

**BLUE CROSS[®] AND BLUE SHIELD[®] OF SOUTH CAROLINA
SCHEDULE PAGE**

Policyholder's Name: Your Name

Policyholder's ID Number: Your Policy ID Number

Date of Birth: Your Date of Birth

Type of Plan: SINGLE or FAMILY – You Choose Effective Date: Your Effective Date

Covered Dependents:

 Your Covered Dependent – if any

Benefit Plan Description

Preauthorization and Approval of benefits for certain services is required to be obtained in advance in order to be eligible to receive maximum benefits available under the Policy. Read the *Preauthorization and Approval* section of your Policy carefully. Failure to follow the Preauthorization requirements could result in benefits for Covered Services being reduced.

Deductible Amount – You Pay:

Your Deductible Amount per Covered Person per Benefit Period	\$250, \$500, \$1000, \$1500, \$2000, \$3000 or \$5000
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Copayments – You Pay:

Admissions to Preferred Blue [®] Facilities	\$0
Admissions to non-Preferred Blue Facilities (except Non-contracting Facilities)	\$250

Specialty Drug Copayments – You Pay:

Specialty Drug Copayment – per Dose

Specialty Drug Network Providers
10% of Allowable Charges not to exceed \$200

Rate of Payment (90/70 or 80/60):

Preferred Blue Providers – **We Pay:**

90% or 80% of the Allowable Charge after you meet the Deductible and before you meet the Out-of-pocket Expense Limit.

Designated Providers – **We Pay:**

90% or 80% of the Allowable Charge after you meet the Deductible and before you meet the Out-of-pocket Expense Limit.

Non-Preferred Blue Providers (except Non-contracting Facilities) – **We Pay:**

70% or 60% of the Allowable Charge after you meet the Deductible and before you meet the non-Preferred Blue Provider Out-of-pocket Expense Limit.

Blue Rx – If Drug Card Option is not purchased

Prescription Drugs exclude birth control, contraceptives and contraceptive devices and are limited to a 31-day supply

Contracting Pharmacies – **We Pay:**

90% or 80% of the Allowable Charge after you meet the Deductible.

Non-Contracting Pharmacies – **We Pay:**

70% or 60% of the Allowable Charge after you meet the Deductible.

Optional Drug Card – Must be purchased to be included in coverage

Prescription Drugs exclude birth control, contraceptives and contraceptive devices and are limited to a 31-day supply. Maintenance drugs are limited to a 90-day supply after 3 Prescription Drug Copayments.

Contracting Pharmacies – **We Pay:**

100% of the Allowable Charge after you meet the applicable Prescription Drug Copayment.

Non-Contracting Pharmacies – **We Pay:**

70% or 60% of the Allowable Charge after you meet the applicable Prescription Drug Copayment.

Prescription Drug Copayment – **You Pay:**

\$8 for Generic and designated Over-the-counter Drugs

\$30 for Preferred Drugs

\$60 for Non-preferred Drugs

10% of Allowable Charges not to exceed \$200 for Specialty Drugs

Additional Covered Services:

Preventive Benefits – Preferred Blue Physician Only – **We Pay:**

100% of the Allowable Charge for routine mammography for any female Covered Person when provided by a Contracting Mammography Provider.

Specialty Drugs – **We Pay:**

Benefits will not exceed the amount for which prior approval was given.

Specialty Drug Network Providers

100% of the Allowable Charge after each Specialty Drug Copayment

All other Pharmacy Providers

No Benefits

Emergency Medical Care — Non-contracting Facilities – **We Pay:**

90% or 80% of the Allowable Charge for Emergency Medical Care received from a Non-contracting Facility after you meet the Deductible and before you meet the non-Preferred Blue Provider Out-of-pocket Expense Limit.

Mental Health Services and/or Substance Abuse care, Outpatient Surgical, Outpatient Physical Medicine and Diagnostic Procedures when Preauthorization is not obtained – **We Pay:**

The Allowable Charge will be reduced by 50% then processed according to the applicable Rate of Payment.

Special Dental Services – We Pay:

80% Class I, Diagnostic and Preventive Services

60% Class II, Basic Dental Services and Oral Surgery

40% Class III, Prosthodontic, Periodontic and Endodontic Services

Special Dental Services Deductible amount per Covered Person per Benefit Period for

Class II and III – **You Pay:** \$25

Special Dental Services Benefit Period Maximum Payment per Covered Person for

all Classes combined – **We Pay:** \$500

Out-of-pocket Expense Limit – You Pay:

\$1,500 for Preferred Blue Providers and \$3,000 for non-Preferred Blue Providers

– OR –

\$2,500 for Preferred Blue Providers and \$5,000 for non-Preferred Blue Providers

– OR –

\$3,000 for Preferred Blue Providers and \$6,000 for non-Preferred Blue Providers

– OR –

\$5,000 for Preferred Blue Providers and \$8,000 for non-Preferred Blue Providers

The Coinsurance amount for Mental Health Services and/or Substance Abuse care does not apply to the Out-of-pocket Expense Limit.

Specialty Drug Copayment amounts don't apply to the Out-of-pocket Expense Limit.

Benefit Period Maximum Benefit Payment – We Pay:

Short-term Therapy Services per Covered Person

\$1,000

Lifetime Maximum Benefit Payment –We Pay: \$2,000,000

The Lifetime Maximum Benefit of \$2,000,000 includes the following more restrictive Lifetime Maximum Payments:

Mental Health Services and/or Substance Abuse care (Inpatient and Outpatient combined) \$10,000

Inpatient Rehabilitation \$100,000

Transplant Lifetime Maximum

Each of the following transplant procedures are subject to the Transplant Lifetime Maximums that are listed below. For transplants not listed below, we will determine the Transplant Lifetime Maximum on an individual basis.

- Kidney single/double \$60,000
- Pancreas and Kidney \$150,000
- Heart \$120,000
- Lung single/double \$150,000
- Liver \$200,000
- Pancreas \$80,000
- Heart and single/double Lung \$200,000
- Bone Marrow \$200,000

FOR COMPLETE BENEFIT DESCRIPTIONS, PLEASE READ THE *COVERED SERVICES* SECTION OF YOUR POLICY.

**PERSONAL BLUEPLAN 2 WITH DENTAL COVERAGE
MAJOR MEDICAL EXPENSE COVERAGE WITH
LIMITED BENEFITS FOR HUMAN ORGAN
AND/OR TISSUE TRANSPLANTS**

Guaranteed Renewable Except for Stated Reasons

You may renew this Policy on any premium due date by paying the premium required at the time of renewal and within the grace period. We may non-renew this Policy:

1. For failure to pay the premiums according to the terms of the Policy or if we have not received timely premium payments; or
2. For performance of an act or practice that constitutes fraud or an intentional misrepresentation of a material fact under the terms of the Policy; or
3. If we decide to discontinue offering Personal BluePlan 2 with Dental Coverage for everyone who has this Policy form. However, coverage may only be discontinued if we:
 - a. Provide notice to each individual covered by the Personal BluePlan 2 with Dental Coverage Policy of the discontinuance at least 90 days before the date the Policy is discontinued;
 - b. Offer to each individual covered by the Personal BluePlan 2 with Dental Coverage Policy, the option to purchase other individual Health Insurance coverage currently offered by us; and
 - c. Act uniformly without regard to any Health Status-related Factor of enrolled individuals or individuals who may become eligible for coverage in exercising the option to discontinue the Policy or offering the option to purchase other individual coverage.
4. At the time of renewal, we may modify the Personal BluePlan 2 with Dental Coverage Policy for everyone who has it as long as the modification is consistent with state law and effective on a uniform basis.

However, we will not decline to renew your Policy simply because of a change in your physical or mental health or any changes in the physical or mental health of any insured Dependents.

Premium Rate Subject to Change

Premiums are based on each attained age group for an individual (including Dependents) covered under this Policy. Current premiums for this Policy are shown on the Schedule Page that is included with the Policy. Premiums will change if you change your place of residence and/or when you or your covered Dependents' attained age changes. Premium rates may also be changed if we take the same action on all policies issued with the same form number as this Policy. In this case, we will notify the Policyholder of the new premium rate at least 31 days before the next due date.

Right to Examine Policy for Thirty Days

If you are not satisfied with this Policy, return it to us or our agent within 30 days after it is received. All premiums will then be refunded minus any claims paid. If the Policy is returned, it will be void from the beginning. The parties will be in the same position as if no Policy had been issued.

BLUE CROSS AND BLUE SHIELD OF SOUTH CAROLINA

An Independent Licensee of the Blue Cross and Blue Shield Association

www.SouthCarolinaBlues.com



James A. Deyling
President

Blue Cross and Blue Shield Division

This Policy contains a requirement for Preauthorization and Approval of certain services, including Mental Health Services and Substance Abuse care. See page 16 for details.

Allowable Charges may be subject to a benefit payment reduction or non-payment if Preauthorization and Approval is not obtained.

12327M-30 Day (Rev. 11/01)

**Important Notice
Concerning Statements in Your
Application for Insurance**

Please read the copy of the application attached to your Policy. Misstatements in the application can cause an otherwise valid claim to be denied or coverage to be voided, subject to the Time Limit on Certain Defenses provision. Carefully check the application and, if any information shown on the application is not correct and complete or if any medical history has not been included, write to Blue Cross and Blue Shield of South Carolina, Individual Membership Department, Post Office Box 61153, Columbia, S.C., 29260, within 10 days. The application is part of the insurance Policy. The insurance Policy was issued on the basis that the answers to all questions and any other material information shown on the application are correct and complete. No agent or employee of Blue Cross and Blue Shield of South Carolina has the authority to waive any of the requirements within the application or waive any of the provisions within this Policy.

After this Policy has been in force for two years, no statement made in any application (unless fraudulent) will be used to void the Policy or deny any claim beginning after the two-year period according to the Time Limit on Certain Defenses provision.

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A. GENERAL

Introduction

This Policy explains the benefits available to you from Blue Cross and Blue Shield of South Carolina.

As you refer to this Policy, please note that the words beginning with **capital letters** have special definitions. We have included the definitions of these terms in *Section B* to assist you in understanding your Policy.

To make sure your claims are handled properly, our process involves evaluation and Preauthorization of all admissions (at least 48 hours prior to services), Emergency/Urgent admissions and Continued Stay Services (ongoing care exceeding initial care Preauthorization). Early identification and management of health problems can help reduce healthcare cost.

Preauthorization and Approval is needed in advance for certain services in order to receive maximum benefits available under this Personal BluePlan Policy.

How to Contact Us

For Member Services and Health Claim Inquiries:

It's only natural to have questions about your coverage and Blue Cross is committed to helping you understand your Policy so you can make the most of your benefits.

If you have any questions about your Personal BluePlan claims, please contact the Claims Service Center. Telephone numbers, the mailing address and Web site are listed below. You also can find the mailing address on the back of your Blue Cross identification (ID) card.

Telephone Numbers:

(803) 788-0500, ext. 41000 from the Columbia area
1-800-868-2500, ext. 41000 from all other areas

Mailing Address:

Claims Service Center
Blue Cross and Blue Shield of South Carolina
P.O. Box 100300
Columbia, SC 29202

Web site Address:

www.SouthCarolinaBlues.com, then log on to "My Insurance Manager"

If you have any questions about your Personal BluePlan eligibility or rates, please contact the Individual Membership Department. Telephone numbers, the mailing address and Web site are listed below.

Telephone Numbers:

(803) 788-0500, ext. 42757 from the Columbia area
1-800-868-2500, ext. 42757 from all other areas

Mailing Address:

Individual Membership
Blue Cross and Blue Shield of South Carolina
P.O. Box 61153
Columbia, SC 29260

Web site Address:

www.SouthCarolinaBlues.com, then log on to "My Insurance Manager"

For Preadmission Reviews and Preauthorizations:

Please refer to the *Preauthorization and Approval* section of this Policy for a detailed list of the services and supplies that require Preadmission Review and Preauthorization.

For Preadmission Review or Preauthorization, please call:

(803) 736-5990 from the Columbia area
1-800-327-3238 from all other South Carolina locations
1-800-334-7287 from outside South Carolina

For Preadmission Review and Preauthorization of Mental Health Services and/or Substance Abuse care, call Companion Benefit Alternatives, Inc. (CBA) at:

(803) 699-7308 from the Columbia area

1-800-868-1032 from all other areas

Your Fastest Place for Answers – www.SouthCarolinaBlues.com

If you have access to the Internet you can find quick and easy answers to your health coverage questions any time day or night. When you go to www.SouthCarolinaBlues.com, you'll find useful tools that can help you better understand your coverage.

Here are some of the things you can do on our Web site:

- Learn more about our products and services
- Understand your coverage with helpful tips in our interactive Insurance Classroom
- Stay informed with all the latest Blue Cross news, including press releases and legislative issues
- Links to other health-related Web sites
- Use "My Insurance Manager"
- Locate a network Physician, Hospital or Pharmacy

On My Insurance Manager

You can:

- Check your eligibility
- See how much you've paid toward your Deductible or Out-of-pocket Expense Limit
- Check on Authorizations
- Find out if we've processed your claims
- Order a new ID card
- See if our records show if you have other Health Insurance
- Ask a Member Services representative a question through secure e-mail
- View your Explanation of Benefits (EOB)

When Your Coverage Begins and Ends

Eligibility: This Personal BluePlan Policy is available to you and your spouse (both must be under age 65 and live in South Carolina) and Dependent children who are under age 19 or 23 if a Full-time Student.

For You: Your insurance will become effective at 12:01 a.m. Eastern Standard Time on the Effective Date shown on the Schedule Page.

For Your Dependents: Coverage for a Dependent will become effective at 12:01 a.m. Eastern Standard Time on the Effective Date shown on the Schedule Page.

Adding Your Spouse: You may add your spouse by submitting an application for our approval and paying the additional premium required. We will require proof of your spouse's good health. Your spouse will not be covered until we receive the required premium and give you written notice of our approval.

Adding a Child: If you or your spouse gives birth or adopts a child while this Policy is in force, then the child is covered from the moment of birth or adoption for Medically Necessary Covered Services and supplies. This includes any necessary care and treatment of medically diagnosed birth defects, diseases and anomalies or complications arising from a premature birth. You must provide us with a completed application within 31 days of the birth or adoption along with the appropriate premium payment in order for the coverage to be effective from the moment of birth.

An adopted child will be covered on the same basis as other covered children either: 1) from the moment of birth when a decree of adoption has been entered into by you or you and your spouse within 31 days after the date of the child's birth and you or your spouse has temporary custody; or 2) on the date the adoption proceedings have been completed and a decree of adoption is entered into within one year from the institution of proceedings, unless extended by order of the court by reason of the special needs of the child; or 3) on the Effective Date of this Policy, whichever is later.

A child is considered "adopted" on the date the child is placed in your home for the purpose of adoption. The child is no longer considered "adopted" on the date placement is disrupted prior to legal adoption and the child is removed from placement with you or with you and your spouse.

To add any other Dependent child as a Covered Person, you must: 1) submit an application for our approval; and 2) pay any additional premium that may be required. We will require proof of the child's good health. The child will not become a Covered Person until we receive any required premium and give you written notice of our approval.

Termination of Your Insurance: Your coverage will end at 12:01 a.m. Eastern Standard Time: 1) on the next premium due date after we receive your request in writing; or 2) on the date the Policy lapses or is non-renewed, whichever occurs first. In the event of your death, your spouse or a Dependent child, if covered under the Policy, will become the Policyholder.

Benefits will be paid to the end of the period for which premiums were accepted.

Termination of Insurance for Your Covered Spouse: Your Spouse's coverage will end at 12:01 a.m. Eastern Standard Time: 1) on the next premium due date after we receive your request in writing; 2) on the date the Policy lapses or is non-renewed; or 3) on the premium due date following the date of a divorce, whichever occurs first.

Benefits will be paid to the end of the period for which premiums were accepted.

Termination of Insurance for Your Other Covered Dependents: Coverage will end for a child at 12:01 a.m. Eastern Standard Time on the earlier of:

1. The next premium due date after we receive your request in writing;
2. The date the Policy lapses or is non-renewed; or
3. The premium due date following:
 - a. The date of his or her marriage;
 - b. The date he or she reaches age 19 or age 23 if a Full-time Student; or
 - c. The date he or she is no longer financially dependent upon you.

Once a Dependent child has been married, he or she is no longer eligible for coverage even if he or she becomes unmarried.

Benefits will be paid to the end of the period for which premiums were accepted.

Conversion of Coverage for Your Former Spouse and Non-Incapacitated Dependent Children: If a spouse covered under this Policy is no longer eligible because of a legal divorce, or if a non-Incapacitated Dependent child covered under this Policy is no longer eligible because of reaching the age limit, then they may obtain a similar policy from us without proof of good health, if:

1. The spouse sends us written application and the required premium within 60 days after the legal divorce; or
2. The non-Incapacitated Dependent child sends us written application and the required premium within 30 days after reaching the age limit.

The new policy will provide coverage from us similar to, but not greater than, this coverage. The premium will be applicable to the attained age of such Covered Person. The new policy Effective Date will be the date coverage ceased for such Covered Person under this Policy provided items 1 or 2 above are met.

Any exclusion riders on this Policy will be carried forward to the new policy.

We are not required to issue a policy covering a person (other than a divorced spouse) if:

1. He or she is already covered for similar benefits by another hospital, surgical, medical or major medical insurance policy; hospital or medical service group contract; medical practice or other prepayment plan; or any other plan or program.
2. He or she is eligible for similar benefits, whether or not covered by such benefits, under a plan of coverage for persons in a group, whether on an insured or uninsured basis; or
3. Similar benefits are provided or available to him or her through the requirements of a state or federal law.

Extension of Benefits after Termination of Coverage: In the event your Policy is non-renewed, coverage may be extended if you or your covered Dependents are in the Hospital or if you or your covered Dependents are Totally Disabled when coverage under this Policy ends.

We will extend benefits to the earlier of: 1) the date the hospitalization ends or the date of recovery from the Total Disability; or 2) all benefits are used; or 3) 12 months from the termination date. Benefits will be paid only for the treatment of the disabling medical condition and only for Covered Services as listed in this Policy.

The terms Totally Disabled/Total Disability mean the Covered Person is unable to perform the duties of his or her occupation and is under the care of a Physician. A child who is Totally Disabled is receiving ongoing medical care by a Physician and is not able to perform the usual and customary activities of a child in good health of the same age and sex.

Important Note: You should notify us if you wish to exercise the Extension of Benefits rights. In order for us to recognize Extension of Benefits and ensure proper payment, claims must be accompanied by a Physician's statement of disability.

Incapacitated Dependent Child: The limiting age does not apply to an unmarried child who is: 1) incapable of self-sustaining employment because of mental or physical handicap; and 2) chiefly dependent upon the Policyholder or Policyholder's spouse for support and maintenance. The handicap must have developed before the child reached the age at which coverage would otherwise terminate. To keep coverage for an Incapacitated child (so long as this Policy is still in force), Blue Cross and Blue Shield of South Carolina must receive written proof of the incapacity and dependency from a medical doctor (M.D.) no later than 31 days after the child has reached the age at which the coverage otherwise terminates. If we decide that the child is incapacitated based on the medical doctor's documentation, written documentation must be sent to us every year, within 31 days of the child's birthday after a two-year period when the child reached the age limit. If your coverage ends for any reason, coverage for an incapacitated Dependent Child will also end.

Cancellation: You may cancel this Policy at any time by written notice delivered or mailed to us. The cancellation will be effective on the next premium due date after we receive your request in writing.

Deductible, Out-of-pocket Expense Limit and Maximum Payments

Maximum Deductible per Covered Person: Once the total sum of Allowable Charges equals the maximum Deductible, except for covered Special Dental Services, no additional amounts will be applied toward the Deductible during that Benefit Period unless you choose to increase the Deductible.

Under the Policy you may choose the Deductible. The Deductible you chose is shown on the Schedule Page and on your application.

Special Dental Services Deductible: This Policy provides benefits for covered Special Dental Services after the Special Dental Services Deductible is met. This Special Dental Services Deductible applies to covered Class II and Class III Special Dental Services as provided in *Special Dental Services* section of this Policy. The Special Dental Services Deductible is not optional. Once the total sum of Allowable Charges for Special Dental Services equals the Special Dental Service Deductible, no additional amounts will be applied toward the Special Dental Services Deductible during the Benefit Period.

The Special Dental Services Deductible is shown on the Schedule Page.

Applying the Deductible per Covered Person: Only one Deductible per Covered Person and only one Special Dental Services Deductible per Covered Person will be applied in a Benefit Period.

Changes in the Deductible: You may apply for an increase or decrease in the Deductible, except for the Special Dental Services Deductible, under this Policy. You may do this:

1. At the beginning of a new Benefit Period; or
2. Within 30 days before or 90 days after the effective date of a premium change and no claims have been incurred during that Benefit Period.

You must request the change in writing. The change must be one we offer at that time. The new premium will be based on:

1. Your sex and current age;
2. The rates in effect; and
3. The rates in use where you live at the time.

The change will go into effect on the next premium due date after we approve the change. For decreases in the Deductible, these additional rules apply:

1. Proof of good health, satisfactory to us, must be furnished.
2. Any decrease we approve will not apply to a loss that occurs before the effective date of the change. A new Benefit Period will begin on the effective date of the change.

Out-of-pocket Expense Limit per Covered Person: A specified dollar amount of Coinsurance incurred and payable by a Covered Person for Covered Services in a Benefit Period. It does not include any Deductibles or Copayments; the Special Dental Services Deductible, Coinsurance amounts for Mental Health Services and/or Substance Abuse care, Coinsurance amounts for Special Dental Services, Coinsurance amounts for Prescription Drugs, when shown on the Schedule Page; charges in excess of the Allowable Charge; amounts exceeding any Maximum Payments for benefits; or any expense not allowed according to any provisions of this Policy.

The Rate of Payment will be increased to 100% of the Allowable Charges when a Covered Person reaches his or her Out-of-pocket Expense Limit. However, the Rate of Payment **will not be** increased to 100% for Mental Health Services and/or Substance Abuse care.

Under this Policy you choose the Out-of-pocket Expense Limit. The Out-of-pocket Expense Limit you chose is shown on the Schedule Page and on your application.

Benefit Period Maximum Payment and Lifetime Maximum Payment: The Benefit Period Maximum Payment is the maximum amount for Covered Services that we will pay per Covered Person per Benefit Period. The Benefit Period Maximum Payment is shown on the Schedule Page. The Lifetime Maximum Payment is the maximum amount for Covered Services that we will pay for each Covered Person while covered under this Policy during the Covered Person's lifetime. The Lifetime Maximum Payment is shown on the Schedule Page and is further restricted by the Lifetime Maximum Payment for Mental Health Services and/or Substance Abuse care, Inpatient Rehabilitation and the Transplant Lifetime Maximum.

How to File Claims

If you receive healthcare services or supplies from a Preferred Blue Provider, the Provider will file your claims for you.

If you receive healthcare services or supplies from a non-Preferred Blue Provider or non-Contracting Provider, you'll have to file your own claims. Please follow the instructions below when you have claims for expenses other than Prescription Drugs. When filing your own claims, here are some things you'll need:

1. **Comprehensive Benefits Claim Form for each different patient.** You can get these forms from the Claims Service Center or from our Web site at www.SouthCarolinaBlues.com.
2. **Itemized Bills from the Providers.** These bills should include:
 - Provider's name and address
 - Patient's name and date of birth
 - Policyholder's Blue Cross ID number
 - Description and cost of each service
 - Date that each service took place
 - Description of the illness or injury (diagnosis)

Complete the front of each claim form and attach the itemized bills to it.

Before you submit your claims, we suggest you make copies of all claim forms and itemized bills for your records since we can't return them to you. Send your claims to the Claims Service Center at the address found in the *How to Contact Us* section.

How to File a Claim for Prescription Drugs: To file your claim for Prescription Drugs:

- Use a Prescription Drug claim form. You can get these forms from the Claims Service Center or from our Web site at www.SouthCarolinaBlues.com.
- Fill out the top half of the form, sign it and attach the receipt for the Prescription Drugs.
- Mail the form to the Contracting Pharmacy Benefit Manager at the address shown on the form.

How to File Special Dental Services Claims: Special Dental Services claims should be filed on a Dental Claim Form. These forms are available from our Claims Service Center and many dentists' offices. Many Providers will fill out the claim forms or file the claims for you. If you must file your own claim, attach the itemized bill(s) to a Dental Claim Form. Special Dental Services claims should be sent to: Dental Claims Unit, Blue Cross and Blue Shield of South Carolina, Post Office Box 100300, Columbia, SC 29202.

How Long You Have to File a Claim: We must receive your claim, Provider's bill and/or receipt by the end of the year following the year you received the services or supplies. So, if you saw a Physician on March 1, 2001, you have until December 31, 2002, to submit your complete claim. Exception is made in the absence of legal capacity.

Appeals/Grievance Procedures

Any complaints or disagreements you have regarding claims for services or benefits may be directed to us at (803) 788-0500, extension 41000 from Columbia, or 1-800-868-2500, extension 41000 from anywhere else. You may also send us a secure e-mail through the Ask Customer Service feature of My Insurance Manager on our Web site at SouthCarolinaBlues.com.

A Preauthorization and Approval denial will be considered a denied claim for purposes of this provision. Any complaints or disagreements you have regarding a Preauthorization and Approval may be directed to us at (803) 736-5990 from Columbia, or 1-800-327-3238 from anywhere else.

Grievances

If you choose to file a formal grievance, submit it in writing to us at the Claims Service Center, Post Office Box 100300, Columbia, South Carolina 29202. The grievance should include your name, address, Policy number, Social Security number and any other information, documentation or evidence to support your request. Your formal grievance must be submitted within 90 days of the event that resulted in your complaint.

We will acknowledge a formal grievance within 10 working days of its receipt. The decision made concerning your formal grievance will be sent to you in writing within 30 days after we receive your formal grievance. If there are extraordinary circumstances requiring a more extensive review, we may take up to 90 days to review your case before making a decision.

Appeals

If you are still not satisfied with our decision, you may request an appeal. You have 30 days after you receive our decision on the formal grievance to request an appeal. Send your request for an appeal to the Claims Service Center, Post Office Box 100300, Columbia, South Carolina 29202.

External Reviews

In certain situations, after you have completed the grievance and appeal process above, you may be entitled to an additional review of your claim at our expense. An external review may be used to reconsider your claim if we have denied it, either in whole or in part. The claim must have been greater than \$500 and denied, reduced, or terminated because: 1) it does not meet our requirements for medical necessity, appropriateness, healthcare setting, level of care or effectiveness; or 2) it is Investigational or Experimental and it involves a life-threatening or seriously disabling condition.

After your internal appeals are completed, you will be notified in writing of your right to request an external review. You should file a request for external review within 60 days of receiving that notice. You will be required to authorize the release of any medical records that may be needed for the purpose of reaching a decision during the external review. If you need assistance during the external review process, you may contact the South Carolina Department of Insurance for assistance at the following address and telephone number:

South Carolina Department of Insurance
Post Office Box 100105
Columbia, SC 29202-3105
1-800-768-3467

Within 5 business days of your request for an external review, we will respond by either:

1. Assigning your review to an independent review organization and forwarding your records to them; or
2. Telling you in writing that your situation does not meet the requirements for an external review and the reasons for our decision.

The independent review organization will take action on your request for review within 45 days after it receives the request.

Expedited External Reviews

If your Physician certifies that you have a “serious medical condition,” you are entitled to an expedited external review. A serious medical condition, as used in this provision, means one that requires immediate medical attention to avoid serious impairment to body functions, serious harm to an organ or body part, or that would place your health in serious jeopardy.

You may also request an expedited review if our denial involves Emergency Medical Care, if you may be held financially responsible and you have not been discharged from the Facility.

B. DEFINITIONS

Allowable Charge: The actual charge as submitted to us or the Maximum Payment, whichever is less.

The Maximum Payment is the total amount eligible for payment by us for the services, supplies or equipment you receive from a Provider. The Maximum Payment that we determine will be the least of 1, 2, 3, 4 or 5:

1. The actual charges made for similar services, supplies or equipment by Providers and filed with us during the past calendar year;
2. The Maximum Payment for the past year increased by an index based on national or local economic factors or indices;
3. The lowest charge level at which any medical services, supplies or equipment is generally available in the area, when in our judgment, a charge for such services, supplies or equipment generally should not vary significantly in quality from one Provider to another;
4. A set of allowances that has been mutually agreed upon by Contracting Providers and Blue Cross; or
5. A set of allowances established by us.

Review of the Maximum Payment will occur following each calendar year. If there are no actual or similar charges, as referred above, we may, through our medical staff and/or consultants, determine the Maximum Payment based on comparable or similar services or procedures.

Ambulatory Surgical Center: A Facility that is licensed for Outpatient Surgery and does not provide Inpatient accommodations. It must be operated under the supervision of a Physician. It also must provide nursing services by or under the supervision of a registered nurse (RN) who is on duty. The Facility must not be an office or Clinic for the private practice of a Physician. Ambulatory Surgical Center includes an endoscopy center.

Benefit Period: The Benefit Period begins on the Effective Date of your coverage under the Policy and lasts 365 days. Then a new Benefit Period will begin.

Blue Cross and Blue Shield of South Carolina: We, our, us.

Clinic: An Outpatient Facility for examining and treating patients who aren't bedridden. It must be operated under the supervision of a Physician.

Coinsurance: The percentage of Allowable Charges you pay as your share of Covered Services. The percentage of Coinsurance for Covered Services, payable by you, is applied to the negotiated rate or lesser charge when we have negotiated rates with your Provider for Covered Services provided by this Policy.

Contracting Facility: A Facility that has a written agreement with us.

Contracting Mammography Provider: A Provider contracting with us in writing to provide routine mammograms. Please note that this is a separate list of Providers specifically for mammograms.

Contracting Pharmacy: A Pharmacy that has a written contract with Blue Cross and Blue Shield of South Carolina or its Pharmacy Benefit Manager to fill a Prescription Order when a Blue Cross and Blue Shield ID card is presented. A Contracting Pharmacy will not charge the Covered Person more than the Allowable Charge for a Prescription Order.

Contracting Provider: Any Provider contracting with us in writing to provide services at an agreed upon rate (may include Preferred Blue Providers and/or Mammography Providers).

Contracting Provider Agreement: A written agreement between Blue Cross and Blue Shield of South Carolina and a Provider.

Copayment (Per Occurrence Copayment): A fee you pay each time you receive a certain service or supply such as a doctor's office visit, a particular medical service, Hospital admission or prescription. Copayments are shown on the Schedule Page. If you purchased the Optional Prescription Drug Insurance Endorsement, the Prescription Drug Copayments are shown on the Prescription Drug Insurance Endorsement Schedule. Copayments don't go toward reaching your Deductible or Out-of-pocket Expense Limit. They will continue to apply even after you meet your Deductible and reach your Out-of-pocket Expense Limit.

Covered Person: You and each Dependent shown on the Schedule Page who is insured by this Personal BluePlan Policy.

Covered Service: A service or supply specified in this Policy for which a Covered Person is entitled to benefits according to the terms and conditions of this Policy.

Creditable Coverage: Health coverage subject to Health Insurance Portability and Accountability Act of 1996 (HIPAA).

When your coverage under this Policy ends, you have the right to receive a certification showing the period of coverage you had under this Policy. This period of coverage is called Creditable Coverage. You may be given credit for the period of this coverage, if a future employer with a group Health Insurance plan has a Pre-existing Condition exclusion period, so long as there is no more than a 63-day break in coverage between this coverage and any succeeding coverage. If you leave the future group Health Insurance, the time of coverage under this Policy may help reduce a Pre-existing Condition exclusion period with the South Carolina Health Insurance Pool or another group health plan.

Custodial Care: Care that is determined by us to be provided primarily for the maintenance of the patient or designed to assist the patient in the activities of daily living. Custodial Care includes, but is not limited to, help with activities of daily living, walking, bathing, dressing, feeding, preparation of special diets and supervision over self-administration of medications.

Deductible: The amount of Allowable Charges you are responsible for paying each Benefit Period before benefits are payable on a claim for Covered Services. The Deductible applies to all Covered Services unless otherwise noted.

Special Dental Services Deductible: This is the amount of Allowable Charges for Special Dental Services you are responsible for paying each Benefit Period before benefits are payable on a claim for Covered Services.

Dependent: Your: 1) lawful spouse; and/or 2) unmarried children, including stepchildren and children, who are legally listed as your Dependents for income tax purposes or for whom a court order requires you to provide Health Insurance. The child must be: a) under age 19 or b) under age 23 if a Full-time Student.

Designated Provider: Any Provider with whom we have a Contracting Provider Agreement, and that we require you to use for specialized services in order to receive benefits for these services. These Providers include, but are not limited to, Rehabilitation Facilities and Contracting Mammography Providers. When a Designated Provider does not perform these services, no benefits will be paid.

Durable Medical Equipment: Equipment ordered by your doctor that has exclusive medical use. These items must be reusable and may include wheelchairs, hospital-type beds, crutches, walkers, splints, respirators, etc. To qualify for benefits, your Physician must order the medical equipment and it must be Medically Necessary to meet a specific need. Equipment such as air conditioners, whirlpool baths, spas, (de)humidifiers, wigs, fitness supplies, vacuum cleaners or air filters don't qualify because they don't have exclusive medical uses. To be eligible as Durable Medical Equipment, the device or equipment's use must be limited to the patient for whom it was ordered. This means others can't use the device or equipment.

Effective Date: The date on which coverage for a Covered Person begins under this Policy.

Emergency Medical Care: Healthcare services provided in a Hospital emergency room to evaluate and treat an Emergency Medical Condition.

Emergency Medical Condition: A severe injury or illness (including pain). The illness or injury must be so severe that a reasonable person with an average knowledge of health and medicine could reasonably expect that if he or she doesn't get medical care right away, one of these might occur:

1. Serious risk to one's health. If a woman is pregnant this includes her health or her unborn child's health; or
2. Serious damage to body functions; or
3. Serious damage to any organs or body parts.

Facility: A Hospital, Skilled Nursing Facility, Ambulatory Surgical Center or Clinic.

Family Plan: A policy of insurance covering you and one or more of your Dependents.

Full-time Student: A Dependent child who has not reached the age of 23, and is enrolled in and attending one of these:

- High school; or
- An accredited or licensed school commonly recognized as a vocational, technical or trade school, with attendance qualifying the Dependent child as a full-time student under the rules of the institution; or
- A college or university with full enrollment in at least enough regular academic courses to reach the status of a full-time student at the college or university.

Periods between semesters, such as summer periods will be included if the child was attending as a Full-time Student during the past regular semester, quarter or summer school session. Correspondence course participation does not count as attendance as a Full-time Student.

A time period between graduation from high school and vocational, technical or trade school or college entry, or between college graduation and graduate school entry will be included only if the child has applied for admission beginning with the next regular semester immediately following graduation.

You must send us a letter stating the Dependent child is a Full-time Student. Your letter must include a tuition receipt from the school's Bursar's office or a letter from the school verifying its accreditation and the student's full-time status.

Genetic Information: Information about genes, gene products or genetic characteristics (hair and eye color, risks for certain diseases, etc.) that are passed down from parents to children. "Gene product" is a scientific term that means messenger RNA and translated protein. Genetic Information doesn't include:

- Routine physical measurements;
- Chemical, blood and urine analysis, unless purposely done to diagnose a genetic characteristic;
- Tests for drug abuse; and
- Tests for the presence of HIV.

Health Insurance (Other Policies): A Policy that provides insurance, reimbursement, or service benefits for Hospital, surgical or medical costs. This includes coverage under but is not limited to: 1) individual or group insurance policies; 2) nonprofit health service plans; 3) health maintenance organization (HMO) subscriber contracts; 4) preferred provider organization (PPO) subscriber contracts; 5) self-insured group plans; 6) prepayment plans; 7) Medicare; and 8) any state or federal mandated Health Insurance plan.

Health Status-related Factor: Any one of these: health status, medical condition (including both physical and mental illnesses), claims experience, receipt of healthcare, medical history, Genetic Information, evidence of insurability or disability.

Home Health Care: Home Health Care includes services you get in the home that are normally provided in a Hospital or Skilled Nursing Facility. You must receive Home Health Care from a home health agency that is licensed by the state in which it operates. We must approve benefits for Home Health Care in advance.

Hospice Care: A program of care for terminally ill people who aren't expected to live more than six months. Hospice Care requires Preauthorization Review. It must be provided in lieu of Inpatient care at a Hospital or Skilled Nursing Facility to a patient who would otherwise need Inpatient care.

Hospital: A short-term, acute care Facility that:

1. Is licensed and operated according to the law; and

2. Is primarily and continuously engaged in providing or operating medical, diagnostic, therapeutic and major surgical Facilities for the medical care and treatment of injured or sick people on an Inpatient basis either on its premises or in Facilities available to the Hospital on a prearranged basis. It must also be under the supervision of a staff of duly licensed Physicians; and
3. Provides 24-hour nursing services by or under the supervision of registered nurses (RNs).

The term Hospital does not include long-term, chronic care institutions or institutions that are, other than incidentally:

1. Convalescent, rest or nursing homes or Facilities; or
2. Facilities primarily affording custodial, educational or rehabilitary care; or
3. For the treatment of substance or alcohol abuse; or
4. For the treatment of mental or nervous conditions.

The term Hospital does not include a long-term, chronic care institution or Facility which mainly provides care for items (1) through (4) above, whether or not such institution or Facility is affiliated with or part of a Hospital.

Inpatient: A Covered Person who is a registered bed patient in a Hospital, Skilled Nursing Facility, Rehabilitation Facility or Psychiatric/Substance Abuse Facility for whom a room and board charge is made.

Intensive Care Unit: A separate, clearly designated service area maintained within a Hospital and which meets all of the following tests:

1. It is solely for the treatment of patients who require special medical attention because of their medical conditions;
2. It provides within such area nursing care and observation of continuous and constant nature not available in regular rooms and wards of a Hospital;
3. It provides a concentration of special life-saving equipment immediately available at all times for the treatment of patients confined within such area;
4. It contains at least two beds for the accommodation of critically ill patients; and
5. It provides at least one registered nurse who continuously and constantly attends the patient confined in such area on a 24-hour-a-day basis.

Investigational or Experimental: The use of services or supplies that we don't recognize as standard medical care for the treatment of conditions, diseases, illnesses or injuries. These include, but aren't limited to: treatments, procedures, facilities, equipment, drugs or devices. Here are the criteria used to base our decision on whether a service or supply is Investigational or Experimental:

1. Services or supplies requiring Federal or other governmental agency approval such as drugs and devices that have restricted market approval from the Food and Drug Administration (FDA) or from any other governmental regulatory agency 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. A drug that has not been approved by the FDA for the treatment of a specific type of cancer for which a Physician has prescribed the drug, however, may not be excluded if any of these criteria are met:
 - a. The drug is recognized for treatment of a specific type of cancer in at least one standard reference compendia; or
 - b. The drug is recommended for that particular type of cancer and found to be safe and effective in formal clinical studies. These results must have been published in peer-reviewed professional medical journals.

Standard reference compendia means any of the following:

- a. The *United States Pharmacopoeia* dispensing information; or
 - b. The American Hospital Formulary Service drug information.
2. There is insufficient or inconclusive scientific evidence in peer-reviewed medical literature to let us evaluate the therapeutic value of the service or supply.
 3. There is inconclusive evidence that the service or supply has a beneficial effect on a person's health.
 4. The service or supply under consideration is not as beneficial as any established alternatives.
 5. There is insufficient information or inconclusive scientific evidence that the service or supply is beneficial to a person's health and is as beneficial as any established alternatives when used in a noninvestigational setting.

If a service or supply meets one or more of these criteria, it is Investigational or Experimental. We solely make these determinations after independent review of scientific data. We may also consider opinions of professionals in a particular field and/or opinions and assessments of nationally recognized review organizations, but they are not determinative or conclusive.

Our Medical Director, in making such determinations, may use one or more of these sources of information:

1. The approval of market rulings from the FDA;
2. *The United States Pharmacopoeia and National Formulary*;
3. Drug Evaluation publications from the American Medical Association;
4. The annotated publication titled, *Drugs, Facts, and Comparisons*, published by J. B. Lippincott Company;
5. The available peer review literature; and
6. Appropriate consultation with specialists on a local and national level.

Legal Guardian: The guardian of a minor child other than an institution or agency appointed by a court of any state.

Medicaid: Cooperative federal-state programs providing medical assistance and other services to certain classes of financially needy persons as established by Title XIX of the Social Security Act of 1965, as amended.

Medical Supplies: Syringes and related supplies for conditions such as diabetes; dressings for conditions such as cancer or burns; catheters, external opening (ostomy) bags and related supplies; test tape; necessary supplies for renal dialysis equipment or machines; surgical trays; and splints or such supplies as needed for orthopedic conditions. However, supplies and equipment that have non-therapeutic uses are not covered medical expenses.

Medically Necessary: The service, supply or equipment received that is required to identify or treat the illness or injury that a Physician has diagnosed or reasonably suspects. The service, supply or equipment must, in our judgment, be:

- Consistent with the diagnosis and treatment of the patient's condition;
- In accordance with standards of good medical practice, as determined by a Physician's peers in the same profession, as designated by us;
- Required for reasons other than the convenience of the patient or the Physician; and
- Done in the least costly setting required by the patient's condition.

Even though a Physician prescribes or suggests a service, supply or equipment, it doesn't mean that it's Medically Necessary.

Medicare: The program of healthcare for the aged, disabled and individuals with end stage renal disease established by Title XVIII of the Social Security Act of 1965, as amended.

Mental Health Services: The treatment of mental and nervous conditions or other conditions. These conditions are defined, described or classified as psychiatric disorders or conditions in the publication of The American Psychiatric Association, *Diagnostic and Statistical Manual of Mental Disorders*. Substance Abuse care or treatment is not included.

Non-contracting Facility: A Facility with whom we do not have a written agreement. No benefits are payable for services or supplies provided by a Non-contracting Facility, except for the treatment of an Emergency Medical Condition and services provided by a Non-contracting Facility located outside the State of South Carolina.

Orthotic Devices: A rigid or semi-rigid supportive device that restricts or eliminates motion of a weakened or diseased body part. The device must be ordered by a Physician and determined to be Medically Necessary by us.

Out-of-pocket Expense Limit: Covered Services for which benefits are not payable by us. The Out-of-pocket Expense Limit is made up of the Coinsurance amounts payable by you. It does not include any Deductibles or Copayments, the Special Dental Services Deductible, Coinsurance amounts for Prescription Drugs, when shown on the Schedule Page, Coinsurance amounts for Special Dental Services or Coinsurance amounts for Mental Health Services and/or Substance Abuse care; charges in excess of the Allowable Charge; amounts exceeding any Maximum Payments for benefits; or any expense not allowed according to any provisions of this Policy.

Outpatient: A Covered Person who receives services or supplies in a setting that does not require an overnight stay.

Over-the-counter Drug: A drug that does not require a prescription.

Pharmacy: A facility that is licensed to prepare and dispense medications that a doctor prescribes. It doesn't include a Physician's office or a Pharmacy affiliated with or a part of a Hospital, Skilled Nursing Facility or other type of similar institution.

Pharmacy Benefit Manager (PBM): A company that has a written contract with us to manage the Prescription Drug benefits according to this Personal BluePlan Policy.

Physician: A person (other than an intern, resident or house Physician), duly licensed as a medical doctor, oral surgeon, osteopath, chiropractor, optometrist, ophthalmologist, dentist, podiatrist or licensed doctoral psychologist legally entitled to practice, within the scope of his or her license and who normally bills for his or her services.

Policyholder: You, a parent or Legal Guardian who obtained this insurance Policy to cover you and/or your Dependents and who is the owner of the Policy and payer of the premiums. The Policyholder is responsible for assuring that all required Preauthorization and Approvals for services and supplies are obtained.

Pre-admission Testing: Tests and studies done on an Outpatient basis that are necessary in connection with and prior to a Covered Person's surgical procedure. Pre-admission Testing does not include tests or studies performed to establish a diagnosis.

Preauthorization and Approval: The approval that must be obtained from Medical Services or Companion Benefit Alternatives, Inc. prior to receiving Inpatient Hospital and Skilled Nursing Facility services; Human Organ and/or Tissue Transplants; Inpatient Rehabilitation; Home Health Care and Hospice Care; Mental Health Services and/or Substance Abuse care (Inpatient and Outpatient); Outpatient Surgery, Outpatient Rehabilitation or any of the following procedures or supplies: Magnetic Resonance Imaging (MRI), Lithotripsy, Gastrointestinal Endoscopies (includes Colonoscopy, Sigmoidoscopy, Proctoscopy and Gastrosocopy); Outpatient Physical Medicine; certain Prescription Drugs; and Prosthetic Appliances, Orthotic Devices and Durable Medical Equipment (DME) when the rental cost or purchase price is \$100 or more.

Predetermination of Special Dental Services Benefits: The approval that must be obtained from us prior to receiving covered Special Dental Class I, Class II or Class III Services that your dentist or oral surgeon estimates will cost \$250 or more.

Preferred Blue Facility: A Facility which has entered into a Preferred Blue Provider Agreement with us.

Preferred Blue Provider: A Provider which has entered into a Preferred Blue Provider Agreement with us.

Preferred Blue Provider Agreement: A written agreement between Blue Cross and Blue Shield of South Carolina and a Provider where the Provider agrees to accept our allowance as payment in full for Covered Services except that you are responsible for Deductibles, Copayments and Coinsurance.

Prescription Drug: A drug that has been approved by the FDA. It can only be dispensed by a licensed registered pharmacist according to a Physician's Prescription Order. Before being dispensed or delivered, it's required under federal law to be labeled "Caution, Federal Law Prohibits Dispensing Without Prescription," or labeled in a similar manner; or be injectable insulin.

Brand-name Drug: A Prescription Drug that is manufactured under a registered trade name or trademark. A Brand-name Drug may be a Preferred Drug or a Non-preferred Drug.

Generic Drug: A drug that has the same active ingredient(s) as the Brand-name Drug but is not manufactured under a registered Brand-name or trademark.

Non-preferred Drug: A Prescription Drug that has not been chosen by us, or our designated Pharmacy Benefit Manager, to be a Preferred Drug. This includes any Brand-name Drug that has an "A" rated Generic Drug available.

Preferred Drug: A Prescription Drug that has been reviewed for cost and clinical effectiveness and quality. Preferred Drugs are Brand-name Drugs or Generic Drugs that are preferred by us, or our designated Pharmacy Benefit Manager, for dispensing to Covered Persons when appropriate. The Preferred Drug List is subject to periodic review and updates by us or our designated Pharmacy Benefit Manager.

Prescription Drug Coinsurance: The percentage of Allowable Charges for Prescription Drugs payable by the Covered Person.

Prescription Drug Deductible: The amount, if any, shown on the Schedule Page, of covered Prescription Drug charges each Covered Person is responsible for paying each Benefit Period before Prescription Drug benefits are payable.

Prescription Drug Maximum: The maximum amount, if shown on the Schedule Page, that we'll pay for Prescription Drugs for each Covered Person, each Benefit Period.

Prescription Order: The request by a Physician for each separate Prescription Drug and each authorized refill.

Prosthetic Appliances: Prosthetic devices and supplies that replace all or part of an absent body part (including contiguous tissue) or replace all or part of the function of a permanently inoperative or malfunctioning body part. The appliance or device must be ordered by a Physician and determined to be Medically Necessary by us.

Provider: A Facility, Hospital, Skilled Nursing Facility, Rehabilitation Facility, Psychiatric/Substance Abuse Facility, Physician, Psychologist, other mental health clinicians (when Preauthorized) and Ambulatory Surgical Center licensed as required by the state where located, performing within the scope of the license and acceptable to us or as listed:

1. Durable Medical Equipment Suppliers
2. Independent Clinical Laboratory
3. Occupational Therapist
4. Pharmacy
5. Physical Therapist
6. Speech Therapist
7. Home Health Care Supplier
8. Hospice Care Supplier

Psychiatric Conditions: See Mental Health Services and/or Substance Abuse.

Psychiatric/Substance Abuse Facility: A Facility accredited by the Joint Commission on Accreditation of Health Care Organizations for the purpose of Mental Health Services and/or Substance Abuse care. This Facility may also be a ward, floor or other area contained within a Hospital whose primary purpose is treatment of mental health and Substance Abuse.

Rate of Payment: The percentage of Allowable Charges we will pay for Covered Services as shown on the Schedule Page and on your application after the Deductible and any Copayment is satisfied.

Rehabilitation Facility: A Hospital or other freestanding medical Facility that has a written agreement with us, that on an Inpatient or Outpatient basis, provides a multi-disciplinary therapeutic program that includes physical therapy, occupational therapy and other therapeutic interventions directed toward the restoration of full function and independent living for patients with neurological or other physical illnesses or injuries.

Single Plan: A policy of insurance covering only you.

Skilled Nursing Facility: A licensed institution, other than a Hospital, that has a written agreement with us or with another Blue Cross plan which meets all six of these requirements:

1. Maintains permanent and full-time Facilities for bed care of resident patients; and
2. Has the services of a Physician available at all times; and
3. Has a registered nurse (RN) or Physician on full-time duty who's in charge of patient care along with one or more registered nurses (RNs) or licensed practical nurses (LPNs) on duty at all times; and
4. Keeps a daily medical record for each patient; and
5. Is primarily working to provide continuous skilled nursing care for sick or injured patients during the recovery stage of their illnesses or injuries and is not, other than incidentally, a rest home or a home for Custodial Care for the aged; and
6. Is operating lawfully as a nursing home in the area where it is located. In no event, however, will such term include an institution that primarily provides care and treatment of substance or alcohol abuse.

Substance Abuse: The use of drugs or alcohol where you require medical services that are defined, described or classified as psychiatric disorders or conditions in the latest publication of The American Psychiatric Association, *Diagnostic and Statistical Manual of Mental Disorders*. This does not include services for treatment of Mental Health Services.

Surgery: 1) the performance of generally accepted operative and cutting procedures including specialized instrumentations, endoscopic examinations and other invasive procedures; 2) the correction of fractures and dislocations; and 3) other procedures as reasonable and as approved by us. This includes the usual and related pre-operative and post-operative care.

Transplant Benefit Period: For an organ, the period begins on the admission date in which a transplant is performed and continues for 12 months. For bone marrow, the period begins on the first date of mobilization therapy, marrow/stem cell harvest date or Inpatient admission date for the transplant procedure, whichever occurs first, and will continue for 12 months.

Transplant Lifetime Maximum: The maximum amount of benefits provided in a lifetime for each Covered Person for each of the transplants listed on the Schedule Page. Once the Transplant Lifetime Maximum has been met, no additional transplant benefits will be provided for that type of transplant.

Waiting Period: The period that must pass before you are eligible to be covered for benefits under the terms of this Policy. The Waiting Period begins on the day you substantially filled out your application and ends on the first day of coverage.

C. PREAUTHORIZATION AND APPROVAL

To make the most of your benefits, Blue Cross has an approval process in place. Our Medical Services personnel (a group of medical professionals employed by us) must give advance approval for all Hospital admissions and certain other specified services for you to receive maximum benefits. Their responsibility is to review all requests for preapproval. Inpatient and Outpatient services you receive for treatment of Mental Health Services and/or Substance Abuse care require Preauthorization by Companion Benefit Alternatives, Inc. (CBA). Companion Benefit Alternatives, Inc. is a mental health and Substance Abuse subsidiary of Blue Cross and Blue Shield of South Carolina.

An approval from Medical Services or Companion Benefit Alternatives, Inc. means that a service is Medically Necessary for treatment of the patient's condition. **Approval from Medical Services or Companion Benefit Alternatives, Inc. is not a guarantee or verification of benefits. Payment is subject to patient eligibility, Pre-existing Condition Limitations and all other limitations or exclusions of the Policy. Final benefit determination will be made when we process your claims.** If you have any questions about whether a certain service will be covered, please contact a Claims Service Representative.

If you or a Dependent is undergoing a human organ and/or tissue transplant, written approval from us must be obtained in advance. **If we don't preapprove these services in writing, then we won't pay any benefits.**

If your Physician recommends these services and/or supplies for you or your Dependent for any reason, make sure you tell your Physician that your Health Insurance Policy requires advance approval. Preferred Blue Providers will be familiar with this requirement and will get the necessary approvals.

If you or your Dependent does not use a Preferred Blue Provider, it's your responsibility to contact us before receiving these services and supplies. If you don't get preapproval, then you'll pay more of your own money for these services and supplies.

Please note that if your request is denied for Preauthorization or preapproval for services or benefits, you may request further review under the guidelines set out in the *Appeals/Grievance Procedures* Section of this Policy. Also note that a Preauthorization and Approval denial will be considered a denied claim for purposes of appeals and grievances.

Types of Approval

There are five different types of approval:

1. Preadmission Review
2. Emergency Admission Review

3. Continued Stay Review
4. Preauthorization Review
5. Preauthorization for Mental Health Services and/or Substance Abuse care

Here are more details about each one:

Preadmission Review — Before you or a Dependent is admitted to a Hospital or Skilled Nursing Facility, Preadmission Review approval must be obtained. If you've just had a baby, approval must be obtained within 24 hours of your discharge if your newborn is sick and must stay in the Hospital.

If approval isn't obtained, or if the admission isn't approved and you or your Dependent is still admitted, we won't pay benefits for any part of the room and board charges. If a Preferred Blue Hospital or Skilled Nursing Facility doesn't get approval, it can't bill you for room and board charges.

An admission for physical rehabilitation requires use of Designated Providers and Preauthorization from us. If the admission for physical rehabilitation isn't Preauthorized and/or the service isn't performed at a Designated Provider, no benefits will be paid.

Emergency Admission Review — If you or one of your Dependents experiences an emergency illness or injury, go to the nearest emergency room right away, or call 911 for help. We don't expect you to wait for approval before you go to the Hospital.

Medical Services must be notified within 24 hours of the emergency admission, or by 5 p.m. of the next working day following the admission. (Exceptions may be made for reasons beyond your control.)

If Emergency Admission Review approval isn't obtained within 24 hours or by the next working day, we won't pay benefits for any part of the room or board charges. If a Preferred Blue Hospital or Skilled Nursing Facility doesn't get approval, it can't bill you for room and board charges.

Continued Stay Review — It's possible that you or a Dependent has to remain in the Hospital or Skilled Nursing Facility for a period longer than we originally approved. If this is the case, Continued Stay Review Approval must be obtained from Medical Services.

If a Continued Stay Review approval isn't obtained, or if the continued stay isn't approved, but you or your Dependent remains in the Hospital or Skilled Nursing Facility, we won't pay benefits for any part of the room and board charges for the period of the continued stay. If a Preferred Blue Hospital or Skilled Nursing Facility doesn't get approval, it can't bill you for room and board charges for the continued stay.

Preauthorization Review — A number of services and medical procedures require Preauthorization Review:

- Home Health Care
- Hospice Care
- Physical rehabilitation
- Human organ and/or tissue transplants
- Certain Prescription Drugs
- Prosthetic Appliances, Orthotic Devices and Durable Medical Equipment when the purchase price or rental cost of the equipment is \$100 or more.

Without advance written approval, benefits won't be paid for any part of the charges for Home Health Care, Hospice Care, human organ and/or tissue transplants, or Prosthetic Appliances, Orthotic Devices and Durable Medical Equipment when the purchase price or rental cost is \$100 or more. If a Preferred Blue Provider doesn't get Preauthorization, it can't bill you for these charges.

Certain Prescription Drugs require Preauthorization. If Preauthorization isn't obtained, no benefits will be paid. Please contact the Claims Service Center to see if a specific drug requires Preauthorization.

Preauthorization also is required for Outpatient Surgery, Outpatient Physical Medicine and Outpatient procedures such as, but not limited to, magnetic resonance imaging (MRI), lithotripsies, gastrointestinal endoscopies including colonoscopies, sigmoidoscopies, esophagoscopies, proctoscopies and gastroscopies.

If you don't receive Preauthorization for any of these Outpatient procedures, benefits will be reduced as shown on the Schedule Page. If a Preferred Blue Provider doesn't get Preauthorization, it can't bill you for the reduction.

Outpatient physical rehabilitation requires use of Designated Providers and Preauthorization from us. If Outpatient physical rehabilitation isn't Preauthorized and/or the service isn't performed at a Designated Provider, no benefits will be paid.

Preauthorization for Mental Health Services and/or Substance Abuse care – Companion Benefit Alternatives, Inc. (CBA) must preapprove any Inpatient or Outpatient treatment for Mental Health Services and/or Substance Abuse care.

If approval isn't obtained for Inpatient Mental Health Services and/or Substance Abuse care, we'll deny covered charges for room and board. If approval isn't obtained for Outpatient Mental Health Services and/or Substance Abuse care, benefits will be reduced as shown on the Schedule Page.

If you need approval, be sure to call Medical Services or Companion Benefit Alternatives, Inc. **Please don't call the Claims Service Center. A Claims Service Representative cannot give approval. Please refer to the *How to Contact Us* provision of the Policy for the telephone numbers to call for approval.**

If you call for review and approval, you'll talk with a medical professional. He or she will ask you for this information:

- Your name and ID number
- The patient's name and relationship to you
- The Physician's name, address and phone number
- The Hospital or Skilled Nursing Facility's name, address and phone number
- The reason the patient needs care

After careful review, your Physician and Hospital will be notified whether the admission or service is approved as Medically Necessary and how long the approval is valid.

Predetermination of Benefits for Special Dental Services

If you need Special Dental Services treatment that the dentist or oral surgeon estimates will cost \$250 or more, the dentist or oral surgeon should file a Predetermination of Benefits to us. By doing this, you and the Provider will know in advance how much will be paid for the recommended treatment.

To file for Predetermination of Benefits, the Provider should list the planned treatment and charges for the treatment on a dental claim form. The form should be sent to the Dental Claims Unit, Blue Cross and Blue Shield of South Carolina, Post Office Box 100300, Columbia, SC 29202. We will advise both you and the Provider of the benefits payable.

If treatment costs \$250 or more and the Provider doesn't ask for Predetermination of Benefits, claims will be paid according to the information on the claim.

Predetermination of Benefits isn't needed for Special Dental Services treatment costing less than \$250 or for emergency care, routine oral examinations, x-rays, fluoride treatments, cleaning, scaling or polishing teeth.

D. COVERED SERVICES

Benefits for Covered Services will be paid according to the provisions described in this Policy. Benefit payments are based on a percentage of Allowable Charges and are subject to Deductibles, Copayments, Benefit Period Maximum Payments and Lifetime Maximum Payments as shown on the Schedule Page.

Covered Services include only the services and supplies described below to the extent the charges are not limited or excluded in any provisions of this policy. The services and supplies must:

1. Be prescribed by or performed by or upon the direction of a Physician; and
2. Be done for diagnosis or treatment of a Covered Person's illness or injury, except as specifically noted herein; and
3. Be approved as Medically Necessary and appropriate; and
4. Not be Investigational or Experimental in nature; and
5. Be provided after the Effective Date and before the termination of coverage, unless otherwise specified.

Covered Services do not include treatment for complications resulting from any non-covered procedure or condition. **Medical Services or Companion Benefit Alternatives, Inc. must be used in order to receive maximum benefits available under this Policy. Refer to the *Preauthorization and Approval* section of this Policy for specific Covered Services that must be Preauthorized and Approved.**

The following are Covered Services:

Ambulance Service – Ambulance service providing local transportation by means of a vehicle used only for transporting the sick and injured from a Covered Person's home or scene of accident or medical emergency to a Hospital or between Hospitals when such Hospital is the closest Facility that can provide Covered Services appropriate to the Covered Person's condition. If there is no Hospital in the local area that can provide Covered Services appropriate to the Covered Person's condition, the ambulance service provides transportation to the closest Hospital outside the local area that can provide the necessary service.

Benefits will also be provided for ambulance service providing local transportation by means of a vehicle used only for transporting the sick and injured from a Hospital to the Covered Person's home.

Cleft Lip and Palate – The Medically Necessary care and treatment of a cleft lip and palate and any condition or illness that is related to or caused by a cleft lip and palate. Cleft lip and palate means a congenital cleft in the lip or palate or both. Care and treatment will include, but is not limited to these types of Medically Necessary care:

1. Oral and facial Surgery, surgical management and follow-up care;
2. Prosthetic treatment such as obturators, speech appliances and feeding appliances;
3. Orthodontic treatment and management;
4. Treatment and management for missing teeth (prosthodontics);
5. Ear, nose and throat (otolaryngology) treatment and management;
6. Hearing (audiological) assessment, treatment, and management including surgically implanted hearing aids; and
7. Physical therapy assessment and treatment.

If a Covered Person with a cleft lip and palate is also covered by a dental policy, then teeth capping, prosthodontics and orthodontics will be covered by the dental policy to the limit of coverage provided and any excess after that will be provided by this Policy.

Complications of Pregnancy – A condition needing medical treatment before or after the end of a pregnancy. The condition must be diagnosed as separate or distinct from the pregnancy or caused by it. Examples are:

- Kidney disease or inflammation of kidneys (acute nephritis);
- Heart failure (cardiac decompensation);
- Miscarriage;
- Disease of the blood vessels (vascular), blood cells (hemopoietic), nervous or hormone (endocrine) systems; and
- Similar conditions that can't be classified as a distinct complication of pregnancy but are connected with managing a difficult pregnancy.

Also includes:

- Non-elective Cesarean section;
- Termination of ectopic or tubal pregnancy;
- Excessive vomiting during pregnancy (hyperemesis gravidarum); and
- Hypertension or toxemia (pre-eclampsia).

Dental Services Related to Accidental Injury – Only when such care is for treatment, Surgery or appliances caused by accidental bodily injury (except dental injuries occurring through the natural act of chewing). It's limited to care completed within one year of such accident and while the patient is still covered under this Policy.

Diabetes – Equipment, supplies and Outpatient self-management training and education for the treatment of Covered Persons with diabetes if it's Medically Necessary, and a healthcare professional prescribes it. This healthcare professional must be legally authorized to prescribe such items and follow minimal standards for care for diabetes. These minimal standards of care are adopted and published by the Diabetes Initiative of South Carolina.

The purpose of the Diabetes Initiative of South Carolina is to establish a statewide program of education, surveillance, clinical research and translation of new diabetes treatment methods to serve the needs of state residents.

Services and payment for diabetes education programs will conform to regulations of the U.S. Department of Health and Human Services published according to Section 4105 of the Balanced Budget Act of 1997. Diabetes self-management training and education will be provided on an Outpatient basis when done by a registered or licensed healthcare professional that is certified in diabetes. This certification must be from the National Certification Board of Diabetes Educators, or other accredited program approved by the Diabetes Initiative of South Carolina, or by the Diabetes Control Program of the S.C. Department of Health and Environmental Control.

Diagnostic Services – Medically Necessary procedures ordered by a Physician because of specific symptoms to determine a definite condition or disease. Benefits will be provided on an Inpatient and Outpatient basis. Diagnostic services provided on an Inpatient basis that could have been safely done on an Outpatient basis will not be provided. Diagnostic services include, but are not limited to:

1. Radiology, ultrasound and nuclear medicine;
2. Laboratory and pathology. This does not include services for sexual dysfunction and infertility;
3. ECG, EEG, and other electronic diagnostic medical procedures and physiological medical testing;
4. Surgical pathology — pathological examination of tissue removed surgically, by resection or biopsy, on an Outpatient basis. This does not include smear techniques;
5. Magnetic Resonance Imaging (MRI); and
6. Gastrointestinal Endoscopies.

Durable Medical Equipment, Prosthetic Appliances and Orthotic Devices – If prescribed by a Physician and Medically Necessary for the treatment of the patient’s condition, then benefits are payable for the purchase price or the rental cost up to the purchase price for Durable Medical Equipment, Prosthetic Appliances or Orthotic Devices. Benefits will be reduced to standard equipment allowances when deluxe/specialized equipment is used. The rental benefits cannot exceed the purchase price of the equipment.

Benefits are not available for a penile prosthesis that is necessary due to any medical condition or organic disease. A penile prosthesis will be considered for payment only after Medically Necessary prostate Surgery.

Emergency Medical Care by Non-contracting Facilities – If you or a covered Dependent receives Emergency Medical Care from a Non-contracting Facility, benefits for Covered Services will be paid at a Rate of Payment shown on the Schedule Page if you meet all of these conditions:

- Care must be for an Emergency Medical Condition or it must be determined by us that you or your covered Dependent had no control over the administration of Emergency Medical Care; and
- We must be notified within 24 hours or the next workday, whichever is later, if an Inpatient admission is Medically Necessary due to an Emergency Medical Condition.

Benefits under this provision are subject to the Deductible, the non-Preferred Blue Provider Copayments and Out-of-pocket Expense Limit and to all Policy maximums, limits and exclusions.

Coverage under these circumstances continues only so long as the Emergency Medical Condition exists. Any follow-up care must be provided by a Preferred Blue Provider or non-Preferred Blue Provider for services to be covered.

If you have claims that meet all these conditions, you should write or call the Claims Service Center. Your claims will be reviewed to determine if benefits can be provided at a Rate of Payment shown on the Schedule Page.

Home Health Care Services – If approved, we will provide benefits for the first 40 Home Health Care Visits. Home Health Care includes:

1. Services by a registered nurse (RN);
2. Physical, respiratory, speech and occupational therapy (the Short-term Therapy Maximum Payment applies);
3. Services by a home health aide or medical social worker;
4. Nutritional guidance;
5. Diagnostic services;
6. Administration of Prescription Drugs;
7. Medical and surgical supplies;
8. Oxygen and its administration; and
9. Durable Medical Equipment (A separate Preauthorization Review isn’t needed when we approve the entire Home Health Care plan).

Hospice Care – If approved, we will provide benefits for Hospice Care provided by a licensed Hospice Care Provider. Hospice Care includes:

1. Services provided by a registered nurse (RN) or licensed practical nurse (LPN);
2. Physical, respiratory, speech and occupational therapy (the Short-term Therapy Maximum Payment applies);
3. Services by a home health aide or medical social worker;
4. Nutritional guidance;
5. Diagnostic services;
6. Administration of Prescription Drugs;
7. Medical and surgical supplies;
8. Oxygen and its administration;
9. Durable Medical Equipment (A separate Preauthorization Review isn't needed when we approved the entire Hospice Care plan);
10. Respite care; and
11. Family counseling concerning the patient's terminal condition.

Hospital Services

1. Inpatient Hospital Services – Include:
 - a. A semi-private room and Intensive Care Unit – When a Covered Person is admitted to a Hospital in which all rooms are private, the most prevalent semi-private room rate, as determined by us, will be considered the private room allowance;
 - b. Bed and board – including meals, special diets and general nursing services;
 - c. Ancillary Services, such as:
 1. Use of operating, delivery and treatment rooms;
 2. Prescribed drugs;
 3. Administration of blood and blood processing;
 4. Anesthesia, anesthesia supplies and services provided by an employee of the Hospital;
 5. Medical and surgical dressings, supplies, casts and splints;
 6. Diagnostic services;
 7. Therapy services; and
 8. Rental of Hospital equipment up to the purchase price during the Inpatient stay.

The day that a Covered Person leaves a Hospital, with or without permission, is treated as the day of discharge and will not be counted as an Inpatient care day, unless he or she returns to the Hospital by midnight of the same day. The day the Covered Person returns to the Hospital is treated as the day of admission and is counted as an Inpatient care day. The days during which a Covered Person is not physically present for Inpatient care are not counted as Inpatient days.

2. Outpatient Hospital Services – Include:
 - a. Emergency Medical Care
 - b. Surgery
 - c. Other services not specified above and not specifically excluded.

Human Organ and/or Tissue Transplant – In order for benefits to be provided for covered transplant procedures, Preauthorization must be obtained from us. If written Preauthorization isn't obtained, no benefits will be paid for any transplant procedure.

Benefits for covered transplants are subject to Deductibles, Copayments, the Transplant Lifetime Maximums and a Transplant Benefit Period. Transplant Lifetime Maximums are shown on the Schedule Page. All benefits provided during a Transplant Benefit Period will apply toward the Transplant Lifetime Maximum. Prescription Drugs, however, don't apply toward the Transplant Lifetime Maximum.

Organ transplant coverage includes all expenses for medical and surgical services and supplies you receive for human organ and/or tissue transplants while you are covered under this Policy. This includes donor organ procurement.

1. Kidney transplants for patients with dialysis dependent kidney failure are the only living donor, human organ transplants covered under this Policy. All other living donor, human organ transplants are not covered. Benefits will be subject to the following conditions:
 - a. When both the transplant recipient and the donor are Covered Persons, benefits will be provided for both;

- b. When the transplant recipient is a Covered Person and the donor is not, benefits will be provided for both the recipient and the donor to the extent that benefits to the donor are not provided by any other source. This includes, but is not limited to, other insurance coverage, any government program or any employee welfare plan. Benefits provided to the donor will be charged against the recipient's coverage under this Policy;
 - c. When the transplant recipient is not a Covered Person and the donor is, no benefits will be provided to either the donor or the recipient.
2. Limited benefits are provided for the specified major human organ transplant procedures listed below. These benefits are subject to all other provisions of the Policy.
 - Kidney single/double, pancreas and kidney, heart, lung single/double, liver, pancreas, heart and lung single/double and bone marrow transplants.
 3. Benefits may be available when a malignancy is present for high dose chemotherapy followed by hematopoietic stem support, either autologous (the patient is the donor) bone marrow transplant, peripheral stem cell or allogeneic bone marrow transplant when the procedure is considered Medically Necessary.
 4. Benefits may be available for allogeneic bone marrow transplantation in the treatment of developmental and non-malignant diseases of bone marrow when the procedure is considered Medically Necessary.

Benefits for allogeneic or syngeneic bone marrow transplants as described in items 3 and 4 above are available only if there are at least four out of six histocompatibility complex antigen matches between the patient and the donor and the mixed lymphocyte culture is nonreactive.

5. Transplants of tissue (rather than whole major organs), except fetal tissue, are covered expenses under this Policy, subject to all the provisions of this Policy only as follows:
 - Blood transfusions (but not whole blood and blood plasma);
 - Autologous parathyroid transplants;
 - Corneal transplants;
 - Bone and cartilage grafting; or
 - Skin grafting.

Mastectomy – Hospitalization will be provided for at least 48 hours following a mastectomy. If you're released early, then we'll provide benefits for at least one home care visit if the attending Physician orders it.

We'll also provide benefits for prosthetic devices and reconstruction of the breast on which the mastectomy was performed. This includes Surgery and reconstruction of the non-diseased breast to produce a symmetrical appearance as determined in consultation with the attending Physician and the patient.

Medical Supplies – Benefits are payable for Medically Necessary supplies.

Mental Health Services and/or Substance Abuse Care – Benefits will be paid for Mental Health Services and/or Substance Abuse care when a Covered Person is a patient in a Hospital or Psychiatric/Substance Abuse Facility or is receiving Outpatient services. Mental Health Services and/or Substance Abuse care do not include conditions related to attention deficit disorder, learning disabilities, behavioral problems or Inpatient confinement for environmental changes; marriage, family or child counseling for the treatment of premarital, family or child relationship dysfunctions.

The Lifetime Maximum Payment for Inpatient and Outpatient treatment for Mental Health Services and/or Substance Abuse care is combined and is shown on the Schedule Page.

Amounts a Covered Person pays for Mental Health Services and/or Substance Abuse care will not apply toward the Out-of-pocket Expense Limit and the Rate of Payment for these services will not be increased to 100% when the Out-of-pocket Expense Limit is met.

Out-of-country – We will provide Out-of-country benefits based on the Preferred Blue Provider allowance or the total charge, whichever is less. Out-of-country benefits consist of all services provided or supplies received outside the United States.

Physician Services – Benefits do not include: the reversal of sterilization, infertility or impotency treatment, treatment of sexual dysfunction, or for the enhancement of sexual performance; transsexual procedures; refractive care, such as radial keratotomy, laser eye Surgery or LASIK; dorsal rhizotomy in the treatment of spasticity; the treatment of obesity or for the purpose of weight reduction including, but not limited to, gastric-by-pass or gastric banding, intestinal bypass, liposuction and any related procedures as well as any complications from or the reversal of such restrictive and diversionary procedures. Reconstructive procedures made necessary by weight loss and any Hospital services associated with any of the above services or procedures are also not included in these benefits.

1. Surgical Services

- a. Special Services – Reconstructive Surgery to restore bodily function or correct deformity resulting from disease, trauma, congenital anomalies or developmental anomalies.
- b. Multiple Surgical Procedures – When multiple surgical procedures are performed through the same incision or body opening during one operation, benefits are provided only for the primary procedure, unless more than one body system is involved or the procedures are required for management of multiple trauma.

If two or more surgical procedures are performed through different incisions or body openings during one operation, benefits are provided for the additional procedures at 50% of the Allowable Charge for each procedure. No additional benefits are payable for more than four procedures performed during one operation.

When more than one skin lesion is removed at one time, the Allowable Charge is covered for the largest lesion, 50% of the Allowable Charge is covered for the removal of the second largest lesion and 25% of the Allowable Charge is covered for removing any other lesions.

Certain surgical procedures, which are normally exploratory in nature, are designated as "Independent Procedures" by us and the Allowable Charge is covered when such a procedure is performed as a separate and single entity. However, when an Independent Procedure is performed as an integral part of another surgical service, the total amount covered will be the Allowable Charge for the major procedure only.

- c. Anesthesia – Administration of anesthesia ordered by the attending Physician and provided by a Physician other than the surgeon or assistant at Surgery.

2. Inpatient Services – Medical care (except for routine nursery charges and the first medical exam of a newborn well baby) provided by a Physician to a Covered Person, as a patient in a Hospital for a condition not related to Surgery or pregnancy, except as specifically provided herein. Benefits will not be provided for tests or treatment as an Inpatient that could have been safely done as an Outpatient.

- a. Inpatient Medical Care Visits – Visits are limited to one per day. Inpatient medical services also include diagnostic services and therapy services done concurrently with medical care.
- b. Intensive Medical Care – If a Covered Person's condition requires intensive medical care, benefits are payable for one intensive medical care visit a day by the attending Physician.
- c. Consultation – A consultation from another Physician may be ordered by a patient's attending Physician. For each consulting Physician, benefits are payable for one consultation during a single admission to a Hospital or Skilled Nursing Facility.

Benefits are not payable for daily medical visits by more than one Physician unless the Covered Person has a separate medical condition the attending Physician can't treat. In this type of situation, benefits may be payable for one daily visit by each Physician.

Daily care by the surgeon, as well as pre- and post-operative care, is included in the benefits for Surgery. Unless the Covered Person has a medical condition a surgeon can't treat, we will not provide benefits for medical care visits if the Covered Person is hospitalized for Surgery.

3. Outpatient Medical Services – Medical care provided by a Physician to a Covered Person in an Outpatient setting for a condition not related to Surgery or pregnancy, except as specifically provided. Outpatient medical services do not include charges for telephone consultations, failure to keep a scheduled appointment, completion of claim forms or for furnishing medical records.

- a. Emergency Medical Care – The treatment of an Emergency Medical Condition.

- b. Non-Routine Office Visits – Medical care visits and consultation for the examination, diagnosis and treatment of an injury or illness. Eligible Physician charges do not include "virtual office visits" on the Internet. A "virtual office visit" on the Internet occurs when the Physician, "treating," consulting, diagnosing, writing or approving a prescription, has never physically seen or physically examined the Covered Person.
- c. Home and Other Outpatient Visits – Medical care visits and consultations for the examination, diagnosis and treatment of an injury or illness.

Prescription Drugs – After the Prescription Drug Deductible, if shown on the Schedule Page, has been satisfied, benefits for Prescription Drugs are payable as specified on the Schedule Page. We will cover only the most cost-effective Prescription Drugs available at the time you fill your prescription. This includes the use of Generic Drugs, according to all legal and ethical standards.

Prescription Drugs must be consistent with the diagnosis and treatment of a covered illness, injury or condition; or not excessive in terms of the scope, duration or intensity of drug therapy that is needed to provide safe, adequate and appropriate care. Benefits for the daily dosage of a Prescription Drug will be provided as recommended as described in the current *Physician's Desk Reference* or as recommended under the guidelines of our Pharmacy Benefit Manager, whichever is lower.

If a Physician prescribes a Brand-name Drug for a specific medical reason and says there is to be no substitution of that drug, then benefits are payable as shown on the Schedule Page. If a Physician allows the substitution of a Brand-name Drug and you still request the Brand-name Drug, then any difference between the cost of a Generic Drug and the higher cost of a Brand-name Drug will be your responsibility.

Insulin will be treated as a Prescription Drug whether it's injectable or otherwise. Prescription Drugs do not include devices of any type, except contraceptive devices when shown on the Schedule Page; artificial appliances; Medical Supplies (Medical Supplies are paid under the regular Policy benefits); food supplements; Prescription Drugs for which there is an Over-the-counter Drug equivalent; and Over-the-counter Drugs, devices, supplies or supplements.

Prescription Drugs must be dispensed in a licensed Pharmacy. Eligible Prescription Drugs do not include drugs obtained from a "virtual office visit" on the Internet. A "virtual office visit" on the Internet occurs when the Physician, "treating," consulting, diagnosing, writing or approving a prescription, has never physically seen or physically examined the Covered Person.

The Pharmacy Benefit Manager (PBM) for us and some of our subsidiaries, contracts with and manages the Pharmacy network, negotiates prices with the Contracting Pharmacies and performs other administrative services. We receive a portion of the financial credits from drug manufacturers through the PBM. These credits are based on the total volume of claims processed for Preferred Drugs used by all of our policyholders and eligible dependents, and certain policyholders and eligible dependents of plans issued by some of our subsidiaries. Because these credits are based upon volume, neither we nor the PBM can relate any one claim to a Preferred Drug credit. The credits are therefore used to help stabilize overall rates and to offset costs. Reimbursements to Pharmacies, or discounted prices charged at Pharmacies, are not affected by these credits.

Any Coinsurance percentage that you must pay for Prescription Drugs is based on the Allowable Charge at the Pharmacy. It does not change when we receive any Preferred Drug credit. Copayments are flat amounts and likewise do not change when we receive PBM credits.

Some Prescription Drugs require Preauthorization by us prior to being filled. Please contact the Claims Service Center to see if a specific drug requires Preauthorization.

Anti-rejection drugs (immunosuppressants) are covered under this benefit.

Benefits will not be provided or paid for the following:

1. Service charges or handling fees for a Prescription Drug; or
2. Prescription Drugs that are not Medically Necessary.

When you buy drugs from a Contracting Pharmacy, you must show the pharmacist your Blue Cross ID card. The pharmacist will know not to charge you more than the Allowable Charge for the drugs. Non-Contracting Pharmacies can charge you more than the Allowable Charge. Benefits for drugs purchased from non-Contracting Pharmacies will be paid at a lower percentage.

If you purchased the Optional Drug Card, you (or your covered Dependent) must pay the Contracting Pharmacy:

1. The lesser of the Prescription Drug Copayment or the Contracting Pharmacy's usual, reasonable and customary charge that would be charged to a non-covered person; or
2. 100% of the Prescription Drug Copayment;
3. Any type of service charge including the administration or injection of a Prescription Drug; or
4. 100% of the cost of a Prescription Order when a Covered Person fails to show their identification card.

If a Contracting Pharmacy is NOT used, you (or your covered Dependent) must:

1. Pay the Pharmacy in full for the Prescription Order; and
2. File a claim form with us for reimbursement – the claim form must be obtained from us.

Preventive Benefits

1. Mammograms – Routine mammography benefits will be provided, as shown on the Schedule Page, for any female Covered Person according to the most recently published American Cancer Society (ACS) guidelines. The most recently published ACS guidelines, dated July 1, 1998, recommends an annual mammography for women age 40 and over. The ACS guidelines are subject to change. If you have access to the Internet, you can find more details about mammograms and breast cancer or see the latest guidelines on ACS' Web site: www.cancer.org. A Contracting Mammography Provider must provide the services. These Providers are listed separately from the regular Preferred Blue Providers in the directory.

Mammograms done for other than routine purposes are subject to the Deductible and Coinsurance.

2. Pap Smears – We'll provide benefits for one routine pap smear screening, for any female Covered Person per Benefit Period, or more often if recommended by a medical doctor. The services must be provided by a Preferred Blue Provider.

A pap smear is an examination of cervical cells for the purpose of detecting cancer.

Pap smears for other than routine purposes will be paid as Outpatient diagnostic services.

3. Prostate Examinations – We'll provide benefits for prostate examinations, screening and lab work according to the most recently published American Cancer Society (ACS) guidelines. As of July 1, 1998, ACS recommends all men over age 50 and in high-risk groups have an annual Prostate Specific Antigen (PSA) blood test and a Digital Rectal Exam (DRE). The ACS guidelines are subject to change. If you have access to the Internet, you can find more details about prostate cancer or see the latest guidelines on ACS' Web site, www.cancer.org. The services must be provided by a Preferred Blue Provider.

Prostate examinations, screening and laboratory work help detect prostate cancer.

Prostate examinations, screening and lab work for other than routine purposes will be paid as Outpatient diagnostic services.

4. OB-GYN Examinations – We'll provide benefits for two routine OB-GYN examinations annually, for any female Covered Person. The services must be provided by a Preferred Blue Provider.

OB-GYN examinations done for other than routine purposes will be paid as Outpatient diagnostic services.

Rehabilitation – Benefits for taking part in a multi-disciplinary team-structured rehabilitation program following severe neurological or physical disability are available. The Lifetime Maximum Payment is shown on the Schedule Page.

For these benefits to be available, you must meet these requirements:

1. A Physician must order all such care; and
2. Blue Cross must preapprove all such care in writing and it must be done at a Designated Provider; and
3. The documentation that goes with a request for a Preadmission/Preauthorization Review must have a detailed patient evaluation from a Physician. This evaluation must document to a reasonable degree of medical certainty that the patient has rehabilitation potential, and there is belief that this patient will be able to provide self-care and carry out his or her activities of daily living.

In order for benefits to continue, all care is subject to periodic review. This review will require documentation that the patient is making substantial progress toward set goals and that there continues to be significant potential for the patient to achieve these rehabilitation goals.

Skilled Nursing Facility Services – Services in a Skilled Nursing Facility. These services must: 1) follow the onset of an injury or illness that occurred after the Effective Date; and 2) begin within 14 days after being discharged from a Hospital following an authorized hospitalization.

Therapy Services

1. Short-term Therapy Services – Benefits for the following Medically Necessary services and supplies will be provided, when ordered by a Physician, to promote the recovery of the Covered Person from an illness, disease or injury.

The Maximum Payment per Covered Person per Benefit Period for Short-term Therapy Services is shown on the Schedule Page. A licensed therapist must perform these services.

- a. Occupational Therapy — Treatment of a physically disabled person 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.
 - b. Physical Therapy — The treatment by physical means, hydrotherapy, heat or similar modalities, physical agents, bio-mechanical and neuro-physiological principals and devices to relieve pain, restore maximum function and prevent disability following disease, injury or loss of body part.
 - c. Respiratory Therapy — Introduction of dry or moist gases into the lungs for treatment purposes.
 - d. Speech Therapy — Treatment for the correction of a speech impairment resulting from disease, Surgery, injury, congenital and developmental anomalies, or previous therapeutic processes.
2. Other Therapy Services
 - a. Chemotherapy — The treatment of malignant disease by chemical or biological antineoplastic agents that have received full, unrestricted market approval from the FDA.
 - b. Dialysis Treatment — The treatment of acute renal failure or chronic irreversible renal insufficiency for removal of waste materials from the body to include hemodialysis or retinol dialysis. Dialysis treatment includes home dialysis.
 - c. Radiation Therapy — The treatment of disease by x-ray, radium or radioactive isotopes.

E. THE BLUECARD[®] PROGRAM

The “BlueCard Program” means the program in which all Blue Cross and Blue Shield Plans participate. This program benefits Blue Cross and Blue Shield members who receive Covered Services outside the geographic area that Blue Cross and Blue Shield of South Carolina serves. The Blue Cross and Blue Shield Plan where you are is treated is the “Host Plan”.

Whenever you receive healthcare services through BlueCard outside our service area, the amount you pay for Covered Services is calculated on the **lower** of:

- The billed charges for your Covered Services; or
- The negotiated price that the Host Blue Cross and/or Blue Shield Plan passes on to us.

Blue Cross and Blue Shield is the entity with which you have the policy. The Host Plan is only responsible for contracting with its participating out-of-area Providers and handling all interaction with its participating out-of-area Providers under the BlueCard Program.

Often, this “negotiated price” will be a simple discount that reflects the actual price the Host Plan pays. Sometimes, it is an estimated price that takes into account special arrangements with the Provider or Provider group that includes settlements, withholds, non-claims transactions (such as provider advances) and other types of variable payments. Occasionally, it may be an average price, based on a discount that results in expected average savings after taking into account the same special arrangements used to obtain an estimated price. Average prices tend to vary more from actual prices than estimated prices.

Negotiated prices may be adjusted going forward to correct for over- or underestimation of past prices. However, the amount you pay is considered a final price.

Laws in a small number of states may require the Host Plan to add a surcharge to your calculation. If any state laws mandate other liability calculation methods, including a surcharge, we would then calculate your liability for any covered healthcare services according to the applicable statute in effect when you received care.

F. SPECIAL DENTAL SERVICES

Special Dental Services are divided into three classes: Class I, Class II and Class III.

Benefits for covered Special Dental Services are paid at the Rate of Payment as shown on the Schedule Page. Class II and III are subject to the Special Dental Services Deductible as shown the Schedule Page.

The Maximum Payment per Covered Person per Benefit Period is shown on the Schedule Page. The Special Dental Services Maximum Payment is for all Classes combined.

Special Dental Services benefits are payable to one dentist or oral surgeon. If you transfer from the care of one dentist or oral surgeon to the care of another for the same course of treatment, or if more than one dentist or oral surgeon performs services for the same procedure, benefits are payable as if only one dentist or oral surgeon performed the treatment or procedure.

Dental Services related to an accidental injury are covered under the Dental Services Related to Accidental Injury section of this Policy.

1. Class I — Diagnostic and Preventive Services
 - a. Dental examinations and diagnosis once each Benefit Period.
 - b. Full mouth x-rays once every five years. The five-year period begins on the date you have full mouth x-rays after coverage becomes effective.
 - c. Supplementary bitewing x-rays once every three years. The three-year period begins on the date you have supplementary bitewing x-rays after this coverage becomes effective.
 - d. Cleaning, scaling, and polishing of teeth once each Benefit Period.
 - e. Fluoride treatment for the Covered Person if he or she is under age 19, once each Benefit Period.
 - f. Emergency palliative treatment for pain relief.
 - g. Space maintainers for prematurely lost deciduous (baby) teeth for the Covered Person if he or she is under age 19.
 - h. Diagnostic casts not made in conjunction with any type of prosthodontics (Class III).
 - i. Pulp vitality tests.
 - j. Sealant on permanent teeth that have not had any fillings for children ages 6 -15.
2. Class II — Basic Dental Services and Oral Surgery
 - a. Fillings consisting of amalgam and tooth-colored synthetic materials.
 - b. Simple extractions.
 - c. Oral Surgery.
 - d. Medically Necessary general anesthesia administration during oral Surgery.
 - e. Medical Necessary services of an assistant surgeon during covered dental Surgery.
 - f. Management of acute infections and oral lesions.
3. Class III — Prosthodontic, Periodontic and Endodontic Services
 - a. Inlays that are not part of a bridge.
 - b. Crowns that are not part of a bridge.
 - c. Onlays that are not part of a bridge.
 - d. Removable dentures (complete and partial) and bridges (fixed and removable) every five years, except those needed because of loss or theft. The five-year period begins on the date you get dentures or bridges after this coverage becomes effective.
 - e. Fixed bridge and removable denture repair.
 - f. Relining or rebasing of removable dentures every six months after initial placement, then once every three years thereafter.
 - g. Pulp capping and root canal treatment.
 - h. Hemisection.
 - i. Apicoectomy (amputation of the apex of a tooth root).
 - j. Surgical periodontic examination.
 - k. Gingival curettage.
 - l. Gingivectomy and gingivoplasty.
 - m. Osseous Surgery including flap entry and closure.
 - n. Mucogingivoplastic Surgery.
 - o. Periodontal cleanings once every three months after the initial periodontic treatment is documented.

See "Exclusions and Limitations" Section of this Policy for Exclusions and Limitations applicable to the Special Dental Services.

Special Dental Services Waiting Period

Beginning with the Effective Date of your coverage under this Policy, there is a 12-month waiting period for Class III Dental Services.

These waiting periods do not apply in cases of emergency if there is no previous medical history of the condition prior to the Effective Date of your coverage.

G. PRE-EXISTING CONDITION LIMITATION

Services or supplies for Pre-existing Conditions are not covered until the patient has been insured for 12 months under this Policy.

A Pre-existing Condition is a condition:

1. That is misrepresented or not revealed in the application and for which symptoms existed before the Effective Date of coverage under this Policy that would cause a reasonable person to seek diagnosis, care or treatment; or
2. For which medical advice or treatment was recommended by or received from a Physician.

Pre-existing Conditions do not include congenital anomalies of a covered Dependent child.

Genetic Information will not be treated as a Pre-existing Condition in the absence of a diagnosis of the condition related to such information.

H. EXCLUSIONS AND LIMITATIONS

Except as specifically provided in this Policy, no benefits will be provided for:

1. Treatment provided in a government Hospital that you are not legally responsible for; or for which benefits are provided under Medicare or other governmental programs (except Medicaid);
2. Any charges for services or supplies for which you are entitled to payment or benefits (whether or not you have applied for such payment or benefits) under any motor vehicle no-fault law;
3. Injuries or diseases paid by workers' compensation (if a workers' compensation claim is settled, then we'll consider it paid by workers' compensation);
4. Separate charges for services provided by employees of Hospitals, laboratories or other institutions; for services or supplies performed or furnished by a member of the Covered Person's immediate family; and for services for which a charge is normally not made in the absence of insurance;
5. Cosmetic Surgery: Cosmetic Surgery does not include reconstructive Surgery when services are incidental to or following Surgery resulting from trauma, infection or other diseases of the involved part, and reconstructive Surgery because of congenital disease or anomaly of a covered Dependent child which has resulted in a functional defect;
6. Illness contracted or injury sustained as the result of: war or act of war (whether declared or undeclared); participation in a felony, riot or insurrection; service in the armed forces or an auxiliary unit;
7. Rest cures and Custodial Care;
8. Transportation, except as shown in *Covered Services*;
9. Routine physical examinations, except as shown in *Covered Services*;
10. Foot care in connection with corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain or symptomatic complaints of the feet. This exclusion does not include corrective Surgery or treatment for metabolic or peripheral vascular disease;
11. Dental care or treatment, except as shown in *Covered Services* and provided under *Special Dental Services*, as follows:
 - Orthodontic treatment, services and supplies except orthodontics necessary for care and treatment of cleft lip and palate.
 - Services or supplies related to teeth that were missing before the Effective Date of coverage.
 - Implants or bridges involving implants.
 - Appliances or restoration to increase vertical dimension or restore an occlusion.
 - Services or supplies for cosmetic or aesthetic purposes including personalized or characterization of dentures.

- Replacement of a denture that could have been repaired or extended.
 - Treatment after you are no longer covered even if treatment began before this coverage was cancelled. Benefits are payable for dentures ordered and fitted while coverage was still in effect if the dentures are delivered within 31 days of the cancellation date. Benefits may also be payable for completion of Special Dental Services that are part of a treatment plan approved by us before the cancellation date if the services are completed within 30 days of the date the treatment plan was approved.
 - Treatment that is more expensive than necessary. If you or your dentist or oral surgeon choose a course of treatment that is more expensive than that of other Providers, benefits are payable for the less costly procedure if it is consistent with accepted standards of dental practice.
 - Services or supplies for which the provider does not charge.
 - Charges for missed appointments or for non-dental services, such as completion of claim forms, reports or booklets.
 - Charges for visits at home or in the Hospital, except in connection with emergency care.
 - Services submitted after the time limit for filing claims has expired.
12. Eyeglasses; contact lenses (except after cataract Surgery) and hearing aids and examinations for their prescribing or fitting;
 13. Normal pregnancy or childbirth, except as provided when the Optional Maternity Endorsement is purchased. Your Schedule Page will show if you have purchased the Optional Maternity Endorsement;
 14. Treatment, services or supplies received as a result of suicide, attempted suicide or intentionally self-inflicted injuries whether the patient was sane or insane;
 15. Treatment, services or supplies received in connection with the detection and correction by manual or mechanical means of structural imbalance, distortion, or subluxation in the body for purposes of removing nerve interference and the effects of such nerve interference, where such interference is the result of or related to distortion, misalignment or subluxation of, or in, the spinal column;
 16. Any service or supply related to dysfunctional conditions of the muscles of mastication or derangement of the temporomandibular joint (TMJ), including office visits, splints, braces, guards, etc. This exclusion, however, will not apply to Medically Necessary surgical correction of disorders of TMJ. As used in this exclusion, Medically Necessary surgical correction of TMJ means: surgical correction of skeletal malrelationships or deformities of the jaws that cause documented chronic, persistent pain or debilitating loss of function and have required treatment or medication. The presence of a documented congenital anomaly alone does not establish medical necessity. Preauthorization is required.

H. OTHER POLICY PROVISIONS

1. **Claim Forms:** When we receive notice of a claim, we will send the claimant forms for filing proof of loss.
2. **Conformity with State Statutes:** Any provision of this Policy which, on its Effective Date, is in conflict with the laws of the state in which it is delivered on that date is amended to conform to the minimum requirements of such laws.
3. **Entire Policy; Changes:** This Policy, together with the application and any attached papers, is the entire Policy between you and Blue Cross and Blue Shield of South Carolina. No agent can change it in any way. Only an officer of ours can approve a change. That change must be shown on your Policy.
4. **Governing Law:** This Policy and all endorsements and amendments issued hereunder will be construed according to and controlled by the applicable laws and regulations of the State of South Carolina.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) became a law on August 21, 1996. This law affects group and individual health plans. It includes important protections for individuals, including those who move from one job to another or who are self-employed, and who have Pre-existing Conditions.
5. **Grace Period:** This Policy has a 31-day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the Grace Period the Policy will stay in force.

6. **Illegal Occupation:** We are not liable for any loss that results from the Covered Person committing, or attempting to commit a felony or from a Covered Person engaging in an illegal occupation.
7. **Intoxicants and Narcotics:** We are not liable for any loss resulting from the Covered Person being intoxicated or under the influence of any narcotic unless taken on the advice of a Physician.
8. **Legal Actions:** No legal action may be brought to recover on this Policy within 60 days after written proof of loss has been given as required by this Policy. No such action may be brought after six years from the time written proof of loss is required to be given.
9. **Meetings of Insured Persons:** While this Policy is in force, you are a member of Blue Cross and Blue Shield of South Carolina. You are entitled to vote at any meeting of members. Our annual meeting is held at our Home Office in Columbia, South Carolina, on the first Thursday of April. Notice of the annual meeting is given by your acceptance of this Policy. We will mail you notice of any special meeting of members 30 days before such meeting.
10. **Misstatements of Age:** If any relevant fact about a person to whom the insurance relates has been misstated, the true facts will be used to determine whether the insurance is in force and in what amount. If the age of a Covered Person has been misstated and if the amount of the premiums is based on age, an adjustment in premiums, coverage, or both, will be made based on the Covered Person's true age. No misstatement of age will continue insurance otherwise validly terminated or terminate insurance otherwise validly in force. This Policy is issued to individuals from birth up to 64 years of age or Medicare eligibility, whichever occurs first.
11. **Non-assessable:** This is a Non-assessable Policy. You, the Policyholder, are not subject to any assessment for any contingent liability. This means that if, for any reason, we owe money, you are not responsible for paying it.
12. **Notice of Claim:** Written notice of claim must be given within 20 days after a covered loss starts or as soon as reasonably possible. The notice may be given to us at our home office or to our agent. Notice should include the name of the Covered Person and the Policy number.
13. **Other Valid Coverage; Proration:** This Policy is not meant to duplicate other valid coverage you have with other Health Insurance policies. "Other Valid Coverage" is defined as Health Insurance coverage that is similar to the coverage provided by this Policy, coverage provided by hospital or medical service organizations, coverage provided by union welfare plans or employee benefit organizations, but not group or individual Health Insurance with us.

If you have Other Valid Coverage, we will "prorate" benefit payments when your claim is received. We will carefully consider all of the valid Health Insurance that covers your claim. We will determine our responsibility for your loss in proportion to the responsibility that should be accepted by other insurance companies, and we will pay the portion of your claim we are responsible for.

If your claim is prorated, the portion of the premiums you paid for coverage that we did not accept as our responsibility will also be prorated. This will be based on premiums paid during the time both policies were in effect and the treatment was being provided.
14. **Payment of Claims:** We will pay all benefits directly to the Policyholder when we receive written proof of loss. The Policyholder is expressly prohibited from assigning any benefits due unless we determine otherwise. We will pay benefits as described in this Policy directly to the Provider if we have a written agreement for direct payment of benefits with that Provider.
15. **Physical Examinations:** We have the right to have a Physician examine any person as often as reasonably necessary while a claim is pending or after our Medical Services staff has been contacted for review of medical services. We will pay for the cost of these examinations. We may also have an autopsy done during the period of contestability unless prohibited by law. The autopsy must be performed in South Carolina.
16. **Proofs of Loss:** Written proof of loss must be furnished to us at our said office within 90 days after the date of such loss. Failure to furnish such proof within the time required will not invalidate nor reduce any claim if it was not reasonably possible to furnish proof. In no event, except in the absence of legal capacity, will written proofs of loss be furnished later than one year from the time the proof is otherwise required.

17. **Reinstatement:** If any renewal premium is not paid within the time granted, the Policy will lapse. We may reinstate the Policy, provided:
- You complete an application for reinstatement; and
 - The unpaid premium is not more than 60 days overdue; and
 - You pay all overdue premiums (note: you will be given a conditional receipt for the premium); and
 - You furnish evidence of insurability, if required; and
 - We approve your request for reinstatement.

If your request is approved, the Policy will be reinstated on the date the Policy lapsed. Lacking such approval, the Policy will be reinstated on the 45th day after the date of the conditional receipt unless we have previously written you of our disapproval. The Policy will be reinstated on the date the Policy lapsed, if requirements (a) through (d) above have been met. If your request is disapproved, we will refund the premium submitted.

Reinstated insurance will provide benefits, subject to all conditions in this Policy, for:

- Injury sustained on or after the reinstatement date; and
- An illness that begins more than 10 days after the reinstatement date.

Reinstated insurance will provide benefits under any Endorsement(s) attached to the Policy only for services that begin after the date of reinstatement. After the Policy is reinstated, you and Blue Cross will have the same rights as existed just before the due date.

18. **Right to Transfer:** Any person purchasing an individual accident, health or accident and Health Insurance policy, will have the right to transfer to any individual policy of equal or lesser benefits offered for sale by Blue Cross and Blue Shield of South Carolina at the time transfer is sought. Any special provision excluding coverage for a specified condition may remain after the transfer, and any waiting period or Pre-existing Condition limitation period specified in the Policy to which transfer is made may be required to be served after the transfer.
19. **Subrogation Right:** We may exercise our subrogation right if:
- A claim is made to us for an illness or injury that results in charges under this Policy; and
 - A third party that, in our opinion may be liable, is reasonably expected to reimburse you for those charges, we will be subrogated and will succeed to individual rights of recovery against such third party to the full extent of the amount of benefits paid by us. You should, at our request, give us any information we may need and sign any documents that may be required to assist us in recovering this amount, and do nothing to prejudice our subrogation rights. We will pay our portion of attorney fees and costs incurred in pursuing our subrogation recovery.

You have the right to petition the Director of the Department of Insurance to determine if our subrogation action is inequitable or unjust.

Subrogation means that we are allowed to recover the amount of medical benefits we have paid at the time you settle a lawsuit or a judge or jury awards you money resulting from an accident.

20. **Time Limit On Certain Defenses:** After two years from the issue date only fraudulent misstatements in the application may be used to void the Policy or deny any claim for loss incurred or disability that starts after the two year period.
21. **Time of Payment of Claim:** Indemnities payable under this Policy for any loss will be paid upon receipt of due written proof of such loss.
22. **Unpaid Premium:** When a claim is paid, any premium due may be deducted from the claim payment.

AMENDMENT TO THE PERSONAL BLUEPLANSM POLICY (Policy Form No. listed below)

HIPAA AMENDMENT

Subject to all provisions of the Personal BluePlan Policy, form number listed below, the policy is amended by the following:

This Amendment is a supplement to the policy and is effective immediately.

The Definitions section has modified by the revision of the following:

Creditable Coverage: Health coverage subject to Health Insurance Portability and Accountability Act of 1996 (HIPAA). There must be no more than a 63-day break between two different health coverages.

When your or your dependent's coverage under this policy ends, you or your dependent has the right to receive a certification showing the period of coverage you had under this policy. This period of coverage is called Creditable Coverage. You or your dependent may also request the Certificate of Creditable Coverage from us even if your coverage is still in force. To request the Certificate of Creditable Coverage, please write to or call our Member Services Center at the address or phone number listed in the *How to Contact Us* section.

It may be that credit for the period of this coverage will be given, if a future employer with a group health insurance plan has a pre-existing condition exclusion period, so long as there is no more than a 63-day break in coverage between this coverage and any succeeding coverage. If you leave the future group health insurance, the time of coverage under this policy may help reduce a pre-existing condition exclusion period with the South Carolina Health Insurance Pool.

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James A. Deyling
President

Blue Cross and Blue Shield Division

HIPAA ind (4/05)

12100M-30 Day, 12130M-30 Day, 12326M-30 Day,
12133M-30 Day, 12099M-30 Day, 12136M-30 Day,
12327M-30 Day, 12139M-30 Day, 12104M-30 Day,
12328M-30 Day, 12106M-30 Day, 12329M-30 Day,
12505M-30 Day, 12520M-30 Day, 12791M

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SMService Mark of the Blue Cross and Blue Shield Association.

Ord. #12725M (Rev. 5/10)

AMENDMENT TO THE PERSONAL BLUEPLAN POLICY
(Policy Form No. listed below)

This Amendment is subject to all the provisions of the Personal BluePlan Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

This Amendment is a supplement to the Policy and is effective on or after November 1, 2003.

The Policy is revised as follows:

Section D. Covered Services, Human Organ and/or Tissue Transplant, subparagraph 1. is deleted in its entirety and the following substituted therefore:

1. Kidney transplants for patients with dialysis dependent kidney failure and liver transplants are the only living donor, human organ transplants covered under this Policy. All other living donor, human organ transplants are not covered. Benefits will be subject to the following conditions:

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

The Effective Date of this Amendment is the Effective Date of the Policy to which it is attached or the Amendment date, whichever is later.

Blue Cross and Blue Shield of South Carolina
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(www.SouthCarolinaBlues.com)



James A. Deyling
President

Blue Cross and Blue Shield Division

PBP – Live liver Amend (7/03)

12100M-30 Day, 12326M-30 Day,
12130M-30 Day, 12133M-30 Day,
12099M-30 Day, 12327M-30 Day,
12136M-30 Day, 12139M-30 Day,
12505M-30 Day, 12520M-30 Day,
12104M-30 Day, 12328M-30 Day,
12106M-30 Day, 12329M-30 Day,
12791M

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Ord. #12252M (Rev. 5/10)

AMENDMENT TO THE PERSONAL BLUEPLAN POLICY
(Policy Form No. listed below)

DISCOUNTED SERVICES AMENDMENT

This Amendment is subject to all the provision of the Personal BluePlan Policy, form number listed below, which is not otherwise specified in the provision of this Amendment.

**THIS AMENDMENT IS A SUPPLEMENT TO THE POLICY AND IS EFFECTIVE
BEGINNING JANUARY 1, 2004.**

The following section has been revised:

D.1 ADDITIONAL SERVICES

Discounted Services

Discounts for certain additional services and products are available to Covered Persons through networks that Blue Cross contracts with for a wide range of health and wellness programs. Services may include, but are not limited to: chiropractic, massage therapy, acupuncture, vitamin and herbal supplements, laser eye surgery (LASIK) and hearing aids. All services and programs may not be available in all areas and at all times.

These are added-value discount programs. The discounts on services and products are offered to Blue Cross policyholders in addition to the benefits covered under your Policy. **Blue Cross is not responsible for any costs associated with these programs.**

To receive these special discounts, all you have to do is show your ID card when you receive any of these services. There are no claims to file.

For more details on these programs, visit our Web site at www.SouthCarolinaBlues.com or refer to your Value Added Advantage Brochure.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

The Effective Date of this Amendment is the Effective Date of the Policy to which it is attached, or the Amendment date, whichever is later.

Blue Cross and Blue Shield of South Carolina
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www.SouthCarolinaBlues.com



James A. Deyling
President

Blue Cross and Blue Shield Division

CAM individual (Rev. 11/03)

12100M-30 Day, 12130M-30 Day, 12326M-30 Day,
12133M-30 Day, 12099M-30 Day, 12136M-30 Day,
12327M-30 Day, 12139M-30 Day, 12104M-30 Day,
12328M-30 Day, 12106M-30 Day, 12329M-30 Day,
12505M-30 Day, 12520M-30 Day, 12791M
Ord. #12416M (Rev. 5/10)

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AMENDMENT TO THE PERSONAL BLUEPLANsm POLICY
(Policy Form No. listed below)

SPECIALTY DRUGS AMENDMENT

This Amendment is subject to all the provisions of the Personal BluePlan Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

This Amendment is a supplement to the Policy and is effective on or after November 1, 2007.

The Policy is amended as follows:

Section B. *Definitions*, is amended by the addition of the following definitions:

Dose: An approved quantity for a prescription or refill or single treatment of a Specialty Drug. No Dose may exceed a 31-day supply.

Specialty Drugs: FDA approved Prescription Drugs that treat a complex clinical condition and/or require special handling such as refrigeration. They normally require unusual/complex clinical monitoring and special training. Specialty Drugs include but aren't limited to infusible specialty drugs for acute and chronic diseases, injectable and self-injectable drugs for acute and chronic diseases, biotechnology medicines and specialty oral drugs or other dosage forms.

Specialty Drug Copayment: The amount payable (if any) by the Member for each Specialty Drug, as shown on the Schedule Page. The Specialty Drug Copayment will be the Deductible or the Out-of-pocket Expense Limit shown on the Schedule Page and will continue to apply even after you reach your Out-of-pocket Expense Limit.

Specialty Drug Network Provider: A Provider that has a written agreement to participate in a special pharmaceutical network with the Corporation to provide Specialty Drugs. A Specialty Drug Network Provider also agrees to accept the Corporation's allowance as payment in full for Covered Expenses except for any Deductibles, Copayments and Coinsurance due from the Member. A Specialty Drug Network Provider may be different from a Preferred Blue Provider.

Section D. *Covered Services, Prescription Drugs* is amended by the addition of the following paragraph. The revision should not be construed as a complete replacement of the noted benefit:

Specialty Drugs are not covered under this benefit.

Section D. *Covered Services*, is amended by the addition of the following:

Specialty Drugs: A Physician must prescribe Specialty Drugs. The prescription must be filled by a Specialty Drug Network Provider. Benefits for covered Specialty Drugs dispensed to you shall not exceed the quantity and benefit maximum, if any, as shown on your Schedule Page. You may obtain a list of Specialty Drugs by contacting the Claims Service Center or you can get the list from our Web site at www.SouthCarolinaBlues.com. **Preauthorization is required for benefits to be available.**

Specialty Drugs must be consistent with the diagnosis and treatment of a covered illness, injury or condition; or not excessive in terms of the scope, duration or intensity of drug therapy that is needed to provide safe, adequate and appropriate care.

The Pharmacy Benefit Manager (PBM) for us and some of our subsidiaries, contracts with and manages the Specialty Drug Network Provider network, negotiates prices with the Specialty Drug Network Providers and performs other administrative services. We receive financial credits directly from drug manufacturers through our PBM. The credits are used to help stabilize overall rates and to offset expenses. Reimbursements to Specialty Drug Network Providers, or discounted prices charged at Specialty Drug Network Providers, are not affected by these credits.

Any coinsurance percentage that you must pay for Specialty Drugs is based on the Allowable Charge at the Specialty Drug Network Provider. It does not change when we receive any financial credit. Copayments are flat amounts and likewise do not change when we receive drug manufacturer or PBM credits.

Benefits will not be provided or paid for the following:

1. Service charges or handling fees for a Specialty Drug; or
2. Specialty Drugs that are not Medically Necessary.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

The Effective Date of this Amendment is the Effective Date of the Policy to which it is attached or the Amendment date, whichever is later.

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A handwritten signature in black ink, appearing to read 'J. Deyling', is centered on the page.

James A. Deyling
President
Blue Cross and Blue Shield Division

AMENDMENT TO THE PERSONAL BLUESM POLICY
(Policy form numbers listed below)

Student Amendment

This Amendment is subject to all the provisions of the Personal Blue Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

12100M-30 Day, 12326M-30 Day, 12130M-30 Day, 12133M-30 Day, 12099M-30 Day, 12327M-30 Day, 12136M-30 Day, 12139M-30 Day, 12104M-30 Day, 12328M-30 Day, 12106M-30 Day, 12329M-30 Day, 12992M, 12994M, 13034M, 13036M, 13038M, 13040M, 12221M, 12906M and 12791M

This Amendment is a supplement to the Policy and is effective on or after November 1, 2009.

The Policy is revised as follows:

Section B. Definitions, is revised by the deletion of **Full-time Student** and the following substituted:

Full-time Student: A Dependent child age 22 or younger and enrolled in and attending one of these:

- a. High school; or
- b. An accredited or licensed school commonly recognized as a vocational, technical or trade school, with attendance qualifying the Dependent child as a full-time student under the rules of the institution; or
- c. A college or university with full enrollment in at least enough regular academic courses to reach the status of a full-time student at the institution.

Periods between school terms, such as summer periods, will be included if the child was attending as a Full-time Student during the last regular school term session. Correspondence-course participation does not constitute attendance as a Full-time Student.

A time period between graduation from high school and vocational, technical or trade school or college entry, or between college graduation and graduate school entry, will be included only if the child has applied for admission beginning with the next regular school term or session immediately following graduation.

You must send us a letter stating the Dependent child is a Full-time Student. Your letter must include a tuition receipt from the school's Bursar's office or a letter from the school verifying its accreditation and the student's full-time status.

A Dependent child who is a Full-time Student on the day prior to beginning a Medically Necessary Leave of Absence may remain covered under this health plan until the earlier of: 1) one year from the first day of the Medically Necessary Leave of Absence; or 2) the date on which the coverage would otherwise terminate under the terms of the Policy.

A Dependent child must enroll as a Full-time Student the next regular term following the end of a Medically Necessary Leave of Absence to remain classified as a Full-time Student.

Section B. Definitions, is revised by the addition of the following definition:

Medically Necessary Leave of Absence: Occurs when a Full-time Student stops attending school, or drops to part-time attendance, due to a serious illness or injury that prevents full-time attendance. We must receive documentation from the Full-time Student's treating Physician certifying that he or she is suffering from a serious illness or injury and that the leave of absence is Medically Necessary.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

The Effective Date of this Amendment is the Effective Date of the Policy to which it is attached or the Amendment date, whichever is later.

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James A. Deyling
President
Blue Cross and Blue Shield Division

AMENDMENT TO THE PERSONAL BLUESM POLICY

(Policy form numbers listed below)

NSA Amendment

This Amendment is subject to all the provisions of the Personal Blue Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

12505M-30 Day, 12520M-30 Day, 12100M-30 Day, 12326M-30 Day, 12130M-30 Day, 12133M-30 Day, 12099M-30 Day, 12327M-30 Day, 12136M-30 Day, 12139M-30 Day, 12992M, 12994M, 13034M, 13036M, 13038M, and 13040M

This Amendment is a supplement to the Policy and is effective on or after November 1, 2009.

The Policy is revised as follows:

Section B. Definitions, is revised by the deletion of **Prescription Drug** and the following substituted:

Prescription Drug: A drug that has been approved by the FDA and labeled "Caution: Federal Law Prohibits Dispensing Without Prescription," or labeled in a similar manner. Only a licensed registered pharmacist can dispense it according to a Physician's prescription order. Injectable insulin is also included.

Brand-name Drug: A Prescription Drug that is manufactured under a registered trade name or trademark. A Brand-name Drug may be a Preferred Drug or a Non-preferred Drug.

Generic Drug: A Prescription Drug that has the same active ingredients as the Brand-name Drug but is not manufactured under a registered brand name or trademark.

Non-preferred Drug: A Prescription Drug that has not been chosen by us, or our designated Pharmacy Benefit Manager, to be a Preferred Drug. This includes any Brand-name Drug with an "A" rated Generic Drug available.

Preferred Drug: A Prescription Drug that has been reviewed for cost, clinical effectiveness and quality. Preferred Drugs are Brand-name Drugs and Generic Drugs that are preferred by us, or our designated Pharmacy Benefit Manager, for dispensing to Members when appropriate. The Preferred Drug List is subject to periodic review and updates by us, or our designated Pharmacy Benefit Manager, without notice.

Specific classes of Over-the-counter Drugs may be covered as Prescription Drugs. If the Policy to which the Amendment is attached includes coverage for specific Over-the-Counter Drugs, it will be shown on the Schedule of Benefits. You must have a valid prescription for these classes of Over-the-counter Drugs.

Section C. Covered Services, is revised by the deletion of **Prescription Drugs** and the following substituted:

Prescription Drugs – We'll provide benefits for Prescription Drugs as specified in the Schedule of Benefits.

Prescription Drugs must be consistent with the diagnosis and treatment of a covered illness, injury or condition; or not excessive in terms of the scope, duration or intensity of drug therapy that is needed to provide safe, adequate and appropriate care. Benefits for the daily dosage of a Prescription Drug will be provided as recommended in the current *Physician's Desk Reference* or as recommended under the guidelines of our Pharmacy Benefit Manager, whichever is lower.

We treat insulin as a Prescription Drug whether it's injectable or otherwise. Prescription Drugs don't include devices of any type, except contraceptive devices when shown on the Schedule of Benefits; artificial appliances; vitamins; infertility drugs; drugs for treatment of sexual dysfunction; Medical Supplies (Medical Supplies are paid under the regular Policy benefits); food supplements; Prescription Drugs for which there is an Over-the-counter Drug equivalent (except for Over-the-counter Drugs that are required as part of a Step Therapy Program), Prescription Drugs used for or related to weight control, obesity, cosmetic purposes (such as Tretinoin or Retin-A), hair growth, hair removal, smoking cessation, Over-the-counter Drugs (except for Over-the-counter Drugs that are required as part of a Step Therapy Program) and Over-the-counter devices, supplies or supplements.

Specific classes of Over-the-counter Drugs may be covered as Prescription Drugs. If the Policy to which this Amendment is attached includes coverage for specific Over-the-counter Drugs, it will be shown on the Schedule of Benefits. You must have a valid prescription for these classes of Over-the-counter Drugs.

Prescription Drugs must be dispensed in a licensed Pharmacy. Eligible Prescription Drugs don't include drugs obtained from a "virtual office visit." A "virtual office visit" occurs when the Physician treating, consulting, diagnosing, writing or approving a prescription has never physically seen or physically examined the Member.

The Pharmacy Benefit Manager (PBM) for us and some of our subsidiaries, contracts with and manages the Pharmacy network, negotiates prices with the Contracting Pharmacies and performs other administrative services. We receive financial credits directly from drug manufacturers and through our Pharmacy Benefit Manger (PBM). These credits are used to help stabilize overall rates and to offset costs. Reimbursements to Pharmacies or discounted prices charged at Pharmacies, are not affected by these credits.

Any Coinsurance percentage that you must pay for Prescription Drugs is based on the Allowable Charge at the Pharmacy and doesn't change when we receive any financial credit. Copayments are flat amounts and likewise don't change when we receive drug manufacturer or PBM credits.

Some Prescription Drugs require Preauthorization by us prior to being filled. Please contact the Claims Service Center to see if a specific drug requires Preauthorization. If you don't get the required Preauthorization, no benefits will be provided.

You may be required to try certain drugs to treat your medical condition before we'll cover another drug for that condition. This is called Step Therapy. If the Step Therapy program is not followed, your prescription will not be covered.

Specialty Drugs are covered only if shown in the Schedule of Benefits.

Benefits won't be provided or paid for the following:

1. Service charges or handling fees for a Prescription Drug;
2. More than the number of days supply shown on the Schedule of Benefits;
3. Prescription refills in excess of the number specified on the prescription or refills dispensed more than one year after the original prescription date;
4. Prescription Drugs for Pre-existing Conditions or Ridereed conditions; or
5. Prescription Drugs that are not Medically Necessary.

You must pay the Pharmacy at the time your prescription is filled.

When you buy drugs from a Contracting Pharmacy you must show the pharmacist your Blue Cross ID card. The pharmacist will know not to charge you more than the Allowable Charge for the drugs.

This Policy may not provide benefits at a non-Contracting Pharmacy. If benefits are available at a non-Contracting Pharmacy, it will be shown in the Schedule of Benefits. If benefits are available, Non-Contracting Pharmacies can charge you more than the Allowable Charge. Benefits for drugs purchased from non-Contracting Pharmacies will be paid at a lower percentage.

If you purchased the Drug Card, you (or your covered Dependent) must pay the Contracting Pharmacy:

1. The Prescription Drug Deductible, if applicable; and
2. The Prescription Drug Copayment or the Contracting Pharmacy's usual, reasonable and customary charge that would be charged to a non-Member, whichever is less; and
3. Any type of service charge including the administration or injection of a Prescription Drug; or
4. 100% of the cost of a Prescription order when a Member fails to show his or her identification card.

If a Contracting Pharmacy is not used and your benefits include coverage for a Non-Contracting Pharmacy, you (or your covered Dependent) must:

1. Pay the Pharmacy in full for the Prescription Order; and
2. File a claim form with us for reimbursement. The claim form must be obtained from us.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

The Effective Date of this Amendment is the Effective Date of the Policy to which it is attached or the Amendment date, whichever is later.

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(www.SouthCarolinasBlues.com)



James A. Deyling
President

Blue Cross and Blue Shield Division

AMENDMENT TO THE PERSONAL BLUESM POLICY
(Policy form numbers listed below)

Preauthorization Amendment

This Amendment is subject to all the provisions of the Personal Blue Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

12100M-30 Day, 12326M-30 Day, 12130M-30 Day, 12133M-30 Day, 12099M-30 Day, 12327M-30 Day, 12136M-30 Day, 12139M-30 Day, 12791M, 12505M-30 Day, 12520M-30 Day, 12221M and 12906M

This Amendment is a supplement to the Policy and is effective on or after November 1, 2009.

The Policy is revised as follows:

Section A. General, How to Contact Us, is revised by the deletion of For Preadmission Reviews and Preauthorizations and the following substituted:

For Preadmission Reviews and Preauthorizations:

Please refer to the *Preauthorization and Approval* section of this Policy for a detailed list of the services and supplies that require Preadmission Review and Preauthorization.

For MRIs, MRAs, CT Scans or PET Scans in an Outpatient Facility or a Physician's Office, call National Imaging Associates at:

866-500-7664.

On behalf of Blue Cross and Blue Shield of South Carolina, National Imaging Associates, provides utilization management services for certain radiological procedures. National Imaging Associates is an independent company that preauthorizes certain radiological procedures.

For Preadmission Review or Preauthorization for all other medical care, please call:

<u>803-736-5990</u>	(from the Columbia area)
<u>800-327-3238</u>	(from all other South Carolina locations)
<u>800-334-7287</u>	(from outside South Carolina)

For Preadmission Review and Preauthorization of Mental Health Services and/or Substance Abuse care, call Companion Benefit Alternatives, Inc. (CBA) at:

<u>803-699-7308</u>	(from the Columbia area)
<u>800-868-1032</u>	(from all other areas)

On behalf of Blue Cross and Blue Shield of South Carolina, Companion Benefit Alternatives, Inc. preauthorizes Mental Health Services and Substance Abuse services. Companion Benefit Alternatives, Inc. is a separate company that preauthorizes behavioral health benefits.

Section C. Preauthorization and Approval, paragraph 1, is deleted in its entirety and replaced by the following:

To make the most of your benefits, Blue Cross has an approval process in place. Our Medical Services personnel (a group of medical professionals employed by us) must give advance approval for all Hospital admissions and certain other specified services for you to receive maximum benefits. Their responsibility is to review all requests for preapproval. Inpatient and Outpatient services you receive for treatment of Mental Health Services and/or Substance Abuse care require Preauthorization by Companion Benefit Alternatives, Inc. (CBA). MRIs, MRAs, CT Scans, PET Scans and Nuclear Cardiology exams performed in an Outpatient Facility or a Physician's office require Preauthorization by National Imaging Associates.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

The Effective Date of this Amendment is the Effective Date of the Policy to which it is attached or the Amendment date, whichever is later.

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James A. Deyling
President

Blue Cross and Blue Shield Division

AMENDMENT TO THE PERSONAL BLUESM POLICY
(Policy form numbers listed below)

Appeals and Definitions Amendment

This Amendment is subject to all the provisions of the Personal Blue Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

12100M-30 Day, 12326M-30 Day, 12130M-30 Day, 12133M-30 Day, 12099M-30 Day, 12327M-30 Day, 12136M-30 Day, 12139M-30 Day, 12104M-30 Day, 12328M-30 Day, 12106M-30 Day, 12329M-30 Day, 12791M, 12505M-30 Day, 12520M-30 Day, 12221M and 12906M

This Amendment is a supplement to the Policy and is effective on or after November 1, 2009.

The Policy is revised as follows:

Section A. General, Appeals/Grievance Procedures, has been deleted and the following substituted:

Appeals/Grievance Procedures

Please direct any complaints or disagreements you have regarding claims for services or benefits to us at 803-264-3475 from Columbia, or 800-868-2500, extension 43475 from anywhere else. You can also send us a secure e-mail through the Ask Customer Service feature of My Insurance ManagerSM on our Web site at www.SouthCarolinaBlues.com.

A Preauthorization and Approval denial will be considered a denied claim for purposes of this provision. You can direct any complaints or disagreements you have regarding a Preauthorization and Approval to us at 803-736-5990 from Columbia, or 800-327-3238 from anywhere else.

Grievances

If you choose to file a formal grievance, submit it in writing to us at the Claims Service Center, Post Office Box 100300, Columbia, South Carolina 29202. The grievance should include your name, address, Policy number, Social Security Number and any other information, documentation or evidence to support your request. You must submit your formal grievance within 90 days of the event that resulted in your complaint.

We will acknowledge a formal grievance within 10 working days of its receipt. We will send you our decision in writing within 30 days after we receive your formal grievance. If there are extraordinary circumstances requiring a more extensive review, we may take up to 90 days to review your case before making a decision.

Appeals

If you are still not satisfied with our decision, you can request an appeal. You have 30 days after you receive our decision on the formal grievance to request an appeal. Send your request for an appeal to the Claims Service Center, Post Office Box 100300, Columbia, South Carolina 29202.

External Reviews

After your internal appeals are completed, you will be notified in writing of your right to request an external review. You should file a request for external review within 60 days of receiving that notice. You will be required to authorize the release of any medical records that may be needed for the external review. If you need assistance during the external review process, you can contact the South Carolina Department of Insurance at the following address and telephone number:

South Carolina Department of Insurance
Post Office Box 100105
Columbia, SC 29202-3105
800-768-3467

Standard External Reviews

You can request an external review if we deny your claim, either in whole or in part. The claim in question must be greater than \$500 and you may be held financially responsible for the covered benefits. You can only request an external review after you have completed the grievance and appeal process above. You can request an external review without completing the grievance and appeal process above if:

1. Your Physician has certified in writing that you have a serious medical condition; or
2. The denial of coverage was due to the service being Investigational or Experimental and your Physician certifies:
 - a. Your condition is a serious disability or you have a life-threatening disease; and
 - i. Standard health care services or treatments have not been effective in improving your condition; or
 - ii. Standard health care services or treatments are not medically appropriate; or
 - iii. The recommended or requested service or treatment is more beneficial than the standard health care service or treatment covered by us; and
 - b. Medical and scientific evidence shows that treatment that was denied is more beneficial to you than available standard health services or treatments and the adverse risks of the recommended or requested health care service or treatment would not be substantially increased over those of the standard services or treatments.

Within five business days of your request for an external review, we will respond by either assigning your review to an independent review organization (IRO) and forwarding your records to it or telling you in writing that your situation doesn't meet the requirements for an external review and explaining the reasons. Where your request is for an expedited review, we will respond by either assigning your review to an IRO and forwarding your records to it by overnight delivery or telling you in writing that your situation doesn't meet the requirements for an external review and explaining the reasons as quickly as possible.

If your request is assigned to an IRO, the IRO will determine within five business days after receiving your request whether all the information, certifications and forms required to process an external review have been provided. If the IRO needs additional information, you will be allowed to submit additional information in writing to them within seven business days.

If your request is not accepted for external review, the IRO will inform you and us in writing of the reason(s) your request was not accepted.

The IRO will provide written notice of its decision within 45 days after it receives the request, including:

1. A general description of the reason for the request for external review;
2. The date the independent review organization received the request from us;
3. The date the external review was conducted;
4. The date of its decision;
5. The principal reason or reasons for its decision;
6. The rationale for its decision;
7. References to evidence or documentation, including the practice guidelines, considered in reaching its decision; and
8. The written opinions of the clinical review panel, if any.

If the IRO's decision is to allow benefits, within five business days of our receipt of the notification, we must approve the benefit as covered, subject to applicable policy exclusions, limitations and other provisions.

Expedited External Review

You can file a request for an expedited external review within 15 days after receiving a notice of a denied claim if you meet the requirements under Standard Review listed above in paragraph 2 or if the denial concerns an admission, availability of care, continued stay or health care service for which you received Emergency Medical Care, but have not been discharged from a Facility, if you may be held financially responsible for the Emergency Medical Care.

When we receive your request for an expedited external review, we will assign your review to an IRO and forward your records by overnight delivery, or tell you in writing that your situation doesn't meet the requirements for an external review and explain the reasons.

No more than three business days after it receives your request for an expedited external review, the IRO must provide a notice of its decision to you and us. If the IRO's decision is to allow benefits, we must approve the benefit as covered, subject to applicable policy exclusions, limitations and other provisions.

All requests for external review will be at our expense.

Section B. Definitions, is revised by the deletion of **Investigational or Experimental** and **Medically Necessary** and the following substituted:

Investigational or Experimental: The use of treatments, procedures, facilities, equipment, drugs, devices, services or supplies (herein collectively referred to as a "service") that we don't recognize as standard medical care for the treatment of conditions, diseases, illnesses or injuries. We may use the following criteria to determine whether a service is Investigational or Experimental:

1. The service requires Federal or other governmental agency approval such as drugs and devices that have restricted market approval from the Food and Drug Administration (FDA) or from any other governmental regulatory agency 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.

We will, however, allow coverage for a Prescription Drug that hasn't been approved by the FDA:

- a. For a specific medical condition when there are at least two formal clinical studies recognizing the use of the drug for the medical condition; or
 - b. For the treatment of a specific type of cancer, provided the Prescription Drug is recognized for the treatment of that specific cancer in at least one standard reference compendium or the drug is found to be safe and effective in formal clinical studies. These results must have been published in peer-reviewed professional medical journals.
2. There is insufficient or inconclusive scientific evidence in peer-reviewed medical literature to let us evaluate the therapeutic value of the service.
 3. There is inconclusive evidence that the service has a beneficial effect on a person's health.
 4. The service under consideration is not as beneficial as any established alternatives.
 5. There is insufficient information or inconclusive scientific evidence that the service is beneficial to the person's health and is as beneficial as any established alternatives when used in a noninvestigational setting.

If a service meets one or more of these criteria, it is Investigational or Experimental. We solely make these determinations after independent review of scientific data. We may also consider opinions of professionals in a particular field and/or opinions and assessments of nationally recognized review organizations, but they are not determinative or conclusive.

Our Medical Director, in making such determinations, may consult with or use one or more of these sources of information:

1. FDA-approved market rulings;
2. *The United States Pharmacopoeia and National Formulary*;
3. The annotated publication titled, *Drugs, Facts, and Comparisons*, published by J. B. Lippincott Company;
4. Available peer review literature; and
5. Consultation with professionals and/or specialists on a local and national level.

Medically Necessary: Health care services that a Physician, exercising prudent clinical judgment, would provide to a patient for the purpose of preventing, evaluating diagnosing or treating an illness, injury, disease or its symptoms, and that are:

1. In accordance with generally accepted standards of medical practice;
2. Clinically appropriate, in terms of type, frequency, extent, site and duration, and considered effective for the patient's illness, injury or disease;
3. Not primarily for the convenience of the patient, Physician, or other health care Provider; and
4. Not more costly than an alternative service or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury or disease.

For these purposes, "generally accepted standards of medical practice" means standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, Physician Specialty Society recommendations and the views of Physicians practicing in relevant clinical areas and any other relevant factors.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

The Effective Date of this Amendment is the Effective Date of the Policy to which it is attached or the Amendment date, whichever is later.

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James A. Deyling
President

Blue Cross and Blue Shield Division

AMENDMENT TO YOUR BLUE CROSS AND BLUE SHIELD OF SOUTH CAROLINA POLICY

(Policy form numbers listed below)

Health Care Reform Amendment

This Amendment is subject to all the provisions of the Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

12100M-30 Day, 12326M-30 Day, 12130M-30 Day, 12133M-30 Day, 12099M-30 Day, 12327M-30 Day, 12136M-30 Day, 12139M-30 Day, 12104M-30 Day, 12328M-30 Day, 12106M-30 Day, 12329M-30 Day, 12992M, 12994M, 13034M, 13036M, 13038M, 13040M, 12221M, 12906M and 12791M

BlueCross BlueShield of South Carolina believes this **Policy** is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your **Policy** may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to us at 803-264-6401 or toll-free at 1-800-868-0500, extension 46401.

You may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.

This Amendment to the Policy is effective on or after the Benefit Period of your Policy starting September 23, 2010.

The Policy is revised as follows:

Dependent Child

The definition of Dependent is revised to the following:

Dependent: Your lawful spouse and children through age 25. Dependent children are natural or adopted children, stepchildren, foster children or children who are under your legal guardianship or for whom a court order requires you to provide Health Insurance.

The Policy is further revised to delete all references to Full-time Student and all dependent age references are revised to state through age 25.

Lifetime Maximum

All references to Lifetime Maximums are deleted.

Benefit Period Maximum

In addition to the Benefit Period Maximums shown in your Policy and/or your Schedule of Benefits, your policy will now have a \$2,000,000 Benefit Period Maximum for essential health benefits.

Rescission of Coverage

Any references in the policy to coverage being rescinded due to a person misstating the facts on the application for insurance are revised to state the following: Coverage may only be rescinded when the covered person has performed an act or practice that constitutes fraud or makes an intentional misrepresentation of material facts related to insurability.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

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AMENDMENT TO YOUR BLUE CROSS AND BLUE SHIELD OF SOUTH CAROLINA POLICY

(Policy form numbers listed below)

BlueCard® Program/Continuation of Care Amendment

This Amendment is subject to all the provisions of the Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

12100M-30 Day, 12326M-30 Day, 12130M-30 Day, 12133M-30 Day, 12099M-30 Day, 12327M-30 Day, 12136M-30 Day, 12139M-30 Day, 12104M-30 Day, 12328M-30 Day, 12106M-30 Day, 12329M-30 Day, 12992M, 12994M, 13034M, 13036M, 13038M, 13040M, 12505M-30 Day, 12520M-30 Day, 12221M, 12906M and 12791M

This Amendment to the Policy is effective on or after the Benefit Period of your Policy starting September 1, 2011.

The Policy is revised as follows:

Section B. Definitions, is revised by the addition of the following:

Serious Medical Condition: A health condition or illness that requires medical attention, and for which failure to provide the current course of treatment through the current Provider would place your health in serious jeopardy. This includes cancer, acute myocardial infarction and pregnancy.

Section E. The BlueCard Program, is deleted in its entirety and the following substituted:

Section E. The BlueCard® Program

Out-of-Area Services

Blue Cross and Blue Shield of South Carolina has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Programs." Whenever you obtain health care services outside of Blue Cross and Blue Shield of South Carolina's service area, the claims for these services may be processed through one of these Inter-Plan Programs, which include the BlueCard Program and may include negotiated National Account arrangements available between us and other Blue Cross and Blue Shield Licensees.

Typically, when accessing care outside our service area, you will obtain care from health care Providers that have a contractual agreement (i.e., are "Participating Providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, you may obtain care from nonparticipating health care Providers. Our payment practices in both instances are described below.

1. BlueCard Program

Under the BlueCard Program, when you access covered health care services within the geographic area served by a Host Blue, we will remain responsible for fulfilling our contractual obligations. However, the Host Blue is responsible for contracting with and generally handling all interactions with its participating health care Providers.

Whenever you access covered health care services outside our service area and the claim is processed through the BlueCard Program, the amount you pay for covered health care services is calculated based on the lower of:

- The billed covered charges for your Covered Services; or
- The negotiated price that the Host Blue makes available to us.

Often, this "negotiated price" will be a simple discount that reflects an actual price that the Host Blue pays to your health care Provider. Sometimes, it is an estimated price that takes into account special arrangements with your health care Provider or Provider group that may include types of settlements, incentive payments, and/or other credits or charges. Occasionally, it may be an average price, based on a discount that results in expected average savings for similar types of health care Providers after taking into account the same types of transactions as with an estimated price.

Estimated pricing and average pricing, going forward, also take into account adjustments to correct for over- or underestimation of modifications of past pricing for the types of transaction modifications noted above. However, such adjustments will not affect the price we use for your claim because they will not be applied retroactively to claims already paid.

Laws in a small number of states may require the Host Blue to add a surcharge to your calculation. If 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.

2. Non-Participating Health Care Providers Outside Our Service Area

a. Member Liability Calculation

When covered health care services are provided outside of our service area by non-participating health care Providers, the amount you pay for such services will generally be based on either the Host Blue's nonparticipating health care Provider local payment or the pricing arrangements required by applicable state law. In these situations, you may be liable for the difference between the amount that the non-participating health care Provider bills and the payment we will make for the Covered Services as set forth in this paragraph.

b. Exceptions

In certain situations, we may use other payment bases, such as billed covered charges, the payment we would make if the health care services had been obtained within our service area, or a special negotiated payment, as permitted under Inter-Plan Programs Policies, to determine the amount we will pay for services rendered by nonparticipating health care Providers. In these situations, you may be liable for the difference between the amount that the non-participating health care Provider bills and the payment we will make for the Covered Services as set forth in this paragraph.

The Policy is further revised by the addition of the following Section:

Section J. Continuation of Care

If a Preferred Blue[®] Provider's contract ends or is not renewed for any reason other than suspension or revocation of the Provider's license, you may be eligible to continue to receive in-network Benefits for that Provider's services.

If you are receiving treatment for a Serious Medical Condition at the time a Preferred Blue Provider's contract ends, you may be eligible to continue to receive treatment from that Provider. In order to receive this continuation of care for a Serious Medical Condition, you must submit a request to us on the appropriate form.

You may get the form for this request from us by going to our website at www.SouthCarolinaBlues.com or by calling [1-800-868-2500, extension 43475](tel:1-800-868-2500). You will also need to have the treating Provider include a statement on the form confirming that you have a Serious Medical Condition. Upon receipt of your request, we will notify you and the Provider of the last date the Provider is part of our network and a summary of continuation of care requirements. We will review your request to determine if you qualify for the continuation of care. If additional information is necessary to make a determination, we may contact you or the Provider for such information.

If we approve your request, we will provide in-network Benefits for that Provider for 90 days or until the end of the Benefit Period, whichever is greater. During this time, the Provider will accept the network allowance as payment in full. Continuation of care is subject to all other terms and conditions of this Contract, including regular Benefit limits.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

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James A. Deyling
President
Blue Cross and Blue Shield Division

AMENDMENT TO YOUR BLUE CROSS AND BLUE SHIELD OF SOUTH CAROLINA POLICY

(Policy form numbers listed below)

Mental Health Parity Amendment

This Amendment is subject to all the provisions of the Policy, form number listed below, which are not otherwise specified in the provisions of this Amendment.

12100M-30 Day (Rev. 11/01), 12326M-30 Day (Rev. 11/01), 12130M-30 Day (6/02), 12133M-30 Day (6/02), 12099M-30 Day (Rev. 11/01), 12327M-30 Day (Rev. 11/01), 12136M-30 Day (6/02), 12139M-30 Day (6/02), 12520M-30 Day (Rev. 5/02), 12505M-30 Day (Rev. 5/02), 12520M (Rev. 5/20), 12992M (1/09), 12994M (1/09), 13034M (1/09), 13036M (1/09), 13038M (1/09) and 13040M (1/09)

This Amendment to the Policy is effective on or after the Benefit Period of your Policy starting July 1, 2014.

The **Schedule Page and Policy** is revised as follows:

Any reference to Mental Health Services and/or Substance Abuse care not applying to the Out-of-pocket Maximum is removed. In addition, any references stating Covered Services will not be increased to 100% after the Out-of-pocket Maximum is met is also removed.

The **Schedule Page and Policy** is further revised as follows:

All current Preauthorization and Approval requirements remain as is. However, all Inpatient Mental Health Services and/or Substance Abuse care and the following outpatient Mental Health Services and/or Substance Abuse care: Outpatient psychological testing; Outpatient repetitive Transcranial Magnetic Stimulation (rTMS); Outpatient electroconvulsive therapy; Outpatient facility: Intensive Outpatient and partial Hospitalization must be preauthorized.

Section B. Definitions, Physician, is deleted in its entirety and the following substituted:

Physician: A person (other than an intern, resident or house Physician) duly licensed as a medical doctor, dentist, oral surgeon, podiatrist, osteopath, optometrist, ophthalmologist, Physician's assistant licensed independent social worker or licensed doctoral psychologist, legally entitled to practice within the scope of his or her license and who normally bills for his or her services. Additionally, a chiropractor will be considered a Physician when the a spinal subluxation endorsement is purchased.

Section I. Other Policy Provisions, is amended by the addition of the following:

23. **Fees:** We may charge you a fee to Reinstatement your Policy and a fee if your Premium payment is returned for non-sufficient funds (NSF). The Reinstatement fee is \$10. The NSF fee is \$25.

Nothing contained in this Amendment will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

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James A. Deyling
President

Blue Cross and Blue Shield Division

The following Endorsements only apply to your policy if you purchased the optional coverage. Your application will show if you purchased the optional coverages.

Please Note: These optional coverages are no longer available for purchase.

BLUE CROSS AND BLUE SHIELD OF SOUTH CAROLINA

(An Independent Licensee of the Blue Cross and Blue Shield Association)

OPTIONAL MATERNITY ENDORSEMENT

The consideration for this Endorsement is the additional premium shown in the Schedule Page or Endorsement to the Policy. The Policy to which this Endorsement is attached is amended to provide the following:

Payment of the Allowable Charges incurred for Covered Services rendered to the Covered Person due to a Pregnancy at the percentage payable as shown on the Maternity Schedule if: 1) the Pregnancy is determined by a Physician to have begun more than 30 days after the Effective Date of this Endorsement, and 2) the Pregnancy terminates while this Endorsement is in force. Benefits are payable for Allowable Charges incurred for Covered Services based on the Maternity Schedule. The Period of Time is measured from the Effective Date of this Endorsement.

You must contact Our Medical Management Staff within 12 weeks of medical confirmation of the Pregnancy by a Physician. In addition, You must call within the first 24 hours of an admission for delivery or as soon as reasonably possible. Any other admissions during a Pregnancy must be authorized in accordance with the Pre-Authorization and Approval procedures described in the Policy.

Policy benefits for the hospitalization and attendant professional services of the mother and the newborn child will be provided for at least 48 hours after a vaginal delivery, not including the day of delivery, and at least 96 hours following a cesarean section, not including the day of surgery, or to the date of discharge, whichever occurs first.

As used in this Endorsement, "Pregnancy" means the period of time from conception to delivery. The Pregnancy will be considered terminated on the date of the resulting childbirth, miscarriage or abortion.

Covered Services to the Covered Person include only:

1. Pre-natal services normally associated with a Pregnancy. Pre-natal services include the following when Medically Necessary: pre-natal profile, Pregnancy test and blood tests including immunoglobulin, hemoglobin and glucose tolerance tests; ultrasound/echography; urinalysis; vaginal culture; chlamydia study; pelvimetry, fetal non-stress or stress tests; rhogam injection; and cerclage.
2. Medically Necessary delivery services normally associated with a vaginal delivery, including the use of pitocin and other labor inducing drugs; stillbirth after 26 weeks.
3. Routine newborn nursery care from the moment of birth until the child is discharged from the Hospital.

MATERNITY SCHEDULE

PERCENTAGE OF ALLOWABLE CHARGES PAYABLE

Period of Time	Percentage of Allowable Charges Payable
Allowable Charges incurred during the first 12 months of the Endorsement	0%
Allowable Charges incurred during the 13th month through 24th month of the Endorsement	60%
Allowable Charges incurred during the 25th month through 36th month of the Endorsement	80%
Allowable Charges incurred during the 37th month and thereafter of the Endorsement	100%

The following are not covered:

1. Charges for educational materials.
2. Charges for infertility diagnosis and treatment, including but not limited to drugs, artificial insemination, in-vitro fertilization, surrogate Pregnancy, fees associated with sperm banking or reversal of sterilization.
3. Complications of Pregnancy, as defined, are covered under the policy and not under this Endorsement. Charges incurred due to Complications of Pregnancy will be subject to any Policy Deductible, Rate of Payment provisions, and all other Policy provisions.

Nothing contained in this Endorsement will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the Policy other than as stated above.

If You chose the Optional Maternity Endorsement, it will be shown on Your Application, which is a part of Your Policy. Under this Endorsement benefits are not payable for dependent children. Benefits are provided only for a wife under Family Coverage or a female policyholder.

The Effective Date of this Endorsement is the Effective Date of the Policy to which it is attached, or the Endorsement Date, whichever is later.

Endorsement Effective Date, if other than the Policy Effective Date:

Blue Cross and Blue Shield of South Carolina



**James A. Deyling
President**

Blue Cross and Blue Shield Division

BLUE CROSS® AND BLUE SHIELD® OF SOUTH CAROLINA
(An Independent Licensee of the Blue Cross and Blue Shield Association)

SUPPLEMENTAL ACCIDENT ENDORSEMENT

The consideration for this Endorsement is the additional premium shown in the Schedule Page or Endorsement to the Policy. The Policy to which this Endorsement is attached is amended as follows:

As used in this Endorsement, Accidental Injury has the following meaning:

An injury sustained by a Covered Person as the direct result of an accident.

SUPPLEMENTAL ACCIDENT BENEFIT: The first \$500 of Allowable Charges for Covered Services incurred by you (or your Covered Family Member) due to an Accidental Injury will be payable if: 1) the injury results directly from Accidental Injury, independently of disease, bodily infirmity (frailty or condition causing weakness) or any other cause; and 2) the Accidental Injury is sustained and the Allowable Charges for Covered Expenses are incurred while this Endorsement is in force. No benefits will be provided for injuries for which benefits are provided under Workers' Compensation, employer's liability or similar laws, motor vehicle no fault plans, unless prohibited by law, or injuries occurring while the Covered Person is engaged in any activity pertaining to any trade, business, employment or occupation for wage or profit.

The first \$500 of Allowable Charges for Covered Services paid under this Endorsement may not be used to satisfy the Policy Deductible Amount.

Allowable Charges for Covered Services in excess of \$500 will be subject to the Policy Deductible Amount and Coinsurance.

Benefits for accidental injury are limited to \$500 per Covered Person per Benefit Period.

Nothing contained in this Endorsement, will be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of the policy other than as stated above.

If you chose the Supplemental Accident Endorsement, it will be shown on your Application, which is a part of your Policy.

The Effective Date of this Endorsement is the Effective Date of the Policy to which it is attached, or the Endorsement date, whichever is later.

Endorsement Effective Date, if other than the Policy Effective Date:

Blue Cross and Blue Shield of South Carolina



James A. Deyling
President

Blue Cross and Blue Shield Division