
**PLAN DOCUMENT AND
SUMMARY PLAN DESCRIPTION
FOR**

**DELTA COUNTY SCHOOL DISTRICT 50J
EMPLOYEE BENEFIT PLAN**

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INTRODUCTION

This document is a description of Delta County School District 50J Employee Benefit Plan (the Plan). No oral interpretations can change this Plan. The Plan described is designed to protect Plan Participants against certain catastrophic health expenses.

Coverage under the Plan will take effect for an eligible Employee and designated Dependents when the Employee and such Dependents satisfy the Waiting Period and all the eligibility requirements of the Plan.

The Employer fully intends to maintain this Plan indefinitely. However, it reserves the right to terminate, suspend, discontinue or amend the Plan at any time and for any reason.

Changes in the Plan may occur in any or all parts of the Plan including benefit coverage, deductibles, maximums, exclusions, limitations, definitions, eligibility and the like.

Failure to follow the eligibility or enrollment requirements of this Plan may result in delay of coverage or no coverage at all. Reimbursement from the Plan can be reduced or denied because of certain provisions in the Plan, such as coordination of benefits, subrogation, exclusions, timeliness of COBRA elections, utilization review or other cost management requirements, lack of Medical Necessity, lack of timely filing of claims or lack of coverage.

The Plan will pay benefits only for the expenses incurred while this coverage is in force. No benefits are payable for expenses incurred before coverage began or after coverage terminated. An expense for a service or supply is incurred on the date the service or supply is furnished.

No action at law or in equity shall be brought to recover under any section of this Plan until the appeal rights provided have been exercised and the Plan benefits requested in such appeals have been denied in whole or in part.

If the Plan is terminated, amended, or benefits are eliminated, the rights of Covered Persons are limited to Covered Charges incurred before termination, amendment or elimination.

This document summarizes the Plan rights and benefits for covered Employees and their Dependents and is divided into the following parts:

Eligibility, Funding, Effective Date and Termination. Explains eligibility for coverage under the Plan, funding of the Plan and when the coverage takes effect and terminates.

Schedule of Benefits. Provides an outline of the Plan reimbursement formulas as well as payment limits on certain services.

Benefit Descriptions. Explains when the benefit applies and the types of charges covered.

Cost Management Services. Explains the methods used to curb unnecessary and excessive charges.

This part should be read carefully since each Participant is required to take action to assure that the maximum payment levels under the Plan are paid.

Defined Terms. Defines those Plan terms that have a specific meaning.

Plan Exclusions. Shows what charges are **not** covered.

Claim Provisions. Explains the rules for filing claims and the claim appeal process.

Coordination of Benefits. Shows the Plan payment order when a person is covered under more than one plan.

Third Party Recovery Provision. Explains the Plan's rights to recover payment of charges when a Covered Person has a claim against another person because of injuries sustained.

Continuation Coverage Rights Under COBRA. Explains when a person's coverage under the Plan ceases and the continuation options which are available.

ERISA Information. Explains the Plan's structure and the Participants' rights under the Plan.

ELIGIBILITY, FUNDING, EFFECTIVE DATE AND TERMINATION PROVISIONS

A Plan Participant should contact the Plan Administrator to obtain additional information, free of charge, about Plan coverage of a specific benefit, particular drug, treatment, test or any other aspect of Plan benefits or requirements.

ELIGIBILITY

Eligible Classes of Employees. All Active and Retired Employees of the Employer.

Eligibility Requirements for Employee Coverage. A person is eligible for Employee coverage from the first day that he or she:

- (1) is a Full-Time, Active Employee of the Employer. An Employee is considered to be Full-Time if he or she normally works at least twenty (20) hours per week and is on the regular payroll of the Employer for that work.
- (2) is a Retired Employee of the Employer with twenty (20) years of service and at least fifty-seven (57) years of age. Coverage will terminate at age sixty-five (65).
- (3) is in a class eligible for coverage.
- (4) completes the employment Waiting Period as an Active Employee. A "Waiting Period" is the time between the first day of employment as an eligible Employee and the first day of coverage under the Plan. The Waiting Period is counted in the Pre-Existing Conditions exclusion time.

Eligible Classes of Dependents. A Dependent is any one of the following persons:

- (1) A covered Employee's or Retired Employee's Spouse and unmarried children from birth to the limiting age of nineteen (19) years. The Dependent children must be primarily dependent upon the covered Employee for support and maintenance. However, a Dependent child will continue to be covered after age nineteen (19), provided the child is a Full-Time Student at an accredited school, primarily dependent upon the covered Employee for support and maintenance, is unmarried and under the limiting age of twenty-five (25).

The school term for Full-Time Students is from the beginning of the fall semester to the beginning of the next fall semester and students are required to register for 75% of the semesters or quarters; and attend the number of hours required by the school, college or university to be considered full-time.

A student Dependent is no longer eligible for coverage on the earliest of the following:

- (a) the date of his/her twenty-fifth (25th) birthday; or
- (b) the date of his/her graduation; or
- (c) the date he/she voluntarily stops attending school on a full-time basis; or
- (d) thirty (30) days following the date he/she voluntarily stops attending school full-time and does not return to school full-time within that thirty (30) days; or
- (e) at the end of any twelve (12) month period during which the student Dependent did not complete at least eight (8) months of full-time attendance, unless he/she is attending school full-time on that date.

Semester breaks do not jeopardize a child's full-time status.

If the covered student is unable to attend school full-time because of Illness or Injury, the Plan will continue the coverage until the first day of the regular semester or quarter coinciding with or following his/her recovery.

A previously ineligible Dependent child who becomes an attending Full-Time Student at an accredited educational institution at a later date may be enrolled under the Plan as a new Dependent within thirty (30) days of the date the semester begins for which the Dependent is attending. Proof of attendance as a Full-Time Student from the registrar of the educational institution must be provided to the Employer within the thirty (30) day period for coverage to become effective on the first of the month in which classes start.

If the Employee fails to enroll the Dependent within thirty (30) days of the initial eligibility, and later wants to add the Dependent, the Employee will be unable to apply for Dependent coverage until he/she becomes eligible under the Special Enrollment Periods provision or until the next Open Enrollment period.

The term "Spouse" shall mean the person recognized as the covered Employee's husband, wife or common-law spouse under the laws of the state where the covered Employee lives. The Plan Administrator may require documentation proving a legal marital relationship. This Plan does not recognize Domestic Partnerships.

The term "children" shall include natural children, adopted children (living in the same household as the Employee) or children placed with a covered Employee in anticipation of adoption. Step-children who reside in the Employee's household may also be included as long as a natural parent remains married to the Employee. The Board of Trustees may request proof of dependency status from time-to-time.

If a covered Employee is the Legal Guardian of an unmarried child or children, these children may be enrolled in this Plan as covered Dependents.

The phrase "child placed with a covered Employee in anticipation of adoption" refers to a child whom the Employee intends to adopt, whether or not the adoption has become final, who has not attained the age of eighteen (18) as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

Any child of a Plan Participant who is an alternate recipient under a Qualified Medical Child Support Order (QMCSO) shall be considered as having a right to Dependent coverage under this Plan.

A participant of this Plan may obtain, without charge, a copy of the procedures governing QMCSO determinations from the Plan Administrator.

In all cases, to qualify as an eligible Dependent under the Plan, the child must be dependent upon the covered Employee for over one-half of his support during the Plan Year. A special rule applies in the case of a child of divorced parents, legally separated parents or parents who lived apart at all times of the year or during the last six months of the calendar year. The child will be considered dependent upon the Employee for over one-half of his support if the child is in the custody of the Employee and/or the other parent for more than one-half of the year and the child is dependent upon one and/or both parents for more than one-half of his support for the year. The Plan Administrator may require documentation proving dependency, including birth certificates, tax records or initiation of legal proceedings severing parental rights.

- (2) A covered Dependent child who reaches the limiting age and is Totally Disabled, incapable of self-sustaining employment by reason of mental or physical handicap, primarily dependent upon the covered Employee for support and maintenance and unmarried. The Plan Administrator may require, at reasonable intervals during the two years following the Dependent's reaching the limiting age, subsequent proof of the child's Total Disability and dependency.

After such two-year period, the Plan Administrator may require subsequent proof not more than once each year. The Plan Administrator reserves the right to have such Dependent examined by a Physician of the Plan Administrator's choice, at the Plan's expense, to determine the existence of such incapacity.

These persons are excluded as Dependents: other individuals living in the covered Employee's home, but who are not eligible as defined; the legally separated or divorced former Spouse of the Employee; Domestic partners; any person who is on active duty in any military service of any country; or any person who is covered under the Plan as an Employee.

If a person covered under this Plan changes status from Employee to Dependent or Dependent to Employee, and the person is covered continuously under this Plan before, during and after the change in status, credit will be given for deductibles and all amounts applied to maximums.

Where an employee and spouse are both employed by the group and covered under the plan, they may change from employee to dependent or vice versa without the necessity of a qualifying event.

If both mother and father are Employees, their children will be covered as Dependents of the mother or father, but not of both.

Eligibility Requirements for Dependent Coverage. A family member of an Employee will become eligible for Dependent coverage on the first day that the Employee is eligible for Employee coverage and the family member satisfies the requirements for Dependent coverage.

At any time, the Plan may require proof that a Spouse or a child qualifies or continues to qualify as a Dependent as defined by this Plan.

FUNDING

Cost of the Plan. Delta County School District 50J shares the cost of Employee and Dependent coverage under this Plan with the covered Employees.

The level of any Employee contributions is set by the Plan Administrator. The Plan Administrator reserves the right to change the level of Employee contributions.

PRE-EXISTING CONDITIONS

NOTE: The length of the Pre-Existing Conditions Limitation may be reduced or eliminated if an eligible person has Creditable Coverage from another health plan even if that coverage is still in effect. The Plan will reduce the length of the Pre-Existing Condition Limitation period by each day of Creditable Coverage under this or a prior plan; however, if there was a significant break in the Creditable Coverage of sixty-three (63) days or more, then only the coverage in effect after the break will be counted.

An eligible person may request a certificate of Creditable Coverage from his or her prior plan within twenty-four (24) months after losing coverage and the Employer will assist any eligible person in obtaining a certificate of Creditable Coverage from a prior plan.

A Covered Person will be provided a certificate of Creditable Coverage from this Plan if he or she requests one either before losing coverage or within twenty-four (24) months of coverage ceasing.

If, after Creditable Coverage has been taken into account, there will still be a Pre-Existing Conditions Limitation imposed on an individual, that individual will be so notified.

All questions about the Pre-Existing Condition Limitation and Creditable Coverage should be directed to The Urman Company at (303) 773-1373 or (800) 332-1168.

Expenses resulting from Pre-Existing Conditions will be considered for payment to a maximum paid of \$500 for all conditions combined; and/or

Expenses resulting from Pre-Existing Conditions will be considered for payment if, beginning on the Covered Person's enrollment date, a period of twelve (12) consecutive months has elapsed.

This time may be offset if the person has Creditable Coverage from his or her previous plan.

Covered charges incurred under Medical Benefits for Pre-Existing Conditions are not payable unless incurred twelve (12) consecutive months after the person's Enrollment Date. This time, known as the Pre-Existing Conditions Limitation period, may be offset if the person has Creditable Coverage from his or her previous plan.

A **Pre-Existing Condition** is a condition for which medical advice, diagnosis, care or treatment was recommended or received within six (6) months prior to the person's Enrollment Date under this Plan. Genetic Information is not, by itself, a condition. Treatment includes receiving services and supplies, consultations, diagnostic tests or prescribed medicines. In order to be taken into account, the medical advice, diagnosis, care or treatment must have been recommended by, or received from, a Physician.

The Pre-Existing Condition does not apply to Pregnancy, to a newborn child who is covered under any Creditable Coverage within thirty (30) days of birth, or to a child who is adopted or placed for adoption before attaining age eighteen (18) and who, as of the last day of the thirty (30) -day period beginning on the date of the adoption or placement for adoption, is covered under any Creditable Coverage. A child has Creditable Coverage within thirty (30) days if the child's expenses are covered under the parent's coverage during that period, either under this Plan or another plan, whether or not the child is ever enrolled in that Plan. A Pre-Existing Condition exclusion may apply to coverage before the date of the adoption or placement for adoption.

The prohibition on Pre-Existing Condition exclusion for newborn, adopted, or pre-adopted children does not apply to an individual after the end of the first sixty-three (63) -consecutive day period during all of which the individual was not covered under any Creditable Coverage.

ENROLLMENT

Enrollment Requirements. An Employee must enroll for coverage by filling out and signing an enrollment application that also acts as a payroll deduction authorization. If the covered Employee already has Dependent coverage, a newborn child will be automatically enrolled for thirty (30) days from birth; otherwise, separate enrollment for a newborn child is required.

Enrollment Requirements for Newborn Children.

A newborn child of a covered Employee who has Dependent coverage is automatically enrolled in this Plan for thirty (30) days. Charges for covered nursery care will be applied toward the Plan of the covered parent. If the newborn child is not enrolled in this Plan on a timely basis, as defined in the section "Timely Enrollment" following this section, there will be no payment from the Plan and the parents will be responsible for all costs.

Charges for covered routine Physician care will be applied toward the Plan of the covered parent. If the newborn child is not enrolled in this Plan on a timely basis, there will be no payment from the Plan and the covered parent will be responsible for all costs.

If the child is not enrolled within thirty (30) days of birth, the enrollment will be considered a Late Enrollment.

TIMELY OR LATE ENROLLMENT

- (1) **Timely Enrollment** - The enrollment will be "timely" if the completed form is received by the Plan Administrator no later than thirty (30) days after the person becomes eligible for the coverage, either initially or under a Special Enrollment Period.

If two Employees (husband and wife) are covered under the Plan and the Employee who is covering the Dependent children terminates coverage, the Dependent coverage may be continued by the other covered Employee with no Waiting Period as long as coverage has been continuous.

- (2) **Late Enrollment** - An enrollment is "late" if it is not made on a "timely basis" or during a Special Enrollment Period. Late Enrollees and their Dependents who are not eligible to join the Plan during a Special Enrollment Period may join only during open enrollment.

If an individual loses eligibility for coverage as a result of terminating employment or a general suspension of coverage under the Plan, then upon becoming eligible again due to resumption of employment or due to resumption of Plan coverage, only the most recent period of eligibility will be considered for purposes of determining whether the individual is a Late Enrollee.

The time between the date a Late Enrollee first becomes eligible for enrollment under the Plan and the first day of coverage is not treated as a Waiting Period. Coverage begins on January 1.

SPECIAL ENROLLMENT RIGHTS

Federal law provides Special Enrollment provisions under some circumstances. If an Employee is declining enrollment for himself or his dependents (including their spouse) because of other health insurance or group health plan coverage, there may be a right to enroll in this Plan if there is a loss of eligibility for that other coverage (or if the employer stops contributing towards the other coverage). However, a request for enrollment must be made within thirty (30) days after the coverage ends (or after the employer stops contributing towards the other coverage).

In addition, in the case of a birth, marriage, adoption or placement for adoption, there may be a right to enroll in this Plan. However, a request for enrollment must be made within thirty (30) days after the birth, marriage, adoption or placement for adoption.

The Special Enrollment rules are described in more detail below. To request Special Enrollment or obtain more detailed information of these portability provisions, contact The Urman Company at (303) 773-1373 or (800) 332-1168.

SPECIAL ENROLLMENT PERIODS

The Enrollment Date for anyone who enrolls under a Special Enrollment Period is the first date of coverage. Thus, the time between the date a special enrollee first becomes eligible for enrollment under the Plan and the first day of coverage is not treated as a Waiting Period. This means that any Pre-Existing Condition will be determined on the basis of the look back period prior to the Enrollment Date, and the period of the Pre-Existing Conditions Limitation will start on the Enrollment Date.

- (1) Individuals losing other coverage creating a Special Enrollment right.**
An Employee or Dependent who is eligible, but not enrolled in this Plan, may enroll if loss of eligibility for coverage is due to any of the following conditions:
 - (a)** The Employee or Dependent was covered under a group health plan or had health insurance coverage at the time coverage under this Plan was previously offered to the individual.
 - (b)** If required by the Plan Administrator, the Employee stated in writing at the time that coverage was offered that the other health coverage was the reason for declining enrollment.
 - (c)** The coverage of the Employee or Dependent who had lost the coverage was under COBRA and the COBRA coverage was exhausted, or was not under COBRA and either the coverage was terminated as a result of loss of eligibility for the coverage or

because employer contributions towards the coverage were terminated. Coverage will begin no later than the first day of the first calendar month following the date the completed enrollment form is received.

- (d)** The Employee or Dependent requests enrollment in this Plan not later than thirty (30) days after the date of exhaustion of COBRA coverage or the termination of non-COBRA coverage due to loss of eligibility or termination of employer contributions, described above. Coverage will begin no later than the first day of the first calendar month following the date the completed enrollment form is received.
- (e)** For purposes of these rules, a loss of eligibility occurs if:

 - (i)** The Employee or Dependent has a loss of eligibility on the earliest date a claim is denied that would meet or exceed a lifetime limit on all benefits.
 - (ii)** The Employee or Dependent has a loss of eligibility due to the plan no longer offering any benefits to a class of similarly situated individuals (i.e.: part-time employees).
 - (iii)** The Employee or Dependent has a loss of eligibility as a result of legal separation, divorce, cessation of dependent status (such as attaining the maximum age to be eligible as a dependent child under the plan), death, termination of employment, or reduction in the number of hours of employment or contributions towards the coverage were terminated.
 - (iv)** The Employee or Dependent has a loss of eligibility when coverage is offered through an HMO, or other arrangement, in the individual market that does not provide benefits to individuals who no longer reside, live or work in a service area, (whether or not within the choice of the individual).
 - (v)** The Employee or Dependent has a loss of eligibility when coverage is offered through an HMO, or other arrangement, in the group market that does not provide benefits to individuals who no longer reside, live or work in a service area, (whether or not within the choice of the individual), and no other benefit package is available to the individual.

If the Employee or Dependent lost the other coverage as a result of the individual's failure to pay premiums or required contributions or for cause (such as making a fraudulent claim or an intentional misrepresentation of a material fact in connection with the plan), that individual does not have a Special Enrollment right.

(2) Dependent beneficiaries. If:

- (a)** The Employee is a participant under this Plan (or has met the Waiting Period applicable to becoming a participant under this Plan and is eligible to be enrolled under this Plan but for a failure to enroll during a previous enrollment period), and
- (b)** A person becomes a Dependent of the Employee through marriage, birth, adoption or placement for adoption,

then the Dependent (and if not otherwise enrolled, the Employee) may be enrolled under this Plan. In the case of the birth or adoption of a child, the Spouse of the covered Employee may be enrolled as a Dependent of the covered Employee if the Spouse is otherwise eligible for coverage. If the Employee is not enrolled at the time of the event, the Employee must enroll under this Special Enrollment Period in order for his eligible Dependents to enroll.

The Dependent Special Enrollment Period is a period of thirty (30) days and begins on the date of the marriage, birth, adoption or placement for adoption. To be eligible for this Special Enrollment, the Dependent and/or Employee must request enrollment during this 30-day period.

The coverage of the Dependent and/or Employee enrolled in the Special Enrollment Period will be effective:

- (a)** in the case of marriage, on the date of marriage or the first day of the first month beginning after the date of the completed request for enrollment is received;
- (b)** in the case of a Dependent's birth, as of the date of birth; or
- (c)** in the case of a Dependent's adoption or placement for adoption, the date of the adoption or placement for adoption.

EFFECTIVE DATE

Effective Date of Employee Coverage. An Employee will be covered under this Plan as of the first day of the calendar month following the date that the Employee satisfies all of the following:

- (1)** The Eligibility Requirement.
- (2)** The Active Employee Requirement.
- (3)** The Enrollment Requirements of the Plan.

Active Employee Requirement.

An Employee must be an Active Employee (as defined by this Plan) for this coverage to take effect.

Effective Date of Dependent Coverage. A Dependent's coverage will take effect on the day that the Eligibility Requirements are met; the Employee is covered under the Plan; and all Enrollment Requirements are met.

TERMINATION OF COVERAGE

When coverage under this Plan stops, Plan Participants will receive a certificate that will show the period of Creditable Coverage under this Plan. The Plan maintains written procedures that explain how to request this certificate. Please contact the Plan Administrator for a copy of these procedures and further details.

When Employee Coverage Terminates. Employee coverage will terminate on the earliest of these dates (except in certain circumstances, a covered Employee may be eligible for COBRA continuation coverage. For a complete explanation of when COBRA continuation coverage is available, what conditions apply and how to select it, see the section entitled Continuation Coverage Rights under COBRA):

- (1) The date the Plan is terminated.
- (2) The last day of the calendar month in which the covered Employee ceases to be in one of the Eligible Classes. This includes death or termination of Active Employment of the covered Employee. (See the section entitled Continuation Coverage Rights under COBRA.) It also includes an Employee on disability, leave of absence or other leave of absence, unless the Plan specifically provides for continuation during these periods.
- (3) The end of the period for which the required contribution has been paid if the charge for the next period is not paid when due.
- (4) The earliest date the Employee has a claim that is denied in whole or in part because the Employee has met or exceeded a lifetime limit on all benefits.

Continuation During Periods of Employer-Certified Leave of Absence or Layoff.

A person may remain eligible for a limited time if Active, full-time work ceases due to leave of absence or layoff. This continuance will end as follows:

For leave of absence only: the date the Employer ends the continuance. During such approved leave of absence, the Employee is required to pay the applicable cost of these benefits in the amount and at the times required by the Employer.

For layoff only: there is no continuation of coverage except what is elected through COBRA.

While continued, coverage will be that which was in force on the last day worked as an Active Employee. However, if benefits reduce for others in the class, they will also reduce for the continued person.

Extension of Benefits (due to Total Disability). If you or your Dependent is Totally Disabled and under the care of a Physician for the Illness or Injury causing the Total Disability on the date your or your Dependent's coverage terminates and expenses have been incurred for the disabling Injury or Illness on or before the date of termination, the Plan will continue benefits:

- (1) for the disabling Injury or Illness only; and
- (2) during the course of that total disability; and
- (3) to the extent that benefits would have been paid if this coverage had stayed in force.

Proof of Total Disability must be submitted to the Plan and approved. The Plan may require the individual to be examined by a Physician of their choice. The Total Disability period starts on the first day of the month following the date of Total Disability.

Such benefits will be continued only for those expenses that are incurred before the earliest of these dates:

- (1) The date which is three (3) months after the date the Employee or Dependent's coverage terminated.
- (2) The date on which date the Employee or Dependent reached the maximum(s) payable under the Plan.
- (3) The date on which date the Employee or Dependent is no longer totally disabled.
- (4) The date on which date the Employee or Dependent's coverage would terminate for any other reason under the Plan.

During this approved total disability period, the Employee is required to pay the applicable cost of these benefits in the amount and at the times required by the Employer. This extension of benefits shall run concurrently with COBRA.

Continuation During Family and Medical Leave. Regardless of the established leave policies mentioned above, this Plan shall at all times comply with the Family and Medical Leave Act of 1993 as promulgated in regulations issued by the Department of Labor.

During any leave taken under the Family and Medical Leave Act, the Employer will maintain coverage under this Plan on the same conditions as coverage would have been provided if the covered Employee had been continuously employed during the entire leave period.

If Plan coverage terminates during the FMLA leave, coverage will be reinstated for the Employee and his or her covered Dependents if the Employee returns to work in accordance with the terms of the FMLA leave. Coverage will be reinstated only if the person(s) had coverage under this Plan when the FMLA leave started, and will be reinstated to the same extent that it was in force when that coverage terminated. For example, Pre-Existing Conditions limitations and other Waiting Periods will not be imposed unless they were in effect for the Employee and/or his or her Dependents when Plan coverage terminated.

Rehiring a Terminated Employee. A terminated Employee who is rehired will be treated as a new hire and be required to satisfy all Eligibility and Enrollment requirements. However, if the Employee is returning to work and continues his COBRA coverage until he again becomes eligible for coverage as an Employee, any, Pre-Existing Conditions Limitations provision will apply only to the extent it was in effect on the last day of COBRA coverage.

Employees on Military Leave. Employees going into or returning from military service may elect to continue Plan coverage as mandated by the Uniformed Services Employment and Reemployment Rights Act (USERRA) under the following circumstances. These rights apply only to Employees and their Dependents covered under the Plan immediately before leaving for military service.

- (1) The maximum period of coverage of a person and the person's Dependents under such an election shall be the lesser of:
 - (a) The twenty-four (24) month period beginning on the date on which the person's absence begins; or
 - (b) The day after the date on which the person was required to apply for or return to a position of employment and fails to do so.
- (2) A person who elects to continue health plan coverage must pay up to 102% of the full contribution under the Plan, except a person on active duty for thirty (30) days or less cannot be required to pay more than the Employee's share, if any, for the coverage.
- (3) An exclusion or Waiting Period may not be imposed in connection with the reinstatement of coverage upon reemployment if one would not have been imposed had coverage not been terminated because of service. However, an exclusion or Waiting Period may be imposed for coverage of any Illness or Injury determined by the Secretary of Veterans Affairs to have been incurred in, or aggravated during, the performance of uniformed service.

If you wish to elect this coverage or obtain more detailed information, contact directed to The Urman Company at (303) 773-1373 or (800) 332-1168.

You may also have continuation rights under USERRA. In general, you must meet the same requirements for electing USERRA coverage as are required under COBRA continuation coverage requirements. Coverage elected under these circumstances is concurrent not cumulative. The Employee may elect USERRA continuation coverage for the Employee and their Dependents. Only the Employee has election rights. Dependents do not have any independent right to elect USERRA health plan continuation.

When Dependent Coverage Terminates. A Dependent's coverage will terminate on the earliest of these dates (except in certain circumstances, a covered Dependent may be eligible for COBRA continuation coverage. For a complete explanation of when COBRA continuation coverage is available, what conditions apply and how to select it, see the section entitled Continuation Coverage Rights under COBRA):

- (1) The date the Plan or Dependent coverage under the Plan is terminated.
- (2) The date that the Employee's coverage under the Plan terminates for any reason including death. (See the section entitled Continuation Coverage Rights under COBRA.)
- (3) The date a covered Spouse loses coverage due to loss of dependency status. (See the section entitled Continuation Coverage Rights under COBRA.)
- (4) On the last day of the calendar month that a Dependent child ceases to be a Dependent as defined by the Plan. (See the section entitled Continuation Coverage Rights under COBRA.)
- (5) The end of the period for which the required contribution has been paid if the charge for the next period is not paid when due.
- (6) The earliest date the Dependent has a claim that is denied in whole or in part because it meets or exceeds a lifetime limit on all benefits.

DELETING A DEPENDENT

To remove a Dependent from the Employee's coverage, the Employee must complete a change form. The Employer must receive this form within thirty (30) days after the effective date of change. If the Employee fails to timely remove an ineligible Dependent, the Employer reserves the right to recoup any benefit payments made on behalf of such Dependent back to the date such Dependent should have been deleted.

RESCISSION OF COVERAGE DUE TO MISREPRESENTATION

The Employer has the right to rescind any coverage of the Employee and/or his/her Dependents for cause, such as making a fraudulent claim or an intentional misrepresentation of a material fact in connection with the Plan. The Employer will refund all contributions paid for any coverage rescinded; however, claims paid will be offset from this amount. The Employer reserves the right to collect additional monies if claims are paid in excess of the Employee's and/or Dependent's paid contributions.

ACQUISITION OF A NEW COMPANY - WHEN COVERAGE BEGINS

When enrollment requirements are met, coverage for eligible Employees, and their eligible Dependents, who are employed by the newly acquired company will be effective as of the date of the acquisition, or the date of termination of the prior company's coverage, whichever is later, if they were covered under a plan offered by the prior company on the day before the date of the acquisition. The Waiting Period will be waived.

If a bodily Injury or Sickness is a Pre-Existing Condition, but would not have been a Pre-Existing Condition under the prior plan had it remained in force, it will not be a Pre-Existing Condition under this Plan. Credit will be given for any pre-existing period satisfied under the prior plan. A certificate of prior health coverage may be required to substantiate the creditable period of coverage.

The Employee and his/her eligible Dependents will be given credit for deductibles and coinsurance provided they submit evidence of amounts satisfied under the prior plan.

New hires will be subject to the Waiting Period, Pre-Existing Condition exclusion, and all other Plan provisions.

HEALTH CARE PLAN PRIVACY NOTICE

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. Please review it carefully.

The Delta County School District 50J Employee Benefit Plan (the Plan) is required by law to maintain the privacy of "protected health information."

"Protected health information" includes any identifiable information that the Plan obtains from you or others that relates to your physical or mental health, the health care you have received, or payment for your health care.

As required by law, this notice provides you with information about your rights and the Plan's legal duties and privacy practices with respect to the privacy of protected health information. This notice also discusses the uses and disclosures the Plan will make of your protected health information.

The Plan reserves the right to change the terms of this notice from time-to-time and to make the revised notice effective for all protected health information the Plan maintains. You can always request a copy of our most current privacy notice from our office or you can access it on our web site.

Permitted Uses and Disclosures. The Plan can use or disclose your protected health information for purposes of treatment, payment and health care operations.

Treatment means the provision, coordination or management of your health care, including any referrals for health care from one health care provider to another. For example, a provider under the Plan may need to know health care information in Plan files that might assist in treatment.

Payment means activities to obtain and provide reimbursement for the health care provided to you, including determinations of eligibility and coverage and other utilization review activities. For example, the information on or accompanying health care bills sent to the Plan may include information that identifies you, as well as your diagnosis, procedures, and supplies used.

As another example, prior to providing health care services, the Plan may need information from a provider about your Medical Condition to determine whether the proposed course of treatment will be covered. When the Plan receives a bill from the provider, the Plan can obtain information regarding your care if necessary to provide payment.

Health care operations means the support function related to treatment and payment, such as quality assurance activities, case management, receiving and responding to patient complaints, Physician reviews, compliance programs, audits, business planning, development, management and administrative activities. For example, the Plan may use your medical information to evaluate the performance of providers used

in the Plan. The Plan may also combine medical information about many patients to decide how to better provide needed benefits under the Plan.

Other Uses and Disclosures of Protected Health Information. The Plan may contact you to provide information about treatment alternatives or other health related benefits and services that may be of interest to you.

The Plan may disclose your protected health information to your family or friends or any other individual identified by you when they are involved in your care or the payment for your care.

The Plan will only disclose the protected health information directly relevant to their involvement in your care or payment. The Plan may also use or disclose your protected health information to notify, or assist in the notification of, a family member, a personal representative, or another person responsible for your care of your location, general condition, or death. If you are available, the Plan will give you an opportunity to object to these disclosures, and the Plan will not make these disclosures if you object. If you are not available, the Plan will determine whether a disclosure to your family or friends is in your best interest, and the Plan will disclose only the protected health information that is directly relevant to their involvement in your care. When permitted by law, the Plan may coordinate our uses and disclosures of protected health information with public or private entities authorized by law or by charter to assist in disaster relief efforts.

Except for the situations set forth below, the Plan will not use or disclose your protected health information for any other purpose unless you provide written authorization.

You have the right to revoke that authorization at any time, provided that the revocation is in writing, except to the extent that the Plan already has taken action in reliance on your authorization.

Exceptional Situations. The Plan may use or disclose your protected health information in the following situations without your authorization:

- **Coroners, Medical Examiners and Funeral Directors.** The Plan may release medical information to the coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. The Plan may also release medical information about patients to funeral directors as necessary to carry out their duties.
- **Health Oversight Activities.** The Plan may disclose medical information to federal or state agencies that oversee our activities. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws. The Plan may disclose protected health information to persons under the Food and Drug Administration's jurisdiction to track products or to conduct post-marketing surveillance.

- **Inmates.** If you become an inmate of a correctional institution or fall under the custody of a law enforcement official, the Plan may release medical information about you to the correctional institution or law enforcement official. This release would be necessary for the institution to provide you with health care; to protect your health and safety or the health and safety of others; or for the safety and security of the correctional institution.
- **Law Enforcement.** The Plan may release medical information in these situations: if asked to do so by law enforcement official in response to a court order, subpoena, warrant, summons, or similar process; to identify or locate a suspect, fugitive, material witness, or missing person; about the victim of a crime if, under certain limited circumstances and are unable to obtain the person's agreement; about a death believed may be the result of criminal conduct; about criminal conduct on our premises; and in emergency circumstances to report a crime; the location of the crime or victims or the identity, description or location of the person who committed the crime.
- **Lawsuits and Disputes.** If you are involved in a lawsuit or dispute, the Plan may disclose medical information about you in response to a court or administrative order. The Plan may also disclose medical information about you in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.
- **Military and Veterans.** If you are a member of the armed forces, the Plan may release medical information about you as required by military command authorities. The Plan may also release medical information about foreign military personnel to the appropriate foreign military authority.
- **National Security and Intelligence Activities.** The Plan may release medical information about you to authorized federal officials for intelligence, counterintelligence, or other national security activities authorized by law.
- **Organ and Tissue Donation.** If you are an organ donor, the Plan may release medical information to organizations that handle organ procurement or organ, eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.
- **Protective Services for the President and Others.** The Plan may disclose medical information about you to authorized federal officials so they may provide protection to the President, other authorized persons or foreign heads of state or conduct special investigations.
- **Public Health Risks.** The Plan may disclose medical information about you for public health activities. These activities generally include the following: to prevent or control disease, injury or disability; to report births and deaths; to report child abuse or neglect; to report reactions to

medications or problems with products; to notify people of product recalls, repairs or replacements; to notify a person who may have been exposed to a disease or may be at risk for contracting or spreading a disease or condition; to notify the appropriate government authority if believed a patient has been the victim of abuse, neglect or domestic violence. The Plan will only make this disclosure if you agree or when required or authorized by law.

- **Serious Threats.** As permitted by applicable law and standards of ethical conduct, the Plan may use and disclose protected health information if, in good faith, believe that the use or disclosure is necessary to prevent or lessen a serious and imminent threat to the health or safety of a person or the public.
- **Workers' Compensation.** The Plan may release medical information about you for programs that provide benefits for work-related injuries or illness.

Your Rights

- You have the right to request restrictions on the Plan's uses and disclosures of protected health information for treatment, payment and health care operations. However, the Plan is not required to agree to your request.
- You have the right to reasonably request to receive communications of protected health information by alternative means or at alternative locations.
- Subject to payment of a reasonable copying charge (if you cannot afford to pay for copies, you will not be denied access), you have the right to inspect and copy the protected health information contained in the Plan's records, except for psychotherapy notes; information compiled in reasonable anticipation of, or use in, a civil, criminal or administrative action or proceeding, and protected health information that is subject to law that prohibits access to protected health information. Depending on the circumstances, a decision to deny access may be reviewable. In some circumstances, you may have a right to have this decision reviewed.
- You have the right to request a correction to your protected health information, but the Plan may deny your request for correction.
- Any agreed upon correction will be included as an addition to, and not a replacement of, already existing records.
- You have the right to receive an accounting of disclosures of protected health information made by the Plan to individuals or entities other than to you, except for disclosures to carry out treatment, payment and health care operations as provided above; to persons involved in your care or for other notification purposes as provided by law; for national security or intelligence purposes as provided by law; to correctional institutions or law

enforcement officials as provided by law; or that occurred prior to April 14, 2003.

- You have the right to request and receive a paper copy of this notice from us.

Filing a Complaint. If you believe that your privacy rights have been violated, you should immediately contact directed to The Urman Company at (303) 773-1373 or (800) 332-1168. The Plan will not take action against you for filing a complaint. You also may file a complaint with the Secretary of Health and Human Services.

Contact Person. If you have any questions or would like further information about this notice, please contact Delta County School District 50J Employee Benefit Plan.

OPEN ENROLLMENT

Every December, during the annual open enrollment period, Employees and their Dependents who are Late Enrollees will be able to enroll in the Plan.

Benefit choices for Late Enrollees made during the open enrollment period will become effective January 1.

Plan Participants will receive detailed information regarding open enrollment from their Employer.

SCHEDULE OF BENEFITS

Verification of Eligibility is available thru The Urman Company at (303) 773-1373 or (800) 332-1168.

Call this number to verify eligibility for Plan benefits **before** the charge is incurred.

MEDICAL BENEFITS

All benefits described in this Schedule are subject to the exclusions and limitations described more fully herein including, but not limited to, the Plan Administrator's determination that: care and treatment is Medically Necessary; that charges are Usual and Reasonable; that services, supplies and care are not Experimental and/or Investigational. The meanings of these capitalized terms are in the Defined Terms section of this document.

This Plan is a traditional medical benefits plan. Covered Persons may choose any Physician or Hospital without the reimbursement levels from the Plan being affected.

Please read the sections Alternate Treatment and Predetermination of Benefits in the Dental Plan. You will need to follow these sections or reimbursement from the Plan may be reduced.

PPO NETWORK

The Plan is a plan which contains a Network Provider Organization.

PPO name: ASO Select Network
Web Site: www.rmhp.com
Information: The Urman Company at (303) 773-1373 or (800) 332-1168

This Plan has entered into an agreement with certain Hospitals, Physicians and other health care providers, which are called Network Providers.

DEDUCTIBLES PAYABLE BY PLAN PARTICIPANTS

Deductibles are dollar amounts that the Covered Person must pay before the Plan pays.

A deductible is an amount of money that is paid once a Calendar Year per Covered Person. Typically, there is one (1) deductible amount per Plan and it must be paid before any money is paid by the Plan for any Covered Charges. Each January 1st, a new deductible amount is required. However, Covered Charges incurred in, and applied toward the deductible in October, November and December will be applied to the deductible in the next Calendar Year as well as the current Calendar Year.

There are no copayments.

Deductibles, per Calendar Year

Per Covered Person	\$1,250
Per Family Unit*	\$3,750

Maximum out-of-pocket payments, per Calendar Year

The Plan will pay the percentage of Covered Charges designated until the following amounts of out-of-pocket payments are reached, at which time the Plan will pay 100% of the remainder of Covered Charges for the rest of the Calendar Year unless stated otherwise.

Per Covered Person	\$2,500
Per Family Unit	\$5,000

The out-of-pocket expenses incurred in the last three (3) months of a Calendar Year which are applied to satisfy the out-of-pocket maximum for that Calendar Year may also be used to satisfy all or part of the individual's or family's out-of-pocket expense for the next Calendar Year.

The charges for the following do not apply to the 100% benefit limit and are never paid at 100%.

- (1) Outpatient substance abuse treatment charges
- (2) Inpatient substance abuse treatment charges
- (3) Outpatient mental health charges
- (4) Inpatient mental health charges
- (5) Non-covered expenses

Maximum Benefit Amounts

Lifetime, while covered.....	\$1,000,000
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Following are other maximums on individual benefits.

Hospital Room and Board --

Daily limit	the average semiprivate room rate
Reimbursement rate.....	80% after deductible

Intensive Care Unit --

Daily limit	Hospital's ICU Charge
Reimbursement rate.....	80% after deductible

Outpatient Hospital/Ambulatory Surgery Center --

Reimbursement rate.....	80% after deductible
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Emergency Room --

Reimbursement rate.....	80% after deductible
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Preadmission Testing --

Reimbursement rate.....	80% after deductible
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Skilled Nursing Facility --

Daily limit	the facility's average semiprivate room rate
Reimbursement rate.....	80% after deductible

Home Health Care --

Reimbursement rate.....	80% after deductible
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Physician Services --

Inpatient and outpatient visits

Reimbursement rate.....	80% after deductible
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Office visit and all eligible expenses incurred or ordered during visit

Reimbursement rate.....	80% after deductible
<u>Venipuncture procedure</u>	
Reimbursement rate.....	100%
<u>Surgical services</u>	
Reimbursement rate.....	80% after deductible
<u>Physician emergency room visits</u>	
Reimbursement rate.....	80% after deductible
<u>Allergy testing</u>	
Reimbursement rate.....	80% after deductible
<u>Allergy serum and injections without office visit</u>	
Reimbursement rate.....	80% after deductible

**Diagnostic X-ray and Lab Expenses
(including interpretation fees) --**

<u>Non-surgical x-ray and lab expenses</u>	
Reimbursement rate.....	100%
<u>Surgical x-ray and lab expenses</u>	
Reimbursement rate.....	80% after deductible
<u>Injection procedures utilizing X-rays during an x-ray or lab procedure</u>	
Reimbursement rate.....	100%

**Urgent Care Facility/Extended Hour/Walk-in Facility (not ER of hospital)
Emergency or Illness Care --**

Reimbursement rate.....	80% after deductible
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Outpatient Private Duty Nursing --

Reimbursement rate.....	80% after deductible
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Hospice Care --

Reimbursement rate..... 80% after deductible

Bereavement counseling

Reimbursement rate..... 80% after deductible

Lifetime maximum, per family \$500

Ambulance Service --

Reimbursement rate..... 80% after deductible

Occupational Therapy --

Reimbursement rate..... 80% after deductible

Speech Therapy --

Reimbursement rate..... 80% after deductible

Physical Therapy --

Reimbursement rate..... 80% after deductible

Durable Medical Equipment --

Reimbursement rate..... 80% after deductible

Prosthetics --

Reimbursement rate..... 80% after deductible

Mental Disorders Treatment Limits --

Inpatient reimbursement rate..... 50% after deductible

Outpatient reimbursement rate 50% after deductible

Calendar Year maximum

Inpatient..... 30 days or

Partial hospitalization
Each partial day counts as one-half inpatient day 60 days

Outpatient.....	15 visits
Lifetime maximum	
Inpatient/Outpatient combined.....	100 days and/or visits combined

Substance Abuse Treatment Limits --

Inpatient reimbursement rate.....	50% after deductible
Outpatient reimbursement rate.....	50% after deductible

Calendar Year maximum

Inpatient.....	30 days or
Partial hospitalization Each partial day counts as one-half inpatient day.....	60 days
Outpatient.....	15 visits

Lifetime Mental Health/Substance Abuse Combined Maximum

Inpatient/outpatient combined.....	100 days and/or visits combined
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Spinal Manipulation/Chiropractic Services --

Reimbursement rate.....	80% after deductible
Calendar Year maximum	\$1,500

Organ Transplant Coverage Limits --

Covered Transplant Procedures:

Organ and tissue transplants are covered except those which are classified as "Experimental and/or Investigational."

Reimbursement rate.....	As any other illness
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Pregnancy Benefits --

Reimbursement rate.....	As any other illness
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Nursery/Physician

Well Newborn Nursery Care Limits (considered part of mother’s care) --

Reimbursement rate..... 80%

Infertility Benefits

Reimbursement rate..... 80% after deductible

Includes: care, supplies and services for the initial diagnosis of infertility.

Preventive Care

Routine Well-Baby Care Limits --

Reimbursement rate..... 80% after deductible

Calendar Year maximum \$500

The charges for well-baby care made by a Physician will be considered Covered Charges during the first twenty-four (24) months of life.

Coverage includes reimbursement for the following services: well-baby care, including routine diagnostic testing, immunizations, vaccinations and preventive shots.

Routine Mammograms (Mammography and Interpretation) --

Reimbursement rate..... 100% of first \$65; thereafter, 80% after deductible

Frequency limits for mammogram

Age 35 to age 39 1baseline
Age 40 to age 49 every two (2) Calendar Years
Age 50 and over Annually

Routine Pap Smear (pelvic exam, pap smear and interpretation)

Reimbursement rate 80% after deductible

Calendar Year maximum 1 exam

Routine Prostate Evaluations (prostate exam, tests and interpretation)

Reimbursement rate..... 80% after deductible

Frequency limits for prostate evaluations

Under age 40..... 1 every 3 Calendar Years

Age 40 and over..... Annually

All Other Eligible Expenses --

Reimbursement rate..... 80% after deductible

PRESCRIPTION DRUG BENEFIT

Pharmacy Option – Caremark

Maximum Prescription out-of-pocket payments, per Calendar Year

Per Covered Person \$1,000

Deductible, per Calendar Year

Per Covered Person \$100

Generic drugs

Percentage payable 80% after deductible

Formulary Brand Name drugs

Percentage payable 70% after deductible

Non-Formulary Brand Name drugs

Percentage payable 60% after deductible

DENTAL BENEFITS

Class A, B, and C Services Lifetime deductible,
per person \$75

Class D Services Lifetime deductible,
per person \$50

The deductible applies to these Classes of Service:

- Class A Services - Preventive
- Class B Services - Basic
- Class C Services - Major
- Class D Services - Orthodontia

Dental Percentage Payable

Class A Services - Preventive.....	80%
Class B Services - Basic	80%
Class C Services - Major	50%
Class D Services - Orthodontia.....	50%

Note: Class A Services and Class B Services will be limited to \$500 per person during the first twelve (12) consecutive months of coverage for Late Enrollees under the Plan.

Note: No benefits are payable for Class C Services and Class D Services in the first 12 consecutive months of coverage for Late Enrollees under the Plan.

Maximum Benefit Amount

For other than Class D-Orthodontia:

Per person, per Calendar Year	\$1,200
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For Class D-Orthodontia*:

Lifetime maximum, per person	\$1,500
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*Benefits for Dependent children only (up to age nineteen (19)). Orthodontic treatment must begin (bands in place) before your Dependent child reaches age nineteen (19).

MEDICAL BENEFITS

Medical Benefits apply when Covered Charges are incurred by a Covered Person for care of an Injury or Sickness and while the person is covered for these benefits under the Plan.

DEDUCTIBLE

Deductible Amount. This is an amount of Covered Charges for which no benefits will be paid. Before benefits can be paid in a Calendar Year a Covered Person must meet the deductible shown in the Schedule of Benefits.

Deductible Three Month Carryover. Covered Charges incurred in, and applied toward the deductible in October, November and December will be applied toward the deductible in the next Calendar Year.

Family Unit Limit. When the maximum amount shown in the Schedule of Benefits has been incurred by members of a Family Unit toward their Calendar Year deductibles, the deductibles of all members of that Family Unit will be considered satisfied for that year.

BENEFIT PAYMENT

Each Calendar Year, benefits will be paid for the Covered Charges of a Covered Person that are in excess of the deductible. Payment will be made at the rate shown under reimbursement rate in the Schedule of Benefits. No benefits will be paid in excess of the Maximum Benefit Amount or any listed limit of the Plan.

OUT-OF-POCKET LIMIT

Covered Charges are payable at the percentages shown each Calendar Year until the out-of-pocket limit shown in the Schedule of Benefits is reached. Then, Covered Charges incurred by a Covered Person will be payable at 100% (except for the charges excluded) for the rest of the Calendar Year.

When a Family Unit reaches the out-of-pocket limit, Covered Charges for that Family Unit will be payable at 100% (except for the charges excluded) for the rest of the Calendar Year.

MAXIMUM BENEFIT AMOUNT

The Maximum Benefit Amount is shown in the Schedule of Benefits. It is the total amount of benefits that will be paid under the Plan for all Covered Charges incurred by a Covered Person. The Maximum Benefit applies to all plans and benefit options offered under the Delta County School District 50J Employee Benefit Plan, including the ones described in this document.

COVERED CHARGES

Covered charges are the Usual and Reasonable Charges that are incurred for the following items of service and supply. These charges are subject to the benefit limits, exclusions and other provisions of this Plan. A charge is incurred on the date that the service or supply is performed or furnished.

- (1) **Hospital Care.** The medical services and supplies furnished by a Hospital or Ambulatory Surgical Center or a Birthing Center. Covered charges for room and board will be payable as shown in the Schedule of Benefits. After twenty-three (23) observation hours, a confinement will be considered an inpatient confinement.

Room charges made by a Hospital having only private rooms will be paid at the private room rate.

Charges for an Intensive Care Unit stay are payable as described in the Schedule of Benefits.

- (2) **Coverage of Pregnancy.** The Usual and Reasonable Charges for the care and treatment of Pregnancy are covered the same as any other Sickness.

Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than forty-eight (48) hours following a vaginal delivery, or less than ninety-six (96) hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than forty-eight (48) hours, or ninety-six (96) hours as applicable. In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of forty-eight (48) hours, or ninety-six (96) hours.

Expenses for **amniocentesis testing and/or genetic counseling**, when recommended by a Physician for a Covered Person who is thirty-five (35) years of age or older at the time of delivery, or for a documented high-risk pregnancy, or family history of genetic disorder. Any procedure intended solely for sex determination is not covered.

Prenatal diagnostic lab testing and birthing supplies **when ordered by a licensed or registered Midwife** for home births.

Fetal surgery will be considered as part of the mother's care.

Birthing centers.

- (3) **Skilled Nursing Facility Care.** The room and board and nursing care furnished by a Skilled Nursing Facility will be payable if and when:
- (a) the patient is confined as a bed patient in the facility;
 - (b) the confinement starts within fourteen (14) days of a Hospital confinement of at least three (3) days; or a prior covered Skilled Nursing Facility care confinement;
 - (c) the attending Physician certifies that the confinement is needed for further care of the condition that caused the Hospital confinement; and
 - (d) the attending Physician completes a treatment plan which includes a diagnosis, the proposed course of treatment and the projected date of discharge from the Skilled Nursing Facility.

A new period of Skilled Nursing Facility care confinement begins seven (7) days from the date the Covered Person was last confined in a Skilled Nursing Facility. (A new confinement period cannot start before a previous confinement period has ended.)

- (4) **Physician Care.** The professional services of a Physician for surgical or medical services.
- (a) Charges for **multiple surgical procedures** will be a Covered Charge subject to the following provisions:
 - (i) If bilateral or multiple surgical procedures are performed by one (1) surgeon, benefits will be determined based on the Usual and Reasonable Charge that is allowed for the primary procedures; 50% of the Usual and Reasonable Charge will be allowed for each additional procedure performed through the same incision. Any procedure that would not be an integral part of the primary procedure or is unrelated to the diagnosis will be considered "incidental" and no benefits will be provided for such procedures;
 - (ii) If multiple unrelated surgical procedures are performed by two (2) or more surgeons on separate operative fields, benefits will be based on the Usual and Reasonable Charge for each surgeon's primary procedure. If two (2) or more surgeons perform a procedure that is normally performed by one (1) surgeon, benefits for all surgeons will not exceed the Usual and Reasonable percentage allowed for that procedure; and
 - (iii) If an assistant surgeon is required, the assistant surgeon's covered charge will not exceed 20% or a Physician's

Assistant will not exceed 15% of the surgeon's Usual and Reasonable allowance.

- (5) **Private Duty Nursing Care.** The private duty nursing care by a licensed nurse (R.N., L.P.N. or L.V.N.). Covered charges for this service will be included to this extent:
- (a) **Inpatient Nursing Care.** Charges are covered only when care is Medically Necessary or not Custodial in nature and the Hospital's Intensive Care Unit is filled or the Hospital has no Intensive Care Unit.
 - (b) **Outpatient Nursing Care.** Charges are covered only when care is Medically Necessary and not Custodial in nature. The only charges covered for Outpatient nursing care are those shown below, under Home Health Care Services and Supplies. Outpatient private duty nursing care on a 24-hour-shift basis is not covered.
- (6) **Home Health Care Services and Supplies.** Charges for home health care services and supplies are covered only for care and treatment of an Injury or Sickness when Hospital or Skilled Nursing Facility confinement would otherwise be required. The diagnosis, care and treatment must be certified by the attending Physician and be contained in a Home Health Care Plan.
- A home health care visit will be considered a periodic visit by either a nurse or therapist, as the case may be, or four (4) hours of home health aide services.
- (7) **Hospice Care Services and Supplies.** Charges for hospice care services and supplies are covered only when the attending Physician has diagnosed the Covered Person's condition as being terminal, determined that the person is not expected to live more than six (6) months and placed the person under a Hospice Care Plan.
- Covered charges for Hospice Care Services and Supplies are payable as described in the Schedule of Benefits.
- Bereavement counseling services by a licensed social worker or a licensed pastoral counselor for the patient's immediate family (covered Spouse and/or covered Dependent children). Bereavement services must be furnished within six (6) months after the patient's death.
- (8) **Rehabilitation Center Benefit.** The Plan will pay for covered expenses the Employee or his/her eligible Dependent incur for a Sickness or Injury that results in the need for rehabilitation services as provided or offered in a rehabilitation hospital or center. The Employee or his/her eligible Dependent must be under the care of a Physician for any benefits to be payable.

"Rehabilitation services" means a formal program of treatment that:

- (a) is provided to those individuals who have severe disabling impairments of recent onset or recent progression or persons who have not had prior exposure to these services and who require an identifiable intensity of services; and
- (b) is performed in a rehabilitation hospital or center either as an inpatient or an outpatient; and
- (c) is prescribed by a Physician as Medically Necessary and is periodically reviewed; and
- (d) is prescribed in place of a stay in the acute setting of a Hospital or is an extension of a Hospital stay; and
- (e) is provided in a Hospital or facility that is licensed and qualified to render rehabilitation services.

The primary emphasis of the program is providing, in a coordinated manner, those comprehensive services deemed appropriate to the needs of a person with a disability, in a program designed to achieve objectives of improved health, welfare and the realization of one's maximum physical, social, psychological and vocational potential for useful and productive activity.

Services must be of such a level of complexity or the condition of the patient must be such that services can be safely performed only by the qualified therapist or pathologist.

The Plan will not pay benefits for any alcoholism or drug abuse rehabilitation expenses under this provision.

- (9) **Other Medical Services and Supplies.** These services and supplies not otherwise included in the items above are covered as follows:
 - (a) **Acupuncture** performed by a Physician or licensed acupuncturist when Medically Necessary to treat a covered Illness or Injury.
 - (b) **Allergy testing, treatment and injections.** RAST (radioallergosorbent test) allergy testing will be allowed only when Medically Necessary as the only alternative to traditional allergy testing.
 - (c) Local Medically Necessary professional land or air **ambulance** service. A charge for this item will be a Covered Charge only if the service is to the nearest Hospital or Skilled Nursing Facility where necessary treatment can be provided unless the Plan Administrator finds a longer trip was Medically Necessary.

- (d) **Anesthetic**; oxygen; blood and blood derivatives that are not donated or replaced; intravenous injections and solutions. Administration of these items is included.
- (e) **Assistant Surgeon's** fee when the procedure requires an assistant surgeon due to medical necessity.
- (f) **Biofeedback** and equipment Medically Necessary for the treatment of a covered Illness or Injury.
- (g) **Blood transfusions**, blood processing costs, blood transport charges, blood handling charges, administration charges, the cost of blood, plasma and blood derivatives and pre-surgical autologous storage of blood. Any credit allowable for replacement of blood plasma by donor or blood insurance will be deducted from the total of eligible covered expenses.
- (h) **Cardiac rehabilitation** as deemed Medically Necessary provided services are rendered (a) under the supervision of a Physician; (b) in connection with a myocardial infarction, coronary occlusion or coronary bypass surgery; (c) initiated within twelve (12) weeks after other treatment for the medical condition ends; and (d) in a Medical Care Facility as defined by this Plan.
- (i) Radiation or **chemotherapy** and treatment with radioactive substances. The materials and services of technicians are included.
- (j) Accredited facilities, clinics or centers involved in the testing and treatment of **chronic pain** for a covered Illness or Injury.
- (k) **Cleft Palate and Cleft Lip**. The Plan will provide benefits for cleft palate and cleft lip. Cleft palate is defined as a birth deformity in which the palate (the roof of the mouth) fails to close, and cleft lip is defined as a birth deformity in which the lip fails to close.

The Plan will cover expenses incurred for the following services when provided by a Physician, other professional provider, and facilities necessary for treatment.

- (i) Oral and facial surgery, surgical management and follow-up care by plastic surgeons and oral surgeons.
- (ii) Habilitative speech therapy.
- (iii) Otolaryngology treatment.
- (iv) Audiological assessments and treatment.

- (v) Orthodontic treatment.
- (vi) Prosthodontic treatment.
- (vii) Prosthetic treatment such as obturators, speech appliances, and feeding appliances.
- (l) Initial **contact lenses** or glasses required following cataract surgery.
- (m) Injuries resulting from an act of **domestic violence**.
- (n) Rental of **durable medical or surgical equipment** if deemed Medically Necessary. These items may be bought rather than rented, with the cost not to exceed the fair market value of the equipment at the time of purchase, but only if agreed to in advance by the Plan Administrator.
- (o) **Growth hormone therapy** - must be previously authorized with a letter from the Physician documenting the need for such therapy in advance of dates of service.
- (p) Expenses for treatment of kidney disorder by **hemodialysis or peritoneal dialysis** as an inpatient in a Hospital or other facility, or for expenses in an outpatient facility or in your home, including the training of one (1) attendant to perform kidney dialysis at home. The attendant may be a family member. When home care replaces inpatient or outpatient dialysis treatments, the Plan will pay for rental of dialysis equipment and expendable medical supplies for use in your home.
- (q) Expenses incurred for the initial diagnosis and testing to determine **infertility and impotency**, whether a medical problem exists or not is covered; expenses incurred in connection with the treatment of infertility, impotency or promotion of conception, including drug therapy, are not covered.
- (r) **Laboratory studies**.
- (s) **Medical supplies**, including, but not limited to: dressings, sutures, casts, splints, trusses, crutches, colostomy bags, catheters, syringes and needles for administering covered drugs, medicines or insulin. Items that would not serve a useful medical purpose, or which are used for comfort, convenience, or personal hygiene, are not included.
- (t) Treatment of **Mental Disorders and Substance Abuse**. Covered charges for care, supplies and treatment of Mental Disorders and Substance Abuse will be limited as follows:

All treatment is subject to the benefit payment maximums shown in the Schedule of Benefits.

Physician's visits are limited to one (1) treatment per day. Each day of Partial Hospitalization counts as one-half of an inpatient Hospital day.

Psychiatrists (M.D.), psychologists (Ph.D.), counselors (Ph.D.) or Masters of Social Work (M.S.W.) may bill the Plan directly. Other licensed mental health practitioners must be under the direction of and must bill the Plan through these professionals.

Benefits for inpatient care for alcoholism or drug abuse are available only when the Covered Person completes the full-continuum of care and the facility or Physician discharging the Covered Person so certifies.

Admissions solely for detoxification, which do not include rehabilitation, are not covered.

- (u) Injury to or care of **mouth, teeth and gums**. Charges for Injury to or care of the mouth, teeth, gums and alveolar processes will be Covered Charges under Medical Benefits only if that care is for the following oral surgical procedures:

Excision of tumors and cysts of the jaws, cheeks, lips, tongue, roof and floor of the mouth.

Emergency repair due to Injury to Sound Natural Teeth. Services must be performed within one (1) year after the accident, unless it can be shown that it was not medically possible to provide treatment within this period of time.

Surgery needed to correct accidental injuries to the jaws, cheeks, lips, tongue, floor and roof of the mouth.

Excision of benign bony growths of the jaw and hard palate.

External incision and drainage of cellulitis.

Incision of sensory sinuses, salivary glands or ducts.

The Plan will pay for the charges for a semiprivate room and covered hospital ancillary services in a Hospital if the Covered Person has a hazardous medical condition (such as heart disease) which requires that an otherwise non-covered dental procedure be performed in the Hospital. The Plan will not pay for the services of the Physician, Dentist, or oral surgeon in relation to that non-covered dental procedure even if the Hospital charges are paid.

No charge will be covered under Medical Benefits for dental and oral surgical procedures involving orthodontic care of the teeth, periodontal disease and preparing the mouth for the fitting of or continued use of dentures.

- (v) **Occupational therapy** by a licensed occupational therapist. Therapy must be ordered by a Physician, result from an Injury or Sickness and improve a body function. Covered Charges do not include recreational programs, maintenance therapy or supplies used in occupational therapy.
- (w) **Organ transplant** limits. Charges otherwise covered under the Plan that are incurred for the care and treatment due to an organ or tissue transplant are subject to these limits:

The transplant must be performed to replace an organ or tissue.

Charges for obtaining donor organs or tissues are Covered Charges under the Plan when the recipient is a Covered Person. When the donor has medical coverage, his or her plan will pay first. The benefits under this Plan will be reduced by those payable under the donor's plan. Donor charges include those for:

evaluating the organ or tissue;

removing the organ or tissue from the donor; and

transportation of the organ or tissue from within the United States and Canada to the place where the transplant is to take place.

Charges for Transportation, Lodging and Meals. If the recipient is a minor, this will include both parents, otherwise just the recipient and one (1) other adult.

Mandatory Second Surgical Opinion Requirement. This must certify that the patient has no alternative procedure, service, or course of treatment that would be effective in the treatment of the patient's condition.

- (x) The initial purchase, fitting and repair of **orthotic appliances** such as braces, splints or other appliances which are required for support for an injured or deformed part of the body as a result of a disabling congenital condition or an Injury or Sickness.
- (y) **Oxygen and other gases**, and equipment necessary for its administration.

- (z) **Physical therapy** by a licensed physical therapist. The therapy must be in accord with a Physician's exact orders as to type, frequency and duration and for conditions which are subject to significant improvement through short-term therapy.
- (aa) **Physician's assistant** fee when the procedure requires a Physician's assistant due to medical necessity, in lieu of the service of an assistant surgeon.
- (bb) **Prescription Drugs** (as defined).
- (cc) **Routine Preventive Care.** Covered charges under Medical Benefits are payable for routine Preventive Care as described in the Schedule of Benefits.

Charges for **Routine Well-Baby Care.** Routine well-baby care is routine care by a Physician that is not for an Injury or Sickness.

Charges for **Routine Pelvic Exams and Pap Smears.**

Charges for **Routine Mammograms.**

Charges for **Routine Prostate Exams.**

- (dd) The initial purchase, fitting and repair of fitted **prosthetic devices** which replace body parts.
- (ee) **Reconstructive Surgery.** Correction of abnormal congenital conditions and reconstructive mammoplasties will be considered Covered Charges.

This mammoplasty coverage will include reimbursement for:

- (i) reconstruction of the breast on which a mastectomy has been performed,
- (ii) surgery and reconstruction of the other breast to produce a symmetrical appearance, and
- (iii) coverage of prostheses and physical complications during all stages of mastectomy, including lymphedemas,

in a manner determined in consultation with the attending Physician and the patient.

- (ff) Accredited facilities, clinics or centers involved in **sleep testing** and treatment for a covered Illness or Injury.
- (gg) **Speech therapy** by a licensed speech therapist. Therapy must be

ordered by a Physician and follow either: (i) surgery for correction of a congenital condition of the oral cavity, throat or nasal complex (other than a frenectomy) of a person; (ii) an Injury; or (iii) a Sickness that is other than a learning or Mental Disorder.

- (hh) **Spinal Manipulation/Chiropractic services** by a licensed M.D., D.O. or D.C.
- (ii) **Sterilization** procedures for Employees and Dependent Spouses.
- (jj) **Surgical dressings**, splints, casts and other devices used in the reduction of fractures and dislocations.
- (kk) Expenses incurred while **traveling outside the United States** on business or pleasure. Expenses incurred outside the United States, if the covered person traveled to such location for the primary purpose of obtaining medical services, drugs, or supplies, are not covered.
- (ll) Coverage of **Well Newborn Nursery/Physician Care**.

Charges for **Routine Nursery Care**. Routine well newborn nursery care is care while the newborn is Hospital-confined after birth and includes room, board and other normal care for which a Hospital makes a charge.

This coverage is only provided if a parent is a Covered Person who was covered under the Plan at the time of the birth and the newborn child is an eligible Dependent and is neither injured nor ill.

The benefit is limited to Usual and Reasonable Charges for nursery care for the newborn child while Hospital confined as a result of the child's birth.

Charges for covered routine nursery care will be applied toward the Plan of the covered mother.

Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than forty-eight (48) hours following a vaginal delivery, or less than ninety-six (96) hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than forty-eight (48) hours, or ninety-six (96) hours as applicable. In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of forty-eight (48) hours, or ninety-six (96) hours.

Charges for **Routine Physician Care**. The benefit is limited to the Usual and Reasonable Charges made by a Physician for the newborn child while Hospital confined as a result of the child's birth.

Charges for covered routine Physician care will be applied toward the Plan of the covered mother.

(mm) Diagnostic **X-rays**.

COST MANAGEMENT SERVICES

Cost Management Services Phone Number

CNIC Health Solutions, Inc.
(303) 770-5710 or (800) 426-7453

SECOND AND/OR THIRD OPINION PROGRAM

Certain surgical procedures are performed either inappropriately or unnecessarily. In some cases, surgery is only one of several treatment options. In other cases, surgery will not help the condition.

In order to prevent unnecessary or potentially harmful surgical treatments, the second and/or third opinion program fulfills the dual purpose of protecting the health of the Plan's Covered Persons and protecting the financial integrity of the Plan.

Benefits will be provided for a second (and third, if necessary) opinion consultation to determine the Medical Necessity of an elective surgical procedure. An elective surgical procedure is one that can be scheduled in advance; that is, it is not an emergency or of a life-threatening nature. Benefits for the second (and third, if necessary) opinion will be paid at 100% before the deductible.

The patient may contact CNIC Health Solutions, Inc. for a referral or choose any board-certified specialist who is not an associate of the attending Physician and who is affiliated in the appropriate specialty. CNIC Health Solutions, Inc. may at any time require a second or third opinion.

While any surgical treatment is allowed a second opinion, the following procedures are ones for which surgery is often performed when other treatments are available.

Appendectomy	Hernia surgery	Spinal surgery
Cataract surgery	Hysterectomy	Surgery to knee, shoulder, elbow or toe
Cholecystectomy (gall bladder removal)	Mastectomy surgery	Tonsillectomy and adenoidectomy
Deviated septum (nose surgery)	Prostate surgery	Tympanotomy (inner ear)
Hemorrhoidectomy	Salpingo-oophorectomy (removal of tubes/ovaries)	Varicose vein ligation

PREADMISSION TESTING SERVICE

The Medical Benefits percentage payable will be for diagnostic lab tests and x-ray exams when:

- (1) performed on an outpatient basis within two (2) weeks before a Hospital confinement;
- (2) related to the condition which causes the confinement; and
- (3) performed in place of tests while Hospital confined.

CENTERS OF EXCELLENCE PROGRAM

Please note that as part of the Employee Benefit Plan, Covered Persons have access to a Centers of Excellence Program. This is a voluntary program which allows the Covered Person to use one (1) of several facilities throughout the country that offer the highest quality care at a discounted rate for major procedures such as transplants, heart surgery, etc. For more information, contact the Precertification Department at CNIC Health Solutions, Inc. at (303) 770-5710 or (800) 426-7453.

CASE MANAGEMENT

Case Management. The Plan may elect, in its sole discretion, when acting on a basis that precludes individual selection, to provide alternative benefits that are otherwise excluded under the Plan. The alternative benefits, called "Case Management," shall be determined on a case-by-case basis, and the Plan's determination to provide the benefits in one instance shall not obligate the Plan to provide the same or similar alternative benefits for the same or any other Covered Person, nor shall it be deemed to waive the right of the Plan to strictly enforce the provisions of the Plan.

A case manager consults with the patient, the family and the attending Physician in order to develop a plan of care for approval by the patient's attending Physician and the patient. This plan of care may include some or all of the following:

- personal support to the patient;
- contacting the family to offer assistance and support;
- monitoring Hospital or Skilled Nursing Facility;
- determining alternative care options; and
- assisting in obtaining any necessary equipment and services.

Case Management occurs when this alternate benefit will be beneficial to both the patient and the Plan.

The case manager will coordinate and implement the Case Management program by providing guidance and information on available resources and suggesting the most appropriate treatment plan. The Plan Administrator, attending Physician, patient and patient's family must all agree to the alternate treatment plan.

Once agreement has been reached, the Plan Administrator will direct the Plan to reimburse for Medically Necessary expenses as stated in the treatment plan, even if these expenses normally would not be paid by the Plan.

The Plan reserves the right to allow for care at home or other alternative methods of treatment or medical care not otherwise covered under the Plan. In cases where the patient's condition is expected to be or is of a serious nature, the Plan Administrator may arrange for review and/or case management services from a professional qualified to perform such services. The Plan Administrator shall have the right to alter or waive the normal provisions of the Plan when it is reasonable to expect a cost effective result without a sacrifice to the quality of patient care, provided such care is approved by the Plan's case management organization, the patient (or patient's legal representative), the attending Physician and the Plan Administrator.

Benefits provided under this section are subject to all other Plan provisions. Alternative care will be determined on the merits of each individual case and any care or treatment provided will not be considered as setting any precedent or creating any future liability, with respect to that Covered Person or any other Covered Person.

Note: Case Management is a voluntary service. There are no reductions of benefits or penalties if the patient and family choose not to participate.

Each treatment plan is individually tailored to a specific patient and should not be seen as appropriate or recommended for any other patient, even one with the same diagnosis.

DEFINED TERMS

The following terms have special meanings and when used in this Plan will be capitalized.

Active Employee is an Employee who is on the regular payroll of the Employer and who has begun to perform the duties of his or her job with the Employer on a full-time basis.

Ambulatory Surgical Center is a licensed facility that is used mainly for performing outpatient surgery, has a staff of Physicians, has continuous Physician and nursing care by registered nurses (R.N.s) and does not provide for overnight stays.

Birthing Center means any freestanding health facility, place, professional office or institution which is not a Hospital or in a Hospital, where births occur in a home-like atmosphere. This facility must be licensed and operated in accordance with the laws pertaining to Birthing Centers in the jurisdiction where the facility is located.

The Birthing Center must provide facilities for obstetrical delivery and short-term recovery after delivery; provide care under the full-time supervision of a Physician and either a registered nurse (R.N.) or a licensed nurse-midwife; and have a written agreement with a Hospital in the same locality for immediate acceptance of patients who develop complications or require pre- or post-delivery confinement.

Brand Name means a trade name medication.

Calendar Year means January 1st through December 31st of the same year.

COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

Exhaustion of COBRA continuation coverage means that an individual's COBRA continuation coverage ceases for any reason other than either failure of the individual to pay premiums on a timely basis, or for cause (such as making a fraudulent claim or an intentional misrepresentation of a material fact in connection with the plan).

Cosmetic Dentistry means dentally unnecessary procedures.

Cosmetic Procedure/Surgery means a procedure performed solely for the improvement of a Covered Person's appearance rather than for the improvement or restoration of bodily function. Cosmetic procedures performed for psychiatric or psychological reasons or to change family characteristics or conditions due to aging are not covered under the Plan.

Covered Charge(s) means those Medically Necessary services or supplies that are covered under this Plan.

Covered Person is an Employee, Retiree or Dependent who is covered under this Plan.

Creditable Coverage includes most health coverage, such as coverage under a group health plan (including COBRA continuation coverage), HMO membership, an individual health insurance policy, Medicaid or Medicare.

Creditable Coverage does not include coverage consisting solely of dental or vision benefits.

Custodial Care is care (including room and board needed to provide that care) that is given principally for personal hygiene or for assistance in daily activities and can, according to generally accepted medical standards, be performed by persons who have no medical training. Examples of Custodial Care are help in walking and getting out of bed; assistance in bathing, dressing, feeding; or supervision over medication which could normally be self-administered.

Dentist is a person who is properly trained and licensed to practice dentistry and who is practicing within the scope of such license.

Durable Medical Equipment means equipment which (a) can withstand repeated use, (b) is primarily and customarily used to serve a medical purpose, (c) generally is not useful to a person in the absence of an Illness or Injury and (d) is appropriate for use in the home.

Emergency Services means treatment for an Illness or Injury which develops suddenly and unexpectedly and which in the absence of immediate medical treatment would result in the condition becoming significantly worse, or result in the death of the Covered Person.

Employee means a person who is an Active, regular Employee of the Employer, regularly scheduled to work for the Employer in an Employee/Employer relationship.

Employer is Delta County School District 50J.

Enrollment Date is the first day of coverage or, if there is a Waiting Period, the first day of the Waiting Period.

ERISA is the Employee Retirement Income Security Act of 1974, as amended.

Experimental and/or Investigational means services, supplies, care and treatment which does not constitute accepted medical practice properly within the range of appropriate medical practice under the standards of the case and by the standards of a reasonably substantial, qualified, responsible, relevant segment of the medical and dental community or government oversight agencies at the time services were rendered.

The Plan Administrator must make an independent evaluation of the experimental/nonexperimental standings of specific technologies. The Plan Administrator shall be

guided by a reasonable interpretation of Plan provisions. The decisions shall be made in good faith and rendered following a detailed factual background investigation of the claim and the proposed treatment. The decision of the Plan Administrator will be final and binding on the Plan. The Plan Administrator will be guided by the following principles:

- (1) if the drug or device cannot be lawfully marketed without approval of the U.S. Food and Drug Administration and approval for marketing has not been given at the time the drug or device is furnished; or
- (2) if the drug, device, medical treatment or procedure, or the patient informed consent document utilized with the drug, device, treatment or procedure, was reviewed and approved by the treating facility's Institutional Review Board or other body serving a similar function, or if federal law requires such review or approval; or
- (3) if Reliable Evidence shows that the drug, device, medical treatment or procedure is the subject of on-going phase I or phase II clinical trials, is the research, experimental, study or Investigational arm of on-going phase III clinical trials, or is otherwise under study to determine its maximum tolerated dose, its toxicity, its safety, its efficacy or its efficacy as compared with a standard means of treatment or diagnosis; or
- (4) if Reliable Evidence shows that the prevailing opinion among experts regarding the drug, device, medical treatment or procedure is that further studies or clinical trials are necessary to determine its maximum tolerated dose, its toxicity, its safety, its efficacy or its efficacy as compared with a standard means of treatment or diagnosis.

Reliable Evidence shall mean only published reports and articles in the authoritative medical and scientific literature; the written protocol or protocols used by the treating facility or the protocol(s) of another facility studying substantially the same drug, service, medical treatment or procedure; or the written informed consent used by the treating facility or by another facility studying substantially the same drug, device, medical treatment or procedure.

Drugs are considered Experimental if they are not commercially available for purchase and/or they are not approved by the Food and Drug Administration for general use.

Family Unit is the covered Employee or Retiree and the family members who are covered as Dependents under the Plan.

Formulary means a list of prescription medications compiled by the third party payor of safe, effective therapeutic drugs specifically covered by this Plan.

Full-Time Student is an Employee's Dependent child who is enrolled in and regularly attending an accredited college or university, high school or vocational school for the minimum number of credit hours required by that school, college or university in order to maintain Full-Time Student status.

Generic drug means a Prescription Drug which has the equivalency of the brand name drug with the same use and metabolic disintegration. This Plan will consider as a Generic drug any Food and Drug Administration approved generic pharmaceutical dispensed according to the professional standards of a licensed pharmacist and clearly designated by the pharmacist as being generic.

Genetic Information means information about genes, gene products and inherited characteristics that may derive from an individual or a family member. This includes information regarding carrier status and information derived from laboratory tests that identify mutations in specific genes or chromosomes, physical medical examinations, family histories and direct analysis of genes or chromosomes.

Home Health Care Agency is an organization that meets all of these tests: its main function is to provide Home Health Care Services and Supplies; it is federally certified as a Home Health Care Agency; and it is licensed by the state in which it is located, if licensing is required.

Home Health Care Plan must meet these tests: it must be a formal written plan made by the patient's attending Physician which is reviewed at least every thirty (30) days; it must state the diagnosis; it must certify that the Home Health Care is in place of Hospital confinement; and it must specify the type and extent of Home Health Care required for the treatment of the patient.

Home Health Care Services and Supplies include: part-time or intermittent nursing care by or under the supervision of a registered nurse (R.N.); part-time or intermittent home health aide services provided through a Home Health Care Agency (this does not include general housekeeping services); physical, occupational and speech therapy; medical supplies; and laboratory services by or on behalf of the Hospital.

Hospice Agency is an organization where its main function is to provide Hospice Care Services and Supplies and it is licensed by the state in which it is located, if licensing is required.

Hospice Care Plan is a plan of terminal patient care that is established and conducted by a Hospice Agency and supervised by a Physician.

Hospice Care Services and Supplies are those provided through a Hospice Agency and under a Hospice Care Plan and include inpatient care in a Hospice Unit or other licensed facility, home care, and family counseling during the bereavement period.

Hospice Unit is a facility or separate Hospital Unit, that provides treatment under a Hospice Care Plan and admits at least two (2) unrelated persons who are expected to die within six (6) months.

Hospital is an institution which is engaged primarily in providing medical care and treatment of sick and injured persons on an inpatient basis at the patient's expense and which fully meets these tests: it is accredited as a Hospital by the Joint Commission on Accreditation of Healthcare Organizations or the American Osteopathic Association Healthcare Facilities Accreditation Program; it is approved by Medicare as a Hospital; it maintains diagnostic and therapeutic facilities on the premises for surgical and medical diagnosis and treatment of sick and injured persons by or under the supervision of a staff of Physicians; it continuously provides on the premises 24-hour-a-day nursing services by or under the supervision of registered nurses (R.N.s); and it is operated continuously with organized facilities for operative surgery on the premises.

The definition of "Hospital" shall be expanded to include the following:

- A facility operating legally as a psychiatric Hospital or residential treatment facility for mental health and licensed as such by the state in which the facility operates.
- A facility operating primarily for the treatment of Substance Abuse if it meets these tests: maintains permanent and full-time facilities for bed care and full-time confinement of at least fifteen (15) resident patients; has a Physician in regular attendance; continuously provides 24-hour-a-day nursing service by a registered nurse (R.N.); has a full-time psychiatrist or psychologist on the staff; and is primarily engaged in providing diagnostic and therapeutic services and facilities for treatment of Substance Abuse.

Illness means a bodily disorder, disease, physical sickness or Mental Disorder. Illness includes Pregnancy, childbirth, miscarriage or complications of Pregnancy.

Infertility means incapable of producing offspring.

Injury means an accidental physical Injury to the body caused by unexpected external means.

Intensive Care Unit is defined as a separate, clearly designated service area which is maintained within a Hospital solely for the care and treatment of patients who are critically ill. This also includes what is referred to as a "coronary care unit" or an "acute care unit." It has: facilities for special nursing care not available in regular rooms and wards of the Hospital; special life saving equipment which is immediately available at all times; at least two (2) beds for the accommodation of the critically ill; and at least one (1) registered nurse (R.N.) in continuous and constant attendance twenty-four (24) hours a day.

Laboratory, Pathology Services, X-ray and Radiology Services means: Laboratory and pathology services – testing procedures required for the diagnosis or treatment of a condition. Generally, these services involve the analysis of a specimen of tissue or other material which has been removed from the body. Diagnostic medical procedures requiring the use of technical equipment for evaluation of body systems are also considered laboratory services. Examples: electrocardiograms (EKGs) and

electroencephalograms (EEGs). X-ray and radiology services – services including the use of radiology, nuclear medicine, and ultrasound equipment to obtain a visual image of internal body organs and structures, and the interpretation of these images.

Late Enrollee means a Plan Participant who enrolls under the Plan other than during the first thirty (30) day period in which the individual is eligible to enroll under the Plan or during a Special Enrollment Period.

Legal Guardian means a person recognized by a court of law as having the duty of taking care of the person and managing the property and rights of a minor child.

Lifetime is a word that appears in this Plan in reference to benefit maximums and limitations. Lifetime is understood to mean while covered under this Plan. Under no circumstances does Lifetime mean during the lifetime of the Covered Person.

Medical Care Facility means a Hospital, a facility that treats one (1) or more specific ailments or any type of Skilled Nursing Facility.

Medical Emergency means a sudden onset of a condition with acute symptoms requiring immediate medical care and includes such conditions as heart attacks, cardiovascular accidents, poisonings, loss of consciousness or respiration, convulsions or other such acute medical conditions.

Medically or Dentally Necessary care and treatment is recommended or approved by a Physician or Dentist; is consistent with the patient's condition or accepted standards of good medical and dental practice; is medically proven to be effective treatment of the condition; is not performed mainly for the convenience of the patient or provider of medical and dental services; is not conducted for research purposes; and is the most appropriate level of services which can be safely provided to the patient.

All of these criteria must be met; merely because a Physician recommends or approves certain care does not mean that it is Medically Necessary.

The Plan Administrator has the discretionary authority to decide whether care or treatment is Medically Necessary.

Medicare is the Health Insurance For The Aged and Disabled program under Title XVIII of the Social Security Act, as amended.

Mental Disorder means any disease or condition, regardless of whether the cause is organic, that is classified as a Mental Disorder in the current edition of International Classification of Diseases, published by the U.S. Department of Health and Human Services or is listed in the current edition of Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association.

Morbid Obesity is a diagnosed condition in which the body weight exceeds the medically recommended weight by either one hundred (100) pounds or is twice the medically recommended weight for a person of the same height, age and mobility as the Covered Person.

No-Fault Auto Insurance is the basic reparations provision of a law providing for payments without determining fault in connection with automobile accidents.

Non-Network Provider means a legally licensed health care provider which provides services and supplies within the scope of its authority, but which has not entered into a contract with the Preferred Provider Organization.

Outpatient Care and/or Services is treatment including services, supplies and medicines provided and used at a Hospital under the direction of a Physician to a person not admitted as a registered bed patient; or services rendered in a Physician's office, laboratory or X-ray facility, an Ambulatory Surgical Center, or the patient's home.

Partial Hospitalization is an outpatient program specifically designed for the diagnosis or active treatment of a Mental Disorder or Substance Abuse when there is reasonable expectation for improvement or when it is necessary to maintain a patient's functional level and prevent relapse; this program shall be administered in a psychiatric facility which is accredited by the Joint Commission on Accreditation of Health Care Organizations and shall be licensed to provide partial hospitalization services, if required, by the state in which the facility is providing these services. Treatment lasts less than twenty-four (24) hours, but more than four (4) hours, a day and no charge is made for room and board. Each day of Partial Hospitalization counts as one-half of an inpatient Hospital day.

Pharmacy means a licensed establishment where covered Prescription Drugs are filled and dispensed by a pharmacist licensed under the laws of the state where he or she practices.

Physician means a Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Optometrist (O.D.), Doctor of Podiatry (D.P.M.), Doctor of Chiropractic (D.C.), Audiologist, Certified Nurse Anesthetist, Licensed Professional Counselor, Licensed Professional Physical Therapist, Master of Social Work (M.S.W.), Midwife, Occupational Therapist, Physiotherapist, Psychiatrist, Psychologist (Ph.D.), Speech Language Pathologist and any other practitioner of the healing arts who is licensed and regulated by a state or federal agency and is acting within the scope of his or her license.

Plan means Delta County School District 50J Employee Benefit Plan, which is a benefits plan for certain Employees of Delta County School District 50J and is described in this document.

Plan Participant is any Employee, Retiree or Dependent who is covered under this Plan.

Plan Year is the twelve (12) month period beginning on either the effective date of the Plan or on the day following the end of the first Plan Year which is a short Plan Year.

A **Pre-Existing Condition** is a condition for which medical advice, diagnosis, care or treatment was recommended or received within six (6) months prior to the person's Enrollment Date under this Plan. Genetic Information is not a condition. Treatment includes receiving services and supplies, consultations, diagnostic tests or prescribed medicines. In order to be taken into account, the medical advice, diagnosis, care or treatment must have been recommended by, or received from, a Physician.

The Pre-Existing Condition does not apply to Pregnancy, to a newborn child who is covered under this Plan within thirty (30) days of birth, or to a child who is adopted or placed for adoption before attaining age eighteen (18) and who, as of the last day of the thirty (30) day period beginning on the date of the adoption or placement for adoption, is covered under this Plan. A Pre-Existing Condition exclusion may apply to coverage before the date of the adoption or placement for adoption.

The prohibition on Pre-Existing Condition exclusion for newborn, adopted, or pre-adopted children does not apply to an individual after the end of the first sixty-three (63) day period during all of which the individual was not covered under any Creditable Coverage.

Preferred Provider Organization means an independent entity which has developed a network of quality health care providers who contractually provide services and supplies, within the scope of their authority, on a reduced fee basis, to the Employees and Dependents of Employer sponsored health plans.

Pregnancy is childbirth and conditions associated with Pregnancy, including complications.

Prescription Drug means any of the following: a Food and Drug Administration-approved drug or medicine which, under federal law, is required to bear the legend: "Caution: federal law prohibits dispensing without prescription;" injectable insulin; hypodermic needles or syringes, but only when dispensed upon a written prescription of a licensed Physician. Such drug must be Medically Necessary in the treatment of a Sickness or Injury.

Qualified Medical Child Support Order (QMCSO) means a judgment, decree or order issued by a court, domestic relations magistrate or administrator that provides for child support related to health benefits or enforces a state medical child support order under the Social Security Act (for Medicaid purposes). It requires that the child(ren) named in the order have the right to receive benefits from their parent through any group medical plan under which the parent is enrolled, whether or not the parent has family coverage. The required contribution for coverage will be that of family coverage. The QMCSO must contain:

- (1) the name and last known mailing address of the participant;

- (2) the name and mailing address of each child (alternate recipient) covered by the order;
- (3) a reasonable description of the type of coverage to be provided by the group health plan to each alternate recipient or the manner in which coverage will be determined;
- (4) the period of time to which the order applies; and
- (5) the identification of each plan to which the order applies.

Qualifying Beneficiary (under COBRA) is a covered Employee and/or the Spouse and/or child of a covered Employee who, on the date before a qualifying event occurred, was eligible for benefits under this group health plan. Effective January 1, 1997, a Qualified Beneficiary includes a child who is born to or placed for adoption with the covered Employee during the period of COBRA coverage.

Restorative or Reconstructive Surgery means surgery to restore or improve bodily function to the level experienced before the event which necessitated the surgery or, in the case of a congenital defect, to a level considered normal. Such surgery may have a coincidental cosmetic effect.

Retired Employee is a former Active Employee of the Employer who was retired while employed by the Employer under the formal written plan of the Employer and elects to contribute to the Plan the contribution required from the Retired Employee.

Schedule of Benefits means the outline of benefits.

Second Surgical Opinion means expenses incurred for examinations, x-rays, and lab performed by a qualified physician in the approved specialty to substantiate medical necessity of the procedure to be performed. A third opinion will be paid in case of a conflict between the first two (2) opinions.

Semiprivate refers to a class of accommodations in a hospital or convalescent nursing facility in which at least two (2) patient beds are available per room.

Sickness is a person's illness, disease or Pregnancy (including complications).

Skilled Nursing Facility is a facility that fully meets all of these tests:

- (1) It is licensed to provide professional nursing services on an inpatient basis to persons convalescing from Injury or Sickness. The service must be rendered by a registered nurse (R.N.) or by a licensed practical nurse (L.P.N.) under the direction of a registered nurse. Services to help restore patients to self-care in essential daily living activities must be provided.
- (2) Its services are provided for compensation and under the full-time supervision of a Physician.

- (3) It provides 24-hour-per-day nursing services by licensed nurses, under the direction of a full-time registered nurse.
- (4) It maintains a complete medical record on each patient.
- (5) It has an effective utilization review plan.
- (6) It is not, other than incidentally, a place for rest, the aged, drug addicts, alcoholics, mental retardates, Custodial or educational care or care of Mental Disorders.
- (7) It is approved and licensed by Medicare.

This term also applies to charges incurred in a facility referring to itself as an extended care facility, convalescent nursing home, rehabilitation hospital, long-term acute care facility or any other similar nomenclature.

Sound Natural Teeth means teeth which are whole or properly restored, are without impairment or periodontal disease, and are not in need of the treatment provided for reasons other than dental injury.

Spinal Manipulation/Chiropractic Care means skeletal adjustments, manipulation or other treatment in connection with the detection and correction by manual or mechanical means of structural imbalance or subluxation in the human body. Such treatment is done by a Physician to remove nerve interference resulting from, or related to, distortion, misalignment or subluxation of, or in, the vertebral column.

Substance Abuse is regular excessive compulsive drinking of alcohol and/or physical habitual dependence on drugs. This does not include dependence on tobacco and ordinary caffeine-containing drinks.

Total Disability (Totally Disabled) means the physical state of a Covered Person resulting from an Illness or Injury which wholly prevents that individual from performing the duties pertaining to his/her customary employment. That individual must be under the continuous care of a Physician. All determinations of a final definition of a disability are the decision of the Plan Administrator. In the case of a Dependent, Total Disability (Totally Disabled) means unable to perform the normal activities of a person of same age and sex in good health. The Dependent must be under the continuous care of a Physician.

Urgent Care/Extended Care Facility means a freestanding facility which is engaged primarily in providing minor emergency and episodic medical care to a Covered Person. A Physician and registered nurse (RN) must be in attendance at all times. The facility may or may not have an x-ray technician and x-ray and laboratory equipment. The facility must have a life support system available.

Usual and Reasonable Charge is a charge which is not higher than the usual charge made by the provider of the care or supply and does not exceed the usual charge made by most providers of like service in the same area. This test will consider the nature

and severity of the condition being treated. It will also consider medical complications or unusual circumstances that require more time, skill or experience.

The Plan will reimburse the actual charge billed if it is less than the Usual and Reasonable Charge.

The Plan Administrator has the discretionary authority to decide whether a charge is Usual and Reasonable.

Waiting Period means the period of time that must pass before an Employee or Dependent is eligible to enroll under the terms of a group health plan. If an Employee or Dependent enrolls as a Late Enrollee or on a special enrollment date, any period before such late or special enrollment is not a Waiting Period.

Well Baby Care means medical treatment, services or supplies rendered to a child or newborn solely for the purpose of health maintenance and not for the treatment of an Illness or Injury.

You, Your means any Covered Person, unless the language specifically refers only to the Employee or only to the Dependents.

PLAN EXCLUSIONS

Note: All exclusions related to Prescription Drugs are shown in the Prescription Drug Plan.

Note: All exclusions related to Dental are shown in the Dental Plan.

For all Medical Benefits shown in the Schedule of Benefits, a charge for the following is not covered:

- (1) **Abortion.** Services, supplies, care or treatment in connection with an abortion unless the life of the mother is endangered by the continued Pregnancy or the Pregnancy is the result of rape or incest.
- (2) **Alcohol.** Services, supplies, care or treatment to a Covered Person for an Injury or Sickness which occurred as a result of that Covered Person's illegal use of alcohol. The arresting officer's determination of inebriation will be sufficient for this exclusion. Expenses will be covered for Injured Covered Persons other than the person illegally using alcohol and expenses will be covered for Substance Abuse treatment as specified in this Plan. This exclusion does not apply if the Injury resulted from an act of domestic violence or a medical (including both physical and mental health) condition.
- (3) **Ambulance for convenience.** Any expense for commercial transport, private aviation, or air taxi services are not covered regardless of the circumstances or their FAA certification. Any expenses for transportation by private automobile, commercial or public transportation are not covered. The Plan will not pay for any of these services even if other means of transportation were not available.
- (4) **Artificial insemination,** including but not limited to invitro fertilization, GIFT procedure, surrogate parents, or expenses related to other direct attempts to induce pregnancy including drug and hormone therapy.
- (5) **Behavioral disorders.** Services and treatment, including drugs related to behavioral disorders, communication delays, conduct problems, learning disabilities, and developmental delays, attention deficit disorders, special education, counseling, therapy, or training. Expenses incurred for initial diagnostic testing to determine the diagnosis will be covered. Expenses for the medication and medical management of the medication for attention deficit disorders will be covered.
- (6) **Birthing classes.** Expenses for birthing classes.
- (7) **Breast pumps and infant formula.**

- (8) **Complications of non-covered treatments.** Care, services or treatment required as a result of complications from a treatment not covered under the Plan are not covered. Complications from a non-covered abortion are covered.
- (9) **Contraceptives.** Oral contraceptives, contraceptive injections, contraceptive implants, contraceptive devices or other contraceptive methods, including insertion and removal of devices or implants. Removal of the implant or device is covered only if it is Medically Necessary to remove it due to a medical complication involving the implant or device.
- (10) **Convenience.** Expenses required only for the convenience of the Covered Person or the Covered Person's Physician are not covered.
- (11) **Cosmetic surgery.** Any expenses for cosmetic services or the revision of a previous procedure performed for cosmetic purposes, including but not limited to, breast augmentation unless due to symmetrical reconstruction as provided under the reconstructive surgery benefit, are not covered. Benefits for cosmetic surgery and related expenses are allowed only when such surgery is required as the result of a congenital anomaly or an accidental injury.
- (12) **Court order.** Any expenses incurred as a result of a court order, unless the expenses for the Illness or Injury would be covered under the Plan in the absence of a court order.
- (13) **Custodial care.** Services or supplies provided mainly as a rest cure, maintenance or Custodial Care.
- (14) **Deluxe or luxury items** are not covered. Examples are motorized equipment when manually operated equipment can be used, wheelchair sidecars. The Plan will cover deluxe equipment **only** when additional features are required for effective medical treatment, or to allow the covered person to operate the equipment without assistance. Air conditioners, purifiers, humidifiers, corrective shoes, heating pads, hot water bottles, exercise equipment, whirlpools, waterbeds or other floatation mattresses, self-help devices and other clothing and equipment which is not medical in nature are not covered, regardless of the relief they provide for a Medical Condition.
- (15) **Dental Services or Dental Supplies.** Except where specifically indicated as a covered expense.
- (16) **Domiciliary care.** Care provided in a residential institution, treatment center, half-way house or school because the Covered Person's own home arrangements are not appropriate, and consisting chiefly of room and board is not covered, even if therapy is included.

- (17) **Educational or vocational testing.** Services for educational or vocational testing or training.
- (18) **Excess charges.** The part of an expense for care and treatment of an Injury or Sickness that is in excess of the Usual and Reasonable Charge.
- (19) **Exercise programs.** Exercise programs for treatment of any condition, except for Physician-supervised cardiac rehabilitation, occupational or physical therapy covered by this Plan.
- (20) **Experimental or not Medically Necessary.** Care and treatment that is either Experimental/Investigational or not Medically Necessary.
- (21) **Eye care.** Radial keratotomy or other eye surgery to correct refractive disorders. Also, routine eye examinations, including refractions, lenses for the eyes and exams for their fitting. This exclusion does not apply to aphakic patients and soft lenses or sclera shells intended for use as corneal bandages.
- (22) **Foot care.** Treatment of weak, strained, flat, unstable or unbalanced feet, metatarsalgia or bunions (except open cutting operations), and treatment of corns, calluses or toenails (unless needed in treatment of a metabolic or peripheral-vascular disease). Prescription **orthotics and arch supports** are covered when Medically Necessary for treatment of a covered Illness or Injury.
- (23) **Foreign travel.** Care, treatment or supplies out of the U.S. if travel is for the sole purpose of obtaining medical services.
- (24) **Government coverage.** Care, treatment or supplies furnished by a program or agency funded by any government. This does not apply to Medicaid or when otherwise prohibited by law.
- (25) **Hair loss.** Care and treatment for hair loss including wigs, hair transplants, implants or any drug that promises hair growth. However, wigs will be covered when hair loss occurs as a result of the treatment for cancer or other medical conditions.
- (26) **Health club membership.**
- (27) **Hearing aids and exams.** Charges for services or supplies in connection with hearing aids or exams for their fitting.

A cochlear implantation (a device implanted in the ear to facilitate communication for the profoundly hearing impaired) will be a covered expense.

- (28) **Homeopathic or naturopathic physicians** are not covered regardless of the relief they may provide.

- (29) **Hospital employees.** Professional services billed by a Physician or nurse who is an employee of a Hospital or Skilled Nursing Facility and paid by the Hospital or facility for the service.
- (30) **Hypnosis** whether for medical or anesthesia purposes.
- (31) **Illegal Acts.** Treatment for injury or illness of the Covered Person incurred in connection with actions by the Covered Person which would constitute a felony crime under applicable law and for which the Covered Person is charged with a felony crime, whether or not the Covered Person is convicted.
- (32) **Illegal drugs or medications.** Services, supplies, care or treatment to a Covered Person for Injury or Sickness resulting from that Covered Person's voluntary taking of or being under the influence of any controlled substance, drug, hallucinogen or narcotic not administered on the advice of a Physician. Expenses will be covered for Injured Covered Persons other than the person using controlled substances and expenses will be covered for Substance Abuse treatment as specified in this Plan. This exclusion does not apply if the Injury resulted from an act of domestic violence or a medical (including both physical and mental health) condition.
- (33) **Impotence.** Care, treatment, services, supplies or medication in connection with treatment for impotence.
- (34) **Infertility.** Care, supplies, services and treatment for infertility, except for diagnostic services rendered for infertility evaluation.
- (35) **Late claims filing.** Any expenses for late claims filing. Expenses submitted for coverage more than six (6) months after the close of the Plan Year. The Plan Year ends each June 30.
- (36) **Lifestyle and personal growth counseling.**
- (37) **Mailing or sales tax.**
- (38) **Marital or pre-marital counseling.** Care and treatment for marital or pre-marital counseling.
- (39) **Massage therapist,** physical culturist or physical education instructor are not covered.
- (40) **Missed appointments.**
- (41) **No charge.** Care and treatment for which there would not have been a charge if no coverage had been in force.

- (42) **No obligation to pay.** Charges incurred for which the Plan has no legal obligation to pay.
- (43) **No Physician recommendation.** Care, treatment, services or supplies not recommended and approved by a Physician; or treatment, services or supplies when the Covered Person is not under the regular care of a Physician. Regular care means ongoing medical supervision or treatment which is appropriate care for the Injury or Sickness.
- (44) **Non-compliance.** All charges in connection with treatments or medications where the patient either is in non-compliance with or is discharged from a Hospital or Skilled Nursing Facility against medical advice.
- (45) **Non-emergency Hospital admissions.** Care and treatment billed by a Hospital for non-Medical Emergency admissions on a Friday or a Saturday. This does not apply if surgery is performed within twenty-four (24) hours of admission.
- (46) **Not specified as covered.** Non-traditional medical services, treatments and supplies which are not specified as covered under this Plan.
- (47) **Obesity.** Care and treatment of obesity, weight loss or dietary control whether or not it is, in any case, a part of the treatment plan for another Sickness. Benefits will be allowed for obesity when a surgical procedure is required due to Morbid Obesity.

Surgical benefits will not be authorized unless:

- (a) the condition of Morbid Obesity has existed for at least five (5) years; and
- (b) nonsurgical methods of accomplishing weight reduction have been tried under Physician supervision for at least three (3) years; and
- (c) conditions such as high blood pressure, pulmonary insufficiency (lung disease), arteriosclerosis (hardening of the arteries), diabetes, coronary artery disease, and the like indicate a need for surgery.

Benefits will not be provided for subsequent procedures to correct further Injury or Illness resulting from the Covered Person's noncompliance with prescribed medical treatment.

- (48) **Occupational.** Care and treatment of an Injury or Sickness that is occupational -- that is, arises from work for wage or profit including self-employment.

- (49) **Occupational, physical, speech therapy or chiropractic services** to maintain function at a level to which it has been restored, or when no further significant practical improvement can be expected.
- (50) **Orthognathic (Jaw) Surgery.** The only circumstance under which benefits will be allowed for upper or lower jaw augmentation or reduction procedures is when restoration is required as the result of an accidental injury or due to a congenital defect.
- (51) **Personal comfort items.** Personal comfort items or other equipment, such as, but not limited to, air conditioners, air-purification units, humidifiers, electric heating units, orthopedic mattresses, blood pressure instruments, scales, elastic bandages or stockings, nonprescription drugs and medicines, and first-aid supplies and nonhospital adjustable beds.
- (52) **Plan design excludes.** Charges excluded by the Plan design as mentioned in this document.
- (53) **Post-mortem testing.**
- (54) **Relative giving services.** Professional services performed by a person who ordinarily resides in the Covered Person's home or is related to the Covered Person as a Spouse, parent, child, brother or sister, whether the relationship is by blood or exists in law.
- (55) **Replacement braces.** Replacement of braces of the leg, arm, back, neck, or artificial arms or legs, unless there is sufficient change in the Covered Person's physical condition to make the original device no longer functional.
- (56) **Rhinoplasty, blepharoplasty or brow lift** except expenses for rhinoplasties and blepharoplasties to correct a functional condition, or expenses for rhinoplasty to correct a condition as a result of an accidental injury.
- (57) **Routine care.** Charges for routine or periodic examinations, screening examinations, evaluation procedures, preventive medical care, or treatment or services not directly related to the diagnosis or treatment of a specific Injury, Sickness or Pregnancy-related condition which is known or reasonably suspected, unless such care is specifically covered in the Schedule of Benefits.
- (58) **Self-Inflicted.** Any loss due to an intentionally self-inflicted Injury. This exclusion does not apply if the Injury resulted from an act of domestic violence or a medical (including both physical and mental health) condition.

- (59) **Services before or after coverage.** Care, treatment or supplies for which a charge was incurred before a person was Covered under this Plan or after coverage ceased under this Plan.
- (60) **Sex changes.** Care, services or treatment for non-congenital transsexualism, gender dysphoria or sexual reassignment or change. This exclusion includes medications, implants, hormone therapy, surgery, medical or psychiatric treatment.
- (61) **Smoking cessation.** Care and treatment for smoking cessation programs, including smoking deterrent patches.
- (62) **Surgical sterilization reversal.** Care and treatment for reversal of surgical sterilization.
- (63) **Temporomandibular Joint Syndrome.** Expenses for diagnosis, prevention of, or corrections for disturbances of the temporomandibular joint or myofacial dysfunction; for appliances, medical or surgical treatment, physical therapy or restoration for temporomandibular joint (TMJ) disorders, including orofacial muscle disorders and/or facial - cranial pain syndromes.
- (64) **Therapy and training and self-help programs** treatment, testing, procedures, devices and drugs, including but not limited to:
 - (a) Any type of goal-oriented or behavior modification therapy.
 - (b) Holistic medicine, environmental medicine, and naturopathic medicine.
 - (c) Megavitamin therapy.
 - (d) Myotherapy or massage therapy.
 - (e) Recreational, sex addiction, primal scream and Z therapies.
 - (f) Religious or marital counseling.
 - (g) Rolfing.
 - (h) Self-help, stress management, and weight loss programs.
 - (i) Sensitivity or assertiveness training.
 - (j) Transactional analysis, encounter groups and transcendental mediation (TM).

- (65) **Travel or accommodations.** Charges for travel or accommodations, whether or not recommended by a Physician, except for ambulance charges as defined as a Covered Charge or those approved by the Organ Transplant Case Manager.
- (66) **Vision therapy,** orthoptic training (eye muscle exercise).
- (67) **Vitamins,** minerals, nutritional supplements, appetite suppressants, dietary supplements, and formulas whether or not prescribed by a Physician, except as specifically indicated as a covered expense.
- (68) **War.** Any loss that is due to a declared or undeclared act of war.

PRESCRIPTION DRUG BENEFITS

Pharmacy Drug Charge

Participating pharmacies have contracted with the Plan to charge Covered Persons reduced fees for covered Prescription Drugs. Caremark is the administrator of the pharmacy drug plan.

Note: There is no mail order benefits.

Copayments

The copayment is applied to each covered pharmacy drug charge and is shown in the schedule of benefits. The copayment amount is not a Covered Charge under the medical Plan. Any one (1) pharmacy prescription is limited to a ninety (90) day supply.

If a drug is purchased from a non-participating pharmacy, or a participating pharmacy when the Covered Person's ID card is not used, the amount payable in excess of the amounts shown in the schedule of benefits will be the ingredient cost and dispensing fee.

Percentages Payable

The percentage payable amount is applied to each covered pharmacy drug charge and is shown in the schedule of benefits.

Covered Prescription Drugs

- (1) All drugs prescribed by a Physician that require a prescription either by federal or state law. This excludes any drugs stated as not covered under this Plan.
- (2) All compounded prescriptions containing at least one (1) prescription ingredient in a therapeutic quantity.
- (3) Insulin and other diabetic supplies when prescribed by a Physician. Other injectables are not covered.
- (4) Growth hormone.

Note: Some drugs may require prior authorization or have dispensing limits.

Limits To This Benefit

This benefit applies only when a Covered Person incurs a covered Prescription Drug charge. The covered drug charge for any one prescription will be limited to:

- (1) Refills only up to the number of times specified by a Physician.
- (2) Refills up to one (1) year from the date of order by a Physician.

Expenses Not Covered

This benefit will not cover a charge for any of the following:

- (1) **Administration.** Any charge for the administration of a covered Prescription Drug.
- (2) **Appetite suppressants.** A charge for appetite suppressants, dietary supplements, vitamin supplements, or prescription vitamin supplements containing fluoride, except for prenatal vitamins requiring a prescription.
- (3) **Consumed on premises.** Any drug or medicine that is consumed or administered at the place where it is dispensed.
- (4) **Contraceptives.**
- (5) **Devices.** Devices of any type, even though such devices may require a prescription. These include (but are not limited to) therapeutic devices, artificial appliances, braces, support garments, or any similar device.
- (6) **Drugs used for cosmetic purposes.** Charges for drugs used for cosmetic purposes, such as anabolic steroids, Retin A or medications for hair growth or removal.
- (7) **Experimental.** Experimental drugs and medicines, even though a charge is made to the Covered Person.
- (8) **FDA.** Any drug not approved by the Food and Drug Administration.
- (9) **Immunization.** Immunization agents or biological sera.
- (10) **Impotence.** A charge for impotence medication.
- (11) **Infertility.** A charge for infertility medication.
- (12) **Injectable supplies.** A charge for hypodermic syringes and/or needles (other than for insulin).
- (13) **Inpatient medication.** A drug or medicine that is to be taken by the Covered Person, in whole or in part, while Hospital confined. This includes

being confined in any institution that has a facility for the dispensing of drugs and medicines on its premises.

- (14) **Investigational.** A drug or medicine labeled: "Caution - limited by federal law to investigational use".
- (15) **Medical exclusions.** A charge excluded under Medical Plan Exclusions.
- (16) **No charge.** A charge for Prescription Drugs which may be properly received without charge under local, state or federal programs.
- (17) **Non-Prescription/Over the Counter.** A drug or medicine that can legally be bought without a written prescription. This does not apply to injectable insulin.
- (18) **Refills.** Any refill that is requested more than one year after the prescription was written or any refill that is more than the number of refills ordered by the Physician.
- (19) **Smoking cessation.** A charge for Prescription Drugs, such as nicotine gum or smoking deterrent patches, for smoking cessation.

DENTAL BENEFITS

This benefit applies when covered dental charges are incurred by a person while covered under this Plan.

DEDUCTIBLE

Deductible Amount. This is an amount of dental charges for which no benefits will be paid. Before benefits can be paid, a Covered Person must meet the deductible as shown in the Schedule of Benefits.

BENEFIT PAYMENT

Each Calendar Year benefits will be paid to a Covered Person for the dental charges in excess of the deductible amount if applicable. Payment will be made at the rate shown under Dental Percentage Payable in the Schedule of Benefits. No benefits will be paid in excess of the Maximum Benefit Amount.

MAXIMUM BENEFIT AMOUNT

The Maximum dental benefit amount is shown in the Schedule of Benefits.

DENTAL CHARGES

Dental charges are the Usual and Reasonable Charges made by a Dentist or other Physician for necessary care, appliances or other dental material listed as a covered dental service.

A dental charge is incurred on the date the service or supply for which it is made is performed or furnished. However, there are times when one (1) overall charge is made for all or part of a course of treatment. In this case, the Claims Administrator will apportion that overall charge to each of the separate visits or treatments or consider the “prep” date as the service date. The pro rata charge will be considered to be incurred as each visit or treatment is completed.

A charge will be considered to have been incurred as follows:

- (1) For root canal therapy, on the date the pulp chamber is opened and the pulp canal explored to the apex.
- (2) For crowns, fixed bridgework, inlays, or onlay restorations, on the date the tooth or teeth are fully prepared.
- (3) For complete or partial dentures, on the date the master impression is made.
- (4) For all other dental services, on the date the treatment or service is performed.

COVERED DENTAL SERVICES

Class A Services: Preventive and Diagnostic Dental Procedures

- (1) **Bacteriologic culture.**
- (2) **Biopsy** of oral tissue.
- (3) **Bitewing x-rays** - Only two (2) sets will be covered each Calendar Year.
- (4) **Diagnostic cast.**
- (5) **Extraoral x-rays:**
 - (a) Sialography.
 - (b) TMJ.
 - (c) Cephalometric film.
 - (d) Posterior-anterior or lateral skull and facial bone survey.
 - (e) Other extraoral.
- (6) Topical application of **fluoride** (including prophylaxis) - Applicable only to Dependent children under age nineteen (19). Only one (1) application will be covered each Calendar Year.
- (7) **Full-mouth X-rays** - Complete series or Panoramic X-rays, covered once each thirty-six (36) months.
- (8) **Microscopic examination.**
- (9) **Occlusal and periapical x-rays.**
- (10) **Oral examination** - Only two (2) oral examinations (other than emergency examination) will be covered each Calendar Year.
- (11) **Prophylaxis (cleaning of teeth)** - Covered twice each Calendar Year.
- (12) **Pulp vitality test.**
- (13) **Space maintainers** - For missing primary teeth. Repairs to space maintainers are not covered.
- (14) Topical application of **sealants** - Applicable only to Dependent children ages six (6) to fourteen (14). Covered once each quadrant on second molars only in each three (3) year period.

- (15) Diagnostic **x-ray and laboratory** procedures.

**Class B Services:
Basic Dental Procedures**

- (1) **Alveoloplasty.**
- (2) **Antibiotic drug injection.**
- (3) **Apexification and apicoectomy.**
- (4) **Apical curettage, root resection, and hemisection.**
- (5) **Consultation** with your Dentist or a specialist, except when due to pre-orthodontic treatment.
- (6) **Extraction of teeth**, except when due to pre-orthodontic treatment.
- (7) **Emergency care** and treatment of the jaw or natural teeth received within seventy-two (72) hours after the first visit.
- (8) **Fillings** (amalgam, silicate, plastic or composite, including pin retention when necessary).
- (9) **General anesthesia** - Covered as a separate procedure only when required for complex oral surgical procedures covered under this Plan (and only when not performed in a Hospital or due to pre-orthodontic treatment).
- (10) **Medicine or prescribed drugs** for dental procedures.
- (11) **Occlusal adjustments.**
- (12) **Periodontal appliance.**
- (13) **Periodontal prophylaxis.**
- (14) **Periodontic scaling and root planing.**
- (15) **Periodontic services** including surgical procedures such as gingivectomy, gingival curettage, osseous surgery and osseous graft.
- (16) **Pulp cap and vital pulpotomy.**
- (17) **Recementing** of inlays, crowns, bridges and space maintainers.
- (18) **Relining or rebasing** full or partial denture (upper or lower) - Covered only if relining is done more than six (6) years after the initial installation and then not more than once in a thirty-six (36) month period.

- (19) **Removal of dental cysts and tumors.**
- (20) **Repairs** to bridges and full or partial dentures.
- (21) **Retrograde filling** - Apicoectomy and retrograde filling covered as a separate procedure only if performed more than one (1) year after the root canal therapy is completed.
- (22) **Root canal therapy** including treatment plan, diagnostic x-rays, clinical procedures and follow-up care.
- (23) **Stainless steel crowns.**
- (24) **Surgical incision and drainage** of dental abscess and other surgical procedures:
 - (a) Tooth replantation or a tooth implant.
 - (b) Surgical exposure to aid eruption.
 - (c) Surgical repositioning of teeth.
 - (d) Excision of hyperplastic tissue.
 - (e) Surgical procedures to prepare dental ridges for prosthetic appliances.
 - (f) Surgery performed within six (6) months of an accidental injury to the jaw or natural teeth. Prosthetic appliances are included.

**Class C Services:
Major Dental Procedures**

- (1) **Bridge or denture** - Replacement if:
 - (a) more than five (5) years have passed since the last placement and the bridge or denture is not serviceable; or
 - (b) the existing denture or bridge cannot be used because of the first placement of an opposing bridge or denture.
- (2) **Build-ups** for crowns when the tooth cannot be restored with a filling or when needed as a support for a bridge.
- (3) **Cast post and core** - Covered only for teeth that have had root canal therapy.
- (4) **Crowns** (single restorations only).
 - (a) Plastic (acrylic).

- (b) Plastic, prefabricated.
- (c) Plastic with nonprecious metal.
- (d) Plastic with semiprecious metal.
- (e) Plastic with gold.
- (f) Porcelain.
- (g) Porcelain with nonprecious metal.
- (h) Porcelain with semiprecious metal.
- (i) Porcelain with gold.
- (j) Gold (3/4 cast).
- (k) Gold (full cast).
- (l) Nonprecious metal (full cast).
- (m) Semiprecious metal (full cast).

Replacement crowns will be eligible if more than five (5) years have passed since the last placement and the crown is not serviceable.

- (5) **Fixed bridges** - Initial placement.
- (6) **Full or partial dentures** - Initial placement.
- (7) **Gold foil.**
- (8) **Inlays and onlays.**
- (9) **Steel post and composite or amalgam.**
- (10) Any benefits for **temporary crowns, bridges, or dentures** are subtracted from benefits paid for permanent crowns, bridges or dentures. Replacement of temporary dentures must take place within twelve (12) months from the date the temporary denture was installed. The total benefit paid for temporary dentures will not be over the maximum benefit for permanent dentures.

**Class D Services:
Orthodontic Treatment and Appliances**

Orthodontic treatment must begin (bands in place) before your Dependent child reaches age nineteen (19).

- (1) Correction of **malocclusion by wire appliances, braces and other mechanical aids.**
- (2) Correction of **misaligned teeth.**
- (3) The first essential **appliances.**
- (4) Initial **diagnostic procedures.**
- (5) **Removal of teeth.**

EXTENDED BENEFITS

If coverage under the Plan ceases and if you or your Dependents qualify, the Plan will pay for:

- (1) **Crowns, bridges, inlays or onlay restorations**, but only if the tooth or teeth were fully prepared while you or your Dependent were covered under this Plan.
- (2) Complete or partial **dentures**, but only if the master impression was made while you or your Dependent were covered under this Plan.
- (3) **Root canal therapy**, but only if the pulp chambers was opened and the pulp canal exposed to the apex while you or your Dependent were covered under this Plan.

The treatment or services above must be received within thirty (30) days after you or your Dependent's coverage terminates.

You or your Dependent will qualify if:

- (1) You or your Dependent would have qualified for benefit payment under this Plan had coverage remained in force.
- (2) The treatment or service began while you or your Dependent were covered under this Plan.
- (3) This Plan is in force at the time treatment or service is received.

However, no extended benefits will be paid for treatment or service received on or after the date you or your Dependents become eligible for other group dental expense coverage.

PREDETERMINATION OF BENEFITS

Before starting a dental treatment for which the charge is expected to be \$300 or more, a predetermination of benefits form may be submitted.

A regular dental claim form is used for the predetermination of benefits. The covered Employee fills out the Employee section of the form and then gives the form to the Dentist.

The Dentist must itemize all recommended services and costs and attach all supporting x-rays to the form.

The Dentist should send the form to the Claims Administrator at this address:

CNIC Health Solutions, Inc.
P.O. Box 3559
Englewood, Colorado 80155-3559
(303) 770-5710 or (800) 426-7453

The Claims Administrator will notify the Dentist of the benefits payable under the Plan. The Covered Person and the Dentist can then decide on the course of treatment, knowing in advance how much the Plan will pay.

If a description of the procedures to be performed, x-rays and an estimate of the Dentist's fees are not submitted in advance, the Plan reserves the right to make a determination of benefits payable taking into account alternative procedures, services or courses of treatment, based on accepted standards of dental practice. If verification of necessity of dental services cannot reasonably be made, the benefits may be for a lesser amount than would otherwise have been payable.

ALTERNATE TREATMENT

Many dental conditions can be treated in more than one way. This Plan has an "alternate treatment" clause which governs the amount of benefits the Plan will pay for treatments covered under the Plan. If a patient chooses a more expensive treatment than is needed to correct a dental problem according to accepted standards of dental practice, the benefit payment will be based on the cost of the treatment which provides professionally satisfactory results at the most cost-effective level.

For example, if a regular amalgam filling is sufficient to restore a tooth to health, and the patient and the Dentist decide to use a gold filling, the Plan will base its reimbursement on the Usual and Reasonable Charge for an amalgam filling. The patient will pay the difference in cost.

EXCLUSIONS

A charge for the following is not covered:

- (1) Dental checkups or dental screenings **by your employer, a school or a government.**
- (2) Dental treatment for **cosmetic reasons**, except the plan will pay for expenses for cosmetic surgery or treatment which is required: (a) because of an accidental injury which took place while covered under the Plan; (b) for facings on crowns on molar teeth if needed as a result of an accidental injury; or (c) for a birth defect or illness of a covered Dependent.
- (3) **Dental treatment** received from: (a) your Employer's dental or medical department; (b) a mutual benefit association; (c) a labor union; (d) a trustee; or (e) any other provider you are not required to pay.
- (4) Treatment or service to **duplicate or replace a lost or stolen prosthetic device or appliance.**
- (5) Any part of a charge for treatment or service that **exceeds Usual and Reasonable Charges.**
- (6) Any procedure that does not have uniform professional endorsement, or is **experimental or investigational.**
- (7) **Illegal Acts.** Treatment for injury or illness of the Covered Person incurred in connection with actions by the Covered Person which would constitute a felony crime under applicable law and for which the Covered Person is charged with a felony crime, whether or not the Covered Person is convicted.
- (8) The services of any person in your **immediate family** or any person in your Dependent's immediate family.
- (9) **Implants**, including any appliances and/or crowns and the surgical insertion or removal of implants.
- (10) **Instructions for plaque control, oral hygiene or diet.**
- (11) **Missed appointments or completion of claim forms.**
- (12) Treatment or service for which you or your Dependent have **no financial liability** or that would be provided at no charge in the absence of this coverage.
- (13) The services of any person who is **not a Dentist, Physician or dental hygienist.**

- (14) Appliances to alter, maintain or restore **occlusion**.
- (15) Treatment or service for which benefits are **payable under the Medical Benefits** section of this Plan.
- (16) Any restorations or treatment used mainly to keep **periodontally involved teeth** from moving.
- (17) **Personalization** of dentures or crowns (or any other treatment that is primarily cosmetic).
- (18) The first placement of dentures or bridgework to replace teeth removed **prior to the Covered Person's effective date of coverage** under the Plan.
- (19) Any treatment or service for **Temporomandibular Joint (TMJ) dysfunction**.
- (20) Treatment or service that is paid for or furnished by the **United States Government or one of its agencies** (except as required under Medicaid provisions or federal law).
- (21) Treatment, appliance or service to alter or maintain **vertical dimension**.
- (22) Treatment or service that results from **war or act of war**, or while on **military service** for any country.
- (23) Treatment or service that is covered by a **workers' compensation act** or other similar law.

HOW TO SUBMIT A CLAIM

Benefits under this Plan shall be paid only if the Plan Administrator decides in its discretion that a Covered Person is entitled to them.

When a Covered Person has a claim to submit for payment that person must:

Either the Employee or Provider should submit bills for services rendered.

ALL BILLS MUST SHOW:

Name of Plan: **Delta County School District 50J**

Employee's name

Name, address, telephone number and tax ID number of provider of care

Diagnosis

Type of services rendered, with diagnosis and/or procedure codes

Date of Services

Charges

Group # **22202747**

Send the above to the Claims Administrator at this address:

CNIC Health Solutions, Inc.

P.O. Box 3559

Englewood, Colorado 80155-3559

(303) 770-5710 or (800) 426-7453

The claims administrator reserves the right to routinely request employment and /or other insurance information from the covered Employee/Spouse. These requests will be submitted in writing to the Employee. Claims payment may be pended until details are disclosed and submitted in writing to the Claims Administrator.

WHEN CLAIMS SHOULD BE FILED

Claims should be filed with the Claims Administrator within ninety (90) days of the date charges for the service were incurred. Benefits are based on the Plan's provisions at the time the charges were incurred. Claims filed later than that date may be declined or reduced unless:

- (1) it's not reasonably possible to submit the claim in that time; and
- (2) the claim is submitted within six (6) months following the close of each Plan Year (June 30). This six (6) month period will not apply when the person is not legally capable of submitting the claim.

The Claims Administrator will determine if enough information has been submitted to enable proper consideration of the claim. If not, more information may be requested from the claimant. The Plan reserves the right to have a Plan Participant seek a second medical opinion.

CLAIMS PROCEDURE

Following is a description of how the Plan processes Claims for benefits. A Claim is defined as any request for a Plan benefit, made by a claimant or by a representative of a claimant, that complies with the Plan's reasonable procedure for making benefit Claims. The times listed are maximum times only. A period of time begins at the time the Claim is filed. Decisions will be made within a reasonable period of time appropriate to the circumstances. "Days" means calendar days.

There are different kinds of Claims and each one has a specific timetable for either approval, payment, request for further information, or denial of the Claim. If you have any questions regarding this procedure, please contact the Plan Administrator.

The definitions of the types of Claims are:

Urgent Care Claim

A Claim involving Urgent Care is any Claim for medical care or treatment where using the timetable for a non-urgent care determination could seriously jeopardize the life or health of the claimant; or the ability of the claimant to regain maximum function; or in the opinion of the attending or consulting Physician, would subject the claimant to severe pain that could not be adequately managed without the care or treatment that is the subject of the Claim.

A Physician with knowledge of the claimant's medical condition may determine if a Claim is one involving Urgent Care. If there is no such Physician, an individual acting on behalf of the Plan applying the judgment of a prudent layperson who possesses an average knowledge of health and medicine may make the determination.

Notification to claimant of benefit determination	72 hours
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Insufficient information on the Claim, or failure to follow the Plan's procedure for filing a Claim:

Notification to claimant, orally or in writing	24 hours
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Response by claimant, orally or in writing	48 hours
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Benefit determination, orally or in writing	48 hours
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Ongoing courses of treatment, notification of:

Reduction or termination before the end of treatment	72 hours
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Determination as to extending course of treatment	24 hours
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In the case of a Claim involving Urgent Care, the following timetable applies:

If there is an adverse benefit determination on a Claim involving Urgent Care, a request for an expedited appeal may be submitted orally or in writing by the claimant. All necessary information, including the Plan's benefit determination on review, may be transmitted between the Plan and the claimant by telephone, facsimile, or other similarly expeditious method.

Post-Service Claim

A Post-Service Claim means any Claim for a Plan benefit that is not a Claim involving Urgent Care; in other words, a Claim that is a request for payment under the Plan for covered medical services already received by the claimant.

In the case of a Post-Service Claim, the following timetable applies:

Notification to claimant of benefit determination	30 days
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Extension due to matters beyond the control of the Plan	15 days
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Extension due to insufficient information on the Claim	15 days
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Response by claimant following notice of insufficient information	45 days
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Notice to claimant of adverse benefit determinations

Except with Urgent Care Claims, when the notification may be oral followed by written or electronic notification within three days of the oral notification, the Plan Administrator shall provide written or electronic notification of any adverse benefit determination. The notice will state, in a manner calculated to be understood by the claimant:

- (1) The specific reason or reasons for the adverse determination.
- (2) Reference to the specific Plan provisions on which the determination was based.
- (3) A description of any additional material or information necessary for the claimant to perfect the Claim and an explanation of why such material or information is necessary.
- (4) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of the claimant's right to bring a civil action under section 502 of ERISA following an adverse benefit determination on review.
- (5) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.
- (6) If the adverse benefit determination was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the adverse benefit determination and a copy will be provided free of charge to the claimant upon request.
- (7) If the adverse benefit determination is based on the Medical Necessity or Experimental or Investigational treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, will be provided. If this is not practical, a statement will be included that such explanation will be provided free of charge, upon request.

Appeals

When a claimant receives an adverse benefit determination, the claimant has 180 days following receipt of the notification in which to appeal the decision. A claimant may submit written comments, documents, records, and other information relating to the Claim. If the claimant so requests, he or she will be provided, free of charge,

reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The period of time within which a benefit determination on review is required to be made shall begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a Claim if it:

- (1) was relied upon in making the benefit determination;
- (2) was submitted, considered, or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination;
- (3) demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that benefit determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or
- (4) constituted a statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit.

The review shall take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial benefit determination. The review will not afford deference to the initial adverse benefit determination and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual.

If the determination was based on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is Experimental, Investigational, or not Medically Necessary or appropriate, the fiduciary shall consult with a health care professional who was not involved in the original benefit determination. This health care professional will have appropriate training and experience in the field of medicine involved in the medical judgment. Additionally, medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the initial determination will be identified.

COORDINATION OF BENEFITS

Coordination of the benefit plans. Coordination of benefits sets out rules for the order of payment of Covered Charges when two or more plans -- including Medicare -- are paying. When a Covered Person is covered by this Plan and another plan, or the Covered Person's Spouse is covered by this Plan and by another plan or the couple's Covered children are covered under two or more plans, the plans will coordinate benefits when a claim is received.

The plan that pays first according to the rules will pay as if there were no other plan involved. The secondary and subsequent plans will pay the balance due up to 100% of the total Allowable Charges.

Benefit plan. This provision will coordinate the medical and dental benefits of a benefit plan. The term benefit plan means this Plan or any one of the following plans:

- (1) Group or group-type plans, including franchise or blanket benefit plans.
- (2) Blue Cross and Blue Shield group plans.
- (3) Group practice and other group prepayment plans.
- (4) Federal government plans or programs. This includes Medicare.
- (5) Other plans required or provided by law. This does not include Medicaid or any benefit plan like it that, by its terms, does not allow coordination.
- (6) No Fault Auto Insurance, by whatever name it is called, when not prohibited by law.

Allowable Charge. For a charge to be allowable it must be a Usual and Reasonable Charge and at least part of it must be covered under this Plan.

In the case of HMO (Health Maintenance Organization) or other in-network only plans: This Plan will not consider any charges in excess of what an HMO or network provider has agreed to accept as payment in full. Also, when an HMO or network plan is primary and the Covered Person does not use an HMO or network provider, this Plan will not consider as an Allowable Charge any charge that would have been covered by the HMO or network plan had the Covered Person used the services of an HMO or network provider.

In the case of service type plans where services are provided as benefits, the reasonable cash value of each service will be the Allowable Charge.

Automobile Limitations. When medical payments are available under vehicle insurance, the Plan shall have no liability for expenses covered by any other available vehicle coverage, regardless of whether under a no-fault or tort-based system. The Plan shall **pay excess coverage only**, without reimbursement for vehicle plan

deductibles. Please refer to the Schedule of Benefits for specific coverage information. This Plan shall always be considered the secondary when other coverage is available.

For expenses resulting from an automobile accident such coverage carried through auto insurance carriers, which will be considered primary, includes but is not limited to:

- No-Fault Personal Injury Protection (PIP);
- Optional Medical Payments Coverage (MPC);
- Bodily injury liability coverage;
- Un-insured or under-insured motorist coverage; or
- Personal liability umbrella policies, which include excess benefits for medical expenses related to automobile accidents.

Auto related claims that are the responsibility of a third party are also subject to the Third Party Recovery Provision section of the Plan.

Benefit plan payment order. When two or more plans provide benefits for the same Allowable Charge, benefit payment will follow these rules:

- (1) Plans that do not have a coordination provision, or one like it, will pay first. Plans with such a provision will be considered after those without one.
- (2) Plans with a coordination provision will pay their benefits up to the Allowable Charge:
 - (a) The benefits of the plan which covers the person directly (that is, as an employee, member or subscriber) ("Plan A") are determined before those of the plan which covers the person as a dependent ("Plan B").
 - (b) The benefits of a benefit plan which covers a person as an Employee who is neither laid off nor retired are determined before those of a benefit plan which covers that person as a laid-off or Retired Employee. The benefits of a benefit plan which covers a person as a Dependent of an Employee who is neither laid off nor retired are determined before those of a benefit plan which covers a person as a Dependent of a laid off or Retired Employee. If the other benefit plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule does not apply.
 - (c) The benefits of a benefit plan which covers a person as an Employee who is neither laid off nor retired or a Dependent of an Employee who is neither laid off nor retired are determined before

those of a plan which covers the person as a COBRA beneficiary.

- (d)** When a child is covered as a Dependent and the parents are not separated or divorced, these rules will apply:

 - (i)** The benefits of the benefit plan of the parent whose birthday falls earlier in a year are determined before those of the benefit plan of the parent whose birthday falls later in that year;
 - (ii)** If both parents have the same birthday, the benefits of the benefit plan which has covered the parent for the longer time are determined before those of the benefit plan which covers the other parent.

- (e)** When a child's parents are divorced or legally separated, these rules will apply:

 - (i)** This rule applies when the parent with custody of the child has not remarried. The benefit plan of the parent with custody will be considered before the benefit plan of the parent without custody.
 - (ii)** This rule applies when the parent with custody of the child has remarried. The benefit plan of the parent with custody will be considered first. The benefit plan of the stepparent that covers the child as a Dependent will be considered next. The benefit plan of the parent without custody will be considered last.
 - (iii)** This rule will be in place of items (i) and (ii) above when it applies. A court decree may state which parent is financially responsible for medical and dental benefits of the child. In this case, the benefit plan of that parent will be considered before other plans that cover the child as a Dependent.
 - (iv)** If the specific terms of the court decree state that the parents shall share joint custody, without stating that one of the parents is responsible for the health care expenses of the child, the plans covering the child shall follow the order of benefit determination rules outlined above when a child is covered as a Dependent and the parents are not separated or divorced.
 - (v)** For parents who were never married to each other, the rules apply as set out above as long as paternity has been established.

- (f)** If there is still a conflict after these rules have been applied, the

benefit plan which has covered the patient for the longer time will be considered first. When there is a conflict in coordination of benefit rules, the Plan will never pay more than 50% of Allowable Charges when paying secondary.

- (3) Medicare will pay primary, secondary or last to the extent stated in federal law. When Medicare is to be the primary payer, this Plan will base its payment upon benefits that would have been paid by Medicare under Parts A, B and D, regardless of whether or not the person was enrolled under any of these parts.
- (4) If a Plan Participant is under a disability extension from a previous benefit plan, that benefit plan will pay first and this Plan will pay second.

Claims determination period. Benefits will be coordinated on a Calendar Year basis. This is called the claims determination period.

Right to receive or release necessary information. To make this provision work, this Plan may give or obtain needed information from another insurer or any other organization or person. This information may be given or obtained without the consent of or notice to any other person. A Covered Person will give this Plan the information it asks for about other plans and their payment of Allowable Charges.

Facility of payment. This Plan may repay other plans for benefits paid that the Plan Administrator determines it should have paid. That repayment will count as a valid payment under this Plan.

Right of recovery. This Plan may pay benefits that should be paid by another benefit plan. In this case this Plan may recover the amount paid from the other benefit plan or the Covered Person. That repayment will count as a valid payment under the other benefit plan.

Further, this Plan may pay benefits that are later found to be greater than the Allowable Charge. In this case, this Plan may recover the amount of the overpayment from the source to which it was paid.

Exception to Medicaid. In accordance with ERISA, the Plan shall not take into consideration the fact that an individual is eligible for or is provided medical assistance through Medicaid when enrolling an individual in the Plan or making a determination about the payments for benefits received by a Covered Person under the Plan.

THIRD PARTY RECOVERY PROVISION

RIGHT OF SUBROGATION AND REFUND

When this provision applies. The Covered Person may incur medical or dental charges due to Injuries which may be caused by the act or omission of a Third Party or a Third Party may be responsible for payment. In such circumstances, the Covered Person may have a claim against that Third Party, or insurer, for payment of the medical or dental charges. Accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan any rights the Covered Person may have to Recover payments from any Third Party or insurer. This Subrogation right allows the Plan to pursue any claim which the Covered Person has against any Third Party, or insurer, whether or not the Covered Person chooses to pursue that claim. The Plan may make a claim directly against the Third Party or insurer, but in any event, the Plan has a lien on any amount Recovered by the Covered Person whether or not designated as payment for medical expenses. This lien shall remain in effect until the Plan is repaid in full.

The payment for benefits received by a Covered Person under the Plan shall be made in accordance with the assignment of rights by or on behalf of the Covered Person as required by Medicaid.

In any case in which the Plan has a legal liability to make payments for benefits received by a Covered Person, to the extent that payment has been made through Medicaid, the payment for benefits under the Plan shall be made in accordance with any state law that has provided that the state has acquired the rights of the Covered Person to the payments of those benefits.

The Covered Person:

- (1) automatically assigns to the Plan his or her rights against any Third Party or insurer when this provision applies; and
- (2) must repay to the Plan the benefits paid on his or her behalf out of the Recovery made from the Third Party or insurer.

Amount subject to Subrogation or Refund. The Covered Person agrees to recognize the Plan's right to Subrogation and reimbursement. These rights provide the Plan with a 100%, first dollar priority over any and all Recoveries and funds paid by a Third Party to a Covered Person relative to the Injury or Sickness, including a priority over any claim for non-medical or dental charges, attorney fees, or other costs and expenses. Accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan any and all rights the Covered Person may have to recover payments from any responsible third party. Further, accepting benefits under this Plan for those incurred medical or dental expenses automatically assigns to the Plan the Covered Person's Third Party Claims.

Notwithstanding its priority to funds, the Plan's Subrogation and Refund rights, as well as the rights assigned to it, are limited to the extent to which the Plan has made, or will make, payments for medical or dental charges as well as any costs and fees associated with the enforcement of its rights under the Plan. The Plan reserves the right to be reimbursed for its court costs and attorneys' fees if the Plan needs to file suit in order to Recover payment for medical or dental expenses from the Covered Person. Also, the Plan's right to Subrogation still applies if the Recovery received by the Covered Person is less than the claimed damage, and, as a result, the claimant is not made whole.

When a right of Recovery exists, the Covered Person will execute and deliver all required instruments and papers as well as doing whatever else is needed to secure the Plan's right of Subrogation as a condition to having the Plan make payments. In addition, the Covered Person will do nothing to prejudice the right of the Plan to Subrogate.

Conditions Precedent to Coverage. The Plan shall have no obligation whatsoever to pay medical or dental benefits to a Covered Person if a Covered Person refuses to cooperate with the Plan's reimbursement and Subrogation rights or refuses to execute and deliver such papers as the Plan may require in furtherance of its reimbursement and Subrogation rights. Further, in the event the Covered Person is a minor, the Plan shall have no obligation to pay any medical or dental benefits incurred on account of Injury or Sickness caused by a responsible Third Party until after the Covered Person or his authorized legal representative obtains valid court recognition and approval of the Plan's 100%, first dollar reimbursement and Subrogation rights on all Recoveries, as well as approval for the execution of any papers necessary for the enforcement thereof, as described herein.

Defined terms: "Covered Person" means anyone covered under the Plan, including minor dependents.

"Recover," "Recovered," "Recovery" or "Recoveries" means all monies paid to the Covered Person by way of judgment, settlement, or otherwise to compensate for all losses caused by the Injury or Sickness, whether or not said losses reflect medical or dental charges covered by the Plan. "Recoveries" further includes, but is not limited to, recoveries for medical or dental expenses, attorneys' fees, costs and expenses, pain and suffering, loss of consortium, wrongful death, lost wages and any other recovery of any form of damages or compensation whatsoever.

"Refund" means repayment to the Plan for medical or dental benefits that it has paid toward care and treatment of the Injury or Sickness.

"Subrogation" means the Plan's right to pursue and place a lien upon the Covered Person's claims for medical or dental charges against the other person.

"Third Party" means any Third Party including another person or a business entity.

Recovery from another plan under which the Covered Person is covered. This right of Refund also applies when a Covered Person Recovers under an uninsured or

underinsured motorist plan (which will be treated as Third Party coverage when reimbursement or Subrogation is in order), homeowner's plan, renter's plan, medical malpractice plan or any liability plan.

Rights of Plan Administrator. The Plan Administrator has a right to request reports on and approve of all settlements.

CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain Employees and their families covered under Delta County School District 50J Employee Benefit Plan (the Plan) will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") where coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. All questions should be directed to The Urman Company at (303) 773-1373 or (800) 332-1168.

What is COBRA continuation coverage? COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the Plan coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

Who can become a Qualified Beneficiary? In general, a Qualified Beneficiary can be:

- (1) Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the Plan coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.
- (2) Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan

under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the Plan coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

- (3) A covered Employee who retired on or before the date of substantial elimination of Plan coverage which is the result of a bankruptcy proceeding under Title 11 of the U.S. Code with respect to the Employer, as is the Spouse, surviving Spouse or Dependent child of such a covered Employee if, on the day before the bankruptcy Qualifying Event, the Spouse, surviving Spouse or Dependent child was a beneficiary under the Plan.

The term "covered Employee" includes not only common-law employees (whether part-time or full-time) but also any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan (e.g., self-employed individuals, independent contractor, or corporate director). However, this provision does not establish eligibility of these individuals. Eligibility for Plan Coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

What is a Qualifying Event? A Qualifying Event is any of the following if the Plan provided that the Plan participant would lose coverage (i.e.: cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

- (1) The death of a covered Employee.
- (2) The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.

- (3) The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.
- (4) A covered Employee's enrollment in any part of the Medicare program.
- (5) A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).
- (6) A proceeding in bankruptcy under Title 11 of the U.S. Code with respect to an Employer from whose employment a covered Employee retired at any time.

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event (or in the case of the bankruptcy of the Employer, any substantial elimination of coverage under the Plan occurring within twelve (12) months before or after the date the bankruptcy proceeding commences), the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993 ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

What factors should be considered when determining to elect COBRA continuation coverage? You should take into account that a failure to continue your group health coverage will affect your rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied by other group health plans if there is more than a sixty-three (63) -day gap in health coverage and election of COBRA continuation coverage may help you avoid such a gap. Second, if you do not elect COBRA continuation coverage and pay the appropriate premiums for the maximum time available to you, you will lose the right to convert to an individual

health insurance policy, which does not impose such pre-existing condition exclusions. Finally, you should take into account that you have special enrollment rights under federal law (HIPAA). You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your Spouse's employer) within thirty (30) days after Plan coverage ends due to a Qualifying Event listed above. You will also have the same special right at the end of COBRA continuation coverage if you get COBRA continuation coverage for the maximum time available to you.

What is the procedure for obtaining COBRA continuation coverage? The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

What is the election period and how long must it last? The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin not later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends sixty (60) days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the sixty (60) day period, all rights to elect COBRA continuation coverage are forfeited.

Note: If a covered employee who has been terminated or experienced a reduction of hours qualifies for a trade readjustment allowance or alternative trade adjustment assistance under a federal law called the Trade Act of 2002, and the employee and his or her covered dependents have not elected COBRA coverage within the normal election period, a second opportunity to elect COBRA coverage will be made available for themselves and certain family members, but only within a limited period of sixty (60) days or less and only during the six months immediately after their group health plan coverage ended. Any person who qualifies or thinks that he and/or his family members may qualify for assistance under this special provision should contact the Plan Administrator for further information.

The Trade Act of 2002 also created a new tax credit for certain TAA-eligible individuals and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC) (eligible individuals). Under the new tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. If you have questions about these new tax provisions, you may call the Health Coverage Tax Credit Consumer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.

Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event? The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The employer (if the employer is not the Plan Administrator) will notify the Plan Administrator of the Qualifying Event within thirty (30) days following the date coverage ends when the Qualifying Event is:

- (1) the end of employment or reduction of hours of employment,
- (2) death of the employee,
- (3) commencement of a proceeding in bankruptcy with respect to the employer, or
- (4) enrollment of the employee in any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within sixty (60) days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the sixty (60)-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Sponsor.

NOTICE PROCEDURES:

Any notice that you provide must be ***in writing***. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

The Urman Company
5660 Greenwood Plaza, Suite 330
Greenwood Village, CO 80111
(303) 773-1373 or (800) 332-1168

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include a **copy of the divorce decree or the legal separation agreement**.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the sixty (60)-day election period described above, the right to elect continuation coverage will be lost.

Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights? If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare? Qualified beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare or becomes covered under other group health plan coverage (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

When may a Qualified Beneficiary's COBRA continuation coverage be terminated? During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

- (1) The last day of the applicable maximum coverage period.
- (2) The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.
- (3) The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.
- (4) The date, after the date of the election, that the Qualified Beneficiary first becomes covered under any other Plan that does not contain any exclusion or limitation with respect to any pre-existing condition, other than such an exclusion or limitation that does not apply to, or is satisfied by, the Qualified Beneficiary.
- (5) The date, after the date of the election, that the Qualified Beneficiary first enrolls in the Medicare program (either part A or part B, whichever occurs earlier).
- (6) In the case of a Qualified Beneficiary entitled to a disability extension, the later of:
 - (a) (i) twenty-nine (29) months after the date of the Qualifying Event, or (ii) the first day of the month that is more than thirty (30) days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or
 - (b) the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below:

- (1) In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends eighteen (18) months after the Qualifying Event if there is not a disability extension and twenty-nine (29) months after the Qualifying Event if there is a disability extension.
- (2) In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries other than the covered Employee ends on the later of:
 - (a) thirty-six (36) months after the date the covered Employee becomes enrolled in the Medicare program; or
 - (b) 18 months (or twenty-nine (29) months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.
- (3) In the case of a bankruptcy Qualifying Event, the maximum coverage period for a Qualified Beneficiary who is the covered retiree ends on the date of the retiree's death. The maximum coverage period for a Qualified Beneficiary who is the covered Spouse, surviving Spouse or Dependent child of the retiree ends on the earlier of the Qualified Beneficiary's death or thirty-six (36) months after the death of the retiree.
- (4) In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.

- (5) In the case of any other Qualifying Event than that described above, the maximum coverage period ends thirty-six (36) months after the Qualifying Event.

Under what circumstances can the maximum coverage period be expanded? If a Qualifying Event that gives rise to an eighteen (18)-month or twenty-nine (29)-month maximum coverage period is followed, within that eighteen (18)- or twenty-nine (29)-month period, by a second Qualifying Event that gives rise to a thirty-six (36)-months maximum coverage period, the original period is expanded to thirty-six (36) months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than thirty-six (36) months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second Qualifying Event within sixty (60) days of the second Qualifying Event. This notice must be sent to the Plan Sponsor in accordance with the procedures above.

How does a Qualified Beneficiary become entitled to a disability extension? A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first sixty (60) days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within sixty (60) days after the date of the determination and before the end of the original eighteen (18)-month maximum coverage. This notice should be sent to the Plan Sponsor in accordance with the procedures above.

Does the Plan require payment for COBRA continuation coverage? For any period of COBRA continuation coverage under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage. Qualified beneficiaries will pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments? Yes. The Plan is also permitted to allow for payment at other intervals.

What is Timely Payment for payment for COBRA continuation coverage? Timely Payment means a payment made no later than thirty (30) days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is thirty (30) days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of \$50 or 10% of the required amount.

Must a qualified beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage? If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Sponsor. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

RESPONSIBILITIES FOR PLAN ADMINISTRATION

PLAN ADMINISTRATOR. Delta County School District 50J Employee Benefit Plan is the benefit plan of Delta County School District 50J, the Plan Administrator, also called the Plan Sponsor. It is to be administered by the Plan Administrator in accordance with the provisions of ERISA. An individual may be appointed by Delta County School District 50J to be Plan Administrator and serve at the convenience of the Employer. If the Plan Administrator resigns, dies or is otherwise removed from the position, Delta County School District 50J shall appoint a new Plan Administrator as soon as reasonably possible.

The Plan Administrator shall administer this Plan in accordance with its terms and establish its policies, interpretations, practices, and procedures. It is the express intent of this Plan that the Plan Administrator shall have maximum legal discretionary authority to construe and interpret the terms and provisions of the Plan, to make determinations regarding issues which relate to eligibility for benefits, to decide disputes which may arise relative to a Plan Participant's rights, and to decide questions of Plan interpretation and those of fact relating to the Plan. The decisions of the Plan Administrator will be final and binding on all interested parties.

Service of legal process may be made upon the Plan Administrator.

DUTIES OF THE PLAN ADMINISTRATOR.

- (1) To administer the Plan in accordance with its terms.
- (2) To interpret the Plan, including the right to remedy possible ambiguities, inconsistencies or omissions.
- (3) To decide disputes which may arise relative to a Plan Participant's rights.
- (4) To prescribe procedures for filing a claim for benefits and to review claim denials.
- (5) To keep and maintain the Plan documents and all other records pertaining to the Plan.
- (6) To appoint a Claims Administrator to pay claims.
- (7) To perform all necessary reporting as required by ERISA.
- (8) To establish and communicate procedures to determine whether a medical child support order is qualified under ERISA Sec. 609.
- (9) To delegate to any person or entity such powers, duties and responsibilities as it deems appropriate.

PLAN ADMINISTRATOR COMPENSATION. The Plan Administrator serves **without** compensation; however, all expenses for plan administration, including compensation for hired services, will be paid by the Plan.

FIDUCIARY. A fiduciary exercises discretionary authority or control over management of the Plan or the disposition of its assets, renders investment advice to the Plan or has discretionary authority or responsibility in the administration of the Plan.

FIDUCIARY DUTIES. A fiduciary must carry out his or her duties and responsibilities for the purpose of providing benefits to the Employees and their Dependent(s), and defraying reasonable expenses of administering the Plan. These are duties which must be carried out:

- (1) with care, skill, prudence and diligence under the given circumstances that a prudent person, acting in a like capacity and familiar with such matters, would use in a similar situation;
- (2) by diversifying the investments of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
- (3) in accordance with the Plan documents to the extent that they agree with ERISA.

THE NAMED FIDUCIARY. A "named fiduciary" is the one named in the Plan. A named fiduciary can appoint others to carry out fiduciary responsibilities (other than as a trustee) under the Plan. These other persons become fiduciaries themselves and are responsible for their acts under the Plan. To the extent that the named fiduciary allocates its responsibility to other persons, the named fiduciary shall not be liable for any act or omission of such person unless either:

- (1) the named fiduciary has violated its stated duties under ERISA in appointing the fiduciary, establishing the procedures to appoint the fiduciary or continuing either the appointment or the procedures; or
- (2) the named fiduciary breached its fiduciary responsibility under Section 405(a) of ERISA.

CLAIMS ADMINISTRATOR IS NOT A FIDUCIARY. A Claims Administrator is **not** a fiduciary under the Plan by virtue of paying claims in accordance with the Plan's rules as established by the Plan Administrator.

COMPLIANCE WITH HIPAA PRIVACY STANDARDS. Certain members of the Employer's workforce perform services in connection with administration of the Plan. In order to perform these services, it is necessary for these employees from time to time to have access to Protected Health Information (as defined below).

Under the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), these employees are permitted to have such access subject to the following:

- (1) **General.** The Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this HIPAA Privacy section is met. "Protected Health Information" shall have the same definition as set out in the Privacy Standards but generally shall mean individually identifiable health information about the past, present or future physical or mental health or condition of an individual, including information about treatment or payment for treatment.
- (2) **Permitted Uses and Disclosures.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term "payment" generally shall mean activities taken with respect to payment of premiums or contributions, or to determine or fulfill Plan responsibilities with respect to coverage, provision of benefits, or reimbursement for health care. "Health care operations" generally shall mean activities on behalf of the Plan that are related to quality assessment; evaluation, training or accreditation of health care providers; underwriting, premium rating and other functions related to obtaining or renewing an insurance contract, including stop-loss insurance; medical review; legal services or auditing functions; or business planning, management and general administrative activities.
- (3) **Authorized Employees.** The Plan shall disclose Protected Health Information only to members of the Employer's workforce who are designated and are authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for these persons to perform duties with respect to the Plan. For purposes of this HIPAA Privacy section, "members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer.

 - (a) **Updates Required.** The Employer shall amend the Plan promptly with respect to any changes in the members of its workforce who are authorized to receive Protected Health Information.
 - (b) **Use and Disclosure Restricted.** An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.

- (c) **Resolution of Issues of Noncompliance.** In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by the Privacy Standards, the incident shall be reported to the privacy official. The privacy official shall take appropriate action, including:
 - (i) Investigation of the incident to determine whether the breach occurred inadvertently, through negligence, or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;
 - (ii) Applying appropriate sanctions against the persons causing the breach, which, depending upon the nature of the breach, may include, oral or written reprimand, additional training, or termination of employment;
 - (iii) Mitigating any harm caused by the breach, to the extent practicable; and
 - (iv) Documentation of the incident and all actions taken to resolve the issue and mitigate any damages.

- (4) **Certification of Employer.** The Employer must provide certification to the Plan that it agrees to:
 - (a) Not use or further disclose the Protected Health Information other than as permitted or required by the Plan documents or as required by law;
 - (b) Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;
 - (c) Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;
 - (d) Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures hereunder or required by law;
 - (e) Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;

- (f) Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
- (g) Make available the Protected Health Information required to provide any accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;
- (h) Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;
- (i) If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose of which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information unfeasible; and
- (j) Ensure the adequate separation between the Plan and member of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards.

The following members of Delta County School District 50J's workforce are designated as authorized to receive Protected Health Information from Delta County School District 50J Employee Benefit Plan ("the Plan") in order to perform their duties with respect to the Plan: Human Resource Department.

COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS.

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"), the Employer agrees to the following:

- (1) The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.

- (2) The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.
- (3) The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in Compliance With HIPAA Privacy Standards provisions (3) Authorized Employees and (4) Certification of Employers described above.

FUNDING THE PLAN AND PAYMENT OF BENEFITS

The cost of the Plan is funded as follows:

For Employee and Dependent Coverage: Funding is derived from the funds of the Employer and contributions made by the covered Employees.

The level of any Employee contributions will be set by the Plan Administrator. These Employee contributions will be used in funding the cost of the Plan as soon as practicable after they have been received from the Employee or withheld from the Employee's pay through payroll deduction.

Benefits are paid directly from the Plan through the Claims Administrator.

PLAN IS NOT AN EMPLOYMENT CONTRACT

The Plan is not to be construed as a contract for or of employment.

CLERICAL ERROR

Any clerical error by the Plan Administrator or an agent of the Plan Administrator in keeping pertinent records or a delay in making any changes will not invalidate coverage otherwise validly in force or continue coverage validly terminated. An equitable adjustment of contributions will be made when the error or delay is discovered.

If, due to a clerical error, an overpayment occurs in a Plan reimbursement amount, the Plan retains a contractual right to the overpayment. The person or institution receiving the overpayment will be required to return the incorrect amount of money. In the case of a Plan Participant, if it is requested, the amount of overpayment will be deducted from future benefits payable.

AMENDING AND TERMINATING THE PLAN

If the Plan is terminated, the rights of the Plan Participants are limited to expenses incurred before termination.

The Employer intends to maintain this Plan indefinitely; however, it reserves the right, at any time, to amend, suspend or terminate the Plan in whole or in part. This includes amending the benefits under the Plan or the Trust agreement (if any).

CERTAIN PLAN PARTICIPANTS RIGHTS UNDER ERISA

Plan Participants in this Plan are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA specifies that all Plan Participants shall be entitled to:

Examine, without charge, at the Plan Administrator's office, all Plan documents and copies of all documents governing the Plan, including a copy of the latest annual report (form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

Continue health care coverage for a Plan Participant, Spouse, or other dependents if there is a loss of coverage under the Plan as a result of a Qualifying Event. Employees or dependents may have to pay for such coverage.

Review this summary plan description and the documents governing the Plan or the rules governing COBRA continuation coverage rights.

Reduction or elimination of exclusionary periods of coverage for Pre-Existing Conditions under this group health Plan, if an Employee or dependent has Creditable Coverage from another plan. The Employee or dependent should be provided a certificate of Creditable Coverage, free of charge, from the group health plan or health insurance issuer when coverage is lost under the plan, when a person becomes entitled to elect COBRA continuation coverage, when COBRA continuation coverage ceases, if a person requests it before losing coverage, or if a person requests it up to twenty-four (24) months after losing coverage. Without evidence of Creditable Coverage, a Plan Participant may be subject to a Pre-Existing Conditions exclusion, after a maximum of \$500 in charges paid, for a period of twelve (12) months after the Enrollment Date of coverage.

If a Plan Participant's claim for a benefit is denied or ignored, in whole or in part, the participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a Plan Participant can take to enforce the above rights. For instance, if a Plan Participant requests a copy of Plan documents or the latest annual report from the Plan and does not receive them within thirty (30) days, he or

she may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and to pay the Plan Participant up to \$110 a day until he or she receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If the Plan Participant has a claim for benefits which is denied or ignored, in whole or in part, the participant may file suit in state or federal court.

In addition, if a Plan Participant disagrees with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, he or she may file suit in federal court.

In addition to creating rights for Plan Participants, ERISA imposes obligations upon the individuals who are responsible for the operation of the Plan. The individuals who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of the Plan Participants and their beneficiaries. No one, including the Employer or any other person, may fire a Plan Participant or otherwise discriminate against a Plan Participant in any way to prevent the Plan Participant from obtaining benefits under the Plan or from exercising his or her rights under ERISA.

If it should happen that the Plan fiduciaries misuse the Plan's money, or if a Plan Participant is discriminated against for asserting his or her rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If the Plan Participant is successful, the court may order the person sued to pay these costs and fees. If the Plan Participant loses, the court may order him or her to pay these costs and fees, for example, if it finds the claim or suit to be frivolous.

If the Plan Participant has any questions about the Plan, he or she should contact the Plan Administrator. If the Plan Participant has any questions about this statement or his or her rights under ERISA, including COBRA or the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, that Plan Participant should contact either the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) or visit the EBSA website at www.dol.gov/ebsa/. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

GENERAL PLAN INFORMATION

TYPE OF ADMINISTRATION

The Plan is provided through a combination of insured and partially self-funded benefits and the administration is provided through a Third Party Claims Administrator. The funding for the benefits is derived from the funds of the Employer and contributions made by covered Employees

PLAN NAME

Delta County School District 50J Employee Benefit Plan

PLAN NUMBER: 329

TAX ID NUMBER: 84-6002820

PLAN EFFECTIVE DATE: 01/01/1990

PLAN RESTATEMENT DATE: 07/01/2006

PLAN YEAR ENDS: 06/30

EMPLOYER INFORMATION

Delta County School District 50J
765 - 2075 Road
Delta, Colorado 81416
(303) 773-1373

PLAN ADMINISTRATOR

Delta County School District 50J
765 - 2075 Road
Delta, Colorado 81416
(303) 773-1373

NAMED FIDUCIARY

Delta County School District 50J
765 - 2075 Road
Delta, Colorado 81416

AGENT FOR SERVICE OF LEGAL PROCESS

Delta County School District 50J
765 - 2075 Road
Delta, Colorado 81416

CLAIMS ADMINISTRATOR

CNIC Health Solutions, Inc.
P.O. Box 3559
Englewood, Colorado 80155-3559
(303) 770-5710 or (800) 426-7453