, such as deductibles, or coinsurance, is usually based on the lesser of:

- The billed charges for your covered services; or
- The negotiated price that the “Host Blue” passes on to *Blue Cross NC*.

This “negotiated price” can be:

- A simple discount that reflects the actual price paid by the Host Blue to your provider;
- An estimated price that factors in special arrangements with your provider or with a group of providers that may include types of settlements, incentive payments, and/or other credits or charges; or
- An average price, based on a discount that reflects the expected average savings for similar types of health care providers after taking into account the same types of special arrangements as with an estimated price.

The estimated or average price may be adjusted in the future to correct for over- or underestimation of past prices. However, such adjustments will not affect the price that *Blue Cross NC* uses for your claim because they will not be applied retroactively to claims already paid.

Federal law or the laws in a small number of states may require the Host Blue to add a surcharge to your calculation. If Federal law or any state laws mandate other liability calculation methods, including a surcharge, we would then calculate your liability for any covered health care services according to applicable law.

As an alternative to the BlueCard Program and depending on your geographic location, your claim may be processed through a Negotiated National Account Arrangement with a Host Blue. In these situations, the amount you pay for covered services will be calculated based on the lower of the participating provider’s billed cover charges or negotiated price made available to *Blue Cross NC* by the Host Blue.

If reference-based benefits, which are service-specific benefit dollar limits for specific procedures, based on a Host Blue’s local market rates, are made available to you, you will be responsible for the amount that the healthcare provider bills above the specific reference benefit limit for the given procedure. For a participating provider, that amount will be the difference between the negotiated price and the reference benefit limit. For a non-participating provider, that amount will be the difference between the
provider’s billed charge and the reference benefit limit. Where a reference benefit limit is greater than either a negotiated price or a provider’s billed charge, you will incur no liability, other than any related patient cost sharing under this Plan.

If you receive covered services from a non-participating provider outside the state of North Carolina, the amount you pay will generally be based on either the Host Blue’s non-participating provider local payment or the pricing arrangements required by applicable state law. However, in certain situations, the Plan may use other payment bases, such as billed charges, to determine the amount the Plan will pay for covered services from a non-participating provider. In any of these situations, you may be liable for the difference between the non-participating provider’s billed amount and any payment the Plan would make for the covered services.

**Value-Based Programs: BlueCard® Program**

If you receive Covered Services under a Value-Based Program inside a Host Blue’s service area, you will not be responsible for paying any of the Provider Incentives, risk-sharing, and/or Care Coordinator Fees that are a part of such an arrangement, except when a Host Blue passes these fees to Blue Cross NC through average pricing or fee schedule adjustments.

**Value Based Programs: Negotiated (non-BlueCard Program) Arrangements**

If Blue Cross NC has entered into a Negotiated National Account Arrangement with a Host Blue to provide Value-Based Programs to your Employer on your behalf, Blue Cross NC will follow the same procedures for Value-Based Programs administration and Care Coordinator Fees as noted above for the BlueCard Program.

**Blue Cross Blue Shield Global Core® Program**

If you are outside the United States (hereinafter “BlueCard service area”), you may be able to take advantage of the Blue Cross Blue Shield Global Core when accessing covered services. The Blue Cross Blue Shield Global Core is unlike the BlueCard Program available in the BlueCard service area in certain ways. For instance, although the Blue Cross Blue Shield Global Core assists you with accessing a network of inpatient, outpatient and professional providers, the network is not served by a Host Blue. As such, when you receive care from providers outside the BlueCard service area, you will typically have to pay the providers and submit the claims yourself to obtain reimbursement for these services.

If you need medical assistance services (including locating a provider or hospital) outside the BlueCard service area, you should call the Blue Cross Blue Shield Global Core at 1-800-810-BLUE (2583) or call collect at 1-804-673-1177, 24 hours a day, seven days a week. An assistance coordinator, working with a medical professional, can arrange a physician appointment or hospitalization, if necessary.

**Inpatient Services**

In most cases, if you contact the Service Center for assistance, hospitals will not require you to pay for covered inpatient services, except for any applicable deductible or coinsurance amounts. In such cases, the hospital will submit your claims to the Service Center to begin claims processing. However, if you paid in full at the time of service, you must submit a claim to receive reimbursement for covered services. You must contact Blue Cross NC to obtain precertification for non-emergency inpatient services.

**Outpatient Services**

Physicians, urgent care centers and other outpatient providers located outside the BlueCard service area will typically require you to pay in full at the time of service. You must submit a claim to obtain reimbursement for covered services.
Submitting a Blue Cross Blue Shield Global Core Claim

When you pay for covered services outside the BlueCard service area, you must submit a claim to obtain reimbursement. For institutional and professional claims, you should complete a claim form and send the claim form with the provider’s itemized bill(s) to the Service Center (the address is on the form) to initiate claims processing. Following the instructions on the claim form will help ensure timely processing of your claim. The claim form is available from Blue Cross NC, the Service Center or online at www.bcbsglobalcore.com. If you need assistance with your claim submission, you should call the Service Center at 1-800-810-BLUE (2583) or call collect at 1-804-673-1177, 24 hours a day, and seven days a week.

Mental Health and Chemical Dependency Services

Although prior authorization is not required in an emergency, you may contact the Mental Health Case Manager for assistance in locating a provider.

If you need urgent inpatient or outpatient mental health or chemical dependency services while outside North Carolina, contact Customer Service at the number listed in “Who to Contact” for assistance in locating a provider. You must request prior authorization and receive certification from the Mental Health Case Manager for mental health and chemical dependency services other than office visits or in emergencies. BlueCard® HDHP does not provide prior authorization or certification for mental health and chemical dependency services. The numbers for Mental Health Case Manager are provided in “Who to Contact” and on the back of your ID card. For more information on these services, see “Covered Services.”

North Carolina Provider Reimbursement

Blue Cross NC has contracts with certain providers of health care services for the provision of, and payment for, health care services provided to all members entitled to health care benefits. Blue Cross NC’s payment to providers may be based on an amount other than the billed charges, including without limitation, an amount per confinement or episode of care, agreed upon schedule of fees, or other methodology as agreed upon by Blue Cross NC and the provider. Under certain circumstances, a contracting provider may receive payments from Blue Cross NC greater than the charges for services provided to an eligible member, or Blue Cross NC may pay less than charges for services, due to negotiated contracts. The member is not entitled to receive any portion of the payments made under the terms of contracts with providers. The member’s liability when defined as a percent of charge shall be calculated based on the lesser of the allowed amount or the provider’s billed charge for covered services provided to a member.

Some out-of-network providers have other agreements with Blue Cross NC that affect their reimbursement for covered services provided to Plan members. These providers agree not to bill members for any charges higher than their agreed upon, contracted amount. In these situations, members will be responsible for the difference between the Plan’s allowed amount and the contracted amount. Out-of-network providers may bill you directly. If you are billed, you will be responsible for paying the bill and filing a claim with Blue Cross NC.

Right of Recovery/Subrogation Provision

Immediately upon paying or providing any benefit under your health benefit plan, the State Health Plan shall be subrogated to all rights of recovery a member has against any party potentially responsible for making any payment to a member due to a member’s injuries, illness or condition to the full extent of benefits provided or to be provided by your health benefit plan.

In addition, if a member receives any payment from any potentially responsible party as a result of an injury, illness, or condition the State Health Plan has the right to recover from, and be reimbursed by,
the *member* for all amounts the *State Health Plan* has paid and will pay as a result of that injury or illness, up to and including the full amount the *member* receives from all potentially responsible parties.

Further, the *State Health Plan* will automatically have a lien, to the extent of benefits advanced, upon any recovery whether by settlement, judgment or otherwise, that a *member* receives from a third party, the third party’s insurer or any other source as a result of the *member*’s injuries. The lien is in the amount of benefits paid by the *State Health Plan* for the treatment of the illness, injury or condition for which another party is responsible.

As used throughout this provision, the term *responsible party* means any party possibly responsible for making any payment to a *member* due to a *member*’s injuries or illness or any insurance coverage. The *member* acknowledges that the *State Health Plan*’s recovery rights are a first priority claim against all potentially responsible parties and are to be paid to the *State Health Plan* before any other claim for the *member*’s damages. The *State Health Plan* shall be entitled to full reimbursement first from any potential responsible party payments, even if such payment to the *State Health Plan* will result in a recovery to the *member* which is insufficient to make the *member* whole or to compensate the *member* in part or in whole for the damages sustained. It is further understood that the *State Health Plan* will pay all fees associated with counsel it hires to represent its interests related to any recovery it may be entitled to, but it is agreed that the *State Health Plan* is not required to participate in or pay court costs or attorney fees to any attorney hired by the *member*.

The terms of this right of recovery provision shall apply to any and all settlements or judgments received by *members*, even those designated as pain and suffering or non-economic damages only. The *State Health Plan* is entitled to full recovery regardless of whether any liability is admitted in a settlement or judgment received by the *member* and regardless of whether the settlement or judgment received by the *member* identifies the medical benefits the *State Health Plan* provided.

The *member* acknowledges that the *State Health Plan* delegates authority to assert and pursue the right of subrogation and/or reimbursement on behalf of the *State Health Plan*. The *member* shall fully cooperate with the *State Health Plan* or its representative’s efforts to recover benefits paid by the *State Health Plan*. It is the duty of the *member* to notify the *State Health Plan* or its representative in writing of the *member*’s intent to pursue a claim against any potentially responsible party, within 30 days of the date when any notice is given to any party, including an attorney, of the intention to pursue or investigate a claim to recover damages or obtain compensation due to injuries or illness sustained by the *member*. The *member* shall provide all information requested by the *State Health Plan* or its representative including, but not limited to, completing and submitting any applications or other forms or statements as the *State Health Plan* may reasonably request.

The *member* shall do nothing to prejudice the *State Health Plan*’s recovery rights as herein set forth. This includes, but is not limited to, refraining from entering into any settlement or recovery that attempts to reduce, waive, bar or exclude the full cost of all benefits provided by your health benefit plan.

In the event that any claim is made that any part of this right of recovery provision is ambiguous or questions arise concerning the meaning or intent of any of its terms, the *member* and the *State Health Plan* or its representative agree that the *State Health Plan* shall have the sole authority and discretion to resolve all disputes regarding the interpretation of this provision.

The *member* agrees that any legal action or proceeding with respect to this provision may be brought in any court of competent jurisdiction as the *State Health Plan* may elect. Upon receiving benefits under your health benefit plan, the *member* hereby submits to each such jurisdiction, waiving whatever rights may correspond to the *member* by reason of the *member*’s present or future domicile.
If any information in this booklet conflicts with North Carolina state law or it conflicts with medical policies adopted under your health benefit plan, North Carolina law and such medical policies will prevail.

**Notice of Claim**

Your health benefit plan will not be liable for payment of benefits unless proper notice is furnished to the State Health Plan or its representative that covered services have been provided to a member. If the member files the claim, written notice must be given to the State Health Plan or its designated representative within 18 months after the member incurs the covered service. The notice must be on an approved claim form and include the data necessary for the State Health Plan or its representative as specifically set out in this benefits booklet to determine benefits.

**Limitations of Actions**

No legal action may be brought to recover benefits until you have exhausted all administrative remedies, which requires completion of the two-level appeals process. No legal action may be taken later than three years from the date services are incurred. Please see “What If You Disagree with a Decision?” for details regarding the grievance review process.

**Coordination of Benefits (Overlapping Coverage)**

If a member is also enrolled in another group health plan, the State Health Plan may coordinate benefits with the other plan. Coordination of benefits (COB) means that if a member is covered by more than one health benefit plan, benefits under one plan are determined before the benefits are determined under the second plan. The plan that determines benefits first is called the primary plan. The other plan is called the secondary plan. Benefits paid by the secondary plan may be reduced to avoid paying benefits between the two plans that are greater than the cost of the health care service.

The rules by which a plan is determined primary or secondary are listed below.

**Order of Benefits Determination**

*Subscriber or Spouse:*
- The health benefit plan covering a person as a subscriber is primary.
- The health benefit plan covering a person as a spouse is secondary.

*Dependent Children:*
- The health benefit plan that covers the child as a dependent of the parent whose birthday falls first during the year is primary.
- The health benefit plan that covers the child as a dependent of the parent whose birthday falls later in the year is secondary.
- If both parents have the same birthday, benefits under the plan that has covered the parent for a longer period of time shall be determined primary to the plan that has covered the other parent for a shorter period of time.
- If the parents are divorced or separated, the following order of benefits determination is followed:
  - Benefits under the health benefit plan that covers the child as a dependent of the parent with custody are determined primary.
  - Benefits under the health benefit plan that covers the child as a dependent of the spouse of the parent with custody are determined primary.
  - Benefits under the health benefit plan that covers the child as a dependent of the parent without custody are secondary.
NOTE: If there is a court order that requires a parent to assume financial responsibility for the child’s health care coverage, and the State Health Plan or its representative has actual knowledge of those terms of the court order, benefits under that parent’s health benefit plan are determined primary.

Other Rules

• For proper coordination of your benefits, you are required to notify the State Health Plan of Medicare eligibility immediately.

• The benefits of a plan that covers the person as an active employee (neither laid off nor retired) or as a dependent of an active employee are determined before those of a plan that covers that person as a laid-off or retired employee or as that employee’s dependent. If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule is ignored.

• The health benefit plan that has covered the person the longest will be primary if none of the rules listed above determine order of benefits payment.

• If the other health benefit plan does not have rules that establish the same order of benefits as under this health benefit plan, the benefits under the other plan will be determined primary to the benefits under this health benefit plan.

Benefit Coordination

Please note that payment by the State Health Plan under your health benefit plan takes into account whether the provider is a participating provider. If the State Health Plan is the secondary plan, and you use a participating provider, your health benefit plan will coordinate up to the allowed amount. The participating provider has agreed to accept the allowed amount as payment in full. If your provider is a non-participating provider then the State Health Plan will coordinate up to the allowed amount but you will be responsible for the difference between the allowed amount determined by the State Health Plan and what the provider actually charges.

If a member has more than one plan for health benefit coverage, the State Health Plan or its representative may request information about the other plan from the member. A prompt reply will help the State Health Plan or its representative process payments quickly. There will be no payment until primary coverage is determined. It is important to remember that even when benefits are coordinated with other group health plans, including Medicare, benefits for services covered under your health benefit plan are still subject to program requirements, such as certification procedures.

When You Reach Age 65

The State Health Plan mails a Medicare eligibility letter prior to your 65th birthday that outlines your coverage options once you become Medicare eligible and the timelines for making any changes.

Medicare consists of two parts:

Part A: Pays inpatient hospital bills and skilled nursing facility bills. It is normally provided at no charge to those eligible for Medicare.

Part B: Pays outpatient hospital, provider and other professional bills and requires a monthly payment from the person eligible for Medicare.

If you or your covered dependent are 65 and are not eligible for either part of Medicare, the State Health Plan requires written documentation from the Social Security Administration (SSA) explaining the reason for ineligibility. Benefits cannot be paid unless this documentation is received. A member who becomes eligible for Medicare may remain covered under the State Health Plan. For proper coordination, it is important to notify the State Health Plan of Medicare eligibility. If Medicare becomes your primary health coverage, you must elect Medicare Part B to maintain your same level of coverage.
**State Health Plan** Benefit Coordination with Medicare

- If you are actively employed and eligible for Medicare, the *State Health Plan* is primary and Medicare is secondary for you and your *dependents*. The only exception is if you are Medicare primary due to End Stage Renal Disease (ESRD).

- If you are retired and eligible for Medicare, the *State Health Plan* becomes secondary coverage. Medicare is also primary and the *State Health Plan* is secondary for the following Medicare-eligible individuals:
  - *Retirees*, including the last month that a retiree is still covered by the active group prior to being enrolled by the Retirement System.
  - *Dependents of retirees* who also have Medicare.
  - *Disability retirees*.
  - *Dependents* of disability *retirees* who also have Medicare.
  - *Members* with End Stage Renal Disease (ESRD) following the 30-month *State Health Plan* primary period.
  - Individuals with “dual” Medicare entitlement. Dual entitlement occurs when Medicare is already paying as primary because of disability or age and the *member* also becomes eligible because of ESRD. In this case, the 30-month *State Health Plan* primary period is waived and Medicare continues paying as primary.
  - Individuals who have Medicare because of disability and who are not actively working or those who are *spouses* of non-working *employees* who also have Medicare.
  - Former *members and/or* Medicare-eligible *dependents* covered under COBRA.
  - Former *employees* who are receiving the reduction in force (RIF) health benefit continuation coverage.

All covered charges not paid by Medicare are subject to the terms and conditions of your health benefit plan, including the *benefit period*, **deductible**, **coinsurance**, and **certification** requirements. When the *State Health Plan* is secondary, the *State Health Plan* will pay up to the amount that would have been paid had the *State Health Plan* been primary.

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**Important Information about Medicare Part B**

You must enroll in Medicare Part B in order to receive full benefit coverage when Medicare is primary. If you are covered under the *State Health Plan* as a *member* or a *dependent* of a *member*, and you are eligible for Medicare Part B, your *benefits under the State Health Plan* will be paid as if you are enrolled for coverage under Medicare Part B, regardless of whether you have actually enrolled for such coverage. In other words, even if you have not enrolled in Medicare Part B coverage, your health benefit plan will reduce your claim by the benefit that would have been available to you under Medicare Part B, and then pay the remaining claim amount under the terms of your health benefit plan. As a result, you are responsible for the amount that would have been paid by Medicare Part B if you do not enroll in Medicare Part B.

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**Medicare as a Secondary Payer**

The federal Medicare Secondary Payer (MSP) rules require that, for persons covered under both Medicare and a group health plan, Medicare must be the secondary payer in certain situations. This means that the group health plan must not take Medicare entitlement into account in determining whether these individuals are eligible to participate in the Plan, or in providing benefits under the Plan. If you or your covered *dependent* is eligible for Medicare, the following MSP rules apply:
If your Employer has 20 or more Employees, either Medicare or the Plan can be chosen as the primary coverage for you, if you are an Employee who is eligible for Medicare because you are age 65 or older; and your covered spouse is age 65 or older, regardless of your age.

If Medicare is elected as primary coverage, the law does not permit the State Health Plan to provide benefits supplementing Medicare. Therefore, if you or your dependent wishes to elect Medicare as your primary coverage, you must terminate the active coverage and have Medicare as your only coverage. You and/or your dependents should receive a letter from the Plan prior to your 65th birthday reminding you of your enrollment options and providing you with information about how and when to make changes. You can also contact the eligibility and enrollment center for additional information to complete the enrollment change. If you take no action, the Plan will remain your primary medical benefit, with Medicare providing supplemental coverage.

If your Employer has 100 or more Employees, medical benefits under the Plan will be paid before Medicare benefits for you and your covered dependent who is under age 65; is eligible for Medicare because of disability; and is covered under the Plan because of your current employment status.

For all Employers, medical benefits under the Plan will be paid before Medicare benefits for you or any covered dependent qualifying for Medicare due to end-stage renal disease. The Plan will remain the primary payer only during the first thirty (30) months after the earlier of: (1) the date renal dialysis treatments are begun; or (2) the date of Medicare entitlement following a kidney transplant.

If this Plan is the primary payer under the above rules, it will provide the same medical benefits that it provides for other Plan Participants who are not entitled to Medicare benefits.

If Medicare is the primary payer for you or any of your covered dependents, medical benefits will be paid in accordance with the Coordination of Benefits provisions of the Plan.

Note: To protect your financial liability it is in your best interest to enroll in Medicare Part B as soon as you become eligible.

MEDICAID

If you or any of your covered dependents qualify for coverage under Medicaid:

- Your medical benefits under this Plan will be paid before any Medicaid benefits are paid;
- Eligibility and benefits under this Plan are not affected by Medicaid eligibility; and
- Benefits for a Plan Participant who is also covered by Medicaid are subject to the state’s rights to subrogation and reimbursement, if Medicaid benefits have been paid first for covered medical charges.
WHEN COVERAGE BEGINS AND ENDS

Please review the information in this section for a general understanding of eligibility and enrollment guidelines. Eligibility for the State Health Plan is defined in Article 3B in Chapter 135 of the North Carolina General Statutes. If this summary of eligibility conflicts with the General Statutes, the General Statutes prevail.

Eligibility

The following individuals are eligible for coverage under the State Health Plan:

- All permanent full-time teachers and state employees who are either (1) paid from general or special state funds or (2) paid from non-state funds and the employing unit has agreed to provide coverage.

- Employees of state agencies, departments, institutions, boards and commissions, not otherwise covered by the State Health Plan, who are employed in permanent job positions on a recurring basis and who work 30 or more hours per week for nine or more months per calendar year.

- Retired teachers and State employees, members of the General Assembly, and retired law enforcement officers who retired under the Law Enforcement Officers’ Retirement System prior to January 1, 1985. A retiring employee must have completed at least five years of contributory (membership) retirement service and have been hired prior to October 1, 2006. Employees first hired on and after October 1, 2006, must have 20 or more years of retirement service credit. If you withdraw your service (receive a refund of your contributions) and, at a later date, become re-employed as an employee, this new start date will be considered your first hired date.

- Surviving spouses of deceased active or retired (1) North Carolina teachers, (2) State employees, (3) members of the General Assembly who are receiving a survivor’s alternate benefit under any of the state supported retirement programs, provided the death of the former State Health Plan member occurred prior to October 1, 1986.

- Employees of the General Assembly, not otherwise covered by this section, as determined by the Legislative Services Commission, except legislative pages and interns.

- Members of the General Assembly.

- Employees on official leave of absence while completing a full-time program in school administration in an approved program as a Principal Fellow.

- Employees formerly covered, other than retired employees, who have been employed for 12 or more months by an employing unit and whose jobs are eliminated because of a reduction in funds. Payment is limited to 12 months following separation from services because of job elimination.

- Former employees of a local school administrative unit who have completed a contract term of employment of 10 or 11 months and whose jobs are eliminated because of a reduction in funds. Payment is limited to 12 months following separation from services because of job elimination.

- Employees on approved leave of absence with pay, or receiving workers’ compensation. If you are receiving workers compensation, but separated from service (i.e. no longer an employee, then you are no longer eligible for State Health Plan benefits).

- Employees on approved leave under the Family and Medical Leave Act of 1993 (FMLA).

- Former employees who are receiving disability retirement benefits are eligible for the benefit provisions of the State Health Plan on the same basis as retired employees. Coverage for these people will cease, however, as of the end of the month in which the former employee is no longer eligible for disability retirement benefits.

- Retirees (i) employed by an employing unit that elects to provide this coverage; and (ii) the retiree does not qualify for coverage as a permanent employee; and (iii) are determined to be “full-time” by their employing unit in accordance with section 4980H of the Internal Revenue Code and applicable regulations, as amended.
The State of North Carolina shall pay fifty percent (50%) of the total non-contributory premiums for coverage under the State Health Plan for the following individuals:

- School employees in a job sharing position as described in G.S. 115C-326.5.
- Employees and members of the General Assembly with 10, but less than 20 years of retirement service credit who were first hired on or after October 1, 2006 and the members first took office on or after February 1, 2017.

In addition, by paying the full cost of coverage, the following individuals may enroll in the State Health Plan:

- Former members of the General Assembly who enrolled before October 1, 1986.
- Former members of the General Assembly who are enrolled in the State Health Plan at termination of membership in the General Assembly and elect to continue coverage within 30 days of the end of their term of office.
- Surviving spouses of deceased members of the General Assembly who enrolled before October 1, 1986.
- Employees of the General Assembly, not otherwise covered by this section, as determined by the Legislative Services Commission, except legislative pages and interns.
- Surviving spouses of deceased former members of the General Assembly, if covered at the time of death of the former member of the General Assembly.
- All permanent part-time employees (designated as half-time or more) who are paid from general or state funds.
- Retired employees with 5, but less than 10 years of retirement service credit who were first hired on or after October 1, 2006, or first taking office on or after February 1, 2007 for General Assembly members.
- Spouses and eligible dependent children of enrolled teachers, State employees, retirees, former members of the General Assembly, and Disability Income Plan beneficiaries.
- Former employees whose jobs were eliminated because of reduction in funds beyond the initial 12-month separation period.
- Certain blind persons licensed by the state as operators (or former operators) of vending facilities under contract with the Department of Health and Human Services.
- Surviving spouses of deceased retirees and surviving spouses of deceased teachers, State employees, and members of the General Assembly if the spouse was covered at the time of death and the death occurred after September 30, 1986.
- Certain surviving dependent children who are covered by the State Health Plan at the time of the employee’s death are entitled to coverage as a surviving dependent or who were covered under the State Health Plan on September 30, 1986. In the absence of an eligible surviving parent, each child is eligible for member only (individual) coverage until attaining one of the usual dependent children ineligibility events. If a surviving child was certified and covered as an incapacitated dependent, the dependent is eligible for life, or until the dependent marries or ceases to be incapacitated. When coverage ceases for a surviving dependent child, they may be eligible for continuation coverage.
- The spouses and eligible dependent children of former employees whose jobs were eliminated because of reduction in funds.
- An employee on official leave of absence without pay.
- An employee with less than five years of retirement membership services, who is on leave without pay due to illness or injury for up to 12 months.

Under certain conditions the following are eligible:

- Firemen, Rescue Squad or Emergency Medical Workers and members of the North Carolina Army and Air National Guard; employees of certain counties and municipalities; and charter schools; and their dependents.
**Dependent Eligibility**

For **dependents** to be covered under the *State Health Plan*, the **employee or retiree** must be covered and their **dependent** must be one of the following:

- **Spouse.**
- A natural, legally adopted or **foster child** of the **subscriber** and/or **spouse** up to the end of the month of their 26th birthday. **Dependent child** includes a child for whom the **subscriber** is a court-appointed guardian, and a stepchild of the **subscriber** who is married to the stepchild’s natural parent. **Foster child** requires legal documentation.

**Dependent child** coverage may be extended beyond the 26th birthday under the following condition:

- The **dependent** is physically or mentally incapacitated to the extent that they are incapable of earning a living and such handicap developed or began to develop before the dependent’s 26th birthday if the dependent was covered by the *State Health Plan*. When requesting extension of coverage, or for further information, employees should contact Customer Service at the number listed in “Who to Contact?”

The *State Health Plan* requires documentation to verify a **dependent**’s eligibility to be covered as a **dependent**.

No person shall be eligible for coverage as an **employee** or retired **employee** or as a **dependent** of an **employee** or retired **employee** upon a finding by the Executive Administrator, Treasurer, or Board of Trustees or by a court of competent jurisdiction that the **employee** or **dependent** knowingly and willfully made or caused to be made a false statement or false representation of a material fact in a claim for reimbursement.

**Enrolling in the Plan**

It is very important that you apply for coverage and/or add **dependents** when you or your **dependents** are first eligible to enroll on the *State Health Plan*.

New **employees** who do not elect to enroll themselves or their **dependents** on the *State Health Plan* within 30 days of hire (first eligible) will not be allowed to enroll unless they experience a qualifying life event or enroll during the next scheduled Open Enrollment.

**Dual Enrollment**

No person shall be eligible for coverage as an **employee** and as a **dependent** of an **employee** or retired **employee** at the same time, except when a **spouse** is eligible on a fully contributory basis. In addition, no person shall be eligible for coverage as a **dependent** of more than one **employee** or retired **employee** at the same time.

**Timely Enrollees**

You are a timely enrollee if you apply for coverage and/or add or remove **dependents** within a 30-day period following any of the qualified life events listed below:

- You are newly hired.
- Your marital status changes due to marriage, death of a spouse, divorce, legal separation, or annulment.
- You obtain a **dependent** through marriage, birth, adoption, placement in anticipation of adoption, or foster care placement of an eligible child.
- You or your **dependents** experience an employment status change that results in the loss or gain of coverage under another health benefit plan, and each of the following conditions are met:
  - You and/or your **dependents** are otherwise eligible for coverage under the *State Health Plan*;
  - You and/or your **dependents** were covered under another health benefit plan at the time this coverage was previously offered and you declined enrollment due to the other coverage; and
• You and/or your dependents lose coverage under another health benefit plan due to i) the exhaustion of the COBRA continuation period, or ii) the loss of eligibility for that other coverage for reasons including, but not limited to, divorce, loss of dependent status, death of the employee, termination of employment, or reduction in the number of hours of employment, or iii) the termination of the other plan's coverage, or iv) the offered health benefit plan not providing benefits in your service area and no other health benefit plans are available, or v) the termination of employer contributions toward the cost of the other plan's coverage, or vi) meeting or exceeding the lifetime maximum, or vii) the discontinuance of the health benefit plan to similarly situated individuals.

• You or your dependents become Medicare eligible.

• Your dependent ceases to be an eligible dependent (dependent child turns 26).

• You, your spouse, or your dependents commence or return from an unpaid leave of absence such as Family and Medical Leave or military leave.

• You receive a qualified medical child support order (as determined by the plan administrator) that requires the plan to provide coverage for your children.

• If you, your spouse or dependents experience a cost or coverage change under another group health plan for which an election change was permitted, you may make a corresponding election change under the Flex Plan (e.g. your spouse's employer significantly increases the cost of coverage and as a result, allows the spouse to change his/her election) (not applicable to the Health FSA).

• If you change employment status such that you are no longer expected to average 30 hours of service per week but you do not lose eligibility for coverage under the State Health Plan (e.g. you are in a stability period during which you qualify as full-time), you may still prospectively revoke your election provided that you certify that you have or will enroll yourself (and any other covered family members) in other coverage providing minimum essential coverage (e.g. the Market place) that is effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

• You may prospectively revoke your State Health Plan election if you certify your intent to enroll yourself and any covered dependents in the Marketplace for coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

• You or your dependents lose coverage due to loss of eligibility under Medicaid or the Children’s Health Insurance Program (CHIP) and apply for coverage under this Plan within 60 days.

• You or your dependents become eligible for premium assistance with respect to coverage under this Plan under Medicaid or CHIP and apply for coverage under this Plan within 60 days.

In addition, eligible surviving spouses and any eligible surviving dependent child of a deceased retiree, teacher, State employee, member of the General Assembly, former member of the General Assembly, or Disability Income Plan beneficiary are considered a timely enrollee if they were enrolled at the time of the member’s death and elect to continue coverage within 90 days after the death of the former State Health Plan member.

Completion of the enrollment must occur within 30 days of employment or the qualifying life event (except as specifically described above. Members who do not enroll when first eligible must wait until the next Open Enrollment period if they are still eligible. Proof of prior coverage, if applicable, must be returned to the HBR of the employee's employing unit. Retirees and surviving spouses are not required to experience a qualifying event if they wish to disenroll themselves or their dependents from the Plan; they may disenroll at any time.
Enrollment Exceptions

To make an enrollment exception request, active members must contact their HBR and request that the HBR file an enrollment exception request with the State Health Plan. Non-Active Members (Retirees, Disabled Members, RIF Members, COBRA Members, former Members of the General Assembly and other 100% contributory Members) must contact the State Health Plan office at 919-814-4400 to file an enrollment exception. Enrollment exception requests must be submitted to State Health Plan within the following timeframe: Within sixty (60) days of enrollment, termination or change in benefit election or within thirty (30) days of premium deduction or premium payment due date reflecting enrollment, termination, or change in benefit election, whichever is later.

Adding or Removing a Dependent

If you want to add or remove a dependent due to a qualifying life event, you will need to do so through eBenefits, the Plan’s enrollment system. To access eBenefits, visit the www.shpnc.org and click “Enroll Now.” Failure to timely make this change could result in loss of eligibility for continuation of coverage.

To add a dependent, you will need to do so through eBenefits, the Plan’s enrollment system. To access eBenefits, visit the www.shpnc.org and click “eBenefits.” For coverage to be effective on the date the dependent becomes eligible due to a qualifying life event or the first day of the month following the qualifying life event, the completion of the enrollment must occur within 30 days after the dependent becomes eligible or you must wait until the next Open Enrollment to add your dependent. If you are adding a newborn child, a child legally placed for adoption, or a foster child, and adding the dependent child would not change your coverage type or the premiums owed (you are already paying for family coverage or employee-children coverage), the change will be effective on the date the child becomes eligible (the date of birth for a newborn, the date of placement for adoption for adoptive children, or the date of placement of a foster child in your home), if the birth or date of placement occurs after the coverage is effective. Notice is not required within 30 days after the child becomes eligible, however, it is important to provide notification as soon as possible.

In order for a newborn child to be covered from the date of birth, the coverage effective date must be the first day of the month in which the child is born. For more information, see “Newborn Care” in “Covered Services.”

For members with employee-only or employee-spouse coverage, a newborn child, a child legally placed for adoption or a foster child may be covered on their effective date - as long as the child is enrolled within 30 days of their effective date and the subscriber changes to employee/child(ren) or employee-family coverage and pays any additional premiums required for the selected coverage type retroactive to the first of the month in which the child is born or to the first of the month in which the date of placement occurred for adoptive and foster children.

If you are an active member you may remove dependents from your coverage by contacting your HBR or through your online enrollment system when there is a qualifying life event. You must disenroll your Dependent within 30 days of the qualifying event. Dependents must be removed from coverage when they are no longer eligible, such as when a child is no longer eligible due to age, or when the spouse is no longer eligible due to divorce or death.

If you are a retired member or surviving spouse you may remove dependents from your coverage without a qualifying life event. To add dependents you must experience a qualifying life event or add them during Open Enrollment.
Qualified Medical Child Support Order

A qualified medical child support order (QMCSO) is any judgment, decree or order that is issued by an appropriate court or through an administrative process under state law that: (1) provides for coverage of the child of a member under the State Health Plan; and (2) is either issued according to state law or a law relating to medical child support described in Section 1908 of the Social Security Act. A QMCSO must be specific as to the plan, the participant whose child(ren) is (are) to be covered, the type of coverage, the child(ren) to be covered and the length of coverage.

Effective Dates of Coverage

The effective date for new employees is determined based on the following:
- The effective date of coverage is the first day of the month following the date of employment. For example, if the date of employment is October 12, coverage may begin November 1. Eligible dependents must be enrolled with the same effective date as the employee, unless there is a qualifying event.

Types of Coverage

Your health benefit plan offers the following types of coverage:
- Employee only coverage - The health benefit plan covers the employee or retiree.
- Employee spouse coverage - The health benefit plan covers the employee or the retiree and his/her spouse.
- Employee child(ren) coverage - The health benefit plan covers the employee and his/her dependent child or children; or the retiree and his/her dependent child or children.
- Family coverage - The health benefit plan covers the employee, his/her spouse and his/her dependent child or children; or the retiree, his/her spouse and his/her dependent child or children.

Reporting Changes

Have you moved, added or changed other health coverage, changed your name or phone number? If so, contact your HBR or follow the online process for updating your information through your enrollment system. It will help us give you better service if the State Health Plan or its representative is kept informed of these changes.

When Coverage Ends

Coverage for you or your dependents ends the last day of the month in which an ineligibility event occurs. Some examples of ineligibility events are divorce and termination of employment. For additional ineligibility events, contact Customer Service at the number in “Who to Contact.” You must notify your HBR when there is a change of eligibility or make the change request through your online enrollment system. If notification is not made within the 30 days following the dependent’s ineligibility event, the dependent will be retroactively removed the end of the month of the dependent’s ineligibility event, and the coverage type change will be the first of the month following written notification, except in the case of death, in which case the coverage type change will be made retroactively to the first of the month following death.

Premium payments are due by the first day of the effective month. The premium payment grace period ends the last day of the effective month. Members who do not pay their premiums in full by the last day of the effective month will have their coverage canceled. If the premium payment is received after the coverage is canceled for non-payment, but the postmark is on or before the last day of the effective month (end of the grace period), the coverage may be reinstated. This applies to members whose premiums are paid on a partially or fully contributory basis.
If the premium amount due is only for dependent coverage, then only the dependent coverage will be terminated; however, if the premium is for both the subscriber and the dependents, all members of the family will have their coverage canceled.

If you are terminated due to non-payment, you will not be able to come back on the Plan until the next Open Enrollment period, even if you experience a qualifying life event.

Coverage for you or your dependents may also end on the date through which premiums have been paid.

Coverage ends when your coverage is fully contributory and your premium is not received within 60 days after your premium due date. After 30 days, claims for you and any dependents will be placed on hold or will be denied during the period for which a premium has not been paid.

You or your dependents may be eligible for continuation coverage under COBRA or to convert to a non-employer sponsored plan the first day of the month following an eligibility event.

Coverage may end on the last day of the month in which you or your covered dependent is found to have knowingly and willfully made or caused to be made a false statement or false representation of a material fact in a claim for reimbursement under the Plan. Persons that commit fraud against the State Health Plan are ineligible for coverage for minimum of five years and there is no guarantee that coverage will ever be reinstated.

Please notify your health care providers and pharmacy if you are no longer eligible for coverage. In the event claims are paid on behalf of a former member who is no longer eligible or whose coverage has terminated, the Plan reserves the right to recover those amounts directly from the subscriber or former member.
VALUE-ADDED PROGRAMS

The State Health Plan offers telephonic coaching for disease and case management for members with the following conditions: asthma, chronic obstructive pulmonary disease (COPD), cerebrovascular disease (CVD), coronary artery disease (CAD), peripheral vascular disease (PAD), heart failure, and diabetes. Case management will also be provided for members with complex health care needs and with conditions such as chronic and end stage renal disease.

If you have certain health conditions, the State Health Plan or its representative may call you to provide information about your condition, answer questions and tell you about resources available to you. Your participation is voluntary, and you have no obligation to talk about your condition. Your medical information is kept confidential.

Blue Cross NC offers Value Added Programs to help you take charge of your care and save you money. These innovative programs complement your health plan and are available at no additional cost. Value Added Programs include discounts, information and more on a variety of health-related products, services and topics. Now that’s value-added. That’s your plan for better health. To get started, go to the Plan’s website at www.shpnc.org, click on Member Login in the green bar, then scroll down to the Blue Connect login. Once you are logged into Blue Connect, look for the Blue365 tile. Members will need to register in order to receive access to the Blue365 program.

Get Connected with Blue Connect

State Health Plan subscribers have access to Blue Connect, a protected online resource to help you manage your health plan and maximize your benefits. With Blue Connect, registered users can complete a variety of self-service tasks online, 24 hours a day, without ever picking up the phone.

- Find a provider and read provider reviews.
- Search for a procedure to view cost estimates customized to your plan and benefits.
- View your claim status and where you are in meeting your deductible.
- View your Health Care Summary Report.
- Order new ID cards.
- View your Explanation of Benefits (EOB), which has recently been redesigned to provide more transparency, greater detail and enhanced understanding of your health care costs.
- Research health and wellness topics to help you make more informed health care decisions.
- Register for Blue365® Discount Program, which provides:
  - Gym memberships and fitness gear.
  - Vision and hearing care.
  - Weight loss and nutrition programs.
  - Travel and family activities.
  - Mind/body wellness tools and resources.
  - Financial tools and programs.

These discounts on goods and services may not be provided directly by the State Health Plan, but may instead be arranged for your convenience. These discounts are outside your health benefit plan’s benefits. Neither the State Health Plan nor Blue Cross NC is liable for problems resulting from goods and services they do not provide directly, such as goods and services not being provided or being provided negligently. The State Health Plan or Blue Cross NC may stop or change these programs at any time.
How to Access Blue Connect
To access Blue Connect, visit the State Health Plan’s website at www.shpnc.org and click eBenefits to log into eBenefits, the Plan’s enrollment system. Once you’re logged into eBenefits you will see a Blue Connect Quick Link on the left menu.

For more information on these programs, see the number in the Quick Reference Value-Added Programs section in the front of this booklet.

The State Health Plan or Blue Cross NC reserves the right to discontinue or change these programs at any time. These programs are not covered benefits under your health benefit plan contract. The State Health Plan does not accept claims or reimburse for these services and members are responsible for paying all bills.
DEFINITIONS

AFFORDABLE CARE ACT (ACA) — The law enacted on March 23, 2010 also known as the Patient Protection and Affordable Care Act, that requires health plans and health plan providers to offer certain provisions and consumer protections.

AFFORDABLE CARE ACT (ACA) PREVENTIVE CARE PRESCRIPTION MEDICATIONS — prescription medications identified by the Affordable Care Act covered at 100%.

ALLOWED AMOUNT — the maximum amount that Blue Cross NC determines is reasonable for covered services provided to a member. The allowed amount includes any Blue Cross NC payment to the provider, plus any deductible, or coinsurance. For providers that have entered into an agreement with Blue Cross NC, the allowed amount is the negotiated amount that the provider has agreed to accept as payment in full. Except as otherwise specified in “Emergency Care,” for providers that have not entered into an agreement with Blue Cross NC, the allowed amount will be the lesser of the provider’s billed charge or an amount based on an out-of-network fee schedule established by Blue Cross NC or through the BlueCard system that is applied to comparable providers for similar services under a similar health benefit plan. Where Blue Cross NC has not established an out-of-network fee schedule amount for the billed service, the allowed amount will be the lesser of the provider’s billed charge or an amount established by Blue Cross NC or through the BlueCard system using a methodology that is applied to comparable providers who may have entered into an agreement with Blue Cross NC for similar services under a similar health benefit plan. Other than described above, Blue Cross NC will not pay the out-of-network provider’s billed charge unless doing so is required by law. Calculation of the allowed amount is based on several factors including Blue Cross NC’s medical, payment and administrative guidelines. Under the guidelines, some procedures charged separately by the provider may be combined into one procedure for reimbursement purposes.

ALTERNATIVE MEDICINE — medicine services, which are unproven preventive or treatment modalities, generally also described as alternative, holistic, integrative, or complementary medicine, whether performed by a physician or any other provider.

AMBULANCE — transportation by means of a specially designed and equipped vehicle used only for transporting the sick and injured, includes ground and aircraft.

AMBULATORY SURGICAL CENTER — a non-hospital facility with an organized staff of providers, which is licensed or certified in the state where located, and which:

a) Has permanent facilities and equipment for the primary purpose of performing surgical procedures on an outpatient basis;

b) Provides nursing services and treatment by or under the supervision of providers whenever the patient is in the facility;

c) Does not provide inpatient accommodations;

d) Is not, other than incidentally, a facility used as an office or clinic for the private practice of a provider or other providers.

ANCILLARY PROVIDER

Independent clinical laboratories, durable/home medical equipment and supply providers, or specialty pharmacies. Ancillary providers are considered in-network if they contract directly with the Blue Cross or Blue Shield plan in the state where services are received, based on the following criteria:

a) For independent clinical laboratories, services are received in the state where the specimen is drawn.
b) For durable/home equipment and supply providers, services are received in the state where the equipment or supply is shipped (receiving address) or if purchased at a retail store the vendor must be contracted with the plan in the state where the retail store is located.

c) For specialty pharmacies, services are received in the state where the ordering physician is located.

**APPEAL** — a written request for a review of a denial of a non-certification and/or a denial based on medical necessity. See also the definitions for "Non-certification" and "Medical Necessity."

**BLUE CROSS NC** — Blue Cross and Blue Shield of North Carolina.

**BENEFIT PERIOD** — the period beginning January 1, 2019, and ending on December 31, 2019, which charges for covered services, if applicable, are applied to the annual deductible and out-of-pocket limit and during which annual benefit maximums accumulate.

**BENEFIT PERIOD MAXIMUM** — the maximum amount of allowed charges for covered services in a benefit period that will be reimbursed on behalf of a member while covered under the health benefit plan.

**BRAND NAME** — the proprietary name of the prescription medication that the manufacturer owning the patent places upon a drug product or on its container, label or wrapping at the time of packaging. The State Health Plan makes the final determination of the classification of brand name drug products based on information provided by the manufacturer and other external classification sources.

**CERTIFICATION** — the determination by the State Health Plan or its representative that an admission, availability of care, continued stay, or other services, supplies or drugs have been reviewed and, based on the information provided, satisfy the requirements for medically necessary services and supplies, appropriateness, health care setting, level of care and effectiveness.

**CHEMICAL DEPENDENCY** — the pathological use or abuse of alcohol or other drugs in a manner or to a degree that produces impairment in personal, social, or occupational functioning and which may, but need not, include a pattern of tolerance and withdrawal.

**COINSURANCE** — the sharing of charges by the State Health Plan and the member for covered services received by a member, usually stated as a percentage of the allowed amount.

**COMPLICATIONS OF PREGNANCY** — medical conditions whose diagnoses are distinct from pregnancy, but are adversely affected or caused by pregnancy, resulting in the mother's life being in jeopardy or making the birth of a viable infant impossible and which require the mother to be treated prior to the full term of the pregnancy (except as otherwise stated below), including, but not limited to: abruption of placenta; acute nephritis; cardiac decompensation; documented hydramnios; eclampsia; ectopic pregnancy; insulin dependent diabetes mellitus; missed abortion; nephrosis; placenta previa; Rh sensitization; severe preeclampsia; trophoblastic disease; toxemia; immediate postpartum hemorrhage due to uterine atony; retained placenta or uterine rupture occurring within 72 hours of delivery; or, the following conditions occurring within ten days of delivery: urinary tract infection, mastitis, thrombophlebitis, and endometritis. Emergency cesarean section will be considered eligible for benefit application only when provided in the course of treatment for those conditions listed above as a complication of pregnancy. Common side effects of an otherwise normal pregnancy, conditions not specifically included in this definition, episiotomy repair and birth injuries are not considered complications of pregnancy.

**COMPOUND MEDICATION** — is prepared by a pharmacist when mixing or altering ingredients to create a unique prescription medication that is specific for an individual patient.

**CONGENITAL** — existing at, and usually before, birth referring to conditions that are present at birth regardless of their causation.
COSMETIC — to improve appearance. This does not include restoration of physiological function resulting from accidental injury, trauma or previous treatment that would be considered a covered service. This also does not include reconstructive surgery to correct congenital or developmental anomalies that have resulted in functional impairment.

COVERED SERVICE(S) — a service, medication, supply or equipment specified in this benefit booklet for which members are entitled to benefits in accordance with the terms and conditions of their health benefit plan.

CREDITABLE COVERAGE — accepted health insurance coverage carried prior to the State Health Plan. Coverage can be group health insurance, self-funded plans, individual health insurance, public health plan, Children’s Health Insurance Program (CHIP), Medicare, Medicaid, and any other coverage defined as creditable coverage under state or federal law. Creditable coverage does not include coverage consisting solely of excepted benefits.

CUSTODIAL CARE — care comprised of services and supplies, including room and board and other facility services, which are provided to the patient, whether disabled or not, primarily to assist him or her in the activities of daily living. Custodial care includes, but is not limited to, help in walking, bathing, dressing, feeding, preparation of special diets and supervision over self-administration of medications. Such services and supplies are custodial as determined by the State Health Plan or its representative without regard to the place of service or the provider prescribing or providing the services.

DEDUCTIBLE — the specified dollar amount for certain covered services that the member must incur each benefit period before benefits are payable for the remaining covered services. The deductible does not include premiums, charges in excess of the allowed amount, amounts exceeding any maximum and expenses for non-covered services.

DEPENDENT — a member other than the subscriber as specified in "When Coverage Begins and Ends."

DEPENDENT CHILD(REN) — the covered child(ren) of a subscriber or spouse up to the maximum dependent age, as specified in "When Coverage Begins and Ends."

DEVELOPMENTAL DYSFUNCTION — difficulty in acquiring the activities of daily living including, but not limited to, walking, talking, feeding or dressing oneself or learning in school. Developmental therapies are those to facilitate or promote the development of skills, which the member has not yet attained. Examples include, but are not limited to: speech therapy to teach a member to talk, follow directions or learn in school; physical therapy to treat a member with low muscle tone or to teach a member to roll over, sit, walk or use other large muscle skills; occupational therapy to teach a member the activities of daily living, to use small muscle skills or balance or to assist with behavior or achievement in the learning setting.

DURABLE MEDICAL EQUIPMENT — items designated by the State Health Plan or its representative which can withstand repeated use, are used primarily to serve a medical purpose, are not useful to a person in the absence of illness, injury or disease, and are appropriate for use in the patient’s home.

EDUCATIONAL TREATMENT — services provided to foster acquisition of skills and knowledge to assist development of an individual’s cognitive independence and personal responsibility. These services include academic learning, socialization, adaptive skills, communication, amelioration of interfering behaviors, and generalization of abilities across multiple environments.

EFFECTIVE DATE — the date on which coverage for a member begins, according to "When Coverage Begins and Ends."

EMERGENCY(IES) — the sudden or unexpected onset of a condition of such severity that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in any of the following: placing the health of an individual or with respect to a pregnant woman, the health of the pregnant woman or her unborn child
in serious jeopardy, serious physical impairment to bodily functions, serious dysfunction of any bodily organ or part, or death. Heart attacks, strokes, uncontrolled bleeding, poisonings, major burns, prolonged loss of consciousness, spinal injuries, shock, and other severe, acute conditions are examples of emergencies.

EMERGENCY SERVICES — health care items and services furnished or required to screen for or treat an emergency medical condition until the condition is stabilized, including pre-hospital care and ancillary services routinely available in the emergency department.

EMPLOYEE — the person who is eligible for coverage under the State Health Plan due to employment with the State of North Carolina, including, but not limited to teachers, state employees, retirees; certain members of boards and commissions; certain counties and municipalities; firemen and rescue workers; National Guard; and anyone else eligible pursuant to North Carolina General Statutes.

EXPERIMENTAL — see Investigational.

FACILITY SERVICES — covered services provided and billed by a hospital or non-hospital facility. All services performed must be within the scope of license or certification to be eligible for reimbursement.

FAMILY PLANNING — reproductive health services, including care for maternity, complications of pregnancy, infertility and sexual dysfunction and contraception.

FOSTER CHILD(REN) — children under age 18 i) for whom a guardian has been appointed by a clerk of superior court of any county in North Carolina or ii) whose primary or sole custody has been assigned by order of a court with proper jurisdiction and who are residing with a person appointed as guardian or custodian for so long as the guardian or custodian has assumed the legal obligation for total or partial support of the children with the intent that the children reside with the guardian or custodian on more than a temporary or short term basis.

GENERc — a drug name not protected by a trademark which has the same active ingredient, strength and dosage form, and which is determined by the Food and Drug Administration (FDA) to be therapeutically equivalent to the prescription brand name drug.

GRIEVANCE — grievances include dissatisfaction with a claims denial or any decisions (including an appeal of a non-certification decision), policies or actions related to the availability, delivery or quality of health care services.

HABILITATIVE SERVICES – health care services that help a person keep, learn or improve skills and functioning for daily living. Examples include therapy for a child who is not walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology and other services for people with disabilities in a variety of inpatient and/or outpatient settings.

HBR — see Health Benefits Representative.

HEALTH BENEFITS REPRESENTATIVE — an employee designated by the employing unit who is responsible for administering the State Health Plan. Duties include enrolling new employees, reporting changes, explaining benefits, reconciling group statements and remitting group fees. The State Retirement System is the HBR for retired members.

HOMEBOUND — a member who cannot leave their home or temporary residence due to a medical condition which requires both the assistance of another person and the aid of supportive devices or the use of special transportation. A member is not considered homebound solely because the assistance of another person is required to leave the home.

HOME HEALTH/HOME CARE AGENCY — a non-hospital facility which is primarily engaged in providing home health care services, and which:
a) Provides skilled nursing and other services on a visiting basis in the member’s home,
b) Is responsible for supervising the delivery of such services under a plan prescribed by a provider,
c) Is accredited and licensed or certified in the state where located,
d) Is certified for participation in the Medicare program, and
e) Is acceptable to Blue Cross NC.

HOSPICE — a non-hospital facility that provides medically related services to persons who are terminally ill, and which:
a) Is accredited, licensed or certified in the state where located,
b) Is certified for participation in the Medicare program, and
c) Is acceptable to Blue Cross NC.

HOSPITAL — an accredited institution for the treatment of the sick that is licensed as a hospital by the appropriate state agency in the state where located. All services performed must be within the scope of license or certification to be eligible for reimbursement.

IDENTIFICATION CARD (ID card) — the card issued to subscribers upon enrollment which provides your member identification numbers, names of the members, applicable coinsurance, and key phone numbers and addresses.

INCURRED — the date on which a member receives the service, medication, equipment or supply for which a charge is made.

INFERTILITY — the inability after 12 consecutive months of unsuccessful attempts to conceive a child.

IN-NETWORK — designated as participating in the Blue Options network. The State Health Plan’s payment for in-network covered services is described in this benefit booklet as in-network benefits or in-network benefit levels.

IN-NETWORK PROVIDER — a hospital, provider, other medical practitioner or provider of medical services and supplies that has been designated as a Blue Options provider by Blue Cross NC or a provider participating in the BlueCard® program.

INPATIENT — pertaining to services received when a member is admitted to a hospital or non-hospital facility as a registered bed patient for whom a room and board charge is made.

INVESTIGATIONAL (EXPERIMENTAL) — the use of a service or supply including, but not limited to, treatment, procedure, facility, equipment, medication, or device that the State Health Plan or its representative does not recognize as standard medical care of the condition, disease, illness, or injury being treated. The following criteria are the basis for determination that a service or supply is investigational:

a) Services or supplies requiring federal or other governmental body approval, such as drugs and devices that do not have unrestricted market approval from the U.S. Food and Drug Administration (FDA) or final approval from any other governmental regulatory body for use in treatment of a specified condition. Any approval that is granted as an interim step in the regulatory process is not a substitute for final or unrestricted market approval.

b) There is insufficient or inconclusive scientific evidence in peer-reviewed medical literature to permit the State Health Plan or its representative's evaluation of the therapeutic value of the service or supply

c) There is inconclusive evidence that the service or supply has a beneficial effect on health outcomes

d) The service or supply under consideration is not as beneficial as any established alternatives
e) There is insufficient information or inconclusive scientific evidence that, when utilized in a non-
*investigational* setting, the service or supply has a beneficial effect on health outcomes and is as
beneficial as any established alternatives. If a service or supply meets one or more of the criteria, it
is deemed *investigational* except for clinical trials as described under this health benefit plan.
Determinations are made solely by the *State Health Plan* or its representative after independent
review of scientific data. Opinions of experts in a particular field and/or opinions and assessments
of nationally recognized review organizations may also be considered but are not determinative or
conclusive.

**LICENSED PRACTICAL NURSE (LPN)** — a nurse who has graduated from a formal practical nursing
education program and is licensed by the appropriate state authority.

**LIFETIME MAXIMUM** — the maximum amount of allowed *covered services* that will be reimbursed on
behalf of a *member* while covered under this health benefit plan.

**MEDICAL CARE/SERVICES** — professional services provided by a *provider* or *other provider* for the
treatment of an illness or injury.

**MEDICAL SUPPLIES** — health care materials that include ostomy supplies, catheters, oxygen and
diabetic supplies.

**MEDICALLY NECESSARY (or MEDICAL NECESSITY)** — those *covered services* or supplies that are:

a) Provided for the diagnosis, treatment, cure, or relief of a health condition, illness, injury, or disease;
and, except for clinical trials as described under this health benefit plan, not for *experimental*,
*investigational*, or *cosmetic* purposes.

b) Necessary for and appropriate to the diagnosis, treatment, cure, or relief of a health condition,
injury, illness, disease, or its symptoms,

c) Within generally accepted standards of *medical care* in the community, and

d) Not solely for the convenience of the insured, the insured’s family, or the *provider*.

For *medically necessary* services, the *State Health Plan* or its representative may compare the cost
effectiveness of alternative services, settings or supplies when determining which of the services or
supplies will be covered and in what setting *medically necessary* services are eligible for coverage.

**MEMBER** — a *subscriber* or a *dependent*, who is currently enrolled in the health benefit plan and for
whom a premium is paid.

**MENTAL HEALTH CASE MANAGER** — the company that is contracted to manage the mental health and
*chemical dependency* benefits.

**MENTAL ILLNESS** — mental disorders, psychiatric illnesses, mental conditions and psychiatric conditions
(whether organic or non-organic, whether of biological, non-biological, chemical or non-chemical origin
and irrespective of cause, basis or inducement). This includes, but is not limited to, psychoses, neurotic
disorders, schizophrenic disorders, affective disorders, personality disorders, and psychological or
behavioral abnormalities associated with transient or permanent dysfunction of the brain or related
neurohormonal systems. (This is intended to include disorders, conditions and illnesses classified on
Axes I and II in the current edition of the Diagnostic and Statistical Manual of Mental Disorders of the
American Psychiatric Association, Washington, DC.)

**NON-CERTIFICATION** — a determination by the *State Health Plan* or its representative that a service
covered under your health benefit plan has been reviewed and does not meet requirements for *medical
necessity*, appropriateness, health care setting, level of care or effectiveness or the prudent layperson
standard for coverage of *emergency services* and, as a result, the requested service is denied, reduced or
terminated. The determination that a requested service is *experimental, investigational or cosmetic* is
considered a non-certification. A non-certification is not a decision based solely on the fact that the requested service is specifically excluded under your benefits.

**NON-HOSPITAL FACILITY** — an institution or entity other than a hospital that is accredited and licensed or certified in the state where located to provide covered services and is acceptable to Blue Cross NC. All services performed must be within the scope of license or certification to be eligible for reimbursement.

**OFFICE VISIT** — medical care, surgery, diagnostic services, short term rehabilitative therapy services and medical supplies provided in a provider's office. See also the definition for “Outpatient Clinic.”

**OTHER PROFESSIONAL PROVIDER** — a person or entity other than a provider who is accredited and licensed or certified in the state where located to provide covered services and which is acceptable to Blue Cross NC. All services performed must be within the scope of license or certification to be eligible for reimbursement.

**OTHER PROVIDER** — an institution or entity other than a provider or hospital, which is accredited and licensed or certified in the state where located to provide covered services and which is acceptable to Blue Cross NC. All services performed must be within the scope of license or certification to be eligible for reimbursement.

**OTHER THERAPY(IES)** — the following services and supplies, both inpatient and outpatient, ordered by a provider or other provider to promote recovery from an illness, disease or injury when provided by a provider, other provider or professional employed by a provider licensed in the state of practice.

  a) Cardiac rehabilitative therapy — reconditioning the cardiovascular system through exercise, education, counseling and behavioral change

  b) Chemotherapy (including intravenous chemotherapy) — the treatment of malignant disease by chemical or biological antineoplastic agents which have received full, unrestricted market approval from the Food and Drug Administration (FDA)

  c) Dialysis treatments — the treatment of acute renal failure or chronic irreversible renal insufficiency for removal of waste materials from the body to include hemodialysis or peritoneal dialysis

  d) Pulmonary therapy — programs that combine exercise, training, psychological support and education in order to improve the patient’s functioning and quality of life

  e) Radiation therapy — the treatment of disease by x-ray, radium, or radioactive isotopes

  f) Respiratory therapy — introduction of dry or moist gases into the lungs for treatment purposes.

**OUT-OF-NETWORK** — not designated as participating in the Blue Options network and not certified in advance by Blue Cross NC to be considered as in-network. Payment for out-of-network covered services is described in this benefit booklet as out-of-network benefits or out-of-network benefit levels.

**OUT-OF-NETWORK PROVIDER** — a provider that has not been designated as participating in the Blue Options network.

**OUT-OF-POCKET LIMIT** — this is the most you pay for covered expenses (medical and pharmacy) in a calendar year. It includes deductibles and coinsurance, but excludes premiums.

**OUTPATIENT** — pertaining to services received from a hospital or non-hospital facility by a member while not an inpatient.

**OUTPATIENT CLINIC(S)** — an accredited institution/facility associated with or owned by a hospital. An outpatient clinic may bill for outpatient visits, including professional services and ancillary services, such as diagnostic tests. These services may be subject to the Outpatient Services benefit. All services performed must be within the scope of the professional or facility license or certification to be eligible for reimbursement.
PHARMACY BENEFIT MANAGER (PBM) — the company with which the State of North Carolina contracts to manage the pharmacy benefit.

POSITIONAL PLAGIOCEPHALY — the asymmetrical shape of an infant's head due to uneven external pressures on the skull in either the prenatal or postnatal environment. This does not include asymmetry of an infant’s head due to premature closure of the sutures of the skull.

PRESCRIPTION — an order for a drug issued by a provider duly licensed to make such a request in the ordinary course of professional practice; or requiring such an order.

PRESCRIPTION MEDICATION — a drug that has been approved by the Food and Drug Administration (FDA) and is required, prior to being dispensed or delivered, to be labeled “Caution: Federal law prohibits dispensing without prescription,” or labeled in a similar manner (also known as a federal legend drug), and is appropriate to be administered without the presence of a medical supervisor.

PREVENTIVE CARE — medical services provided by or upon the direction of a provider or other provider related to the prevention of disease. Certain services are identified by the Affordable Care Act as being “Preventive Care” and are covered at 100% in-network.

PRIMARY CARE PROVIDER (PCP) — a provider who has been designated by Blue Cross NC as a PCP.

PRIOR AUTHORIZATION — the consideration of benefits for an admission of care, continued stay, or other services, supplies or drugs, based on the information provided and requirements for a determination of medical necessity of services and supplies, appropriateness, health care setting, or level of care and effectiveness. Prior authorization results in certification or non-certification of benefits.

PROSTHETIC APPLIANCES — fixed or removable artificial limbs or other body parts, which replace absent natural ones.

PROVIDER — includes the following: a provider of medicine, a provider of osteopathy, licensed to practice medicine or surgery by the Board of Medical Examiners in the state of practice, a provider of dentistry, a provider of podiatry, a provider of chiropractic, a provider of optometry, or a provider of psychology who must be licensed or certified in the state of practice and has a providerate degree in psychology and at least two years clinical experience in a recognized health setting or has met the standards of the National Register of Health Service Providers in Psychology. All of the above must be duly licensed to practice by the state in which any service covered by the contract is performed, regularly charge and collect fees as a personal right, subject to any licensure or regulatory limitation as to location, manner or scope of practice. All services performed must be within the scope of license or certification to be eligible for reimbursement.

PROVIDER — a hospital, non-hospital facility, provider, other provider, or other professional providers accredited, licensed or certified where required in the state of practice, performing within the scope of license or certification. All services performed must be within the scope of license or certification to be eligible for reimbursement.

REGISTERED NURSE (RN) — a nurse who has graduated from a formal program of nursing education (diploma school, associate degree or baccalaureate program), and is licensed by the appropriate state authority in the state of practice.

RESIDENTIAL TREATMENT FACILITY — a residential treatment facility is a facility that either: (1) offers treatment for patients that require close monitoring of their behavioral and clinical activities related to their chemical dependency or addiction to drugs or alcohol, or (2) offers treatment for patients that require psychiatric services for the diagnosis and treatment of mental illness. All services performed must be within the scope of license or certification to be eligible for reimbursement.
RETIREE — an enrolled retired employee who receives monthly retirement benefits from any retirement system supported in whole or in part by contributions of the State of North Carolina and who is eligible for benefits pursuant to North Carolina General Statutes.

ROUTINE FOOT CARE — hygiene and preventive maintenance such as trimming of corns, calluses or nails that do not usually require the skills of a qualified provider of foot care services.

SEXUAL DYSFUNCTION — any of a group of sexual disorders characterized by inhibition either of sexual desire or of the psychophysiological changes that usually characterize sexual response. Included are sexual arousal disorder, erectile disorder and hypoactive sexual desire disorder.

SHORT-TERM REHABILITATIVE THERAPY — services and supplies both inpatient and outpatient, ordered by a provider or other provider to promote the recovery of the member from an illness, disease or injury when provided by a provider, other provider or professional employed by a provider licensed by the appropriate state authority in the state of practice and subject to any licensure or regulatory limitation as to location, manner or scope of practice.

• Occupational therapy — treatment by means of constructive activities designed and adapted to promote the restoration of the person’s ability to satisfactorily accomplish the ordinary tasks of daily living and those required by the person’s particular occupational role after such ability has been impaired by disease, injury or loss of a body part.

• Physical therapy — treatment by physical means, hydrotherapy, heat or similar modalities, physical agents, biomechanical and neurophysiological principles and devices to relieve pain, restore maximum function and prevent disability following disease, injury or loss of body part.

• Speech therapy — treatment for the restoration of speech impaired by disease, surgery, or injury; or certain significant physical congenital conditions such as cleft lip and palate; or swallowing disorders related to a specific illness or injury.

SKILLED NURSING FACILITY — a non-hospital facility licensed under state law that provides skilled nursing, rehabilitative and related care where professional medical services are administered by a registered or licensed practical nurse. All services performed must be within the scope of license or certification to be eligible for reimbursement.

SPECIALIST — a provider who is recognized by Blue Cross NC as specializing in an area of medical practice.

SPECIALTY MEDICATION — specialty and biosimilar medications are designated and classified by the Plan as medications that meet the following criteria and are listed on the Specialty Drug List, which is located on the Plan’s website at www.shpnc.org. Treats complex medical conditions(s), requires frequent clinical monitoring, e.g. dosing adjustments, requires special patient education, training and/or coordination of care and generally prescribed by a specialist provider.

SPOUSE — the husband or wife of any employee or retiree who enters into a marriage that is legally recognized under any state law.

STABILIZE — to provide medical care that is appropriate to prevent a material deterioration of the member’s condition, within reasonable medical certainty.

STATE HEALTH PLAN — the state organization authorized pursuant to North Carolina General Statutes to make available the State Health Plan for Teachers and State Employees and optional hospital and medical benefits and programs to employees and dependents.

SUBSCRIBER — the employee who is eligible for coverage under the Plan and who is enrolled for coverage.
SURGERY — the performance of generally accepted operative and cutting procedures including specialized instrumentations, endoscopic examinations and other invasive procedures, such as:

- The correction of fractures and dislocations
- Usual and related preoperative and postoperative care
- Other procedures as reasonable and approved by the State Health Plan.

TRANSPLANTS — the surgical transfer of a human organ or tissue taken from the body for grafting into another area of the same body or into another body; the removal and return into the same body or transfer into another body of bone marrow or peripheral blood stem cells. Grafting procedures associated with reconstructive surgery are not considered transplants.

URGENT CARE — services provided for a condition that occurs suddenly and unexpectedly, requiring prompt diagnosis or treatment, such that in the absence of immediate care, the member could reasonably expect to suffer chronic illness, prolonged impairment, or require a more hazardous treatment. Fever of 101 degrees Fahrenheit, ear infection, sprains, some lacerations and dizziness are examples of conditions that would be considered urgent.

UTILIZATION MANAGEMENT (UM) — a set of formal processes that are used to evaluate the medical necessity, quality of care, cost-effectiveness and appropriateness of many health care services, including procedures, treatments, medical devices, providers and facilities.
LEGAL NOTICES

According to the applicable provisions and limitations of North Carolina General Statutes Chapter 135, the State of North Carolina provides health care benefits to North Carolina teachers, state employees, retirees, members of boards and commissions, and their eligible dependents, as well as others eligible such as employees of certain counties and municipalities, firemen, rescue squad or emergency medical workers, members of the North Carolina Army and Air National Guard, and their eligible dependents. These provisions authorize the offering of an optional health plan, which is being offered in the form of a High Deductible Health Plan and which is outlined in this booklet.

The information contained in this booklet is supported by medical policies which are used as guides to make coverage determinations.

For specific detailed information, or medical policies, please call Customer Service at 888-234-2416, or visit the State Health Plan website at www.shpnc.org. To obtain a copy of the General Statutes visit the North Carolina General Assembly at www.ncga.state.nc.us and search for Article 135.

Benefits Booklet

This benefits booklet describes the State Health Plan for Teachers and State Employees High Deductible Health Plan known as your health benefit plan. Blue Cross NC provides administrative services only and does not assume any financial risk or obligation with respect to claims.

Please read this benefits booklet carefully so that you will understand your benefits. Your doctor or medical professional is not responsible for explaining your benefits to you.

The benefit plan described in this booklet is subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). A summary of benefits, conditions, limitations and exclusions is set forth in this benefits booklet for easy reference.

If any information in this booklet conflicts with North Carolina state law or it conflicts with medical policies adopted under your health benefit plan, North Carolina law will prevail, followed by medical policies. If any of the Blue Cross NC medical policies conflict with the State Health Plan medical policies, the State Health Plan medical policies will be applied.

Notice of Privacy Practices

Original Effective Date: April 14, 2003
Revised Effective Date: January 20, 2018

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

Introduction

A federal law, the Health Insurance Portability and Accountability Act (HIPAA), requires that we protect the privacy of identifiable health information that is created or received by or on behalf of the State Health Plan. This notice describes the obligations of the State Health Plan under HIPAA, how medical information about you may be used and disclosed, your rights under the privacy provisions of HIPAA, and how you can get access to this information. Please review it carefully. For a printer-friendly version of this notice, click here.

Your Rights
You have the right to:

- Get a copy of your health and claims records
- Correct your health and claims records
- Request confidential communication
- Ask us to limit the information we share
- Get a list of those with whom we’ve shared your information
- Get a copy of this privacy notice
- Choose someone to act for you
- File a complaint if you believe your privacy rights have been violated

**Your Choices**

You have some choices in the way that we use and share information if we:

- Answer coverage questions from your family and friends
- Provide disaster relief
- Market our services or sell your information

**Our Uses and Disclosures**

We may use and share your information as we:

- Help manage the health care treatment you receive
- Run our organization
- Pay for your health services
- Administer your health plan
- Help with public health and safety issues
- Do research
- Comply with the law
- Respond to organ and tissue donation requests and work with a medical examiner or funeral director
- Address workers’ compensation, law enforcement, and other government requests
- Respond to lawsuits and legal actions

**Your Rights**

**When it comes to your health information, you have certain rights.** This section explains your rights and some of our responsibilities to help you.

**Get a copy of health and claims records.**

- You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this.
- We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

**Ask us to correct health and claims records**

- You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this.
- We may say “no” to your request, but we’ll tell you why in writing within 60 days.

**Request confidential communications**
• You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.
• We will consider all reasonable requests, and must say “yes” if you tell us you would be in danger if we do not.

**Ask us to limit what we use or share**
• You can ask us not to use or share certain health information for treatment, payment, or our operations.
• We are not required to agree to your request, and we may say “no” if it would affect your care.

**Get a list of those with whom we’ve shared information**
• You can ask for a list (accounting) of the times we’ve shared your health information (including medical records, billing records, and any other records used to make decisions regarding your health care benefits) for six years prior to the date you ask, who we shared it with, and why.
• We will include all the disclosures except: (1) disclosures for purposes of treatment, payment, or health care operations; (2) disclosures made to you; (3) disclosures made pursuant to your authorization; (4) disclosures made to friends or family in your presence or because of an emergency; (5) disclosures for national security purposes; and (6) disclosures incidental to otherwise permissible disclosures.
• To request an accounting, you must submit a written request to the Privacy Contact identified in this Notice. Your request must state a time period of no longer than six (6) years.

**Get a copy of this privacy notice**
• You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

**Choose someone to act for you**
• If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.
• We will make sure the person has this authority and can act for you before we take any action.

**File a complaint if you feel your rights are violated**
• You can complain if you feel we have violated your rights by contacting us using the information provided in this document.
• You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting www.hhs.gov/ocr/privacy/hipaa/complaints/.
• We will not retaliate against you for filing a complaint.

**Your Choices**

*For certain health information, you can tell us your choices about what we share.* If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:
• Share information with your family, close friends, or others involved in payment for your care
• Share information in a disaster relief situation
If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

In these cases we never share your information unless you give us written permission:
- Marketing purposes
- Sale of your information

**Our Uses and Disclosures**

**How do we typically use or share your health information?**
We typically use or share your health information in the following ways.

**Help manage the health care treatment you receive**
We can use your health information and share it with professionals who are treating you.
*Example: The Plan may disclose your health information so that your doctors, pharmacies, hospitals, and other health care providers may provide you with medical treatment.*

**Run our organization**
We can use and disclose your information to run our organization (healthcare operations), improve the quality of care we provide, reduce healthcare costs, and contact you when necessary.
*Example: The Plan may use and disclose your information to determine the budget for the following year, or to set premiums.*

We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage. This does not apply to long-term care plans.
*Example: We use health information about you to develop better services for you.*

**Pay for your health services**
We can use and disclose your health information as we pay for your health services.
*Example: We share information about you with CVS Caremark to coordinate payment for your prescriptions.*

**Administer your plan**
We may disclose your health information to your health plan sponsor for plan administration.
*Example: Your employer’s Health Benefits Representative is provided information to help you understand your health benefits, and help make sure you are enrolled.*

**How else can we use or share your health information?**
We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes. For more information see: [www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html](http://www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html).

**Help with public health and safety issues**
We can share health information about you for certain situations such as:
- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence
• Preventing or reducing a serious threat to anyone’s health or safety

Do research
We can use or share your information for health research. Research done using Plan information must go through a special review process. We will not use or disclose your information unless we have your authorization, or we have determined that your privacy is protected.

Comply with the law
We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we’re complying with federal privacy law.

Respond to organ and tissue donation requests and work with a medical examiner or funeral director
• We can share health information about you with organ procurement organizations.
• We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers’ compensation, law enforcement, and other government requests
We can use or share health information about you:
• For workers’ compensation claims
• For law enforcement purposes or with a law enforcement official
• With health oversight agencies for activities authorized by law
• For special government functions such as military, national security, and presidential protective services

Respond to lawsuits and legal actions
We can share health information about you in response to a court or administrative order, or in response to a subpoena.

Other uses and Disclosures
Some uses and disclosures of your information will be made only with your written authorization. For example, your written authorization is required in the following instances: (i) any use or disclosure of psychotherapy notes, except as otherwise permitted in 45 C.F.R. 164.508(a)(2); (ii) any use or disclosure for “marketing,” except as otherwise permitted in 45 C.F.R. 164.508(a)(3); (iii) any disclosure which constitutes a sale of protected health information (PHI). If you authorize the Plan to use or disclose your PHI, you may revoke the authorization at any time in writing. However, your revocation will only stop future uses and disclosures that are made after the Plan receive your revocation. It will not have any effect on the prior uses and disclosures of your PHI.

Our Responsibilities
• We are required by law to maintain the privacy and security of your protected health information.
• We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.
• We must follow the duties and privacy practices described in this notice and give you a copy of it.
• We will not use or share your information other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

For more information see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html.
Changes to the Terms of this Notice

The Plan has the right to change this notice at any time. The Plan also has the right to make the revised or changed notice effective for medical information the Plan already has about you as well, as any information received in the future. The Plan will post a copy of the current notice at www.shpnc.org. You may request a copy by calling 919-814-4400.

Complaints

If you believe your privacy rights have been violated, you may file a complaint with the Plan or with the Secretary of the Department of Health and Human Services. You will not be penalized or retaliated against for filing a complaint.

To file a complaint with the Plan, contact the Privacy Contact identified in this Notice.

To file a complaint with the Secretary of the Department of Health and Human Services Office for Civil rights use this contact information:

U.S. Department of Health and Human Services
200 Independence Avenue SW.
Room 509F, HHH Building
Washington, DC 20201
1–800–368–1019, 800–537–7697 (TDD)
File complaint electronically at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf
Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html

Privacy Contact
The Privacy Contact at the Plan is:
State Health Plan
Attention: HIPAA Privacy Officer
3200 Atlantic Avenue Raleigh, NC 27604
919-814-4400

Notice of HIPAA Special Enrollment Rights

If you decline enrollment for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing towards your or your dependents’ other coverage). However, you must request enrollment within 30 days after your or your dependents’ other coverage ends (or after the employer stops contributing toward the other coverage).

If you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption. If you decline enrollment for yourself or for an eligible dependent (including your spouse) while Medicaid coverage or coverage under a state children’s health insurance program is in effect, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage. However, you must request enrollment within 60 days after your or your dependents’ coverage ends under Medicaid or a state children’s health insurance program.
If you or your dependents (including your spouse) become eligible for a state premium assistance subsidy from Medicaid or through a state children’s health insurance program with respect to coverage under this plan, you may be able to enroll yourself and your dependents in this plan. However, you must request enrollment within 60 days after your or your dependents’ determination of eligibility for assistance.

To request special enrollment or obtain more information, contact the Enrollment and Billing Support Center at 855-859-0966.

**Nondiscrimination and Accessibility Notice**

The State Health Plan complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. The State Health Plan does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

The State Health Plan:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
  - Qualified sign language interpreters
  - Written information in other formats (large print, audio, accessible electronic formats, other formats)
  - The State Health Plan website is Americans with Disabilities Act (ADA) compliant for the visually impaired
- Provides free language services to people whose primary language is not English, such as:
  - Qualified interpreters
  - Information written in other languages

If you need these services, contact the Civil Rights Coordinator identified below (the “Coordinator”):

State Health Plan Compliance Officer
(919)-814-4400

If you believe that the State Health Plan has failed to provide these services or discriminated against you, you can file a grievance with the Coordinator. You can file a grievance in person or by mail, fax, or email. You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights available at:

U.S. Department of Health and Human Services
200 Independence Avenue SW
Room 509F, HHH Building, Washington, DC 20201
1–800–368–1019, 800–537–7697 (TDD)

File complaint electronically at: [https://ocrportal.hhs.gov/ocr/portal/lobby.jsf](https://ocrportal.hhs.gov/ocr/portal/lobby.jsf)

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**Spanish**

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 919-814-4400.

**Chinese**

注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 919-814-4400.

**Vietnamese**

CHÚ Ý: Nếu bạn nói Tiếng Việt, có dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Goi số 919-814-4400.
Notice Regarding Women’s Health and Cancer Rights Act of 1998

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women’s Health and Cancer Rights Act of 1998. For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedema.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under your elected plan. For more information, contact Customer Service at 866-740-3881.
**Notice of Patient Protections for Non-Grandfathered Plans**

The following notice applies to plans offered by the North Carolina State Health Plan for Teachers and State Employees ("the Plan") that are not considered to be a “grandfathered health plan” under the Patient Protection and Affordable Care Act. The Plan generally allows the designation of a primary care provider. You have the right to designate any primary care provider who participates in our network and who is available to accept you or your family members. For children, you may designate a pediatrician as the primary care provider. For information on how to select a primary care provider, and for a list of the participating primary care providers, contact Customer Service at 866-740-3881.

You do not need prior authorization from the Plan or from any other person (including a primary care provider) in order to obtain access to obstetrical or gynecological care from a health care professional in our network who specializes in obstetrics or gynecology. The health care professional, however, may be required to comply with certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan, or procedures for making referrals. For a list of participating health care professionals who specialize in obstetrics or gynecology, contact Customer Service at 866-740-3881.

**Mental Health Parity and Addiction Equity Act Opt-Out Notice**

**Election to be Exempt from Certain Federal law requirements in Title XXVII of the Public Health Service Act**

Group health plans sponsored by State and local governmental employers must generally comply with Federal law requirements in Title XXVII of the Public Health Service Act. However, these employers are permitted to elect to exempt a plan from the requirements listed below for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. The North Carolina State Health Plan for Teachers and State Employees has elected to exempt your Plan from the Mental Health Parity and Addiction Equity Act, that includes protections against having benefits for mental health and substance use disorders be subject to more restrictions than apply to medical and surgical benefits covered by the Plan.

The exemption from this Federal requirement will be in effect for the Plan benefit year beginning January 1, 2019 and ending December 31, 2019. The election may be renewed for subsequent plan years.

**Employer CHIP (Children’s Health Insurance Program) Notice**

If you or your children are eligible for Medicaid or CHIP and you’re eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren’t eligible for Medicaid or CHIP, you won’t be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.
If you or your *dependents* are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your *dependents* might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial 1-877-KIDS NOW or www.insurekidsnow.gov to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your *dependents* are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren’t already enrolled. This is called a “special enrollment” opportunity, and you must request coverage within 60 days of being determined eligible for premium assistance. If you have questions about enrolling in your employer plan, contact the Department of Labor at www.askebsa.dol.gov or call 1-866-444-EBSA (3272).

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*If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of January 31, 2018. Contact your State for more information on eligibility.*

<table>
<thead>
<tr>
<th>ALABAMA – Medicaid</th>
<th>FLORIDA – Medicaid</th>
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| Website: [http://myalhipp.com/](http://myalhipp.com/)  
Phone: 1-855-692-5447 | Website: [http://flmedicaidtplrecovery.com/hipp/](http://flmedicaidtplrecovery.com/hipp/)  
Phone: 1-877-357-3268 |

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<tr>
<th>ALASKA – Medicaid</th>
<th>GEORGIA – Medicaid</th>
</tr>
</thead>
</table>
| The AK Health Insurance Premium Payment Program  
Website: [http://myakhipp.com/](http://myakhipp.com/)  
Phone: 1-866-251-4861  
Email: CustomerService@MyAKHIPP.com  
Medicaid Eligibility: [http://dhss.alaska.gov/dpa/Pages/medicaid/default.aspx](http://dhss.alaska.gov/dpa/Pages/medicaid/default.aspx) | Website: [http://dch.georgia.gov/medicaid](http://dch.georgia.gov/medicaid)  
- Click on Health Insurance Premium Payment (HIPP)  
Phone: 404-656-4507 |

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<tr>
<th>ARKANSAS – Medicaid</th>
<th>INDIANA – Medicaid</th>
</tr>
</thead>
</table>
| Website: [http://myarhipp.com/](http://myarhipp.com/)  
Phone: 1-855-MyARHIPP (855-692-7447) | Healthy Indiana Plan for low-income adults 19-64  
Website: [http://www.in.gov/fssa/hip/](http://www.in.gov/fssa/hip/)  
Phone: 1-877-438-4479  
All other Medicaid  
Website: [http://www.indianamedicaid.com](http://www.indianamedicaid.com)  
Phone 1-800-403-0864 |

<table>
<thead>
<tr>
<th>COLORADO – Health First Colorado (Colorado’s Medicaid Program) &amp; Child Health Plan Plus (CHP+)</th>
<th>IOWA – Medicaid</th>
</tr>
</thead>
</table>
| Health First Colorado Website: [https://www.healthfirstcolorado.com/](https://www.healthfirstcolorado.com/)  
Health First Colorado Member Contact Center: 1-800-221-3943/ State Relay 711 | Website: [http://dhs.iowa.gov/ime/members/medicaid-a-to-z/hipp](http://dhs.iowa.gov/ime/members/medicaid-a-to-z/hipp)  
Phone: 1-888-346-9562 |
<table>
<thead>
<tr>
<th>State</th>
<th>Program</th>
<th>Website</th>
<th>Phone</th>
<th>Other Information</th>
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<tr>
<td>Kentucky</td>
<td>Medicaid</td>
<td><a href="http://chfs.ky.gov/dms/default.htm">http://chfs.ky.gov/dms/default.htm</a></td>
<td>1-800-635-2570</td>
<td></td>
</tr>
<tr>
<td>Louisiana</td>
<td>Medicaid</td>
<td><a href="http://dhh.louisiana.gov/index.cfm/subhome/1/n/331">http://dhh.louisiana.gov/index.cfm/subhome/1/n/331</a></td>
<td>1-888-695-2447</td>
<td></td>
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<tr>
<td>Minnesota</td>
<td>Medicaid</td>
<td><a href="https://www.dss.mo.gov/mhd/participants/pages/hipp.htm">https://www.dss.mo.gov/mhd/participants/pages/hipp.htm</a></td>
<td>1-800-657-3739</td>
<td></td>
</tr>
<tr>
<td>Missouri</td>
<td>Medicaid</td>
<td><a href="https://www.dhs.louisiana.gov/participants/pages/hipp.htm">https://www.dhs.louisiana.gov/participants/pages/hipp.htm</a></td>
<td>573-751-2005</td>
<td></td>
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<tr>
<td>North Carolina</td>
<td>Medicaid</td>
<td><a href="https://dma.ncdhhs.gov/">https://dma.ncdhhs.gov/</a></td>
<td>919-855-4100</td>
<td></td>
</tr>
<tr>
<td>Oklahoma</td>
<td>Medicaid and CHIP</td>
<td><a href="http://www.insureoklahoma.org">http://www.insureoklahoma.org</a></td>
<td>1-888-365-3742</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>Medicaid Website</td>
<td>Contact Information</td>
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<tr>
<td>Nebraska</td>
<td><a href="http://www.ACCESSNebraska.ne.gov">http://www.ACCESSNebraska.ne.gov</a></td>
<td>Phone: (855) 632-7633, Lincoln: (402) 473-7000, Omaha: (402) 595-1178</td>
<td></td>
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<tr>
<td>Rhode Island</td>
<td><a href="http://www.eohhs.ri.gov/">http://www.eohhs.ri.gov/</a></td>
<td>Phone: 855-697-4347</td>
<td></td>
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<tr>
<td>Nevada</td>
<td><a href="https://dhcfp.nv.gov">https://dhcfp.nv.gov</a></td>
<td>Medicaid Phone: 1-800-992-0900</td>
<td></td>
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</tr>
<tr>
<td>South Carolina</td>
<td><a href="https://www.scdhhs.gov">https://www.scdhhs.gov</a></td>
<td>Phone: 1-888-549-0820</td>
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<tr>
<td>Virginia</td>
<td><a href="http://www.coverva.org/programs_premium_assistance.cfm">http://www.coverva.org/programs_premium_assistance.cfm</a></td>
<td>Medicaid Phone: 1-800-432-5924</td>
<td></td>
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<td></td>
<td><a href="http://www.coverva.org/programs_premium_assistance.cfm">http://www.coverva.org/programs_premium_assistance.cfm</a></td>
<td>CHIP Phone: 1-855-242-8282</td>
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</tbody>
</table>
To see if any other states have added a premium assistance program since January 31, 2018, or for more information on special enrollment rights, contact either:

U.S. Department of Labor  
Employee Benefits Security Administration  
www.dol.gov/agencies/ebsa  
1-866-444-EBSA (3272)

U.S. Department of Health and Human Services  
Centers for Medicare & Medicaid Services  
www.cms.hhs.gov  
1-877-267-2323, Menu Option 4, Ext. 61565

**General Notice of COBRA Rights**

North Carolina State Health Plan (“Plan”)  
For more information on general Plan terms contact North Carolina State Health Plan at 855-859-0966.  
For more information about COBRA contact COBRAGUARD, Inc. toll free at 877-679-6272.

**Introduction to COBRA Rights**

This notice is routinely sent to all *employees* and *dependents* covered under the State Health Plan. It is intended to inform you of your potential future options and obligations under the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”). Under COBRA, your employer is required to offer covered *employees* and covered family members the opportunity for a temporary extension of health coverage, called continuation coverage, at group rates when coverage under the Plan would otherwise end due to certain qualifying events. It is important that all covered individuals read this notice carefully and be familiar with its contents. This notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to get it.

When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage. You may have other options available to you when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse’s plan), even if that plan generally doesn’t accept late enrollees. You can learn more about many of these options at www.healthcare.gov.

Your employer is required to offer COBRA (and this notice does apply to you) if your employer employs twenty (20) or more *employees* on a typical business day during the preceding calendar year. If you are not eligible for COBRA, you may be eligible for state continuation coverage. Contact the Plan for more information.

The Public Health Service Act (“PHSA”) requires state and local government group health plans to provide continuation coverage. This coverage is identical to the coverage required of private group health plans under the Consolidated Budget Reconciliation Act of 1985 (“COBRA”). When used herein, the terms “COBRA or COBRA continuation coverage” also include coverage required under the PHSA.
Qualifying Events

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a “qualifying event.” Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event.

If you’re an employee, you’ll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you’re the spouse of an employee, you’ll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

- Your spouse dies;
- Your spouse’s hours of employment are reduced;
- Your spouse’s employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because of the following qualifying events:

- The parent-employee dies;
- The parent-employee’s hours of employment are reduced;
- The parent-employee’s employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the Plan as a “dependent child.”

If the Plan provides retiree health coverage, filing a proceeding for bankruptcy under Title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to your employer, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary. The retired employee’s spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

If you are a reservist called to active duty and your employer does not voluntarily maintain coverage for the continuation coverage period, the employee, spouse and covered dependents may be eligible to continue coverage under the Uniformed Services Employment and Reemployment Rights Act (USERRA). Contact your employer for more information.

Availability of COBRA continuation coverage

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator, COBRAGUARD, Inc., has been notified that a qualifying event has occurred. Your employer must notify COBRAGUARD, Inc. of the following qualifying events:
• The end of employment or reduction of hours of employment;
• Death of the employee;
• Commencement of a proceeding in bankruptcy with respect to the employer; or
• The employee’s becoming entitled to Medicare benefits (under Part A, Part B, or both).

Under the law, the employee, spouse, or other family member has the responsibility to notify the employer of all other qualifying events, including divorce, legal separation, or a child losing dependent status under the group health plan. This notification must be made within 60 days from whichever date is later: the date of the event or the date on which health plan coverage would be lost under the terms of the insurance contract because of the event. If this notification is not completed according to the above procedures within the required notification period, then rights to continuation coverage will be forfeited.

Once COBRAGUARD, Inc. learns a qualifying event has occurred, it will then notify all qualified beneficiaries of their right to elect continuation coverage. Each qualified beneficiary has independent COBRA election rights and will have 60 days to elect continuation coverage. The 60 day election period is measured from the later of the date health plan coverage is lost due to the event or from the date of COBRA notification, unless the Plan provides an extension of the election period beyond that required by law. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. If a qualified beneficiary does not elect continuation coverage within this election period, then rights to continue health insurance will end.

Qualified beneficiaries do not have to show they are insurable to elect continuation coverage; however, they must have been actually covered by the plan for at least one day prior to the qualifying event to be eligible for COBRA continuation coverage. Although a qualified beneficiary participating in COBRA continuation coverage has the same rights as an active participant to add dependents to the plan, those additional dependents may not be qualified beneficiaries. An exception to this rule is if, while on continuation coverage, a baby is born to or adopted by an employee/former employee. Procedures and deadlines for adding these individuals can be found in your benefits booklets and must be followed. The State Health Plan reserves the right to verify COBRA eligibility status and terminate continuation coverage retroactively if you are determined to be ineligible or if there has been a material misrepresentation of the facts.

Length of Continuation Coverage

COBRA continuation coverage is a temporary continuation of coverage that generally lasts for 18 months from the date of the qualifying event if the event causing the loss of coverage is a termination of employment (other than for reasons of gross misconduct) or a reduction in work hours. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

If you are the covered spouse or dependent child(ren) of an employee, you have the right to continuation coverage for up to 36 months from the date of the qualifying event if the original event causing the loss of coverage was the death of the employee, divorce, Medicare entitlement, or a dependent child ceasing to be a dependent child under the group health plan.

There are also ways in which this 18-month period of COBRA continuation coverage can be extended:

Disability extension of 18-month period of COBRA continuation coverage
The 18 months of continuation coverage can be extended for an additional 11 months of coverage, to a maximum of 29 months, for all qualified beneficiaries if the qualified beneficiary is deemed disabled (as determined by Title II or XVI of the Social Security Act), at any time during the first 60 days of COBRA continuation coverage; and the qualified beneficiary notifies COBRAGUARD, Inc. within 60 days after the determination of disability is made by the Social Security Administration, and within the initial 18-month period of coverage. It is the qualified beneficiary’s responsibility to obtain this disability determination from the Social Security Administration and provide a copy of the determination to COBRAGUARD, Inc. within 60 days after the date of determination and before the original 18 months expire. It is also the qualified beneficiary’s responsibility to notify COBRAGUARD, Inc. within 30 days if a final determination has been made that they are no longer disabled.

Second qualifying event extension of 18-month period of continuation coverage

If you are the covered spouse or dependent child(ren) of an employee, an extension of the 18-month continuation period can occur if, during the 18 months of continuation coverage, a second event takes place (divorce, death, Medicare entitlement, or a dependent child ceasing to be a dependent). If a second event occurs, then the original 18 months of continuation coverage can be extended to 36 months from the date of the original qualifying event date of the qualified beneficiary spouse and/or dependent children. If a second event occurs, it is the qualified beneficiary's responsibility to notify COBRAGUARD, Inc. in writing within 60 days of the second event and within the original 18 month continuation period. In no event, however, will continuation coverage last beyond three years from the date of the event that originally made the qualified beneficiary eligible for continuation coverage.

Cost of Continuation Coverage

A qualified beneficiary will have to pay the entire applicable premium plus an administration charge for continuation coverage as allowed by law, currently 2% of the total premium. These premiums will be adjusted in the future if the applicable premium amount changes. In addition, if continuation coverage is extended from 18 months to 29 months due to a Social Security disability, the State Health Plan can charge up to 150% of the applicable premium during the extended coverage period. Premiums are due on the first of every month of continuation coverage. In addition there will be a maximum grace period of 30 days for the regularly scheduled monthly premiums. Upon expiration of the continuation coverage period, a qualified beneficiary must be allowed to enroll in an individual conversion health plan provided under the State Health Plan if an individual conversion plan is available at that time.

The Trade Act of 2002 provides a federal tax credit that can be used to offset the cost of COBRA coverage. The Trade Adjustment Assistance (TAA) Extension Act of 2011 extended and increased this tax credit and extended COBRA periods for eligible individuals. This special tax credit is currently available only for workers who: (1) lose their jobs and are found eligible for trade adjustment assistance by the U.S. Department of Labor or state labor agencies, or (2) are between ages 55 and 64 and receiving monthly benefits from the Pension Benefit Guaranty Corporation. If a qualifying event occurs, and you believe you may be entitled to this tax credit, please contact COBRAGUARD, Inc. toll free at 1-877-679-6272.

Termination of Continuation Coverage

Continuation of coverage will end prior to the maximum period if:

- Your employer ceases to provide any group health plan to any of its employees;
• Any required premium for continuation coverage is not paid in a timely manner;
• A qualified beneficiary becomes covered under another group health plan that does not contain any exclusion or limitation with respect to any preexisting condition of such beneficiary other than such exclusion or limitation which does not apply to or is satisfied by such beneficiary by reason of the Health Insurance Portability and Accountability Act of 1996.
• A qualified beneficiary becomes entitled to Medicare after the qualifying event except when the qualifying event is loss of retiree coverage due to the employer’s bankruptcy;
• A qualified beneficiary extended continuation coverage to 29 months due to a Social Security disability and a final determination has been made that the qualified beneficiary is no longer disabled;
• A qualified beneficiary notifies COBRAGUARD, Inc. that they wish to cancel COBRA continuation coverage.
• A qualified beneficiary participates in activity which would otherwise allow the Plan to terminate an active employee’s coverage (e.g. submission of a fraudulent claim).

**Keep the Plan Informed**

It is important that you notify the State Health Plan and COBRAGUARD, Inc. of any address change or change in marital status as soon as possible. Failure on your part to do so will result in delayed COBRA notifications or a loss of continuation coverage options. You must also notify the State Health Plan and COBRAGUARD, Inc. within 30 days of other group health coverage, Medicare entitlement or the termination of your Social Security disability status. COBRA continuation coverage which is provided improperly due to your failure to provide notice does not bind the Plan to provide further coverage.