

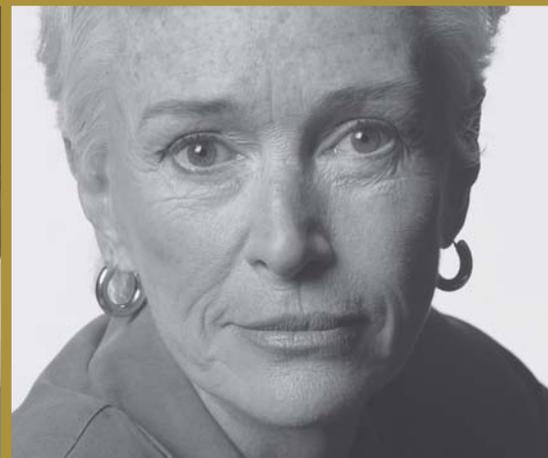
W E S T V I R G I N I A P E I A

SUMMARY PLAN DESCRIPTION

BENEFITS FOR PLAN YEAR 2005-2006



J U L Y 1 , 2 0 0 5 T O J U N E 3 0 , 2 0 0 6



Notice to PEIA Enrollees Concerning Election for Plan Exemption From Certain Federal Requirements

Under a 1996 Federal law, group health plans must generally comply with the requirements listed below. However, the law also permits State and local governmental employers that sponsor health plans to elect to exempt a plan from these requirements for any part of the plan that is self-funded by the employer, rather than provided through a health insurance policy. The Public Employees Insurance Agency (PEIA) has elected to exempt the PEIA PPB Plan from item number three (3) of the following requirements:

1. Limitations on pre-existing condition exclusion periods.
2. Special enrollment periods.
3. Prohibitions against discriminating against individual participants and beneficiaries based on health status.
4. Standards relating to benefits for mothers and newborns.
5. Parity in the application of certain limits to mental health benefits.
6. Required coverage for reconstructive surgery following mastectomies.

The PEIA PPB Plan complies with all of the other listed Federal requirements. The exemption from the Federal requirement will be in effect for the plan year beginning July 1, 2005 and ending June 30, 2006. The election may be renewed for subsequent plan years.

The only practical effect to PEIA members of this election is that the PEIA PPB Plan will make a thirty dollar reduction for family coverage and a fifteen dollar reduction for single coverage in premiums per month for members who certify that they and their covered dependents do not use tobacco.

The Federal law also requires the Plan to provide covered employees and dependents with a certificate of creditable coverage when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under this Plan, because if you can establish your prior coverage, you may be entitled to certain rights if you join another employer's health plan, or if you wish to purchase an individual health insurance policy.

If you have questions about this election, please call Customer Service at (304) 558-7850 or, toll-free, at 1-888-680-7342.

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Introduction

Welcome to your PEIA Summary Plan Description. This booklet describes the benefits provided for PEIA insureds for Plan Year 2006 (July 1, 2005 - June 30, 2006). It includes important information for all public employees who have ANY coverage through PEIA.

Managed Care Members

For those who are enrolled in managed care plans, this booklet provides all of the eligibility and enrollment information regarding your benefits. If you need or want to change your benefits, please refer to the information in the beginning of this booklet for details of your rights, responsibilities, and the time frames for making eligibility changes. Information in this booklet regarding managed care plan guidelines is limited. Therefore, you should refer to your managed care Evidence of Coverage for benefit details if you are covered by one of the managed care plans offered by PEIA.

PPB Plan Participants

For those enrolled in the PEIA PPB Plan A or B, this booklet includes many details of the Preferred Provider Benefit (PPB) Plan. It is important to review this information closely so that you may familiarize yourself with all aspects of PEIA's PPB Plans. Please keep this booklet close at hand and refer to it often if you have questions about your PEIA PPB Plan benefits.

This *Summary Plan Description* (SPD) provides PEIA PPB Plan participants with an easy-to-read description of benefits available through the PEIA Plan and instructions on how to use these benefits. The SPD is a summarized version of a portion of PEIA's Plan Document. The Plan Document describes, in detail, all aspects of the operations of the Agency, and is on file with the Secretary of State.

The PEIA PPB Plan contracts with third party administrators (TPAs) to process health, drug and fringe benefit claims. If you have a question about a specific claim or benefit, the fastest way to obtain information is to contact the TPA directly at one of the numbers listed on the next page.

PEIA now offers the PEIA PPB Plan B to all active employees. Plan B is similar to the standard PPB Plan A, but offers lower premiums with higher deductibles, higher out-of-pocket maximums, and higher copayments for prescription drugs. The medical coverage is the same as in PPB Plan A. The differences in deductibles, out-of-pocket maximums and drug copayments are noted in the benefit tables in the Medical Benefits section and the Prescription Drug Benefits section of this book.

Life Insurance Only

For employees who carry only life insurance with the PEIA, your eligibility and enrollment details are in this booklet. Details of the life insurance coverage are in the *Life Insurance Booklet*.

Subject to Change

The benefit information in this *Summary Plan Description* is subject to change during the plan year, if circumstances arise which require adjustment. Plan changes will be communicated to participants through the PEIA News. The changes will be included in PEIA's Plan Document, which is on file with the Secretary of State, and will be incorporated into the next edition of the *Summary Plan Description*.

Who to Call with Questions

Health Claims, Benefits, Preauthorizations and Prior Approvals for Out-of-State Care

Acordia National 1-304-353-7820 or 1-888-440-7342 (toll-free)
..... or on the web at www.acordianational.com

Precertification and Utilization Management

Acordia National 1-304-353-7820 or 1-888-440-7342 (toll-free)
..... or on the web at www.acordianational.com

Prescription Drug Benefits and Claims

Express Scripts 1-877-256-4680 (toll-free) or on the web at www.express-scripts.com

Common Specialty Medications

Curascript 1-866-413-4135 (toll-free)

Subrogation and Recovery

Beacon Recovery Group 1-800-874-0500 (toll-free)

PEIA

Answers to questions about eligibility, life insurance and third-level claim appeals

WV Public Employees Insurance Agency 1-304-558-7850 or 1-888-680-7342 (toll-free)
..... or on the web at www.wvpeia.com

Mountaineer Flexible Benefits

Dental, vision, and disability insurance and flexible spending accounts

Fringe Benefits Management Company 1-800-342-8017 (toll-free)
..... or on the web at www.fbmc-benefits.com

Managed Care Plans

Carelink 1-800-348-2922 (toll-free) or on the web at www.cvty.com
The Health Plan 1-800-624-6961 (toll-free) • 1-740-695-3585
..... or on the web at www.healthplan.org

Terms & Definitions

Acordia National: The third party administrator that handles medical claim processing, customer service, precertification, case management, preauthorization and prior approval for out-of-network services for the PEIA PPB Plan.

Allowed Amounts: For each PEIA-covered service, the allowed amount is the lesser of the actual charge amount or the maximum fee for that service as set by the PEIA.

Alternate Facility: A facility other than an acute care hospital.

Annual Deductible: The amount you must pay each plan year before the plan pays its portion of the cost. Under the PPB Plan, office visits are not subject to the deductible. Only the Allowed Amounts for covered expenses will be applied to your deductible. The family deductible is divided up among the family members. No one member of the family will pay more than the individual deductible.

Beacon Recovery Group: The subrogation and recovery vendor for PEIA. Beacon pursues recovery of money paid for claims that were not the responsibility of the PEIA PPB Plan. For more information, read the "Recovery of Incorrect Payments" section .

Beneficiary: The person who receives the proceeds of your PEIA life insurance policy.

Claims Administrator: Acordia National.

Common Specialty Medications: Specialty medications are high-cost injectable, infused, oral or inhaled drugs that generally require close supervision and monitoring of the patient's drug therapy. Specialty drugs have the following key characteristics:

- Need frequent dosage adjustments
- Cause more severe side effects than traditional drugs
- Need special storage, handling and/or administration
- Have a narrow therapeutic range
- Require periodic laboratory or diagnostic testing
- Cost in excess of \$1,300 per 30-day supply

Under the PEIA PPB Plan, Common Specialty Medications are available only via mail order through Curascript, are subject to a \$50 copay for up to a 34-day supply, and may not be purchased in 90-day supplies.

Coordination of Benefits: A practice insurance companies use to avoid double or duplicate payments or coverage of services when a person is covered by more than one policy.

Coinsurance: The percentage of eligible expenses that you are required to pay after the deductible has been met. This is the amount applied to your out-of-pocket maximum. You are responsible for paying the coinsurance and deductible amounts directly to the provider of services.

Copayment: This is the set dollar amount that you pay when you use the services—like the flat dollar amount you pay for an office visit in the PEIA PPB Plan. Copayments do not count toward your annual out-of-pocket maximum or your annual deductible.

Curascript: The exclusive specialty pharmacy vendor for the PEIA PPB Plan. Curascript provides mail order delivery of the Common Specialty Medications detailed in the Prescription Drug Benefits section of this Summary Plan Description.

Deductible: The amount of eligible expenses you are required to pay before the plan begins to pay benefits. The deductible does not apply to charges for office visits. See Annual Deductible above.

Dependent: An eligible person, under PEIA guidelines, who the policyholder has properly enrolled for coverage under the Plan.

Durable Medical Equipment: Medical equipment that is prescribed by a physician which can withstand repeated use, is not disposable, is used for a medical purpose, and is generally not useful to a person who is not sick or injured.

Eligible Expense: A necessary, reasonable and customary item of expense for health care when the item of expense is covered at least in part by one or more plans covering the person for whom the claim is made. Allowable expenses under this plan are calculated according to PEIA fee schedules, rates and payment policies in effect at the time of service.

Emergency: An acute medical condition resulting from injury, sickness, pregnancy, or mental illness which arises suddenly and which a reasonably prudent layperson would believe requires immediate care and treatment to prevent the death, severe disability, or impairment of bodily function of an insured.

Employers: PEIA offers its benefits through these West Virginia employers:

- State government and its agencies;
- State-related colleges and universities;
- County boards of education;
- County and municipal governments; and
- Other employers as specified in W. Va. Code §5-16-2.

Under West Virginia law, different types of employers may offer their employees different benefits. Therefore, the benefits for which you are eligible may vary. If you have any questions about the benefits available to you, contact the benefit coordinator at your payroll location or call the PEIA.

Exclusions: Services, treatments, supplies, conditions, or circumstances that are not covered under the PEIA PPB Plan.

Experimental, Investigational, or Unproven Procedures: Medical, surgical, diagnostic, psychiatric, substance abuse or other health care technologies, supplies, treatments, procedures, drug therapies or devices that are determined by the plan (at the time it makes a determination regarding coverage in a particular case) to be: (1) not approved by the U.S. Food and Drug Administration (FDA) to be lawfully marketed for the proposed use and not identified in the American Medical Association Drug Evaluations as appropriate for the proposed use; or (2) subject to review and approval by any Institutional Review Board for the proposed use; or (3) the subject of an ongoing clinical trial that meets the definition of Phase 1, 2, 3 Clinical Trial set forth in the FDA regulations, regardless of whether the trial is actually subject to FDA oversight; or (4) not demonstrated through prevailing peer-reviewed medical literature to be safe and effective for treating or diagnosing the condition or illness for which its use is proposed.

Explanation of Benefits (EOB): A form sent to the person filing the claim after a claim for payment has been evaluated or processed by the Claims Administrator which explains the action taken on the claim. This explanation might include the amount paid, benefits available, reasons for denying payment, etc.

Handicap: A medical or physical impairment which substantially limits one or more of a person's major life activities. The term "major life activities" includes functions such as care for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning or working. "Substantially limits" means interferes with or affects over a substantial period of time. Minor, temporary ailments or injuries shall not be considered physical or mental impairments which substantially limit a person's major life activities. "Physical or mental impairment" includes such diseases and conditions as orthopedic, visual, speech and hearing impairments; cerebral palsy; epilepsy; muscular dystrophy; autism; multiple sclerosis and diabetes. The term "handicap" does not include excessive use or abuse of alcohol, tobacco or drugs.

HMO (Health Maintenance Organization): A managed care organization that provides a wide range of comprehensive health care services for a fixed periodic payment. PEIA contracts with HMOs to provide health coverage for policyholders and their dependents who choose this coverage. HMO participants receive general information about the plans in PEIA's Shopper's Guide, and specific information in the Evidence of Coverage (EOC) provided by their HMO.

Inpatient: Someone admitted to the hospital as a bed patient for medical services.

Insured: Someone who is eligible for and enrolled in the PEIA PPB Plan, a managed care plan or life insurance only. Insured refers to anyone who has coverage under any plan offered by PEIA.

Medical Case Management: A process by which Acordia National assures appropriate available resources for the care of serious long-term illness or injury. Acordia National's case management program can assist in providing alternative care plans.

Medicare: The federal program of health benefits for retirees and other qualified individuals as established by Title XVII of the Social Security Act of 1965, as amended. Medicare consists of four parts, A, B, C and D. Parts A and B provide medical coverage to Medicare Beneficiaries. Retired qualified Medicare Beneficiaries covered by PEIA are REQUIRED to enroll for both Medicare Part A and Part B. Medicare Part C is not offered under PEIA. Medicare Part D (drug coverage), which will become effective on January 1, 2006, IS NOT required for members of the PEIA Plans.

Medicare Beneficiary: Individual eligible for Medicare as established by Title XVII of the Social Security Act of 1965, as amended.

Member: A policyholder or dependent enrolled in a managed care plan offered by PEIA.

Notification: The required process of reporting an inpatient stay to PEIA's utilization management vendor, Acordia National. This process is performed to screen for care planning, discharge planning, follow-up care and ancillary service requirements.

Outpatient: Someone who receives services in a hospital, alternative care facility, free-standing facility, or physician's office but who is not admitted as a bed patient.

Participant: A policyholder or dependent enrolled in the PEIA PPB Plan A or B.

PEIA PPB Plan A: The standard PEIA PPB Plan offered to all eligible employees.

PEIA PPB Plan B: The lower-cost PEIA PPB Plan offered to all eligible active employees. Plan B offers lower premiums with higher deductibles, higher out-of-pocket maximums, and higher copayments for prescription drugs. The medical coverage is the same as in Plan A. The differences in deductibles, out-of-pocket maximums and drug copayments are noted in the benefit tables in the "Medical Benefits" section and the "Prescription Drug Benefit" section of this book.

PEIA PPO: The PEIA PPO is the network of providers from whom PEIA PPB Plan participants can receive care to get the highest level of benefit. This network consists of all WV providers who provide health care services or supplies to any PEIA participant. For services provided outside of the State, several networks are available. Contact Acordia National with questions about out-of-state providers.

Plan: The plan of benefits offered by the Public Employees Insurance Agency, including the PEIA PPB Plans, managed care plans and life insurance coverages.

Plan Year: A 12-month period beginning July 1 and ending June 30.

Policyholder: The employee, retired employee, surviving dependent or COBRA participant in whose name the PEIA provides any health or life insurance coverage.

Preauthorization: A voluntary program that allows you to obtain prior approval for a service to assure that it will be covered by the Plan. Preauthorization is handled by Acordia National.

Precertification: The required process of reporting any inpatient stay and certain outpatient procedures in advance to obtain approval for the admission or service. Acordia National handles precertification.

Pre-existing Condition: A physical or mental condition that had been diagnosed or treated, or for which the patient incurred expenses in the three months prior to becoming covered by the Plan.

Preferred Provider Organization (PPO): A plan that uses a network of providers to provide benefits at the highest benefit level. PPO plans also offer out-of-network benefits with higher member cost-sharing.

Premium: The payment required to keep coverage in force.

Prior Approval: The required process of obtaining approval from Acordia National for out-of-state or out-of-network care under the PEIA PPB Plan.

Prior Authorization: The required process of obtaining authorization from the Rational Drug Therapy Program for coverage for some prescription medications under the PEIA PPB Plan.

Provider Discount: A previously determined percentage that is deducted from a provider's charge or payment amount and is not billable to the insured when PEIA is the primary payer and the service is provided in West Virginia or by a PPO network provider.

Rational Drug Therapy Program (RDT): The Rational Drug Therapy Program of the WVU School of Pharmacy provides clinical review of requests for drugs that require prior authorization under the PEIA PPB Plan.

Reasonable and Customary: The prevailing range of charges and fees charged by providers of similar training and experience, located in the same area, taking into consideration any unusual circumstances of the patient's condition that might require additional time, skill or experience to treat successfully.

Secondary Payer: The plan or coverage whose benefits are determined after the primary plan has paid. Order of payment is determined by rules described under "Which Plan Pays First" on page 60.

Third Party Administrator (TPA): A company with which PEIA has contracted to provide services such as customer service, utilization management and claims processing to PEIA PPB Plan participants.

Utilization Management: A process by which PEIA controls health care costs. Components of utilization management include pre-admission and concurrent review of all inpatient stays, known as precertification; prior review of certain outpatient surgeries and services; and medical case management. Utilization management is handled by Acordia National.

Waiver of Premium: If you become disabled before age 60, and while insured, your basic life insurance coverage will continue as long as you are disabled without further payment of premium. To be considered disabled, you must be unable to do any work for pay or profit. Application for a waiver of premium must be provided to PEIA's life insurance carrier within 12 months of your last day worked. Contact your benefit coordinator or PEIA to obtain an application.

What PEIA Offers

Health Coverage

PEIA offers the PEIA PPB Plans A and B to all active employees. Plan A is the standard plan. Plan B is similar to Plan A, but offers lower premiums with higher deductibles, higher out-of-pocket maximums, and higher copayments for prescription drugs. The medical coverage is identical in PPB Plans A and B. The differences in deductibles, out-of-pocket maximums and drug copayments are noted in the benefit tables in the *Medical Benefits* section and the *Prescription Drug Benefits* section of this book.

If you live in an area where PEIA offers a managed care plan, you may be eligible to enroll in a managed care plan or in the PEIA PPB Plan. You must live in the managed care plan's enrollment area to be eligible to enroll in a plan. Please consult your Shopper's Guide or contact your benefit coordinator to determine what managed care plans are offered in your area.

The PEIA PPB Plans use a coordination of benefits provision that determines how they will pay if you have other health insurance available to you. See page 59 for a complete description of this provision. The PEIA PPB Plans may be of little or no value to you as secondary insurance.

Life Insurance

As an active employee under age 65, you are eligible for a basic \$10,000 decreasing term life insurance policy with accidental death and dismemberment (AD&D) benefits. If you choose not to enroll for health benefits, you may still choose to enroll for basic life insurance. You must enroll for basic life insurance before you elect any of the optional life insurance coverages. Eligibility and enrollment details for the life insurance plans are included in this booklet. For a complete description of the life insurance benefits, please see the *Life Insurance Booklet*.

Mountaineer Flexible Benefits

Mountaineer Flexible Benefits is a "cafeteria plan" which offers additional optional benefits. This plan is available to active employees of all State agencies, colleges, universities, and those county boards of education and non-State agencies which elect to participate. If you're not sure whether you're eligible, contact your benefit coordinator.

The Mountaineer Flexible Benefits Plan enables employees to choose from among several options for dental, vision and short- and long-term disability insurance, as well as medical care and dependent care flexible spending accounts, and to pay for these benefits on a pre-tax basis. A Legal Plan is also available as a post-tax benefit option.

Open Enrollment for Mountaineer Flexible Benefits is held each Spring, usually during April and May. The current information about these benefits is included in the enrollment materials mailed prior to the annual Open Enrollment.

If you have questions about Mountaineer Flexible Benefits, contact Fringe Benefits Management Company at 1-800-342-8017.

The Mountaineer Flexible Benefits Plan offers dental and vision coverage for retired employees on a post-tax basis. Enrollment materials were mailed to all eligible retired employees during the enrollment period. If you have questions about these benefits, contact Fringe Benefits Management Company at 1-800-342-8017.

Mountaineer Flexible Benefits At-A-Glance	
Benefit	Options
Dental Benefits ¹	Coverage for routine dental care. Deductibles, copayments and benefits vary.
Vision Benefits ¹	Coverage for vision exams and corrective lenses.
Disability Insurance	Replacement of a portion of your pay if you are disabled.
Medical Flexible Spending Account	Deposit up to \$3,000 for tax-free reimbursement of eligible medical expenses.
Dependent Care Flexible Spending Account	Deposit up to \$5,000 for tax-free reimbursement of eligible expenses.
*Legal Plan	Coverage for legal matters.

¹ These benefits are available to retirees on a post-tax basis.
* This is a post-tax benefit

Eligibility and Enrollment for Active Employees

Who Is Eligible

As a public employee, you are eligible to be covered under the plans offered by your employer if you are:

- a full-time employee (working regularly at least 20 hours per week);
- an elected official who works full-time in the elected position;
- a member of the West Virginia Legislature (must pay 100% of the premium);
- an elected member of a county board of education; or
- a school service employee eligible under W. Va. Code, Chapter 18A.

Temporary and part-time employees are not eligible.

Dependents

If you elect PEIA coverage, you may also enroll the following dependents:

- your legal spouse;
- your biological or adopted children under age 19;
- stepchildren who live with you and are under age 19;
- children under age 19 who are members of your household and fully dependent upon you for support and maintenance (a notarized statement from the member affirming the member's 100% financial responsibility for the dependent is required); and
- children or stepchildren over age 19 who live with you and are incapacitated and cannot support themselves due to a physical or mental disability which began before age 19 (or age 25 if a full-time student).

Coverage for dependent children may be extended to the end of the month in which they reach age 25 if they are full-time students. See page 17, "Full-time Students Age 19 and Over" for details.

Married children are not eligible for coverage.

How to Enroll

You may enroll for PEIA health and life benefits by completing enrollment forms at your place of employment. On these forms you will select the types of coverage you want and enroll the eligible dependents you wish to cover.

Participation in PEIA benefit plans is not automatic; you must complete the proper enrollment forms. Enrollment will authorize your employer to deduct the premiums for the coverages you select from your salary.

There are restrictions on how and when you may enroll and make changes in your coverage. Please read all parts of the "Eligibility" section of this booklet carefully before you enroll so that you will fully understand your options and responsibilities.

New Employees

You may enroll for health coverage, basic life insurance, dependent life insurance, and up to \$500,000 of optional life insurance coverage during the calendar month you are hired and the following two calendar months. This is your "initial enrollment period."

If you enroll for basic life insurance, then you may enroll for optional life insurance, as well. No medical information form is required for up to \$100,000 of optional life insurance elected during this initial enrollment period. A medical information form is always required for optional life insurance in excess of \$100,000.

Health and life insurance coverage will become effective the first day of the calendar month following the date of enrollment. If you enroll and begin work on the first day of a month, your coverage will not be effective until the first day of the following calendar month. If you enroll before you actually start work, coverage will begin the first day of the month following your first day of active employment.

If you choose not to enroll for life insurance during this initial enrollment period, but want life coverage later (basic, optional or dependent optional) for you or your dependents, you will have to submit a medical information form and be approved by PEIA's life insurance carrier. Coverage will become effective the first day of the calendar month following approval.

If you choose not to enroll for health coverage as a new employee, you may do so later in accordance with guidelines in effect at the time you choose to enroll.

Health Coverage

For health coverage to be effective, you must be actively at work. To be considered "actively at work," you must:

- perform the normal tasks for your job on a full-time basis on the day your coverage is to begin; and
- perform such tasks at one of your normal places of business or at a location to which you must travel to do your job; and
- not be absent from work because of leave of absence or temporary layoff.

If you do not meet these requirements, coverage for you and your dependents will begin on the next day on which you do meet these requirements.

Pre-existing Medical Conditions

A pre-existing medical condition is one that has been diagnosed or treated, or for which you or your dependents have incurred expenses within the three months immediately before the effective date of the PEIA PPB Plan coverage.

Any employee and/or dependent enrolling in the PEIA PPB Plan will be subject to pre-existing condition limitations.

Expenses for a pre-existing condition will not be covered by the PEIA PPB Plan for the first twelve months your coverage is in effect. This limitation is waived if you had creditable coverage for at least 90 days under another similar health plan that terminated no more than 62 days prior to the effective date of the PEIA PPB Plan coverage, and if you submit your certificate of creditable coverage from your former insurer with your Health Insurance Enrollment Form.

The pre-existing condition limitation does not apply to pregnancy, to any condition meeting the definition of handicap, or to newborn or adopted children who are enrolled in the benefit plan within the calendar month of, or the two calendar months following the date of birth, adoption or placement in the home.

Managed care plans do not apply pre-existing condition limitations on their members.

Life Insurance Coverage

For life insurance coverage (or an increase in the amount of optional life insurance) to go into effect, you must meet the following requirements on the effective date of coverage:

- a) have completed a full day of active work on that date; and
- b) have completed a full day of active work on your last regularly scheduled work day and be able to work on the date you become eligible.

If you do not meet the requirements of a) and b) above, the coverage will become effective on the date you return to active work.

Active work and actively at work mean performing regular duties for a full work day for the policyholder.

Medicare for Active Employees

For PEIA PPB Plan active employees who are age 65 or older and eligible for Medicare, as long as you are an active employee, PEIA will be your primary insurer, except in a few rare cases. As long as you are an active employee, you do not need to sign up for Medicare Part B and pay the premium. When you prepare to retire, you must enroll for Medicare Part B. If you do not enroll in Medicare Part B, PEIA will process your claims as if you did have the Part B coverage. In other words, PEIA will pay only the amount we would have paid if Medicare had processed your claim and made a payment.

For PEIA PPB Plan active employees who are also eligible for Medicare, and Medicare is the primary payor, PEIA will use the traditional method of coordinating benefits.

If you become eligible for Medicare prior to age 65, please send a copy of your Medicare card to PEIA. This notification will make the claims payment process go much more smoothly.

Existing Employees

Existing employees may make changes in their coverage as follows:

Health Coverage

Existing employees who choose not to take PEIA health coverage at the time of employment may add health coverage through the PEIA PPB Plan at any time by completing a Health Insurance Enrollment Form. Coverage will be effective on the first day of the month following enrollment. Pre-existing condition limitations may apply. Please see the information about pre-existing condition limitations on the preceding page.

Existing employees who choose not to take PEIA health coverage at the time of employment are not eligible to enroll in a managed care plan unless they experience one of the following qualifying events:

- commencement or termination of employment of the employee's spouse;
- a significant change in the health coverage of the employee's spouse attributable to the spouse's employment; or
- employment change due to strike or lock-out.

If you transfer from one participating State agency to another in the middle of a plan year without a lapse in coverage, that transfer does not give you the right to change health plans. You can only change plans if the transfer moves you out of the enrollment area of a plan so that accessing care is unreasonable. Since the PEIA PPB Plan has an unlimited enrollment area, you will not be permitted to transfer out of it during the plan year, even if you move.

When an employee transfers from one participating State agency to another, PEIA will collect updated salary information, and the premium at the new agency will be based on the salary at the new agency, whether it is a salary increase or a decrease. Transfer from a State agency to a non-State agency may permit a change in coverage based on financial hardship.

Life Insurance

Existing employees may add or increase the amount of life insurance at any time by completing an Optional Life Insurance Enrollment Form, submitting a medical information form, and being approved by PEIA's life insurance carrier. Coverage will become effective on the first day of the month following approval by the life insurance carrier.

Newly Eligible Active Employees

Employees who become eligible to enroll for health coverage due to loss of other coverage may enroll for coverage during the calendar month that the previous coverage was lost or the two following calendar months. Newly eligible employees may enroll in the PEIA PPB Plan or a managed care plan. They may make another plan selection during the next open enrollment period.

Dependents

If you enroll your dependents when you enroll, their coverage begins the same day as yours. If you enroll them at a later date, their coverage will become effective the first day of the month following enrollment. If you are adding a dependent to your existing dependent life insurance policy at a date later than the calendar month following an enrollment event, coverage will not become effective until a medical information form has been submitted to, and approved by, PEIA's life insurance carrier.

Additional Dependents

If you wish to add new dependents, such as a new spouse, your biological newborn or adopted child, you must complete enrollment forms to add them to your coverage. Coverage is not automatic.

PEIA PPB Plan

For the PPB Plan, you should enroll new dependents during the calendar month of or the two calendar months following the date they become eligible (i.e., date of marriage, date of birth or adoption) even if you already have family coverage. If you do not complete the proper enrollment forms to have your new dependent(s) added to your coverage within this time frame, the new dependent(s) will be subject to pre-existing condition limitations.

Managed Care Plans

If you are a member of one of the managed care plans offered by PEIA, you must enroll new dependents during the calendar month of or the two calendar months following the date they become eligible (i.e., date of marriage, date of birth or adoption) even if you already have family coverage. If you fail to complete the proper enrollment forms within this timeframe, new dependents cannot be added to your coverage until the next open enrollment period.

Life Insurance

You may add new dependents to your existing dependent life insurance policy during the month of or the two calendar months following the date they become eligible (i.e., date of marriage, date of birth or adoption), and no medical information will be required. Otherwise, you will have to submit a medical information form and be approved to obtain dependent life insurance coverage.

Special Rules for Newborn or Adopted Children

PEIA PPB Plan

Newborn Child

For the PPB Plan, if you enroll your biological newborn child during the calendar month of birth or the two following calendar months, coverage will be made effective retroactive to the date of birth. Otherwise, coverage will be effective on the first day of the month following the date of enrollment and the child may be subject to pre-existing condition limitations. You do not need a Social Security Number to enroll your newborn, but when you get the baby a Social Security Number, please provide it to your benefit coordinator.

Adopted Child

If you enroll an adopted child during the calendar month the child is placed in your home or the two following calendar months, coverage under the PPB Plan can be made effective retroactive to the date of placement. Otherwise, coverage will be effective on the first day of the month following the date of enrollment and the child may be subject to pre-existing condition limitations. However, coverage for an adopted infant will become effective the day the adoptive parents are legally and financially responsible for the medical expenses if bona fide legal documentation is presented to PEIA.

Managed Care Plans

Newborn Child

If you participate in one of the managed care plans, you must enroll your biological newborn child within the calendar month of or the two calendar months following the birth and the coverage will be made effective retroactive to the date of birth. If you do not complete the proper enrollment forms to add your newborn to your coverage within this time frame, you cannot add the newborn child until the next open enrollment period.

Adopted Child

If you enroll an adopted child into your managed care plan during the calendar month the child is placed in your home or the two following calendar months, coverage can be made effective retroactive to the date of placement. If you fail to complete the proper enrollment forms within this timeframe, the adopted child cannot be added to your coverage until the next open enrollment period.

Newborns or adopted children must be enrolled into a managed care plan in either the calendar month of or the two calendar months following an eligibility event or within the open enrollment period. They are not subject to pre-existing condition limitations. Newborns and adopted children cannot be enrolled in your managed care plan at any other time.

Life Insurance

Newborn Child

You should add a biological newborn child to your existing dependent life insurance policy during the calendar month of or the two calendar months following the date of birth. Otherwise, you will have to submit a medical information form and be approved to obtain dependent life insurance coverage for your child.

Adopted Child

You should add an adopted child to your existing dependent life insurance policy during the calendar month of or the two calendar months following the date of placement in your home. Otherwise, you will have to submit a medical information form and be approved to obtain dependent life insurance coverage for your adopted child.

Eligibility and Enrollment for Retired Employees

Who Is Eligible

If you are a retired public employee, you are eligible for PEIA health and life benefits, provided you meet the minimum eligibility requirements of the applicable State retirement system and if your last employer immediately prior to retirement is a participating employer under the State retirement system. Members of the Teacher's Defined Contribution Retirement plan must have 12 or more years of credited service or be age 60 with 5 years of service to qualify to continue PEIA insurance benefits upon retirement. Members who participate in a non-State retirement system must, in the case of education employees (such as TIAA-CREF or similar plans), meet the minimum eligibility requirements of the State Teachers Retirement System, and in other cases, meet the minimum eligibility requirements of the Public Employees Retirement System. If you have questions about your retirement, contact the Consolidated Public Retirement Board (CPRB) toll-free at 1-800-654-4406.

If you have PEIA coverage as an active employee, you may continue coverage into retirement without interruption. To do so, you must complete Retired Employee Enrollment Forms during the calendar month of retirement or the two following calendar months.

Continuous coverage and employment are necessary if you wish to use your accrued sick and/or annual leave for extended employer-paid PEIA coverage. You cannot defer your sick and/or annual leave.

If you were not covered under a PEIA Plan as an active employee or if you allow your coverage to lapse, you may choose to enroll for health coverage at the time of your retirement if your last employer immediately prior to retirement is a participating employer under the State retirement system and as long as you meet the minimum qualifications. Coverage will be effective on the first day of the month following enrollment.

Please Note: If you retire, then return to active employment with a participating agency, you will lose your right to use your sick and/or annual leave for extended employer-paid PEIA coverage. When you return to active employment and have PEIA benefits as an active employee, your new effective date of coverage in the PEIA plan will be after July 1, 2001, and therefore you will be ineligible for the sick/annual leave benefit.

Deferred Retirement

If you defer your retirement from a participating employer under the State retirement plan, you may not re-enroll in PEIA if you have other (private sector) employment just prior to retirement. To be eligible to enroll in PEIA, your last employer prior to retirement must have been a public entity that participates in the State retirement system.

Employees with 20 or more years of service, but who have not retired, may defer enrollment in PEIA health benefits for up to two (2) years following separation. If and when these employees choose to enroll for health coverage, they will be required to pay 105% of the total premium for the coverage they choose. Enrollees in this category will not be eligible for PEIA's premium assistance program or retiree premium subsidy.

Disability Retirement

A member who is granted disability retirement by a state retirement system is eligible to continue coverage in the PEIA Plan as a retired employee. Members in this category pay the same premiums as those with 25 or more years of service.

Medicare

As a retired employee, when you become an eligible beneficiary of Medicare, you must enroll in Medicare Part A **and** Medicare Part B. Part A is an entitlement program and is available without payment of a premium to most individuals. Part B is the supplementary medical insurance program that covers physician services, outpatient laboratory and x-ray tests, durable medical equipment and outpatient hospital care. Part B is a voluntary program that requires payment of a monthly premium.

If you do not enroll in Medicare Part B, PEIA will process your claims as if you did have the Part B coverage. In other words, PEIA will pay only the amount we would have paid if Medicare had processed your claim and made a payment. If you are Medicare eligible but still an active employee, PEIA will pay as the primary plan, Medicare will be secondary, and it is not necessary for the active employee to enroll in Medicare Part B.

If you become eligible for Medicare prior to age 65, please send a copy of your Medicare card to PEIA. This notification may allow PEIA to reduce your premiums, and will make the claims payment process go much more smoothly.

Beginning January 1, 2006, Medicare will offer a new program, Medicare Part D (prescription drug coverage). Please be aware that you DO NOT have to purchase Medicare Part D (prescription drug coverage) when it becomes available on January 1, 2006. PEIA will continue to provide prescription drug coverage to our Medicare members, and Medicare Part D will be of little or no use to you.

Dependents

If you elect PEIA coverage, you may also enroll the following dependents:

- your legal spouse;
- your biological or adopted children under age 19;
- stepchildren who live with you and are under age 19;
- children under age 19 who are members of your household and fully dependent upon you for support and maintenance (a notarized statement from the member affirming the member's 100% financial responsibility for the dependent is required); and
- children or stepchildren over age 19 who live with you and are incapacitated and cannot support themselves due to a physical or mental disability which began before age 19 (or age 25 if a full-time student).

Coverage for dependent children may be extended to the end of the month in which they reach age 25 if they are full-time students. See page 17, "Full-time Students Age 19 and Over" for details.

Married children are not eligible for coverage.

How to Enroll

You may enroll for PEIA health and life benefits by completing enrollment forms through your retirement system. On these forms, you will select the types of coverage you want and enroll the eligible dependents you wish to cover.

Participation in PEIA benefit plans is not automatic; you must complete the proper enrollment forms. Enrollment will authorize your retirement system to deduct the premiums for the coverages you select from your annuity.

There are restrictions on how and when you may enroll and make changes in your coverage. Please read all parts of the "Eligibility" section of this booklet carefully before you enroll, so that you will fully understand your options and responsibilities.

PEIA PPB Plan

You may enroll in the PEIA PPB Plan regardless of age or Medicare status. The PEIA PPB Plan coordinates benefits with Medicare, so when you are retired and eligible for Medicare, the PEIA PPB Plan will generally cover what Medicare does not. For more details, see the "Coordination of Benefits" section of this book.

Managed Care Plans

As a retired employee, you may enroll in a managed care plan if you are not yet eligible for Medicare. If you or any enrolled dependents have Medicare as your primary health coverage (or will at any time during the plan year) you may not join an HMO. Your only option for PEIA-sponsored Medicare supplement coverage is the PEIA PPB Plan. If either you or your enrolled dependents become Medicare-primary while enrolled in a managed care plan, you must notify PEIA and transfer to the PEIA PPB Plan. Generally, Medicare is primary when the policyholder is retired. If you have more questions about when Medicare is primary, call PEIA's Customer Service Unit at 1-888-680-7342.

Life Insurance

If you wish to elect new or increased optional life insurance as a retired employee, you must enroll and submit a medical information form during the calendar month of retirement or the two following calendar months. Coverage will be effective pending the approval of PEIA's life insurance carrier. You may not elect or increase optional life insurance after this period.

You may continue dependent life insurance after retirement by completing the Retired Employee Optional Life Insurance Enrollment Form during the calendar month of retirement or the two following calendar months.

Plan Year 2006

Dependents

If you enroll your dependents when you enroll, their coverage begins the same day as yours. If you enroll them at a later date, their coverage will become effective the first day of the month following enrollment. If you are adding a dependent to your existing dependent life insurance policy at a date later than the calendar month following an enrollment event, coverage will not become effective until a medical information form has been submitted to, and approved by, PEIA's life insurance carrier.

Additional Dependents

If you wish to add new dependents, such as a new spouse, your biological newborn or adopted child, you must complete enrollment forms to add them to your coverage. Coverage is not automatic.

PEIA PPB Plan

For the PPB Plan, you should enroll new dependents during the calendar month of or the two calendar months following the date they become eligible (i.e., date of marriage, date of birth or adoption) even if you already have family coverage. If you do not complete the proper enrollment forms to have your new dependent(s) added to your coverage within this timeframe, the new dependent(s) will be subject to pre-existing condition limitations.

Managed Care Plan

If you are a member of one of the managed care plans offered by PEIA, you must enroll new dependents during the calendar month of or the two calendar months following the date they become eligible (i.e., date of marriage, date of birth or adoption) even if you already have family coverage. If you fail to complete the proper enrollment forms within this timeframe, new dependents cannot be added to your coverage until the next open enrollment period. Additional dependents cannot be enrolled in your managed care plan at any other time.

Life Insurance

Add new dependents to your existing dependent life insurance policy during the calendar month of or the two calendar months following the date they become eligible (i.e., date of marriage, date of birth or adoption). Otherwise, you will have to submit a medical information form and be approved to obtain dependent life insurance coverage.

Special Rules for Newborn or Adopted Children

PEIA PPB Plan

Newborn Child

For the PPB Plan, if you enroll your biological newborn child during the calendar month of birth or the two following calendar months, coverage will be made effective retroactive to the date of birth. Otherwise, coverage will be effective on the first day of the month following the date of enrollment and the child may be subject to pre-existing condition limitations. You do not need a Social Security Number to enroll your newborn, but when you get the baby a Social Security Number, please provide it to your benefit coordinator.

Adopted Child

If you enroll an adopted child during the calendar month the child is placed in your home or the two following calendar months, coverage under the PPB Plan can be made effective retroactive to the date of placement. Otherwise, coverage will be effective on the first day of the month following the date of enrollment and the child may be subject to pre-existing condition limitations. However, coverage for an adopted infant will become effective the day the adoptive parents are legally and financially responsible for the medical expenses if bona fide legal documentation is presented to PEIA.

Managed Care Plans

Newborn Child

If you participate in one of the managed care plans, you must enroll your biological newborn child within the calendar month of or the two calendar months following the birth and the coverage will be made effective retroactive to the date of birth. If you do not

complete the proper enrollment forms to add your newborn to your coverage within this time frame, you cannot add the newborn child until the next open enrollment period.

Adopted Child

If you enroll an adopted child into your managed care plan during the calendar month the child is placed in your home or the two following calendar months, coverage can be made effective retroactive to the date of placement. If you fail to complete the proper enrollment forms within this timeframe, the adopted child cannot be added to your coverage until the next open enrollment period.

Newborns or adopted children must be enrolled into a managed care plan in either the calendar month of or the two calendar months following an eligibility event or within the open enrollment period. They are not subject to pre-existing condition limitations. Newborns and adopted children cannot be enrolled in your managed care plan at any other time.

Life Insurance

Newborn Child

You should add a biological newborn child to your existing dependent life insurance policy during the calendar month of or the two calendar months following the date of birth. Otherwise, you will have to submit a medical information form and be approved to obtain dependent life insurance coverage for your child.

Adopted Child

You should add an adopted child to your existing dependent life insurance policy during the calendar month of or the two calendar months following the date of placement in your home. Otherwise, you will have to submit a medical information form and be approved to obtain dependent life insurance coverage for your adopted child.

Eligibility and Enrollment for Surviving Dependents

Who Is Eligible

If you are a surviving dependent of an active or retired public employee, and you were insured by PEIA (either in the PEIA PPB Plan or in a managed care plan) at the time of the employee's death, you may elect to continue coverage under your health plan. Surviving dependents are not eligible for life insurance coverage. **Eligibility of a surviving spouse for PEIA coverage terminates upon remarriage.** If a divorce occurs after the remarriage, re-enrollment as a surviving dependent is not allowed.

Dependents

If you elect PEIA coverage, you may also enroll the following dependents who were covered at the time of the policyholder's death:

- your biological or adopted children under age 19;
- stepchildren who live with you and are under age 19;
- children under age 19 who are members of your household and fully dependent upon you for support and maintenance (a notarized statement from the member affirming the member's 100% financial responsibility for the dependent is required); and
- children or stepchildren over age 19 who live with you and are incapacitated and cannot support themselves due to a physical or mental disability which began before age 19 (or age 25 if a full-time student).

Coverage for dependent children may be extended to the end of the month in which they reach age 25 if they are full-time students. See page 17, "Full-time Students Age 19 and Over—Student Verification," for details.

Married children are not eligible for coverage.

How to Enroll

To continue coverage without interruption, surviving dependents must complete enrollment forms in the calendar month death occurs or the two following calendar months. Surviving dependents must enroll in the same plan in which they were covered at the time of the policyholder's death. During open enrollment, you may select any plan for which you are eligible.

Surviving dependents are not eligible for life insurance.

Special Eligibility Situations

If You And Your Spouse Are Both Public Employees

Two public employees who are married to each other, but who are both eligible for benefits under PEIA may elect to enroll as follows: 1) as Family with Employee Spouse in any plan; 2) as "Employee Only" and "Employee and Child(ren)" in two different plans; 3) as "Employee Only" and "Employee and Child(ren)" in the PPB Plan (remember you'll have two deductibles and two out-of-pocket maximums this way); or 4) as "Employee Only" and "Employee and Child(ren)" in the same managed care plan. All children must be enrolled under the same policyholder. If no children are to be covered, you may enroll as "Family with Employee Spouse" or as separate "Employee Only" plans.

Both employees are eligible to enroll for the basic life policy, as well as optional and dependent life insurance.

Since both spouses, as policyholders, are eligible to make independent benefit elections, both spouses receive the Shopper's Guide, Tobacco Affidavit/Transfer Form, Summary Plan Description, and other relevant benefit information.

Transfer from One Participating Agency to Another

If you transfer from one participating State agency to another in the middle of a plan year without a lapse in coverage, you may continue your PEIA coverage uninterrupted. Such a transfer does not create an initial enrollment period, and does not give you the right to change health plans. You can only change plans if the transfer moves you out of the enrollment area of a plan so that accessing care is unreasonable. Since the PEIA PPB Plan has an unlimited enrollment area, you will not be permitted to transfer out of it during the plan year, even if you move.

When an employee transfers from one participating State agency to another, PEIA will collect updated salary information, and the premium at the new agency will be based on the salary at the new agency, whether it is a salary increase or a decrease. Transfer from a State agency to a non-State agency may permit a change in coverage based on financial hardship.

Full-time Students Age 19 and Over

Student Verification

Coverage for a dependent child ceases at the end of the month in which the child reaches age 19; however, coverage may be extended (on a year-to-year basis) to age 25 if the child is unmarried, enrolled as a full-time student, and dependent on you for support and maintenance.

"Enrolled as a full-time student" means the child attends courses full-time (as determined by the institution) in a graduate or undergraduate college or university (other than a U.S. Military academy when the academy considers the student to be on active duty) or attends a trade or professional school as the child's full-time occupation.

Student verification is a two-step process:

1. Verification of full-time student status will be requested by PEIA when your child turns age 19.
2. In the fall of each subsequent year, you must verify your child's full-time student status by providing a completed student verification form or letter from the school's registrar.

Annual Student Verification Process

Each August PEIA mails Student Verification Letters to policyholders who have dependent children over age 19. It is your responsibility to complete the student verification process by the deadline given in that letter. Because school terms vary, PEIA will accept pre-registrations, but the policyholder will be required to notify PEIA once the school term has begun if the child chooses not to attend, withdraws from school, or does not maintain full time student status at the institution in which he or she is enrolled.

Once you have verified full-time student status, your eligible student will be covered through the following August 31 as long as he or she remains a full-time student throughout the regular school year. If a student is not returning to full-time status in the fall, COBRA dependent coverage may be elected, and it will be effective September 1 of that same year.

If you do not complete the annual student verification process by the deadline in the Student Verification Letter, PEIA will assume that the dependent is no longer a full-time student and will terminate coverage for that student effective August 31. To have coverage reinstated, you will have to provide verification of student status and complete a Change-in-Status form from your benefit

coordinator to add the child back to your coverage. In this case, there will be a lapse in coverage, and any claims incurred while coverage is not in force will be the responsibility of the policyholder. Also, when the student is reinstated after the lapse in coverage, he or she may be subject to pre-existing condition limitations as a new enrollee.

Withdrawal for Medical Necessity

If it becomes medically necessary for your child to cut back to part-time status or withdraw temporarily from school, he or she may continue to be covered under the PEIA plan for one year under an approved medical leave. You will be asked to provide documentation from your child's physician verifying that the illness or injury prevents the student from attending classes full-time, and the date your child may be expected to return to full-time status. If the medical leave extends beyond one year, you may apply to cover that child as a disabled child. Approval will be granted at the discretion of PEIA's medical director.

Loss of Full-time Student Status

If your child loses eligibility because he or she is no longer a full-time student, you should notify your benefit coordinator promptly. Continued coverage under COBRA will be available if the loss of eligibility is reported promptly. If you fail to notify your benefit coordinator promptly, your employing agency may look to you for reimbursement of premiums your employer paid in error.

Return to Full-time Status

If your child (age 19 or over) voluntarily withdraws from school, has a lapse in coverage, and later re-enrolls as a full-time student, he or she may be reinstated for PEIA coverage. You must complete a Change-in-Status form and add this child to your list of dependents again to reinstate this coverage. This child may be subject to pre-existing condition limitations.

Working Families Tax Relief Act (WFTRA) of 2004

As a result of the Working Families Tax Relief Act (WFTRA) of 2004, the federal IRS has changed the way it treats children under the tax code. This change may affect you if you pay your health and life insurance premiums pre-tax through a Section 125 premium conversion plan.

The IRS has developed a new definition for "qualified child" and "qualified relative." If you have dependents, they must meet one of these definitions to qualify for you to pay your premiums on a pre-tax basis. In nearly all circumstances, if your dependent meets PEIA eligibility criteria, they will also meet one of these federal definitions. The new definitions are as follows:

A "qualifying child" (QC) is a child who:

- has a specific, family-type relationship to the employee-taxpayer.
- resides with the employee in his/her household for more than half of the tax year (with certain exceptions such as "temporary absences" if a full-time student).
- is under age 19 and not a full-time student (under age 24 if a full-time student) as of the end of the calendar year in which the employee's taxable year begins. There is no age requirement if a child is permanently and totally disabled.
- has not provided more than half of his/her own support. The employee-taxpayer no longer has to provide over half of the dependent-child's support for the tax year, unless s/he is a full-time student.

A "qualifying relative" (QR) is a "too old" child or other individual who:

- has a specific, family-type relationship to the employee-taxpayer, or is someone (other than a spouse) who resides with the employee in his/her household for the employee's taxable year. A person will not be a member of the employee's household if at any time during the taxable year the relationship between the employee and the person violates local law.
- receives over half of his/her own support from the employee-taxpayer.
- is not anyone's "qualifying child"

This change from the IRS *does not* change PEIA's eligibility rules. It does not create any new category of eligible dependents, or make people who were previously ineligible for coverage now eligible. It simply redefines the way the IRS treats dependent children age 24 and over for tax purposes. We are required to provide this information in the Summary Plan Description.

Disabled Child

Your dependent child may be covered after reaching age 19 if he or she is incapable of self-support because of mental or physical disability.

To be eligible:

- the disabling condition must have begun before age 19, or before age 25 if a full-time student; and
- the child must be incapable of self-sustaining employment and chiefly dependent on you for support and maintenance.

To continue this coverage, contact PEIA for an application. You will be asked to provide documentation when the child reaches age 19 and periodically thereafter.

Court-Ordered Dependent (COD)

If a PEIA-insured employee and his or her spouse divorce, and the employee is not the custodial parent for the dependent child(ren), the employee may continue to provide medical benefits for the child(ren) through the PEIA plan. If the non-custodial parent is ordered by the court to provide medical benefits for the child(ren), the custodial parent may submit medical claims for the court-ordered dependent(s), and benefits may be paid directly to the custodial parent. Special claim forms are required. The custodial parent will also receive Explanations of Benefits (EOBs) for the CODs as claims are processed. Contact PEIA to discuss this benefit.

Medicare and Active Employees

If an active employee becomes eligible for Medicare, the PEIA PPB Plan remains the primary insurer for that employee, except if the employee attains Medicare eligibility due to End Stage Renal Disease (ESRD). As long as you are an active employee, you do not need to sign up for Medicare Part B and pay the premium. When you prepare to retire, you must enroll for Medicare Part B. If you do not enroll in Medicare Part B, PEIA will process your claims as if you did have the Part B coverage. In other words, PEIA will pay only the amount we would have paid if Medicare had processed your claim and made a payment.

For PEIA PPB Plan active employees who are also eligible for Medicare, and Medicare is the primary payor (as in the case of ESRD), PEIA will use the traditional method of coordinating benefits.

If you become eligible for Medicare prior to age 65, please send a copy of your Medicare card to PEIA. This notification will make the claims payment process go much more smoothly.

If the spouse or dependent of an active employee becomes eligible for Medicare, the PEIA PPB Plan remains the primary insurer for that spouse or dependent as long as the policyholder remains an active employee. When the policyholder retires, PEIA becomes the secondary insurer for any spouse or dependent(s) on Medicare.

Leaves of Absence

It is the employer's responsibility to make the determination regarding an employee's eligibility for a leave of absence. It is important to note that a leave of absence is intended for an employee who is expected to return to work and for whom the employer maintains an open position. It is not intended to extend medical benefits for individuals who are not eligible to retire and not able to return to work, or for whom a position is not being held open. Such a person is not an employee and it is improper to continue his or her health coverage as if he or she were still an employee. Employers are reminded that under State law it is a felony to misrepresent any material fact to obtain PEIA benefits to which a person is not entitled (W. Va. Code §5-16-12).

Return from a leave of absence does not constitute a qualifying event which would allow the member to change plans during the plan year.

Medical Leave (Non-Workers' Compensation)

Any employee who is on a medical leave of absence due to an injury or illness that is not covered by Workers' Compensation is eligible to continue coverage subject to the following:

- the medical leave must be approved by the employer;
- the employee and employer must continue to pay their respective proportionate shares of the premium cost. If the employee fails to pay his or her premium, the employer may terminate coverage;
- the employer is obligated to pay its share only for a period of one year, after which the employee may be required to pay the full cost of coverage. If the employee fails to pay his or her premium, the employer may terminate coverage; and
- each month the employee must submit to the employer a physician's statement certifying that the employee is unable to return to work. The employer must retain these statements in the employee's personnel file.

Medical Leave (Workers' Compensation)

Any employee who is on a leave of absence and is receiving temporary total disability benefits from Workers' Compensation is entitled to continue PEIA coverage until he or she returns to work. The employer and employee must continue to pay their respective proportionate shares of the premium cost for as long as the employee receives temporary total disability benefits. If the employee fails to pay his or her premium, the employer may terminate coverage.

Personal Leave

An employee may continue insurance coverage while on a personal leave of absence approved by the employer. The monthly premium will be paid according to the policy or agreement established by your employer. If the employee fails to pay his or her premium, the employer may terminate coverage.

Family Leave

An employee may continue insurance coverage during an approved family leave. If the employee fails to pay his or her premium, the employer may terminate coverage. Contact your benefit coordinator for further details regarding the federal Family and Medical Leave Act (FMLA).

Military Leave

For an employee on military leave with pay, health and life insurance benefits will generally continue without interruption, as long as the employee is on the payroll.

An employee who is on an approved military leave of absence without pay, due to an active call of duty from the President, is entitled to continue health and life benefit coverage for as long as premium payments are made. The employee is responsible for paying their employee share of the premium costs for each month during the military leave of absence, and Governor Wise's Executive Order No. 19-01 requires the employer to pay its share. Upon return from a military leave, if there has been a lapse in coverage, the employee may generally reinstate the same health and/or life insurance benefits without penalty.

Leaves of Absence for Teachers and Service Personnel

Any teacher or school service employee who is returning from an approved leave of absence of one year or less shall be restored to the same benefits which he or she had at the time of the approved leave of absence.

Other Eligibility Details

Annual Open Enrollment

Each Spring PEIA holds an open enrollment period for health coverage during which PEIA insureds may choose from among managed care plans and the PEIA PPB Plan. The period is typically the first Monday in April through the first Friday in May. During Open Enrollment, participants may move between plans without penalty and no pre-existing condition limitations will be applied. Choices made during the open enrollment period are effective on July 1 of that year.

During Open Enrollment, eligible policyholders who have not taken advantage of any health coverage from PEIA also have the opportunity to enroll in the PEIA PPB Plan or any managed care plan, subject to the deadlines and rules in force for that enrollment period. Pre-existing condition limitations will not apply when eligible active or retired individuals enroll in a managed care plan during open enrollment. Pre-existing condition limitations do apply to new enrollees in the PPB Plan. See *How to Enroll* on page 7 for details about life insurance in this case.

Selections made during Open Enrollment are effective on July 1 of that year, and remain in effect for a full plan year unless the member moves outside the service area of his or her managed care plan. A physician's withdrawal from a managed care plan does not qualify a member to change plans in the middle of a plan year.

In advance of Open Enrollment PEIA allows members the opportunity to sign up for online enrollment. If a member chooses online enrollment, he or she commits to completing the open enrollment on PEIA's secure website. If a member does not choose online enrollment, then active employees and non-Medicare retirees are mailed a Tobacco Affidavit and Transfer Form; Medicare retirees receive a Retiree Tobacco Affidavit.

At the beginning of Open Enrollment, PEIA mails a *Shopper's Guide* to all active and non-Medicare retiree policyholders. The *Shopper's Guide* provides a side-by-side comparison of the general attributes of all plans offered. It is intended as a general guide to the available plans. Members requiring further information about a specific plan should contact that plan directly.

Following Open Enrollment, all plan members are mailed a confirmation letter showing their chosen plan, type of coverage and tobacco status for the next plan year. These letters are mailed in early June.

Medical Identification Cards

Each plan mails ID cards to its members. Managed care plans issue ID cards each year. PEIA issues cards upon enrollment in the plan, and subsequently when there are changes in the plan that warrant it.

Your PEIA PPB Plan ID card verifies that you have medical and prescription drug coverage through PEIA. On the back we've listed important phone numbers you may need. One card will be issued for individual coverage, and two cards will be issued for family coverage. The policyholder's name and identification number will be printed on all cards. If you want additional cards for children not residing with you, or if you need to replace a lost card, please contact Express Scripts at 1-877-256-4680.

If you enroll in a managed care plan, you will receive an identification card from that plan, not from PEIA. For additional or replacement cards, call your plan.

Your Responsibility To Make Changes

It is your responsibility to keep your PEIA enrollment records up to date. You must notify your benefit coordinator immediately of any changes in your family situation, and complete the appropriate change forms to keep your PEIA coverage up to date. Examples of such changes include a change of address, a change in your marital status, or a dependent child no longer qualifying for coverage.

You should do this whether you belong to the PEIA PPB Plan, a managed care plan or if you've elected only life insurance coverage. If you fail to notify your benefit coordinator promptly of changes in your family status, your employing agency may look to you for reimbursement of premiums your employer paid in error.

When Coverage Ends

In most cases when your employment ends you have the option to extend health coverage under the federal COBRA law, or convert your life insurance benefits into a private policy. All of these options are at your expense and require you to act within a specified time. Please see the section on "Options After Termination of Coverage" beginning on page 24.

Voluntary Termination

PEIA coverage for an active policyholder and any covered dependents terminates at the end of the month in which the employee voluntarily ceases employment, or goes off the payroll.

Involuntary Termination

A policyholder who is terminated from employment involuntarily or through a reduction of work force may continue coverage for three additional months after the end of the month in which employment ends. The policyholder will be responsible for paying the employee's share of the premium during these three months.

Retired/Retiring Employees

Coverage for an employee who has already retired will terminate at the end of the calendar month in which the retiree elects no longer to participate.

For retiring employees, coverage will terminate at the end of the month in which the employee goes off the payroll, unless forms have been completed to continue coverage through their retirement system. If you are not yet eligible for Medicare, then your retirement does not qualify you to change health care plans. If you are enrolled in a managed care plan as an active employee, then you must remain in that managed care plan upon retirement until the next open enrollment, when you may choose any plan for which you are eligible. If Medicare becomes the primary coverage for you or your dependents while enrolled in a managed care plan, you must transfer to the PEIA PPB plan.

Dependents/Surviving Dependents

Coverage for dependents terminates at the end of the calendar month in which one of the following occurs:

- policyholder (active or retired) terminates or loses coverage;
- dependent spouse is divorced from employee;
- dependent child reaches 19th birthday;
- dependent child marries;
- dependent child who has extended coverage beyond age 19 as a full-time student reaches his/her 25th birthday or ceases full-time student status;
- surviving spouse remarries;
- disabled dependent no longer meets disability guidelines; or
- policyholder voluntarily removes dependent from coverage.

Failure To Pay Premium

Your coverage as an active or retired policyholder, and coverage of your dependents, will be terminated if you fail to pay your premium contributions when due. Premiums are due by the fifth day of the month following the month for which the premium was invoiced. Example: May premium is due June 5. If payment is not received by PEIA within 15 days following the due date, all medical

claims will be pended. Additionally, the PEIA drug card will be suspended. If payment is not received within 30 days following the due date, coverage will be cancelled, and all claims incurred will be your personal responsibility.

Non-State Agency Employer Withdrawal From The Plan

By its agreement to participate in the PEIA plan, a non-State entity is required by PEIA to stay in the plan for a minimum of three years. If a participating county or municipal government or other employer withdraws or is terminated from the PEIA plan, coverage for all affected insureds ends on the effective date of that employer's withdrawal/termination.

Retirees eligible to participate in the Consolidated Public Retirement System (CPRS) may continue participation in PEIA. The withdrawn agency is billed a subsidy premium for these retirees. Retirees not eligible to participate in CPRS must look to their former employer for retiree coverage.

Certificate of Creditable Coverage

A Certificate of Creditable Coverage will be generated automatically upon termination of health coverage. You will need this certificate to verify your coverage under PEIA and avoid pre-existing condition limitations if you are enrolling in another benefit plan. If additional certificates are needed, contact PEIA's Customer Service Unit.

Options After Termination of Coverage

If your PEIA coverage terminates, you may have a right to continue health and life coverage. Your options are explained below.

Continuing Health Coverage under COBRA

You and your enrolled dependents may have the right to continue your current health coverage for a limited time under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). PEIA's COBRA program is administered by Acordia National, and all COBRA eligibility is maintained by Acordia National. New enrollees in any PEIA-sponsored health plan will receive a detailed notice of their COBRA rights from Acordia National.

You and/or your dependents may elect to continue coverage for up to 18 months due to termination of your employment (other than by reason of gross misconduct) or reduction in work hours.

Your dependents are eligible to continue coverage in their own right for a maximum of 36 months under COBRA in the case of:

- divorce or legal separation;
- loss of eligibility of dependent children; or
- death of employee.

An election to continue coverage under COBRA must be made within 60 days of the end of the coverage. If you elect to continue coverage under COBRA, you will be responsible for paying the full premium plus a 2% administrative fee. Please note that COBRA premiums are billed directly to you.

To enroll for COBRA benefits, contact Acordia National at 1-888-440-7342.

If 18 months of COBRA coverage is provided due to termination or reduction in hours of employment, and if any COBRA beneficiary is determined to be disabled under the Social Security Act at any time during the first 60 days of this COBRA coverage, then the 18-month continuation period may be extended to 29 months for all individuals who are qualified beneficiaries. The disabled person can be a covered employee or a dependent. The disability determination must be reported to PEIA within 60 days of the determination and before the end of the original 18-month coverage period.

Under COBRA, PEIA will charge 150% of the applicable premium for coverage during the 11-month disability extension. If a second qualifying event occurs during the 11-month extension, entitling a qualified beneficiary to 36 months of coverage (an additional 7 months of coverage), then PEIA will charge 150% of the applicable premium until the end of the 36-month continuation coverage period.

Coverage under COBRA will cease under these circumstances ("you" refers to the person who elected COBRA):

- you become covered under another group plan (unless it contains a pre-existing condition exclusion that reduces your benefits);
- you become entitled to Medicare;
- you fail to pay the premium;
- the policyholder's former employer withdraws or is terminated from the PEIA plan; or
- the PEIA PPB Plan ends.

If you are covered by another health plan or Medicare before the COBRA election is made, you may make a COBRA election. In other words, your employer may end the right to COBRA continuation coverage based upon other group health plan coverage or entitlement to Medicare benefits only if the qualified beneficiary first becomes covered under the other group health plan coverage or entitled to (covered for) the Medicare benefits after the date of the COBRA election.

When coverage under COBRA ends, you have the option to convert your coverage to an individual policy.

Converting Health Coverage to an Individual Policy

If you have been covered by PEIA (either under the PEIA PPB Plan or through one of the managed care plans) and your coverage ends, you may apply for individual health coverage. Your covered dependents may also have this right.

Please call PEIA at 1-304-558-7850 or toll-free at 1-888-680-7342 to discuss your options. Benefits under an individual policy are determined by the insurer, and may differ substantially from the PEIA plan. Premiums for individual policies are generally higher than rates for a group plan like the PEIA PPB Plan.

If your coverage has been continued under COBRA, then you may apply for an individual policy when your COBRA coverage ends.

Converting Life Insurance to an Individual Policy

When employment ends, you may convert all or part of the life insurance coverage into an individual policy. Dependents who lose eligibility for life insurance coverage may convert optional dependent life insurance to an individual policy. This provision does not apply to retired employees or their dependents.

You must submit an application and remit the first premium within 31 days after the termination of the life insurance coverage. Coverage under the individual policy will become effective the day after the group life insurance coverage ends.

To obtain a Life Insurance Conversion Application Form, call PEIA at 1-304-558-7850 or toll-free at 1-888-680-7342. The individual life insurance policy is issued by PEIA's life insurance carrier, not PEIA. Once you have completed the application form, mail it to the address printed on the application form. Premiums for individual policies are generally higher than rates for a group plan.

Paying For Benefits

Each year the PEIA Finance Board sets premium rates for the PEIA PPB Plan. PPB Plan premiums are set at a level that ensures that the premiums collected from employers and employees will pay the anticipated claims for that year. Managed care plan premiums are also set annually prior to Open Enrollment.

Your coverage as an active or retired policyholder, and coverage of your dependents, will be terminated if you fail to pay your premium contributions when due.

Tobacco-free Discount

PEIA's PPB Plan premiums and optional life insurance premiums are based on the tobacco-use status of insureds. Tobacco-free insureds will receive the preferred monthly premium rate. Plan insureds must have been tobacco-free for 6 months prior to the beginning of the Plan Year to qualify for the discount for the entire plan year. Members who become tobacco-free during a plan year may apply for the discount when they have been tobacco-free for at least six months. Newly hired PPB Plan insureds must have been tobacco-free for 6 months prior to their effective date of coverage to qualify for the discount.

Tobacco-free insureds must sign an affidavit each year and return it during Open Enrollment to receive the reduced premium rate for the following full plan year. For family coverage, all enrolled family members must be tobacco-free to qualify the family for the reduced rate. PEIA reserves the right to review medical records to check for tobacco use. PEIA offers a tobacco cessation benefit. See page 51 for details.

If the tobacco affidavit is not submitted by the insured during Open Enrollment, the insured will not receive the tobacco-free discount until a completed tobacco affidavit is submitted. PEIA has sixty days from receipt of the tobacco affidavit to process the request and implement the discount. The tobacco-free discount will apply only for the remainder of the plan year, and WILL NOT be applied retroactively. No refunds will be granted to members who submit tobacco affidavits after open enrollment.

Active Employees

If you are an active employee of a State agency, college, university or county board of education, most of your health insurance premium is paid by your employer. The amount of your contribution is determined by your salary, the type of coverage you choose, and your tobacco-use status.

If you are an active employee of a local government agency, your employer will set your health insurance premium contribution level. You may pay anywhere from 0% to 100% of the premium that PEIA charges to your employer.

Retired Employees

Premiums for most retired employees are deducted from their annuity on a monthly basis. Some retired employees pay premiums directly to the PEIA each month, and for them, premiums are due by the fifth of the month following the month for which the premium was invoiced. Example: May premium is due June 5. If premium payment is not received by PEIA within 15 days following the due date, all medical claims will be pended. Additionally, the PEIA drug card will be suspended. If payment is not received within 30 days following the due date, coverage will be cancelled, and all claims incurred will be the policyholder's personal responsibility. PEIA offers a direct draft option for premium payment. Call PEIA for details.

Retired Employees Who Retired Before July 1, 1997

Retired employees who retired prior to July 1, 1997, pay premiums based on the plan they choose, their tobacco-use status and eligibility for Medicare. Generally, retired employees' contributions pay for about 30% of the cost of their claims. The remaining 70% of the cost is paid by employers. Eligible retired employees may use sick and/or annual leave to extend employer-paid health coverage.

Employees Who Retire On or After July 1, 1997

Employees who retire on or after July 1, 1997, pay premiums for their health coverage based on the plan they choose, their eligibility for Medicare, their tobacco-use status, and their credited years of service as reported by the Consolidated Public Retirement Board (CPRB), or for those in the Teachers Defined Contribution Plan or a non-State retirement plan, the years of service reported by the employing agency or the non-State plan. These premiums may be adjusted annually for medical inflation. Employees with 25 or more years of service will be charged the same premium as those who retired before July 1, 1997. Those with fewer than 25 years of service will pay higher premiums. If you are using accrued sick and/or annual leave or years of service to extend your employer-paid insurance, all, or a portion of this increased premium will be covered by your accrued leave. Disability retiree premiums are assessed on twenty-five (25) years of service.

Deputy Sheriffs

Deputy sheriffs who retire prior to attaining age 55 have two benefit plan options available to them. Those considering early retirement should call PEIA for details of their plans and premium requirements.

Surviving Dependents

Surviving dependents of public employees pay premiums for their health coverage based on the plan they choose, their eligibility for Medicare and their tobacco-use status. These premiums may be adjusted annually for medical inflation. Surviving dependents are considered to have 25 or more years of service, and will be charged the same premium as those who retired before July 1, 1997.

Premiums for some surviving dependents are deducted from their annuity on a monthly basis. Some surviving dependents pay premiums directly to the PEIA each month, and their premiums are due by the fifth of the month following the month for which the premium was invoiced. Example: May premium is due June 5. If payment is not received by PEIA within 15 days following the due date, all medical claims will be pended. Additionally, the PEIA drug card will be suspended. If payment is not received within 30 days following the due date, coverage will be cancelled, and all claims incurred will be the policyholder's personal responsibility. PEIA offers a direct draft option for premium payment.

Extending Employer-Paid Insurance Upon Retirement

You may be eligible to extend your employer-paid insurance upon retirement, but how you do that is determined by your employer. To take advantage of this benefit, you must move directly from active public employment into your respective retirement system. If you choose to defer your retirement, you cannot defer your sick and annual leave for use later. Elected public officials are not eligible for this benefit. This benefit terminates when the policyholder dies; it cannot be used by surviving dependents, who may continue coverage by paying the monthly premium.

You may also have the option to use your accrued leave to increase your retirement benefits from your retirement system. You must choose between additional retirement benefits and extended employer-paid insurance coverage. You may not use some of your accrued leave to increase your retirement benefit and the rest to extend your employer-paid insurance coverage. Once this election is made, you may not revoke the selection.

Using Accrued Sick and Annual Leave to Extend Coverage

If you are an employee of a State agency or a county board of education (or an eligible employee of a local agency) with coverage through a PEIA plan and have accrued sick and/or annual leave when you retire, you may use that accrued leave to extend your employer-paid insurance coverage. You must be enrolled in a PEIA plan or a PEIA-sponsored managed care plan or a group life insurance plan offered by PEIA prior to your retirement to qualify. This extended coverage must be for full months. Employees hired on or after July 1, 2001, are not eligible for this benefit.

If the policyholder dies, the accrued leave benefit terminates, even if the surviving dependent continues coverage.

If you and your spouse are both public employees eligible for extended employer-paid insurance coverage, you may combine your accrued leave to extend your family coverage provided each of your respective employers agrees. Certain restrictions apply. See your benefit coordinator for details.

The amount of this benefit depends on when you came into the PEIA plan as follows:

Before July 1, 1988:

If you are an employee who has been continuously covered by PEIA since before July 1, 1988, then your additional coverage is calculated as follows:

2 days of accrued leave = 100% of the premium for one month of single coverage

3 days of accrued leave = 100% of the premium for one month of family coverage

Between July 1, 1988 and June 30, 2001:

If you were hired after July 1, 1988 and before July 1, 2001, or if you had a lapse in coverage during this period then your additional coverage is calculated as follows:

2 days of accrued leave = 50% of the premium for one month of single coverage

3 days of accrued leave = 50% of the premium for one month of family coverage

On or after July 1, 2001:

If you were hired on or after July 1, 2001, or if you had a lapse in coverage during this period, you are not eligible for extended employer-paid insurance upon retirement.

Extending Coverage for Higher Education Faculty

If you are a full-time faculty member employed on an annual contract basis for a period other than 12 months, you may extend your employer-paid insurance coverage based on your years of teaching service. Your benefit is calculated as follows:

3 1/3 years of teaching service = 1 year of single coverage

5 years of teaching service = 1 year of family coverage

Retired Employee Premium Assistance Program

Retired employees whose total annual income is less than 250% of the current federal poverty level may receive assistance in paying a portion of their PEIA monthly health premium based on years of active service, through a grant provided by the PEIA. Applicants must be enrolled in the PEIA PPB Plan. Managed care plan members are not eligible for this program. Retired employees using accrued sick and/or annual leave to pay their premiums are not eligible for this program until their accrued leave is exhausted. Applications are mailed to all eligible retired employees each spring. Those who qualify for Premium Assistance also qualify for Prescription Drug Copay Assistance. See the "Prescription Drug Benefit" section starting on page 65 for details.

Years of Service

The amount of assistance for which you are eligible is based on years of active service. For surviving dependents, it will be based on years of service earned by the deceased policyholder. Disabled retirees are considered to have twenty (20) years of service.

Retirees with twenty (20) or more years of service are eligible for 100% of the base assistance amount. Retirees with 10-14 years are eligible for only 60% of the base assistance amount. These figures will be verified by the appropriate State retirement system. Following is a chart with the percentages of assistance available based on years of active service. Remember that even at the 100% level, this assistance pays only a portion of the total health insurance premium.

Years of active service	Percentage of assistance available
20 or more years	100
15-19 years	80
10-14 years	60
5-9 years	30
Fewer than 5 years	0

Life Insurance Premiums

Life insurance premiums for all participants are set by PEIA's life insurance carrier. For active employees of State agencies, colleges, universities and county boards of education, basic life insurance premiums are paid by your employer. For active employees of a local government agency, your employer will determine what, if any, portion of the life insurance premium will be paid for you. Retired employees must pay the basic life insurance premium to keep coverage in force. Optional life insurance premiums are paid by the employee and are based on age and amount of coverage. See your Life Insurance Booklet for further details of the options available to you.

Life Insurance Waiver of Premium

If you are an active employee with basic life insurance, and you become totally disabled before you reach age 60, your basic life insurance may be continued at no cost to you while you remain totally disabled. To qualify for this waiver of premium, you must furnish proof of total disability within one year after the date of disability. The date of disability is considered the last day you were actively at work. You must furnish proof of total disability after you have been disabled for nine (9) months, but not later than twelve (12) months after your last day of active work. To qualify for the waiver of premium, you must have been covered under basic life insurance when your disability began.

"Total Disability" exists when you are completely unable, due to sickness or injury or both, to engage in any gainful occupation for which you are reasonably fitted by education, training or experience. You will not be considered totally disabled while working at any gainful occupation.

To apply for a disability waiver of premium, contact your benefit coordinator. Proof of continuing disability will be required three months before each anniversary of the initial date of disability. You may be asked by PEIA's life insurance carrier to submit periodic medical exams. AD&D coverage does not continue under the waiver of premium.

If your waiver of premium is approved, your basic life insurance will remain at \$10,000 at no premium cost to you. At age 65, your basic life coverage decreases to \$5,000, and further reduces to \$2,500 at age 67. This coverage will end at the earliest of these events:

- the end of disability;
- the failure to provide proof of continued disability; or
- the failure to submit to a physical examination when required by PEIA's life insurance carrier.

See your Life Insurance Booklet for more details.

Managed Care Plan Premiums

If you enroll in a managed care plan offered by the PEIA for your health coverage, your premium contribution is set by the managed care plan. Premiums are published in the Shopper's Guide each year prior to Open Enrollment. The published premiums are set for one year. In most cases, your employer will contribute up to the same amount toward your coverage as if you were enrolled in the PEIA PPB Plan. If the managed care plan's premium is higher than this amount, you will be responsible for the difference. Local government agencies will determine their contribution for managed care plans. To find the amount of your premium contribution, check the Shopper's Guide for the current plan year or contact your benefit coordinator.

The managed care plans being offered by your employer are part of the PEIA benefits package and you may enroll for any plan in which you meet the eligibility guidelines. Your plan choice is binding for one year unless you move outside the service area of the plan you have chosen. Your physician's withdrawal from a plan does not qualify you to change plans.

Premium Conversion

Paying Premiums With Pre-Tax Dollars

The PEIA premium conversion plan is an IRS Section 125 plan which allows active, participating employees to save tax dollars when paying health and life insurance premiums. Your participation in the premium conversion plan is automatic if you are an active employee of one of the following:

- State government and its agencies;
- State-related colleges and universities; or
- a participating county board of education.

Federal law does not allow retired employees to participate in premium conversion.

With premium conversion, your premiums are deducted from your salary before federal, State and Social Security taxes are calculated. This reduces the amount of your income subject to tax. You must agree to pay the premiums through this plan for a full plan year, unless you have a change in family status that allows you to change your benefits. The example below demonstrates how premium conversion can reduce your taxes and increase your take-home pay. This example does not include State income tax, and assumes a 15% federal income tax bracket.

Without Premium Conversion Plan		With Premium Conversion Plan	
Amount	Description	Amount	Description
\$1,500	Monthly Income (Taxable Income)	\$1,500	Monthly Income
-\$340	Taxes	-\$121	Insurance Premium
\$1,160	After-tax Salary	\$1,379	Taxable Income
-\$121	Insurance Premium	-\$313	Taxes
\$1,039	Take-home Pay	\$1,066	Take-home Pay
		\$27	Additional Take-home Income

How to Participate

If your employer offers the premium conversion plan, your premiums automatically will be deducted on a pre-tax basis. If you do not wish to participate in the premium conversion plan, you must indicate this in writing to your benefit coordinator.

Decisions regarding premium conversion must be made when you initially enroll for PEIA coverage or during the annual open enrollment period each spring.

Limits on Benefit Changes

The premium conversion plan does not change your PEIA coverage, but it does limit your ability to make changes in your plan. Under the IRS rules, you must pay the same amount of premium each month during the year, unless you have a qualifying change in family status.

Qualifying changes in family status are:

- marriage or divorce of the employee;
- death of the employee's spouse or dependent;
- birth or adoption of the employee's child;
- commencement or termination of employment of the employee's spouse or dependent;
- a change from full-time to part-time employment status, or vice versa, by the employee or his or her spouse;
- an unpaid leave of absence taken by the employee or spouse;
- a significant change in the health coverage of the employee or spouse attributable to the spouse's employment;
- annulment;

- change in the residence or work site of the employer, spouse, or dependent;
- a dependent loses eligibility due to age or student status; or
- employment change due to strike or lock-out.

You may make a change in your plan when your spouse or dependent changes coverage during Open Enrollment under his or her plan if:

- the other employer’s plan permits mid-year changes under this event, and
- the other employer’s plan year is different from PEIA

You may make a change in your coverage (add a dependent, for example) that increases your insurance premium, or that has no effect on your premium, without having one of these events, but you’ll pay any resulting increased premium on an after-tax basis until the next open enrollment period.

You may not make a change in your coverage that reduces the premium you pay until the next Open Enrollment period unless you have a qualifying change in family status.

For life insurance, the IRS allows you to pay pre-tax premiums on up to \$50,000 of life insurance. This includes the \$10,000 basic plan and up to \$40,000 of optional life insurance. Since you’re paying pre-tax premiums on only \$40,000 of optional life insurance, you may terminate any life insurance you have in excess of \$40,000 at any time during the plan year, but you can terminate your basic or the first \$40,000 of optional life insurance only during the premium conversion plan open enrollment each spring.

To make a change in your coverage, get a Change-in-Status form from your benefit coordinator. Two types of changes require additional documentation; they are detailed in the following chart.

Status Change Event	Documentation Required
Divorce	Provide a copy of the divorce decree showing that the divorce is final. Coverage for the ex-spouse will be terminated at the end of the month in which the divorce became final.
Significant Change in Health Coverage Attributable to Spouse's Employment	Documentation from the spouse's employer describing the change in health coverage.

If you have a dependent child between the ages of 24 and 25, your ability to pay your premiums pre-tax may be affected by a recent federal law called the Working Families Tax Relief Act (WFTRA) of 2004. For details of this, please see "Special Eligibility Situations: Full-Time Students Age 19 and Over."

Health Care Benefits

You may get health care benefits through PEIA from a managed care plan or from the PEIA PPB Plan A or B.

If you choose to receive your benefits from a managed care plan, you must enroll with PEIA and choose a plan. You must refer to the information provided by the managed care plan for details of your benefits. This next section, entitled the PEIA PPB Plan, will not apply to you.

If you choose the PEIA PPB Plan A or B, your benefits are described on the following pages. This section describes only the benefits offered under the PEIA PPB Plan.

The PEIA PPB Plan (A or B)

The PEIA PPB Plan pays for a wide range of health care services for employees and their dependents. These benefits include hospital services, medical services, surgery, durable medical equipment and supplies, and prescription drugs. The medical benefits in the PEIA PPB Plan A and B are identical. The only difference is in the deductibles and out-of-pocket maximums, which are detailed on the charts in this section.

Under the plan, certain costs are your responsibility. In addition, to receive maximum benefits for some services, precertification is required or your benefits will be reduced. Please read the health care benefits section carefully so that you will have a clear understanding of your coverage under the plan.

If you have any questions about coverage or payment for health care services, please call:

Who to Call with Questions		
Medical claims, benefits, precertification, case management, preauthorizations and prior approvals for out-of-state care	Acordia	1-888-440-7342
Prescription drug claims and benefits	Express Scripts	1-877-256-4680
Common Specialty Medication claims and benefits	Curascript	1-866-413-4135

PEIA's Networks

The PEIA PPB Plan provides care through several networks of providers. In West Virginia, any health care provider who provides health care services or supplies to a PEIA participant is automatically considered a member of our network. Outside West Virginia, there are several networks available. Access to those networks depends on where you live. Generally, the available networks are:

- Medical Mutual of Ohio's SuperMed Plus Network (in Ohio only). To locate providers in the state of Ohio who participate in Medical Mutual of Ohio's (MMO) SuperMed Plus network, call 1-888-440-7342 or 1-304-353-7820, or check the internet at www.supermednetwork.com.
- The Alliance Network (in Maryland, Washington, DC, and North Carolina only). (For physicians associated with Duke University, PEIA uses the Beech Street Network). To locate providers in Maryland, North Carolina and the District of Columbia (DC) who participate in the Alliance Network, call 1-888-440-7342 or 1-304-353-7820, or check the internet at www.mamsi.com/directory.
- The Beech Street Network in all other states. To locate providers who participate in the Beech Street network, call 1-888-440-7342 or 1-304-353-7820, or check the internet at www.beechstreet.com. Kings Daughters Medical Center and Our Lady of Bellefont Hospital in Ashland, Kentucky, and hospitals in the UPMC Health System are not participating hospitals in the PEIA PPB Plan.

In addition, Acordia National contracts with some out-of-state providers to serve PEIA participants only. To locate a network provider in any of the available networks, call Acordia National at 1-888-440-7342 or 304-353-7820. Care provided by non-network

providers requires prior approval, or it will be paid at the lower out-of-network benefit level (typically 60% of PEIA's maximum allowance with the additional out-of-network deductible).

Not all hospitals in these networks may participate with PEIA. PEIA reserves the right to remove providers from the networks, so not all providers in all networks may be available to you.

Providers who are under sanction by Medicare, Medicaid or both will be expelled from PEIA's network for the duration of their sanction. In cases of expulsion, both the provider and the patient will be notified by mail of the action before claims are denied.

If you have questions about a specific network provider, please contact Acordia National at 1-888-440-7342.

Resident PPB Plan Participants

PEIA PPB Plan participants who live in West Virginia or a bordering county of a surrounding state may access care from any of the following providers without receiving prior approval:

1. any West Virginia health care provider who provides health care services or supplies to a PEIA participant, or
2. any network provider located in those bordering counties.

All services, except emergency care, provided outside of West Virginia beyond the bordering counties requires prior approval.

Non-Resident PPB Plan Participants

For PEIA PPB Plan participants who reside outside the State of West Virginia (beyond the bordering counties of surrounding states), PEIA has made special arrangements. Participants who live more than one county outside the State may seek care from any network provider. Care from network providers does not require prior approval, and that care will be covered at the in-network benefit level (typically 80%). Precertification of inpatient stays and certain outpatient procedures is still required. See page 39 for details.

What You Pay With The PEIA PPB Plan

Medical Deductible

During any plan year, if you or your eligible dependents incur expenses for covered medical services (other than office visits), you must meet a deductible before the plan begins to pay.

Medical deductibles are determined based on your salary, tier of coverage (i.e., individual or family), and whether you get your services within the PEIA network or outside of the network.

The family deductible is twice the individual deductible. The family deductible is divided up among the family members. No one member of the family will pay more than the individual deductible. Once that person has met the individual deductible, the plan will begin paying on that person. When another participant of the family meets the individual deductible, then the plan will begin paying on the entire family. Alternatively, all participants of the family may contribute to the family deductible with no one person meeting the individual deductible; once the family deductible is met, the plan pays on all members of the family. The deductibles are listed on the following chart according to income level and coverage tier.

Deductibles for Family with Employee Spouse coverage are based on the average of the two employees' salaries. This provision does not apply to local government agency or retired employees.

	PEIA PPB Plan In-Network Deductibles				
	Annual Salary	Employee Only	Employee & Child(ren)	Family	Family with Employee Spouse*
PEIA PPB Plan A (state agencies, colleges, universities and county boards of education)	\$ 0 - 20,000	\$100	\$200	\$200	\$200
	\$20,001 - 30,000	\$150	\$300	\$300	\$300
	\$30,001 - 36,000	\$200	\$400	\$400	\$400
	\$36,001 - 42,000	\$225	\$450	\$450	\$450
	\$42,001 - 50,000	\$250	\$500	\$500	\$500
	\$50,001 - 62,500	\$375	\$750	\$750	\$750
	\$62,501 - 75,000	\$400	\$800	\$800	\$800
	\$75,001 - 100,000	\$425	\$850	\$850	\$850
	\$100,001 - 125,000	\$500	\$1,000	\$1,000	\$1,000
	\$125,001 +	\$600	\$1,200	\$1,200	\$1,200
PEIA PPB Plan B (state agencies, colleges, universities and county boards of education)	\$ 0 - 42,000	\$500	\$1,000	\$1,000	\$1,000
	\$42,001 +	\$1,000	\$1,500	\$1,500	\$1,500
Non-state Plan A	Not applicable	\$225	N/A	\$450	N/A
Non-State Plan B	Not applicable	\$500	N/A	\$1,000	N/A
Non-Medicare Retirees	Not applicable	\$375	N/A	\$750	N/A
Medicare Retirees	Not applicable	\$150	N/A	\$300	N/A

For inpatient admissions that span two plan years, the facility charges are paid based on the first plan year, but physician charges are paid based on the date of service, which could be in the first plan year, new plan year or both plan years. For example, if you go into the hospital on June 28 and are released on July 6, the hospital bill is paid based on the date of admission, so it would fall under the old plan year's deductible. Physician charges are paid based on the date of service, so if you have surgery on July 2, the surgeon's bill will be processed based on the new plan year, and the deductible for the new plan year will apply to the surgeon's bill.

The out-of-network deductible satisfies the in-network deductible, but the in-network deductible does not meet the out-of-network deductible. Please note that the amounts listed in the chart are for in-network deductibles. Out-of-network deductibles are twice the amount of the in-network deductibles listed on the previous page.

Prescription drug benefits are subject to a separate deductible. Please see the "Prescription Drug Benefit" section starting on page 65 for information.

Coinsurance for In-Network and Out-of-Network Benefits

	If you live in WV, you will pay:	If you live in a bordering county of a surrounding state, you will pay:	If you live out-of-state (beyond bordering counties), you will pay:
Access care in WV or in a bordering county of a surrounding state using PPO providers	20% coinsurance	20% coinsurance	20% coinsurance
Access care outside WV (beyond bordering counties) using PPO providers <u>with</u> prior approval	20% coinsurance	20% coinsurance	20% coinsurance
Access care outside WV (beyond bordering counties) using non-PPO providers <u>with</u> prior approval	20% coinsurance	20% coinsurance	20% coinsurance
Access care outside WV (beyond bordering counties) using PPO providers <u>without</u> prior approval	40% coinsurance	40% coinsurance	20% coinsurance
Access care outside WV using non-PPO providers <u>without</u> prior approval	40% coinsurance	40% coinsurance	40% coinsurance

The PEIA PPB Plan is designed to provide as much care as possible within the State of West Virginia. The PEIA Preferred Provider Organization (PPO) is made up of West Virginia health care providers who provide health care services or supplies to PEIA participants. For services provided outside of the State, several networks are available. Please see "PEIA's Networks" on page 32 for details.

Resident PPB Plan Participants

PEIA PPB Plan participants who live in West Virginia or a bordering county of a surrounding state may access care from any West Virginia health care provider who provides health care services or supplies to a PEIA participant, or any network provider located in those bordering counties without prior approval. All services provided outside of West Virginia beyond the bordering counties require prior approval to be paid at the highest benefit level. For services of network providers, the plan will pay 80% of the contracted payment rate, and you will be responsible for any copayments, deductible and 20% coinsurance.

For services of non-network providers without prior approval, the plan will pay 60% of PEIA's maximum allowance; you will be responsible for any deductible, 40% coinsurance and any amount which exceeds PEIA's maximum allowance. For non-network providers, PEIA will pay what it would have paid if the services had been provided in-State. You will be responsible for any balance billing, and those amounts are considered non-covered services. They do not count toward the deductible or out-of-pocket maximum.

PPB Plan participants traveling out-of-state have coverage for urgent and emergency care. In an emergency, seek treatment at the nearest facility that is able to provide the needed care, and that care will be paid at the in-network benefit level as an emergency. For non-emergency, urgent care, call Acordia National for a referral to a network provider, or for approval to see an out-of-network provider where you are.

Non-resident PPB Plan Participants

PEIA PPB Plan participants who reside outside West Virginia and beyond the bordering counties may access care using any network provider without prior approval, and the claims will be paid at 80% of the contracted payment rate. You will be responsible for any copayment, deductible and 20% coinsurance.

Care provided by non-network providers must have prior approval. Services of non-network providers will be paid at 60% of PEIA's maximum allowance, unless approved by Acordia National in advance. Precertification requirements apply for inpatient stays and certain outpatient procedures.

Please consult the chart on the previous page to determine your level of coinsurance based on where you reside, where you receive your services, and whether or not you obtain prior approval.

Benefit Design

The following section provides you with a description of services and your cost-share.

Covered in Full

The following services are covered in full in-network:

Type of Service	Your In-network Cost
Routine prenatal care (physician services) ¹	\$0; Covered in full
Well child exams and immunizations as recommended by the American Academy of Pediatrics	\$0; Covered in full
High risk birth score program	\$0; Covered in full
Annual screening mammogram	\$0; Covered in full
Annual Pap smear ²	\$0; Covered in full
Colorectal cancer screening ²	\$0; Covered in full
Prostate cancer screening ²	\$0; Covered in full

¹ Deductible applies only if not met with charges for hospital or other services.

² Testing covered in full; \$10 preventive care office visit copay applies.

Copayment Only

A copayment is a flat dollar amount you pay when you receive service(s) from an in-network provider or an approved non-network provider. When a service is subject to a copayment only, you do not have to meet the deductible before the PEIA PPB Plan begins to pay for that service. The copayment does not count toward your deductible or your out-of-pocket maximum.

Type of Service	Your In-network Cost
Physician Office Visits - preventive care	\$10 copayment per visit with no deductible
Physician Office Visits - treat illness or injury	\$15 copayment per visit with no deductible
Adult Routine Physical Exams	\$10 copayment per visit with no deductible
Second Surgical Opinions*	\$15 copayment per visit with no deductible

* No copayment if required by Acordia National.

All of the services subject to a copayment only are listed in the chart above. See "What is Covered" for a detailed description of individual services.

Copayment, Coinsurance and Deductible

The services listed in the chart are subject to a copayment, annual deductible, and coinsurance.

Type of Service	Your In-network Cost
Emergency Services (including supplies) at emergency room	\$25 copayment + deductible and 20% coinsurance when certified as an emergency
Non-emergency services at emergency room	\$50 copayment + deductible and 20% coinsurance
Ambulatory surgery/Outpatient surgery (facility-based)	\$50 copayment + deductible and 20% coinsurance

Coinsurance and Deductible

Services not listed in the three preceding charts are covered at 80% after the deductible is met for in-network care and at 60% after the out-of-network deductible is met for non-network care which is not preauthorized. You pay your deductible, coinsurance, and any charges for services not covered by the plan directly to your health care provider.

Medical Out-of-Pocket Maximum

The medical out-of-pocket maximum is the most you pay in coinsurance in a plan year. Amounts you pay toward your annual deductibles, for copayments, for precertification penalties, for prescription drugs, for amounts billed in excess of what PEIA pays to non-network providers, and for services that are not covered under the plan do not apply toward your annual medical out-of-pocket maximum. It includes only your medical charges; prescriptions are handled separately. See the "Prescription Drug Benefit" section starting on page 65 for details.

The following chart shows the out-of-pocket maximum amount, which is the same whether you have a single plan or a family plan. It is a per-contract amount, which doesn't change regardless of whether there is just the policyholder on the contract, or the policyholder and several dependents.

Once you have met your out-of-pocket maximum, the plan will pay 100% of your covered charges (less applicable copayments) for the remainder of the plan year. Your out-of-pocket maximum amount depends on your employment status, your salary, where you receive your services, whether your provider is in the PEIA PPO network, and whether out-of-network care is preauthorized.

Amounts paid toward the out-of-network out-of-pocket maximum will also count toward the in-network out-of-pocket maximum, but in-network amounts do not count toward the out-of-network out-of-pocket maximum.

Out-of-Pocket Maximum Amounts			
Employee Status	Employee's Annual Salary	Annual In-Network Out-of-Pocket Maximum	Annual Out-of-Network Out-of-Pocket Maximum
PEIA PPB Plan A (Active, State Agency, Colleges and Universities, Boards of Education)	\$ 0 - 20,000	\$800	\$1,600
	\$20,001 - 30,000	\$1,100	\$2,200
	\$30,001 - 36,000	\$1,250	\$2,500
	\$36,001 - 42,000	\$1,500	\$3,000
	\$42,001 - 50,000	\$1,750	\$3,500
	\$50,001 - 62,500	\$1,800	\$3,600
	\$62,501 - 75,000	\$1,850	\$3,700
	\$75,001 - 100,000	\$1,900	\$3,800
	\$100,001 - 125,000	\$2,000	\$4,000
	\$125,001 +	\$2,250	\$4,500
PEIA PPB Plan B (Active, State Agency, Colleges and Universities, Boards of Education)	Not Applicable	\$2,000/single; \$4,000/family	\$4,000/single; \$8,000/family
Non-State Plan A	Not applicable	\$1,500	\$3,000
Non-State Plan B	Not applicable	\$2,000/single; \$4,000/family	\$4,000/single; \$8,000/family
Retired, Non-Medicare	Not applicable	\$1,500	\$3,000
Retired, Medicare	Not applicable	\$1,000	\$1,000

Out-of-network out-of-pocket maximums are twice the amount of the in-network out-of-pocket maximums.

Benefit Maximums

For certain types of services, the plan will pay up to a set amount per plan year as shown below. Patients experiencing a severe medical episode and patients with very complicated medical conditions are assigned a nurse case manager. For these catastrophic cases, the case manager may, based on medical documentation, recommend additional treatment for services marked with an asterisk (*). For details of these benefits, see "What Is Covered" later in this section.

Annual Benefit Maximums	
Type of Service	Benefit Maximum (per member per plan year)
*Outpatient Mental Health/Chemical Dependency	20 visits
Christian Science Treatment	\$1,000
*Outpatient Therapy Services (includes all benefits listed in this category under What is Covered)	20 visits (total amount allowed for all therapies combined)
Inpatient Rehabilitation	150 days
Skilled Nursing Facility	100 days

* May be extended if approved by Acordia National.

Lifetime Maximum

The PEIA will pay a maximum of \$1,000,000 in benefits per person during the person's lifetime. This maximum includes benefits paid for services rendered under the PEIA Indemnity Plan and the PEIA PPB Plan. Benefits paid under the Prescription Drug Plan are not included.

Pre-existing Medical Conditions

A pre-existing medical condition is one which has been diagnosed or treated, or for which you or your dependents have incurred expenses within the three months immediately before the effective date of the PEIA PPB Plan coverage.

Expenses for a pre-existing condition will not be covered by the PEIA PPB Plan for the first twelve months your coverage is in effect. This limitation is waived if you had creditable coverage under another health plan which terminated no more than 62 days prior to the effective date of the PEIA PPB Plan coverage.

The pre-existing condition limitation does not apply to pregnancy, to any condition meeting the definition of handicap, or to newborn or adopted children who are enrolled in the benefit plan within the calendar month of, or the two calendar months following the date of birth or adoption.

PEIA PPB Plan Fee Schedules and Rates

The PEIA PPB Plan pays health care providers according to a maximum fee schedule and rates established by PEIA. If a provider's charge is higher than the PEIA maximum fee for a particular service, then the plan will allow only the maximum fee. The "allowed amount" for a particular service will be the lower of the provider's charge or the PEIA maximum fee.

Physicians and other health care professionals are paid according to a Resource Based Relative Value Scale (RBRVS) fee schedule. This type of payment system sets fees for professional medical services based on the relative amount of work, practice expense and malpractice insurance expense involved. These rates are adjusted annually. West Virginia physicians who treat PEIA patients must accept PEIA's allowed amount as payment in full; they may not bill additional amounts to PEIA patients.

Most inpatient hospital services are paid on a "prospective" basis. PEIA's reimbursement to hospitals is based on Diagnosis-Related Groups (DRGs), which is the system used by Medicare. It is a Prospective Payment System (PPS) that classifies medical cases and surgical procedures on the basis of diagnoses. Under this system, West Virginia hospitals know in advance what PEIA will pay per day or per admission. West Virginia hospitals have been provided specific information about their reimbursement rates from PEIA. These rates are also adjusted annually.

Precertification/Notification Requirements

Precertification of Inpatient Admissions (Mandatory)

The PEIA PPB Plan requires that certain services and/or types of services be reviewed to determine whether they are medically necessary and to evaluate the necessity for case management. Some services require "precertification," and other services require "notification." Precertification is performed to determine if the admission/service is medically necessary and appropriate based on the patient's medical documentation. Notification to Acordia National is required to evaluate the admission/service in order to determine if the patient's medical condition will require case management, such as discharge planning for home health care services.

Precertification is required for the following:

- Inpatient Admissions
 1. hysterectomy,
 2. laminectomy
 3. insertion of implantable devices (vascular access, pacemakers, implantable pumps, spinal cord stimulators, neuromuscular stimulators, bone growth stimulators),
 4. uvulopalatopharyngoplasty,
 5. Leforte osteotomy,

6. elective and cosmetic surgeries (breast reduction, blepharoplasty, abdominoplasty, breast reconstruction, surgery for varicose veins),
7. bariatric surgery (gastric bypass, etc.),
8. transplants,
9. mental health, and
10. all admissions to out-of-state hospitals/facilities.

Outpatient Services

1. allergy testing for more than 70 skin pricks and/or intradermal sticks,
2. home health care services for more than 3 days/visits,
3. partial/day mental health programs,
4. MRI (magnetic resonance imaging),
5. multidisciplinary pain management programs,
6. durable medical equipment purchases and/or rentals of \$1,000 or more, and
7. surgeries:
 - hysterectomy,
 - implantable devices (vascular access, pacemakers, implantable pumps, spinal cord stimulators, neuromuscular stimulators, bone growth stimulators),
 - uvulopalatopharyngoplasty,
 - Leforte osteotomy,
 - elective and cosmetic surgeries (breast reduction, blepharoplasty, abdominoplasty, breast reconstruction, treatment for varicose veins),
 - bariatric surgery (gastric bypass, etc.), and
 - transplants.

Notification to Acordia National is required for the following inpatient admissions to WV facilities:

1. medical (non-surgical),
2. surgical admissions (except those specifically listed as requiring precertification),
3. emergency (including chest pain and congestive heart failure, and other cardiac events), and
4. maternity and newborn.

Failure to precertify or notify Acordia National of an admission within the timeframes specified in the chart on the following page will result in a reduction of benefits under the PPB Plan of 30%. This 30% penalty will be the responsibility of network providers. For all non-network providers, this 30% penalty will be the responsibility of the insured in addition to any applicable copayment, coinsurance, deductible, and amounts that exceed PEIA's maximum allowance.

If the insured or provider feels that Acordia National inappropriately denied an admission or the extension of an admission, or that extenuating circumstances existed that prevented notification to Acordia National within the timeframes set forth, the insured or provider may file an appeal.

Exception: It is the patient's responsibility to precertify inpatient stays and outpatient procedures when these services are received out-of-network. If you do not precertify these out-of-network services, you must pay the 30% precertification penalty in addition to the out-of-network copayment, coinsurance, deductible and amounts that exceed PEIA's maximum allowance. Prior approval to use out-of-network providers does not precertify services.

Timely Precertification Requirements	
Type of Admission	Advance Notice Required
Scheduled:	
Planned admission	5 business days in advance
Inpatient elective surgery or procedure	5 business days in advance
Maternity (notify Acordia National during your first trimester)	
Term pregnancy	Within 48 hours of admission
Caesarean section (planned)	5 business days in advance
Caesarean section (emergency)	Within 48 hours of admission
Urgent/Emergency	Within 48 hours of admission
Extended stay	Additional days may be recommended based on medical necessity

Preauthorization (Voluntary)

Preauthorization is a program which allows you to contact Acordia National in advance of a procedure to verify that the service is covered and will be paid so that you can make an informed decision about the procedure. Obtaining preauthorization from Acordia National assures that your claim will be paid when it's submitted. To obtain preauthorization, ask your provider to send your request to:

Acordia National
P. O. Box 2451
Charleston, WV 25329-2451

Your provider should include your name, address, telephone number, your Social Security Number, and all information about the procedure that's recommended. Acordia National may contact your physician for more information. Remember, if your request for preauthorization is denied, you will be responsible for paying for the procedure if you choose to have it. Due to specific benefit criteria, preauthorization is recommended for the following procedures:

- Accident-related Dental Services
- Chelation Therapy
- Chiropractic Services for children under age 16
- Massage Therapy
- Orthotics
- Vision Therapy

Prior Approval for Out-of-Network Services (Mandatory)

If you live in West Virginia or a bordering county of a surrounding state, all services outside of the State beyond the bordering counties must have prior approval. For services at preferred providers with prior approval, the plan will pay 80% of the contracted payment rate; you will be responsible for any deductible, copayments and 20% coinsurance.

For services provided by non-network providers without prior approval, the plan will pay 60% of PEIA's maximum allowance. You will be responsible for any deductible, copayments, and 40% coinsurance. Any amount which exceeds PEIA's maximum allowance will be your responsibility. Those amounts are considered non-covered services. They do not count toward the deductible or out-of-pocket maximum.

Special arrangements have been made for participants who live more than one county beyond the borders of West Virginia. See page 36 for more details.

Medical Case Management

If you are experiencing a serious or long-term illness or injury, Acordia National's medical case management program can help you learn about available resources, provide early support for your family, and find ways to contain medical costs, including your out-of-pocket expenses. Through case management Acordia National can:

- arrange home care to prevent hospitalization;
- arrange services in the home to facilitate early hospital discharge;
- obtain discounts for special medical equipment;
- locate appropriate services to meet the patient's health care needs; and
- for catastrophic cases, when medically proven as a part of a comprehensive plan of care, allow additional visits for outpatient mental health or Outpatient Therapy Services.

Acordia National must be notified for medical case management for the following services:

1. home health care of more than three (3) visits, including but not limited to:
 - skilled nursing visits;
 - I.V. therapy in the home;
 - physical therapy, occupational therapy or speech therapy done in the home;
 - hospice care; and
 - medication provided or administered by a home health agency.
2. skilled nursing facility services; and
3. rehabilitation services.

Transition of Care Program (New Participants Only)

If you are new to the PEIA PPB Plan, and have been receiving medical treatment from a non-network provider, you may be concerned that your care will be interrupted in your move to the PEIA PPB Plan. To assist participants receiving treatment for serious medical conditions from non-network providers, PEIA has a Transition of Care (TOC) program. If you qualify for TOC, you can continue to receive medical treatment from a non-network provider during a transition period specified by Acordia National and be covered at the in-network benefit level.

Following this transition period or after your treatment is complete, your medical care must be provided by a network provider to be eligible for the higher in-network level of benefits. Not all conditions will qualify for the TOC program.

Medical conditions likely to qualify for TOC benefits include:

- pregnancy,
- recent acute heart attack,
- newly diagnosed cancer requiring surgery, chemotherapy or radiation therapy,
- total joint replacement requiring physical therapy,
- acute trauma such as a bone fracture,
- certain psychiatric treatment or substance abuse programs, and
- recent surgical procedures with complications.

Medical conditions which are not likely to qualify for TOC benefits include:

- arthritis,

- hypertension,
- diabetes,
- asthma, and/or
- allergies.

In most cases, a network provider can successfully treat these chronic conditions. If there is not a network provider available to treat your specific illness or condition, PEIA will work with you to provide that care. Conditions limited or excluded from coverage are not eligible for TOC benefits.

To apply for the TOC program, request a copy of the TOC form by calling 1-888-440-7342 or 1-304-353-7820 and submit the completed form to Acordia National as indicated on the form. A separate form must be completed for each out-of-network provider. You will receive a written determination on your request for TOC benefits from the medical management department at Acordia National. You must apply for TOC within three months of your effective date of coverage in the PEIA PPB Plan.

What Is Covered

Medically Necessary Services

Covered services must be medically necessary or be one of the specifically listed preventive care benefits.

Medically necessary health care services and supplies are those provided by a hospital, physician or other licensed health care provider to treat an injury, illness or medical condition. A service is considered medically necessary if it is:

- consistent with the diagnosis and treatment of the illness or injury;
- in keeping with generally accepted medical practice standards;
- not solely for the convenience of the patient, family or health care provider;
- not for custodial, comfort or maintenance purposes;
- rendered in the most cost-efficient setting and level appropriate for the condition; and
- not otherwise excluded from coverage under the PEIA PPB Plan.

The fact that a physician has recommended a service as medically necessary does not make the charge a covered expense. PEIA reserves the right to make the final determination of medical necessity based on diagnosis and supporting medical data.

Who May Provide Services

The PEIA PPB Plan will pay for covered services rendered by a health care professional or facility if the provider is:

- licensed or certified under the law of the jurisdiction in which the care is rendered; and
- providing treatment within the scope or limitation of the license or certification; and
- not under sanction by Medicare, Medicaid or both. Services of providers under sanction will be denied for the duration of the sanction.

Types of Services Covered

Your PEIA PPB Plan covers a wide range of health care services. Some major categories are listed below. The description of each service includes the level of coinsurance and any applicable copayments you must pay when the service is received from a provider who participates in the PEIA PPO within the State of West Virginia or in bordering counties of the surrounding states.

Please keep in mind that for most participants, services you receive from non-network providers are subject to higher levels of coinsurance if not prior approved by Acordia National to ensure the lowest out-of-pocket expense. If you have questions about coverage of services, call Acordia National at 1-888-440-7342 or 1-304-353-7820. Special arrangements that have been made for participants who live more than one county beyond the borders of West Virginia are explained on page 36.

- **Acupuncture.** Services of a licensed acupuncturist for treatment of medical conditions are included in the Outpatient Therapy Benefit (see below) and are covered at 80% after the in-network deductible. Contact Acordia National for specific benefit limitations. Combined coverage for these therapies is limited to a maximum of 20 visits per person per plan year. Office visits are covered with a \$15 copayment and treatments are covered at 80% after the in-network deductible is met.
- **Allergy Services.** Including testing and related treatment; in-network care covered at 80% after in-network deductible is met. Allergy testing (for more than 70 tests) requires precertification.
- **Ambulance Services.** Emergency ground or air ambulance transportation, when medically necessary, to the nearest facility able to provide needed treatment; in-network care covered at 80% after in-network deductible. Non-emergency transportation is not covered.
- **Ambulatory Surgery.** This benefit is subject to a \$50 copayment and 20% coinsurance. The copayment and coinsurance amounts apply after the in-network deductible has been met. See "Outpatient Surgery" on page 47.

Services marked with a ➤ require precertification from Acordia National.

- **Cardiac or Pulmonary Rehabilitation.** Benefits are limited to 3 sessions per week for 12 weeks or 36 sessions per year for the following conditions: heart attack in the 12 months preceding treatment, heart failure, coronary by-pass surgery or stabilized angina pectoris. Covered at 80% after in-network deductible is met.
- **Chelation Therapy.** Benefits for these services are limited. Contact Acordia National for preauthorization. If covered, in-network therapy is paid at 80% after the in-network deductible has been met.
- **Childhood Immunizations.** Immunizations for children through age 16 are covered at 100% of allowed charges, including the office visit. This benefit is not subject to deductible, coinsurance, or copayment.
- **Chiropractic Services.** Services of a chiropractor for acute treatment of neuromuscular-skeletal conditions are included in the Outpatient Therapy Benefit (see below) and are covered at 80% after the in-network deductible. Combined coverage for these therapies is limited to a maximum of 20 visits per person per plan year. Office visits are covered with a \$15 copayment and x-rays are covered at 80% after the in-network deductible is met. Maintenance services are not covered. Preauthorization is recommended for services for children under age 16. See Outpatient Therapy Services for more information.
- **Christian Science Treatment.** Treatment for a demonstrable illness or injury if provided in a facility accredited by the Commission for Accreditation of Christian Science Nursing Facilities/Organizations, Inc. or by a practitioner accredited by the Mother Church is covered at 80% after the in-network deductible. No benefits will be paid for the purpose of rest or study, for communication costs, or if the person requiring attention is receiving parallel medical care. Coverage is limited to a maximum cost to the plan of \$1,000 per plan year. If required, this benefit may be extended for inpatient care for up to 60 days per plan year. Inpatient care must be precertified.
- **Colorectal Cancer Screenings.** Routine screening to detect colorectal cancer is covered at 100% in-network with no deductible or coinsurance required. The related office visit expenses are subject to the applicable preventive care office visit copayment. This benefit is covered as follows:
 - Fecal-occult blood test—1 in 12 months/age 50 and over
 - Flexible sigmoidoscopy—1 in 48 months/age 50 and over
 - Colonoscopy for high risk—1 in 24 months/high risk patients*; 1 in 10 years/age 50 and over
 - X-ray, barium enema—1 in 48 months/age 50 and over
 - X-ray, barium enema—1 in 24 months/high risk patients*

* High risk is defined as a patient who faces high risk for colorectal cancer because of family history; prior experience of cancer or precursor neo-plastic polyps; history of chronic digestive disease condition (inflammatory bowel disease, Crohn's disease, ulcerative colitis); and presence of any appropriate recognized gene markers for colorectal cancer or other predisposing factors.

- **Cosmetic/Reconstructive Surgery.** Services provided after trauma, illness or disease to correct conditions resulting from the trauma, illness or disease are covered at 80% in-network after deductible is met.
- **Dental Services (accident-related only).** Services provided within six (6) months of an accident and required to restore tooth structures damaged due to that accident are covered at 80% after the in-network deductible is met. The initial treatment must be provided within 72 hours of the accident. Biting and chewing accidents are not covered. Services provided more than six (6) months after the accident are not covered. Contact Acordia National for more information. For children under the age of 16, the six-month limitation may be extended if an approved treatment plan is provided to Acordia National within the initial six months.
- **Dental Services (impacted teeth).** Medically necessary extraction of impacted teeth is covered at 80% in-network after deductible is met. Extractions for the purpose of orthodontia are not covered.
- **DEXA Scans.** Bone mass measurement by DEXA is limited to one scan every 24 months for members who meet one of the following criteria:
 - 1) Member has received results from a peripheral osteoporosis screen indicating moderate or high risk for osteoporosis; OR
 - 2) Member has documented clinical risk for osteoporosis.

Diagnostic testing is covered at 80% after deductible has been met. Routine screening scans are not covered. Complete details of the DEXA scan payment policy are available on the PEIA website at www.wvpeia.com.

Services marked with a ► require precertification from Acordia National.

- **Diabetes Education.** Services of a diabetes education program that meets the standards of the American Diabetes Association are covered at 80% after in-network deductible is met. Coverage is limited to six (6) visits per patient: three visits with the dietician and three visits with a registered nurse. Contact Acordia National for specific benefit limitations.
- **Durable Medical Equipment (DME) and Prosthetics.** Coverage for the initial purchase and reasonable replacement of standard implant and prosthetic devices, and for the rental or purchase (at the plan's discretion) of standard DME, when prescribed by a physician. Prosthetics and DME purchases of \$1,000 or more, or rental for more than 3 months must be precertified by Acordia National. DME and prosthetics are covered at 80% after the in-network deductible is met.
- **Emergency Services (including supplies).** Services received in an emergency room when the condition has been certified as an emergency are subject to a \$25 copayment and 20% coinsurance in-network. The copayment and coinsurance amounts apply after the annual deductible has been met.
- **Emergency Room Treatment.** Services received in an emergency room when the condition is determined to be a non-emergency are subject to a \$50 copayment and 20% coinsurance in-network. The copayment and coinsurance amounts apply after the annual deductible has been met.
- **Home Health Services.** Intermittent health services of a home health agency when prescribed by a physician are covered at 80% after the in-network deductible is met. Services must be provided in the home, by or under the supervision of a registered nurse. The home health services are covered only if they would otherwise have required confinement in a hospital or skilled nursing facility. If more than 3 visits are necessary, precertification is required.
- **Hospice Care.** When ordered by a physician; covered at 80% after the in-network deductible is met.
- **Hypertension Screening.** The PEIA PPB Plan pays for diagnostic screening to determine if you are at risk for high blood pressure, heart disease or stroke. Benefits include coverage for an office visit, blood pressure check, and a blood chemistry profile. The office visit is subject to a \$10 copayment and the blood chemistry is covered at 80% after the in-network deductible is met. The blood pressure check is included as part of the office visit. The plan will pay for this screening:
 - One time between the ages of 20 and 30;
 - Once every three years between ages 31 and 39; and
 - Once every two years after age 40.

• **Immunizations.**

For children through age 16. The plan covers immunizations and the associated office visit with no deductible, coinsurance, or copayment required. Following is a list of immunizations and the ages at which PEIA covers them.

- Polio (IPV): At 2 months, 4 months, 6-18 months, and 4-6 years.
- Diphtheria-Tetanus-Pertussis (DTaP): At 2 months, 4 months, 6 months, 15-18 months, and 4-6 years.
- Tetanus-Diphtheria (Td): At 11-16 years.
- Measles-Mumps-Rubella (MMR): At 12-15 months and EITHER 4-6 years OR 11-12 years.
- Haemophilus Influenzae type b (Hib): At 2 months, 4 months, 6 months, and 12-15 months OR 2 months, 4 months, and 12-15 months, depending on vaccine type.
- Hepatitis B: At birth-2 months, 1-4 months, and 6-18 months. If missed, get 3 doses starting at age 11 years.
- Chicken Pox (VZV): At 12-18 months. If missed, get between ages 11 and 12 years.
- Hepatitis A: At 24 months-12 years in selected areas.
- Pneumococcal disease (Pnevnar™): At 2 months, 4 months, 6 months, and 12-15 months. If missed, talk to your health care provider. Also see "Well Child Care" beginning on page 48.

For adults and children over age 16. The plan covers immunizations as recommended by the American Academy of Family Physicians at 100% in-network. The associated office visit is subject to the applicable copayment. Other immunizations covered with 20% coinsurance after the in-network deductible is met.

- **Inpatient Hospital and Related Services.** Confinement in a hospital including semi-private room, special care units, confinement for detoxification, and related services and supplies during the confinement are covered at 20% coinsurance after the in-

Services marked with a ➤ require precertification from Acordia National.

network deductible is met. In addition to the penalties discussed on page 40, all unapproved out-of-network inpatient admissions are subject to a \$500 deductible per admission.

- ▶ **Inpatient Medical Rehabilitation Services.** When ordered by a physician, coverage is subject to 20% coinsurance after the in-network deductible is met and is limited to 150 days per plan year. In addition to the penalties discussed on page 40, all unapproved out-of-network inpatient admissions are subject to a \$500 deductible per admission.
- **Mammogram.** An annual routine mammogram to detect breast abnormalities is covered at 100% in-network with no coinsurance or deductible required. The related office visit expenses are subject to the applicable copayment. When billed with a medical diagnosis (instead of as a screening test), it is considered a diagnostic test, and the deductible and 20% coinsurance will apply.
- **Massage Therapy.** Services of a licensed massage therapist for treatment of neuromuscular-skeletal conditions are covered under the Outpatient Therapy Benefit when ordered by a physician. Covered at 80% after the in-network deductible is met. Combined coverage for these therapies is limited to a maximum of 20 visits per person per plan year.
- **Mastectomy.** If you are receiving benefits in connection with a mastectomy due to cancer and elect breast reconstruction in connection with such benefits, you are entitled to the following procedures:
 - Reconstruction of the breast on which the mastectomy was performed;
 - Reconstructive surgery of the other breast to present a symmetrical appearance; and
 - Protheses and coverage for physical complications at all stages of the mastectomy procedure including lymphedema.
- **Maternity Services.** See "Maternity Benefits" on page 49 for details.
- **Mental Health Services.**
 - Inpatient and partial hospitalization day programs for mental health, chemical dependency and substance abuse services are limited to a maximum of 30 days per patient, per plan year. For outpatient partial/day programs, two (2) outpatient days will be counted as one (1) inpatient day when applying the 30-day maximum. Catastrophic cases will be assigned to a nurse case manager. For these extreme medical conditions, the case manager may, based on medical documentation, recommend additional treatment. Precertification is required.

These services are covered at 80% after the in-network deductible is met. Unapproved out-of-network inpatient admissions are subject to a \$500 deductible per admission.
 - Outpatient mental health, chemical dependency and substance abuse services are limited to a maximum of 20 visits per patient per plan year for short-term individual and/or group outpatient mental health and chemical dependency services. This benefit includes evaluation and referral, diagnostic, therapeutic, and crisis intervention services performed on an outpatient basis (includes a physician's office). Catastrophic cases will be assigned to a nurse case manager. For these extreme medical conditions, the case manager may, based on medical documentation, recommend additional treatment beyond the 20 visits.

This benefit is covered at 80% after the in-network deductible is met.
- **MRA.** Magnetic Resonance Angiography services when performed on an outpatient basis are covered at 80% after the in-network deductible is met.
- ▶ **MRI and MRA.** Magnetic Resonance Imaging services when performed on an outpatient basis must be precertified by Acordia National and are covered at 80% after the in-network deductible is met.
- ▶ **Neuromuscular stimulators and bone growth stimulators** when criteria are met are covered at 80% after the in-network deductible is met.
- **Oral Surgery.** Only covered for extraction of impacted teeth, orthognathism and medically necessary ridge reconstruction at 80% after the in-network deductible is met. Preauthorization is recommended for orthognathic procedures and ridge reconstruction procedures. Dental implants are not covered.
- **Organ Transplants.** See "Organ Transplant Benefits" on page 50 for more details.
- **Outpatient Diagnostic and Therapeutic Services.** Laboratory, diagnostic tests, and therapeutic treatments, when ordered by a physician, are covered at 80% after the in-network deductible is met.

Services marked with a ▶ require precertification from Acordia National.

- **Outpatient Surgery.** This benefit is subject to a \$50 copayment and 20% coinsurance in-network when performed in a hospital or alternative facility. When performed in a physician's office, the \$50 copayment does not apply.
- **Outpatient Therapies.** Coverage for the following outpatient therapies are combined into one benefit and are available at 80% after the in-network deductible is met: physical, massage, occupational, speech, and vision therapies, acupuncture, osteopathic manipulations and chiropractic treatment. The benefit is limited to a maximum of 20 visits per person per plan year for all of the therapies combined. Case management is required for more than 20 visits.
 - Acupuncture. Services of a licensed acupuncturist for treatment of medical conditions are covered at 80% after the in-network deductible. Contact Acordia National for specific benefit limitations. Office visits are covered with a \$15 copayment and treatments are covered at 80% after the in-network deductible is met.
 - Chiropractic Treatment. Services of a chiropractor for acute treatment of neuromuscular-skeletal conditions are included in the Outpatient Therapies benefit (see above) and are covered at 80% after the in-network deductible is met. Office visits are subject to the \$15 copayment and x-rays are covered at 80% after deductible is met. Maintenance services are not covered. Preauthorization is recommended for services for children under age 16.
 - Massage Therapy. When ordered by a physician, services of a licensed massage therapist are covered at 80% after the in-network deductible is met.
 - Occupational Therapy. When ordered by a physician, this benefit is included in the Outpatient Therapies benefit and is covered at 80% after the in-network deductible is met.
 - Osteopathic Manipulations: Services of an osteopathic physician to eliminate or alleviate somatic dysfunction and related disorders are covered at 80% after the in-network deductible is met.
 - Outpatient Physical Therapy. When ordered by a physician, this benefit is included in the Outpatient Therapies benefit and is covered at 80% after the in-network deductible is met.
 - Outpatient Speech Therapy. When ordered by a physician, this benefit is included in the Outpatient Therapies benefit and is covered at 80% after the in-network deductible is met.
 - Vision Therapy. Contact Acordia National for preauthorization of these services. This benefit is included in the Outpatient Therapies benefit and is covered at 80% after the in-network deductible is met.
- **Pain Management Services.** Covered at 80% after the in-network deductible is met. Only Multidisciplinary Pain Management services require precertification.
- **Pap Smear.** An annual Pap smear and the associated office visit to screen for cervical abnormalities are covered. The Pap smear is covered at 100% in-network with no deductible or coinsurance, and the office visit is subject to a \$10 preventive care office visit copayment. When billed with a medical diagnosis (instead of as a screening test), it is considered a diagnostic test, and the deductible and 20% coinsurance will apply.
- **Periodic Physicals (for Adults).** The PEIA PPB Plan covers a routine physical exam once every two years for adults age 18 and over. Routine physicals are subject to a \$10 copayment per visit. Exams may be provided more often if the patient's medical history indicates a need. This office visit, generally, includes, but is not limited to:
 - height and weight measurement;
 - blood pressure check;
 - health risk and prevention counseling; and
 - physical examination.

Diagnostic testing, lab and x-rays, provided in conjunction with a periodic physical are covered, if medically necessary and billed with a medical diagnosis. The deductible and 20% coinsurance will apply. Only the screenings specifically listed in this "What is Covered" section, will be covered as routine screenings.
- **Physician's Office Visits (treatment for illness, injury, or medical condition).** These visits are subject to a \$15 copayment for in-network services.
- **Professional Services** of a physician or other licensed provider for treatment of an illness, injury or medical condition. Includes outpatient and inpatient services (such as surgery, anesthesia, radiology, and office visits). Office visits for preventive or specialty care are subject to the applicable copayment (*see above*) while other physician services are covered at 80% after the in-network deductible is met.

Services marked with a ➤ require precertification from Acordia National.

- **Prostate Cancer Screening.** Coverage is provided for an annual office visit and exam to detect prostate cancer in men age 50 and over with a \$10 preventive care office visit copayment. The PSA blood test associated with this screening is covered at 100% with no deductible or coinsurance in-network.
- **Second Surgical Opinions.** Office visits for second surgical opinions are subject to a \$15 copayment per visit. Second surgical opinions are paid at 100% if required by Acordia National.
- **Skilled Nursing Facility Services.** Confinement in a skilled nursing facility including semi-private room, related services and supplies is covered at 80% after the in-network deductible is met. Confinement must be prescribed by a physician in lieu of hospitalization. Coverage is limited to 100 days per plan year. In addition to the penalties discussed on page 40, all unapproved out-of-network inpatient admissions are subject to a \$500 deductible per admission.
- **Smoking Cessation.** See "Tobacco Cessation" on page 51 for details.
- **Well Child Care.** For children through age 16, the plan covers routine office visits for preventive care as recommended by the American Academy of Pediatrics. These visits are covered at 100% of allowed charges and are not subject to copayment or coinsurance or deductible. This office visit, generally, includes, but is not limited to:
 - height and weight measurement;
 - blood pressure check;
 - vision and hearing screening;
 - developmental/behavioral assessment; and
 - physical examination.

There is a \$10 copayment for routine preventive care office visits for adolescents over the age of 16.

Well Child Care office visits are recommended by the American Academy of Pediatrics at the following ages:

- Infancy: 1 month, 2 months, 4 months, 6 months, 9 months and 12 months.
- Early childhood: 15 months, 18 months, 24 months, 3 years and 4 years.
- Late childhood: 5 years, 6 years, 8 years, 10 years and 12 years.
- Adolescence: 14 years and 16 years.

Services marked with a ➤ require precertification from Acordia National.

Maternity Benefits

The PEIA PPB Plan provides coverage for maternity-related professional and facility services, including prenatal care, midwife services and birthing centers. Maternity related services are covered only for the employee or the employee's enrolled spouse.

Contact Acordia National during the first trimester of your pregnancy or as soon as your pregnancy is confirmed. Acordia National can assist you in identifying possible factors that may put you at risk for premature labor and delivery. If risk factors are identified, Acordia National nurses will work with you and your doctor to help safeguard the health of mother and baby.

You will need to contact Acordia National anytime you are admitted to the hospital during your pregnancy and within 48 hours of your admission for delivery, even if you are discharged in less than 48 hours.

Payment Level

Maternity services for routine prenatal care, delivery and follow-up are paid at 100% of allowed charges under a global fee after the deductible has been met. An obstetrical profile and one ultrasound are also paid at 100% of allowed charges after the deductible is met. Other maternity services, including hospital charges and anesthesia services, are paid at the regular PEIA PPB Plan level of 80% of allowed charges after the deductible is met, for in-network care.

Maternity Pre-payment Benefit

If your attending provider requests a deposit for maternity care before delivery, the PEIA PPB Plan will make an advance payment of up to \$500. This will be deducted from the global fee paid after delivery. To receive this benefit, please contact Acordia National and request a Maternity Pre-payment form.

High Risk Birth Score Program

For infants identified at birth as being at risk for health problems, the PEIA PPB Plan will pay for six office visits between the age of two weeks and 24 months in addition to PEIA's regular Well Child Care benefits. These additional visits are paid at 100% of allowed charges and are not subject to the deductible. Acordia National will notify those families who qualify for this benefit.

Enrolling Your Newborn

Please be sure you remember to add your newborn to your PEIA PPB Plan coverage by completing a Change-in-Status form. See the Eligibility Section at the front of this booklet for more information.

Nursery Charges

If the baby is enrolled for coverage under the PEIA PPB Plan, charges for the newborn nursery care will be paid in the baby's name. If the baby is not enrolled for coverage under the PEIA PPB Plan, charges for a normal, healthy newborn's nursery care will be covered as part of the mother's maternity benefit. If the newborn is covered under another plan, coordination of benefits rules will apply.

Statement of Rights Under the Newborns' and Mothers' Health Protection Act

PEIA is required by law to provide you with the following statement of rights. PEIA's maternity benefit meets or exceeds all of the requirements of the Newborns' and Mothers' Health Protection Act.

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

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

In addition, a plan or issuer may not, under federal law, require that a physician or other health care provider obtain authorization for prescribing a length of stay of up to 48 hours (or 96 hours). However, to use certain providers or facilities, or to reduce your out-of-pocket costs, you may be required to obtain precertification. For information on precertification, contact your plan administrator.

Organ Transplant Benefits

Organ transplants are covered when deemed medically necessary and non-experimental. They are subject to precertification and case management by Acordia National. You should contact Acordia National as soon as you learn that you or a member of your family covered by the PEIA PPB Plan may need a transplant.

All transplants require precertification for determination of medical necessity. When it is determined by your physician that you are a potential candidate for any type of transplant, Acordia National should be contacted immediately. They will identify Centers of Excellence available to you through the PEIA Transplant Network with experience in the specific type of transplant you require. You should advise your physician that Acordia National needs to coordinate the care from the initial phase when considering a transplant procedure, initial workup for transplant through the performance of the procedure and the care following the actual transplant.

Any services and supplies that are required for donor/procurement as a result of a surgical transplant procedure for a participant will be covered. Benefits for such charges, services and supplies are not provided under the PPB Plan if benefits are provided under another group plan or any other group or individual contract or any arrangement of coverage for individuals in a group (whether an insured or uninsured basis), including any prepayment coverage.

Testing for persons other than the chosen donor is not covered.

Organ Transplant Network (OTN)

The PEIA PPB Plan uses network providers for organ transplant services. This helps to control health care costs for both you and the plan.

PEIA uses a specialized transplant network called LifeTrac, as well as special contracts with West Virginia University hospitals for bone marrow transplants, and with Charleston Area Medical Center for kidney transplants. Acordia National will work with patients and physicians to determine which network facility best serves the patient's medical needs.

OTN Benefits

Reduced Costs: Once the annual deductible and out-of-pocket maximum have been met, you will pay no more coinsurance on the negotiated fees for pre-transplant, transplant, and follow-up services. Copayments for office visits and other services described on page 37 will still apply.

Travel Allowance: Because network facilities may be located some distance from the patient's home, benefits include up to \$5,000 for patient travel, lodging and meals. A portion of this benefit is available to cover the travel, lodging and meals for a member of the patient's family or a friend providing support. Receipts are required for payment; mileage and cost estimates are not acceptable.

Medical Case Management: Acordia National offers support and assistance in evaluating treatment options and referrals to the prescription drug administrator. Management begins early when the potential need for a transplant is identified, and continues through the surgery and follow-up. When the need for a transplant presents itself, call Acordia National at 1-888-440-7342 or 1-304-353-7820.

You should contact Acordia National as soon as you learn that you or a member of your family covered by the PEIA PPB Plan may need a transplant. All transplants must be precertified through Acordia National.

Out-of-Network Organ Transplant Benefits

For patients who choose to use a non-network facility for transplant services, there will be a \$10,000 deductible applied to the cost of the hospital admission; this is in addition to your annual deductible and out-of-pocket maximum. This deductible will be waived only if treatment at a non-network facility is approved as medically necessary in advance by Acordia National. No travel benefits will be provided for out-of-network transplants (except medically necessary ambulance transport).

Transplant-Related Prescription Drugs

The PEIA PPB Plan covers transplant-related immunosuppressant prescription drugs at 100%, after you have met your prescription drug deductible (if they are filled at a network pharmacy). These are covered through the Prescription Drug Plan and processed by the prescription drug administrator. Details of the PEIA Prescription Drug Plan are found in the "Prescription Drug Benefits" section starting on page 65.

Medical case management of transplant patients includes referral to the prescription drug administrator for waiver of copayment on transplant-related immunosuppressant drugs. Acordia National will make arrangements with the prescription drug administrator to waive copayments on drugs used to sustain the transplant.

Tobacco Cessation

The PEIA PPB Plan provides benefits for participants who wish to quit smoking or using smokeless tobacco products. To enroll in the tobacco cessation program, call the Quit Line at 1-877-966-8784. The Quit Line will provide counseling and support, including written materials to each program enrollee. PEIA covers both prescription and non-prescription tobacco cessation products for those who have enrolled in the tobacco cessation program. Non-prescription drugs will be covered only if prescribed by a physician.

From time to time, PEIA may offer special limited-time benefits under this program. Contact the Quit Line for details.

For pregnant participants (employees and spouses only), PEIA will provide 100% coverage for the tobacco cessation benefit during any pregnancy in the participant's lifetime.

Payment Level

PEIA will pay for an office visit, if it is required to obtain a prescription for tobacco cessation drugs. The patient will pay the \$10 preventive care office visit copayment. The drugs will be covered for 12 weeks. Copayments are as follows:

- Nicotine withdrawal therapy is covered with a \$5 generic copayment for a month's supply.
- Zyban is covered with a \$15 preferred brand copayment for a month's supply.

For details, see the "Prescription Drug Benefits" section starting on page 65.

Dr. Dean Ornish Program for Reversing Heart Disease

PEIA is offering a pilot project of the Dr. Dean Ornish Program for Reversing Heart Disease. A limited number of slots has been allocated for participants who have the PEIA PPB Plan as their primary insurance. The Ornish approach does not use drugs or surgery, but relies upon diet, physical activity, group support and counseling as part of an intensive life style change program. Applicants are screened by their local participating Ornish hospital to determine if they meet the medical criteria for participation: coronary artery disease, Type II diabetes, or at high risk of heart disease.

The program is covered at 100% after a participant copayment of \$50 per month. Participants with annual household income below \$20,000 per year may qualify for a copayment waiver.

For more information about this program, contact PEIA's customer service unit at 1-888-680-7342.

Weight Management Program

PEIA offers a weight management program for PEIA PPB plan members who have a Body Mass Index (BMI) of 30 or greater or a BMI of 25 or greater with related conditions such as hypertension, diabetes, heart disease, or sleep apnea.

Currently, the program is available in Charleston, Huntington, Morgantown, Bluefield, Martinsburg and Clarksburg. We anticipate that more sites will become available as the program develops.

The program includes comprehensive services from registered and licensed dietitians, degreed exercise physiologists and personal trainers at approved fitness centers.

To enroll, you must submit some medical information and written approval from your physician. For more information or to enroll in the program, contact 1-866-688-7493.

What Is Not Covered

Some services are not covered by the PEIA PPB Plan regardless of medical necessity. Specific exclusions are listed below. If you have questions, please contact Acordia National at 1-888-440-7342 or 1-304-353-7820. The following services are not covered:

1. Aqua therapy.
2. Biofeedback, except in the case of mental health services.
3. Birth control drugs, devices, and services for dependent children.
4. Breast pumps.
5. Chemical dependency treatments when a patient leaves the hospital or facility against medical advice.
6. Coma stimulation.
7. Cosmetic or reconstructive surgery when not medically required as the result of accidental injury or disease, or unless the surgery is performed to correct birth defects. Services resulting from or related to these excluded services also are not covered.
8. Custodial care, intermediate care (such as residential treatment centers), domiciliary care, respite care, rest cures, or other services primarily to assist in the activities of daily living, or for behavioral modification.
9. Dental services including dental implants, routine dental care, x-rays, treatment of cysts or abscesses associated with the teeth, or any other dentistry and dental procedures.
10. Daily living skills training.
11. Duplicate testing, interpretation or handling fees.
12. Education, training and/or cognitive services, unless specifically listed as covered services.
13. Elective abortions.
14. Expenses for which the patient is not responsible, such as patient discounts and contractual discounts.
15. Experimental, investigational or unproven services, unless pre-approved by Acordia National.
16. Fertility drugs and services.
17. Foot care. Routine foot care including:
 - Removal in whole or in part of: corns, calluses (thickening of the skin due to friction, pressure, or other irritation), hyperplasia (overgrowth of the skin), or hypertrophy (growth of tissue under the skin);
 - Cutting, trimming, or partial removal of toenails;
 - Treatment of flat feet, fallen arches, or weak feet; and
 - Strapping or taping of the feet.
18. Genetic testing.
19. Glucose monitoring devices, except Bayer Ascensia models covered under the prescription drug benefit.
20. Homeopathic medicine.
21. Hospital days associated with non-emergency weekend admissions or other unauthorized hospital days prior to scheduled surgery.
22. Hypnosis.
23. Incidental surgery performed during medically necessary surgery.
24. Infertility and sterility services of in vitro fertilization and gamete intrafallopian transfer (GIFT), embryo transport, surrogate parenting, and donor semen, any other method of artificial insemination, and any other related services.
25. Maintenance chiropractic services.

26. Marriage counseling.
27. Medical equipment, appliances or supplies of the following types:
 - augmentative communication devices.
 - bathroom scales.
 - educational equipment.
 - environmental control equipment such as air conditioners, humidifiers or dehumidifiers, air cleaners or filters, portable heaters, or dust extractors.
 - equipment or supplies which are primarily for patient comfort or convenience, such as bathtub lifts or seats; massage devices; elevators; stair lifts; escalators; hydraulic van or car lifts; orthopedic mattresses; walking canes with seats; trapeze bars; child strollers; lift chairs; recliners; contour chairs; adjustable beds; or tilt stands.
 - equipment which is widely available over the counter such as wrist stabilizers and knee supports.
 - exercise equipment such as exercycles; parallel bars; walking, climbing or skiing machines.
 - hearing aids.
 - hygienic equipment such as bed baths, commodes, and toilet seats.
 - motorized scooters.
 - nutritional supplements, food liquidizers or food processors.
 - orthopedic shoes, unless attached to a brace.
 - over-the-door and/or gravity traction.
 - professional medical equipment such as blood pressure kits or stethoscopes.
 - supplies such as tape, alcohol, Q-tips/swabs, gauze, bandages, thermometers, aspirin, diapers (adult or infant), heating pads or ice bags.
 - vibrators.
 - whirlpool pumps or equipment.
 - wigs or wig styling.
28. Medical rehabilitation and any other services that are primarily educational or cognitive in nature.
29. Mental health or chemical dependency services to treat mental illnesses which will not substantially improve beyond the patient's current level of functioning.
30. Optical services. Routine eye examinations, refractions, eye glasses, contact lenses and fittings. Glasses and/or contact lenses following cataract surgery are not covered.
31. Orientation therapy.
32. Orthodontia services.
33. Orthotripsy.
34. Physical examinations and routine office visits except those covered under the Periodic Physicals benefit.
35. Personal comfort and convenience items or services (whether on an inpatient or outpatient basis) such as television, telephone, barber or beauty service, guest services, and similar incidental services and supplies, even when prescribed by a physician.
36. Physical conditioning and work hardening. Expenses related to physical conditioning programs and work hardening such as athletic training, body building, exercise, fitness, flexibility, diversion, or general motivation.
37. Physical, psychiatric, or psychological examinations, testing, or treatments not otherwise covered under the plan, when such services are:
 - conducted for purposes of medical research;

- for participation in athletics;
- needed for marriage or adoption proceedings;
- related to employment;
- related to judicial or administrative proceedings or orders;
- to obtain or maintain a license or official document of any type; or
- to obtain or maintain insurance.

38. Pregnancy-related conditions for dependent children.

39. Provider charges for phone calls, prescription refills, or physician-to-patient phone consultations.

40. Radial keratotomy and other surgery to correct vision.

41. Reversal of sterilization and associated services and expenses.

42. Safety devices. Devices used specifically for safety or to affect performance primarily in sports-related activities.

43. Screenings, except those specifically listed as covered benefits.

44. Services rendered by a provider with the same legal residence as a participant, or who is a member of the policyholder's family. This includes spouse, brother, sister, parent, or child.

45. Services rendered outside the scope of a provider's license.

46. Sex transformation operations and associated services and expenses.

47. Skilled nursing services provided in the home, except intermittent visits covered under the Home Health Care benefit.

48. Stimulation therapy.

49. Take-home drugs provided at discharge from a hospital.

50. TMJ. Treatment of temporomandibular joint (TMJ) disorders. Including intraoral prosthetic devices or any other method of treatment to alter vertical dimension or for temporomandibular joint dysfunction not caused by documented organic disease or acute physical trauma.

51. The difference between private and semi-private room charges.

52. Therapy and related services for a patient showing no progress.

53. Therapies rendered outside the United States that are not medically recognized within the United States.

54. Transportation other than medically necessary emergency ambulance services, or as approved under the Organ Transplant Network benefit.

55. War-related injuries or illnesses. Treatment in a State or federal hospital for military or service-related injuries or disabilities.

56. Weight loss. Health services and associated expenses intended primarily for the treatment of obesity and morbid obesity, including wiring of the jaw, weight control programs, weight control drugs, screening for weight control programs, and services of a similar nature, except those services provided through a pilot program offered by PEIA.

57. Work-related injury or illness.

How to File a Claim

Filing a Medical Claim

Medical claims are processed by Acordia National and should be submitted to:

Acordia National
P.O. Box 2451
Charleston, WV 25329-2451

This post office box should be used only for PEIA claims. Please do not submit PEIA claims to other Acordia National post office boxes. This will only delay their processing.

To process a medical claim, Acordia National requires a complete itemization of charges including:

- the patient's name;
- the nature of the illness or injury;
- date(s) of service;
- type of service(s);
- charge for each service;
- diagnosis and procedure codes;
- identification number of the provider; and
- Medical ID number of the policyholder.

If the necessary information is printed on your itemized bill, you do not need to use a PEIA claim form to submit your charges. Cash register receipts and canceled checks are not acceptable proof of your claim.

If you have other insurance (including Medicare) which is primary, you need to submit an Explanation of Benefits (EOB) from the other insurance with each claim, or ask your provider to do so if the claim is being submitted for you.

You have six (6) months from the date of service to file a medical claim. If PEIA is your secondary insurer (even if you have Medicare), you have six (6) months from the date of your primary insurer's Explanation of Benefits processing date to file your claim with PEIA. If you do not submit claims within this period, they will not be paid, and you will be responsible for payment to the provider.

If your claim is for an illness or injury wrongfully or negligently caused by someone else, and you expect to be reimbursed by another party or insurance plan, you must file a claim with PEIA within six (6) months of the date of service to ensure that the covered services will be paid. Later, if you receive payment for the expenses, you will have to repay the amount you received from PEIA. See "Subrogation" on page 63 for details.

Medicare Crossover Claims

If you are a PEIA PPB Plan participant who has Medicare as the primary insurer, Acordia National has a program that allows providers to bill PEIA electronically as your secondary insurance after Medicare has adjudicated the claim. This program, called Medicare Crossover, saves you the time and trouble of filing the claim yourself.

Filing Claims for Court-ordered Dependents (COD)

If you are the custodial parent of a child who is covered under the other parent's PEIA plan as a result of a court order, you may submit claims directly to Acordia National using the special claim forms provided by PEIA. You can also receive all benefit information published by PEIA, and reimbursements for medical claims can be sent directly to you. For prescription drugs, you must use your I.D. card at a participating pharmacy. To make arrangements for this, please contact PEIA at 1-304-558-7850 or toll-free at 1-888-680-7342.

Claims Incurred Outside of the U.S.A.

If you or a covered dependent incur medical expenses while outside the United States, you may be required to pay the provider yourself. Request an itemized bill containing all the information listed above from your provider and submit the bill along with a claim form to Acordia National or the prescription drug administrator.

Acordia National or the prescription drug administrator will determine, through a local banking institution, the currency exchange rate and you will be reimbursed according to the terms of the PEIA PPB Plan.

Appealing A Claim

PEIA PPB Plan

If you are a PEIA PPB Plan participant or provider and think that an error has been made in processing your claim or reviewing a service, the first step is to call the Third Party Administrator to verify that a mistake has been made. (For information about prescription drug appeals, see page 77.) All appeals must be initiated within 60 days of claim payment or denial.

Type of Error	Who to Call	Where to Write
Medical claim denial, out-of-state care denial, pre-certification or case management	Acordia National 1-888-440-7342	Acordia National P. O. Box 2451 Charleston, WV 25329-2451
Prescription drug claim	Express Scripts 1-877-256-4680	Express Scripts, Inc. Clinical Appeals - (Client-WVA) BL0390 6625 W. 78th Street Bloomington, MN 55439

If your medical claim or service has been denied, or if you disagree with the determination made by Acordia National, the second step is to appeal in writing within 60 days of the denial to Acordia National. Explain what you think the problem is, and why you disagree with the decision. Acordia National will respond to you by reprocessing the claim or sending you a letter.

If this does not resolve the issue, the third step is to appeal in writing to the director of the PEIA. The participant, provider or covered dependent must request a review in writing within sixty (60) days of getting the decision from Acordia National. Facts, issues, comments, letters, Explanations of Benefits (EOBs), and all pertinent information about the case should be included. Third step appeals should be mailed to:

Director
Public Employees Insurance Agency
State Capitol Complex
Building 5, Room 1001
1900 Kanawha Boulevard, East
Charleston, WV 25305-0710

When your request for review arrives, the PEIA will reconsider the entire case, taking into account any additional materials which have been provided.

A decision, in writing, explaining the reason for modifying or upholding the original disposition of the claim will be sent to the insured or his or her authorized representative.

If additional information is required to render a decision, this information will be requested in writing. The additional information must be received within 60 days of the date of the letter. If the additional information is not received, the case will be closed.

Managed Care Plan Members

If you are a managed care plan member, and you think that an error has been made in processing your claim, the first step is to call your managed care plan to discuss the matter.

If your claim has been denied, or if you disagree with the determination made by your managed care plan, the second step is to appeal in writing within 60 days of the denial to your managed care plan. Instructions for filing that appeal are in your "Evidence of Coverage" provided by your managed care plan.

If you are not satisfied with the response from your managed care plan, you may appeal in writing to the director of the PEIA. You or your covered dependents must request a review in writing within sixty (60) days of getting the decision from your managed care plan. Facts, issues, comments, letters, Explanations of Benefits (EOBs), and all pertinent information about the claim and review should be included. The appeal should be mailed to:

Director
Public Employees Insurance Agency
State Capitol Complex
Building 5, Room 1001
1900 Kanawha Boulevard, East
Charleston, WV 25305-0710

When your request for review arrives, the PEIA will reconsider the entire case, taking into account any additional materials that have been provided. A decision, in writing, explaining the reason for modifying or upholding the original disposition of the claim will be sent to the insured or his or her authorized representative.

If additional information is required to render a decision, this information will be requested in writing. The additional information must be received within 60 days of the date of the letter. If the additional information is not received, the case will be closed.

If you disagree with the decision of the PEIA director, you have one final level of appeal to the West Virginia Insurance Commissioner. Instructions for this appeal are also provided in your "Evidence of Coverage" from your managed care plan.

Controlling Costs

Prohibition of Balance Billing

The PEIA PPB Plan is governed in part by the Omnibus Health Care Act which was enacted by the West Virginia Legislature in April 1989. This Law requires that any West Virginia health care provider who treats a PEIA insured must accept assignment of benefits and cannot balance bill the insured for any portion of charges over and above the PEIA fee allowance or for any discount amount applied to a provider's charge or payment. This is known as the "prohibition of balance billing."

The prohibition of balance billing applies when services are provided in West Virginia and when the PEIA PPB plan is the primary payor. When the PEIA PPB plan is the secondary payor, the provider may bill you for disallowed amounts and for the provider discounts. Remember, you are always responsible for deductibles, copayments, coinsurance amounts and non-covered services.

A PEIA insured who has Medicare as the primary payor has protection against balance billing when the provider accepts Medicare assignment. If the provider accepts Medicare assignment, you are not responsible for amounts which exceed the Medicare allowances.

New Technologies

Upon FDA approval of new technology, PEIA determines whether or not to cover the item, service or procedure. These new technologies may or may not be covered. PEIA often waits until the new technology proves effective before approving coverage. If you have concerns about coverage of a new technology, contact Acordia National for details.

Preferred Provider Organizations

For services provided outside the State of West Virginia, Acordia National utilizes several network relationships. These networks review their providers for quality standards like licensing, background and treatment patterns. As part of their agreement with the network, the amount paid for services is a discounted amount.

For details of which networks Acordia National uses, see "PEIA's Networks" on page 32.

After you receive medical attention, your claim will be routed to Acordia National. All PPO providers are paid directly, relieving you of any hassle and worry. You will need to pay for out-of-pocket expenses (deductibles, copayments, coinsurance amounts and non-covered services). Acordia National will send you an Explanation of Benefits (EOB).

Out-of-State Provider Waiver

To assist participants who receive medical treatment outside of West Virginia from providers who do not participate in any Preferred Provider Organization, guidelines have been established to review and approve waiver requests when you are billed for the balance not paid by PEIA and not applied to your out-of-network deductible and out-of-pocket maximum. The first \$500 of expenses which exceed the allowed amount will be your responsibility. Amounts in excess of \$500 may be eligible for an out-of-state provider waiver when:

1. the PEIA PPB Plan is the primary payor for the services provided; and
2. you are billed for amounts which exceed the fee allowance; and
3. you must receive out-of-state services because:
 - an emergency arises; or
 - the insured lives or is traveling out-of-state; or
 - the medically necessary service is not available in West Virginia (or within a reasonable travel time); or
 - due to geographic location, PEIA has determined that services are only available out-of-state; and
4. you do not have other insurance which will pay toward the balance.

Expenses eligible for waivers are those which exceed the maximum fee allowances. Amounts applied toward your out-of-network deductible, your out-of-network coinsurance amount, penalties, and non-covered services will not be considered for a waiver.

To request a waiver, send your balance bill from the provider, a copy of your Explanation of Benefits (EOB) indicating the amount already paid by PEIA, and a written request including the reason you chose an out-of-state provider to:

Director
Public Employees Insurance Agency
State Capitol Complex
Building 5, Room 1001
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0710

You may obtain a PEIA Out-of-State Waiver Form by calling PEIA at 1-304-558-7850 or toll-free at 1-888-680-7342. A waiver form is not required if you send the above-requested information. The request for an Out-of-State Waiver must be submitted within six months of the processing date on the Explanation of Benefits (EOB) to be eligible for additional payments.

Patient Audit Program

The Patient Audit Program offers rewards when you help detect and correct mistakes on your health care bills. Examine your medical bills for these two types of mistakes:

- Charges for services not received; and
- Overcharges or overpayments resulting from clerical error or miscalculation.

Reported errors must be at least \$50.00 to qualify for the Patient Audit Program and must be submitted within 60 days of the processing date on the Explanation of Benefits (EOB). Complete the Patient Audit Report Form from PEIA and submit it, along with an itemized bill from the provider, the corrected bill (or explanation of disagreement), and a copy of the EOB, to PEIA.

PEIA and Acordia National or Express Scripts will investigate and recover the overpayment, if justified, from the provider of services. When the overpayment is processed you will be paid 50% of the recovered amount, up to \$1,000 per plan year.

HMO members are not eligible to participate in the Patient Audit Program.

Coordination Of Benefits

In its effort to control health care costs, the PEIA PPB Plan has a coordination of benefits (COB) provision. Under this provision, when a person covered by PEIA also has coverage under another policy (or policies), there are certain rules determining which policy is required to pay benefits first. The policy paying first is called the primary plan, and any other applicable policy is called the secondary plan.

Acordia National, on PEIA's behalf, will request information about other coverage using a questionnaire mailed to the policyholder periodically. If the policyholder fails to respond to the questionnaire, claims will be denied until the information is received.

If you have health insurance coverage in addition to the PEIA PPB Plan, it is important to understand how the coordination of benefits provision works. In many instances, if the PEIA PPB Plan is secondary and your primary plan is other than Medicare, PEIA will pay little or nothing of the balance of your medical bill. An example of this situation is provided on the next page. In some cases it may be financially advisable to elect only one insurance coverage. If, after reviewing this section, you have questions concerning how PEIA's coordination of benefits provision may affect you, contact a PEIA claims representative at 1-304-558-7850 or toll-free at 1-888-680-7342.

Coordinating PEIA Benefits with Other Plans

COB will occur when an employee, retired employee or dependent has health coverage under the PEIA PPB Plan and also under:

1. any government program or other coverage required or provided by law;
2. any plan covering individuals as a group, including insured, uninsured and pre-payment arrangements;
3. automobile insurance medical pay provisions whether individual or group. PEIA will pay as primary plan and subrogate against the medical payment coverage;
4. group-type hospital indemnity benefits exceeding \$100 per day;
5. for spouses and dependents only, individual hospital and surgical or major medical insurance in which that spouse or dependent is the policyholder. Individual and surgical or major medical insurance does not include any individual supplemental accident and sickness policy which meets the definition of a "limited benefits policy or certificate" under W. Va. Code §3-16E-2(a). These individual policies must meet all of the following conditions:
 - the policy covers a specified disease, accident only, disability, or other limited benefits;
 - the policy is specifically designed, represented and sold as a supplement to other basic sickness and accident coverage; and
 - the entire premium for the policy is paid by the insured or insured's family.

Which Plan Pays First

For active employees, the PEIA PPB Plan is your primary plan in almost every circumstance. If your spouse is covered through his or her employer, that plan is usually the primary plan for your spouse. The primary plan is determined by the first of the following rules which applies:

- a. any plan with no coordination of benefits provision is always primary;
- b. the plan which covers the person as an active or retired employee, member or subscriber (other than as a dependent) is always primary to a plan which covers the person as a dependent. When two public employees, both eligible to enroll for PEIA coverage in their own names, are married and covered under one PEIA family plan, then the spouse, covered as a dependent, will be treated as an employee under these rules;
- c. for a dependent child of parents not separated or divorced, if two or more plans cover the child as a dependent:
 1. the plan of the parent whose birthday falls earlier in the year will be primary; or
 2. if both parents have the same birthday, the plan which has covered one parent longer will be primary; or
 3. if the other plan uses the parent's gender to determine benefits, and the plans do not agree on the order of benefits, then the rule of the other plan will determine the order of benefits.
- d. for a dependent child of parents who are separated or divorced, if two or more plans cover the child as a dependent, benefits are determined in this order:
 1. the plan of the parent who has custody will pay first;

2. the plan of the spouse of the parent who has custody will pay next;
3. the plan of the parent who does not have custody will pay last.

Exception: If a court decree states that one of the parents is responsible for the health care expenses of the child, and the plan of that parent has knowledge of those terms, then that plan is primary. The plan of the other parent will then be secondary, and the plan of the spouse of the parent with custody of the child will pay third. For PEIA to pay according to this paragraph, you need to provide a copy of the court decree.

- e. for a dependent child of divorced parents with joint custody, if the court decree does not specify which parent is responsible for health care coverage, then Rule "c." above will apply;
- f. for a dependent child of separated parents with joint custody, if the court decree does not specify which parent is responsible for health care coverage, then Rule "c." above will apply;
- g. a plan which covers an employee (and, consequently, his or her dependents) as an active employee, rather than as a laid-off employee or retired employee, will pay before a plan which covers a laid-off or retired employee. If the other plan does not have this rule, and the plans disagree about the order of benefits, this paragraph is disregarded;
- h. if a person is covered under a right of continuation policy as required by the Consolidated Omnibus Reconciliation Act (COBRA) of 1987, as amended, and is also covered under another plan, the following rules will apply:
 1. the benefits of a plan covering the person as an employee, member or subscriber (or as that person's dependent) will be primary;
 2. the benefits under the continuation coverage will be secondary.
- i. if none of the above rules applies, the plan which has covered the employee, member or subscriber the longest will be primary.

How Coordination of Benefits Works

When a claim is made, the primary plan pays its benefits without regard to any other plans. Then the secondary plan pays its benefits, adjusting for the benefit paid by the primary plan. The amount that the PEIA PPB Plan will pay as a secondary plan depends on what the primary plan pays.

To calculate the amount PEIA will pay as a secondary plan, you subtract the amount your primary plan pays from the amount PEIA would have paid if there were no other insurance. If the other plan paid as much or more than PEIA would have paid as the primary plan, then PEIA will pay nothing as the secondary plan. If the other plan paid less than PEIA, then PEIA will pay the difference up to what it would have paid if there had been no other insurance.

As you can see in the following chart, the PEIA PPB Plan will pay very little or nothing as a secondary plan. For this reason, you should consider whether it makes sense to keep both plans.

"Carveout" Coordination of Benefits Example			
If PEIA is primary:		If PEIA is secondary:	
Total Charge	\$120	Total Charge	\$120
PEIA Allowed Amount	\$100	Other Plan's Allowed Amount	\$96
PEIA Pays	\$80	PEIA Pays	\$0
*You Owe	\$20	*You Owe	\$24

* Assumes any deductible has been met.

There are several issues to consider if you are thinking about dropping one of your plans:

- Prescription Drug Coverage: PEIA's coverage is generous. Compare the benefits of both plans, including deductibles.
- Mental Health Benefits: Many plans pay only 50% or limit the number of admissions per lifetime. The PEIA PPB Plan pays 80% in-network with no limit when services are precertified.
- Maternity Services: PEIA pays 100% of the physician's allowed charges, after the deductible is met.

- **Balance Billing Prohibition:** PEIA protects you from network providers billing you for amounts which exceed PEIA's allowed amounts, but only if the PEIA PPB plan is the primary payor. In the above example, with the PEIA plan as your primary plan, you would not be responsible for the difference between the total charge and the amount allowed by PEIA. The balance billing provision does not apply when the PEIA PPB plan is the secondary plan or when the provider is not in the PEIA PPB plan network. If the primary plan denies payment and the PEIA PPB plan is the secondary insurer, then PEIA becomes the primary plan for the denied services.

If you have questions about your coverage, or need help comparing plans, you may call the PEIA Customer Service Unit at 1-304-558-7850 or toll-free 1-888-680-7342.

Medicare Coordination

The PEIA PPB Plan will reimburse the difference between the amount allowed by Medicare and the amount paid by Medicare if the balance is not more than the PEIA PPB Plan would have paid as the primary plan.

When Medicare is your primary insurer, all services are considered in-network and are processed at the higher benefit level.

If you have met your PEIA PPB Plan annual medical deductible, PEIA will usually pay the balance and you will pay nothing. This is referred to as "traditional" coordination of benefits.

Medicare Order of Determination

For retirees covered by PEIA and Medicare, regardless of age (see exception below), Medicare is the primary insurer and PEIA is the secondary insurer. All claims must be submitted to Medicare and then to PEIA along with an Explanation of Medicare Benefits (EOMB). Generally claims are submitted to Medicare and then to PEIA by your provider or by Medicare through the Medicare Cross-over program.

When you become an eligible beneficiary of Medicare, you must enroll in Medicare Part A and Medicare Part B. Part A is an entitlement program and is available without payment of a premium to most individuals. Part B is the supplementary medical insurance program that covers physician services, outpatient laboratory and x-ray tests, durable medical equipment and outpatient hospital care. Part B is a voluntary program that requires payment of a monthly premium.

If you do not enroll in Medicare Part B, PEIA will process your claims as if you did have the Part B coverage. In other words, PEIA will pay only the amount we would have paid if Medicare had processed your claim and made a payment.

If you or your dependents have other coverage in addition to PEIA and Medicare, contact Acordia National or PEIA to determine what coverage will be primary, secondary or tertiary (third) and whether you need to enroll in Medicare Part B.

Exception: If you are entitled to Medicare as an End Stage Renal Disease (ESRD) beneficiary, call Acordia National or PEIA to determine who the primary insurer will be.

Medicare for Active Employees

For PEIA PPB Plan active employees who are age 65 or older and eligible for Medicare, as long as you are an active employee, PEIA will be your primary insurer, except in a few rare cases. As long as you are an active employee, you do not need to sign up for Medicare Part B and pay the premium. When you prepare to retire, you must enroll for Medicare Part B. If you do not enroll in Medicare Part B, PEIA will process your claims as if you did have the Part B coverage. In other words, PEIA will pay only the amount we would have paid if Medicare had processed your claim and made a payment.

For PEIA PPB Plan active employees who are also eligible for Medicare, and Medicare is the primary payor, PEIA will use the traditional method of coordinating benefits.

If you become eligible for Medicare prior to age 65, please send a copy of your Medicare card to PEIA. This notification may allow PEIA to reduce your premiums, and will make the claims payment process go much more smoothly.

Recovery Of Incorrect Payments

If PEIA discovers that a claim has been paid incorrectly, or that the charges were excessive or for non-covered services, PEIA has the right to recover its payments from any person or any entity.

You must cooperate fully with the PEIA to help it recover any such payment. The PEIA may request refunds or deduct overpayments from a provider's check in order to recover incorrect payments. This provision shall not limit any other remedy provided by law.

Subrogation and Reimbursement

PEIA may pay medical expenses on an insured's behalf in those situations where an injury, sickness, disease or disability, is caused in whole or in part by, or results from, the acts or omissions of a third party, or from the acts or omissions of a PEIA insured where other insurance (such as auto or homeowners) is available. As a condition of receiving such expenses, the PEIA and its agents have the right to recover the cost of such medical expenses from the responsible party directly (whether an unrelated third party or another covered insured) or from their insured, if they have already been reimbursed by another. This right is known as subrogation.

The PEIA is legally subrogated to its insured as against the legally responsible party, but only to the extent of the medical expenses paid on the insured's behalf by the PEIA attributable to such sickness, injury, disease, or disability. PEIA has the right to seek repayment of expenses from, among others, the party that caused the illness or injury, his or her liability carrier or the PEIA insured's own auto insurance carrier in cases of uninsured, underinsured motorist coverage, or medical pay provisions. Subrogation applies, but it is not limited to, the following circumstances:

- a. payments made directly by the person who is liable for a PEIA insured's sickness, injury, disease or disability, or any insurance company which pays on behalf of that person, or any other payments on his or her behalf;
- b. any payments, settlements, judgments, or arbitration awards paid by any insurance company under an uninsured, underinsured motorist policy or medical pay provisions on the insured's behalf; and
- c. any payments from any source designed or intended to compensate a PEIA insured for sickness, injury, disease, or disability sustained as the result of the negligence or wrongful action or alleged negligence or wrongful action of another person.

Your Responsibilities:

It is the obligation of the PEIA insured to:

1. notify the PEIA in writing of any injury, sickness, disease or disability for which the PEIA has paid medical expenses on behalf of a PEIA insured that may be attributable to the wrongful or negligent acts of another person;
2. notify the PEIA in writing if the insured retains services of an attorney, and of any demand made or lawsuit filed on behalf of a PEIA insured, and of any offer, proposed settlement, accepted settlement, judgment, or arbitration award;
3. provide the PEIA or its agents with information it requests concerning circumstances that may involve subrogation, provide any reasonable assistance requested in assimilating such information and cooperate with the PEIA or its agents in defining, verifying or protecting its rights of subrogation and reimbursement; and
4. promptly reimburse the PEIA for benefits paid on behalf of a PEIA insured attributable to the sickness, injury, disease, or disability, once they have obtained money through settlement, judgment, award, or other payment.

Non-Compliance

Failure to comply with any of these requirements may result in:

- the PEIA's withholding payment of further benefits; and
- an obligation by the PEIA insured to pay costs, attorneys' fees and other expenses incurred by the PEIA in obtaining the required information or reimbursement.

By acceptance of benefits paid under the plan, the PEIA insured agrees that PEIA's rights of subrogation and reimbursement shall have a priority lien and the right of first recovery against any settlement or judgment obtained by or on behalf of an insured. This right shall exist without regard to allocation or designation of the recovery.

These provisions shall not limit any other remedy provided by law. This right of subrogation shall apply without regard to the location of the event that led to or caused the applicable sickness, injury, disease or disability.

Please note: As with any claim, the claims resulting from an accident or other incident which may involve subrogation should be submitted within the PEIA's timely filing requirement of six (6) months. It is not necessary that any settlement, judgment, award, or other payment from a third party have been reached or received before filing a claim with the PEIA or with one of the managed care plans associated with the PEIA.

Prescription Drug Benefits

Along with your PEIA PPB Plan medical coverage, you also have prescription drug coverage. The prescription drug program is administered by Express Scripts. There are three parts to the program:

- the Retail Pharmacy Program gives you access to local participating pharmacies to get your prescriptions filled.
- the Express Scripts Mail Service Pharmacy Program lets you order your prescriptions through the mail, saving you time and money by having your maintenance medications delivered to your door.
- the Curascript Specialty Medication Program provides your common specialty medications through the mail, saving you time by having your medications delivered to your door or to your physician's office.

Your prescription drug benefits pay for a wide range of medications, with differing copayments depending on where you purchase those drugs, and how large a supply you buy.

Deductible

During any plan year, if you or your eligible dependents incur expenses for covered prescription drugs, you must meet a deductible before the plan begins to pay. The deductibles are:

Prescription Drug Deductibles		
	PPB Plan A	PPB Plan B
Policyholder Only	\$75	\$150
Policyholder & Child(ren)	\$125	\$300
Family	\$125	\$300
Family with Employee Spouse	\$125	\$300

This means you will pay the amount listed in the chart above before the plan begins to pay.

The family deductible is greater than the individual deductible. The family deductible is divided up among the family members. No one member of the family will pay more than the individual deductible. Once that person has met the individual deductible, the plan will begin paying on that person. When another member of the family meets the individual deductible, then the plan will begin paying on the entire family. Alternatively, all members of the family may contribute to the family deductible with no one person meeting the individual deductible; once the family deductible is met, the plan pays on all members of the family.

After you meet your deductible, you will pay copayments based on the amount and type of drug you're taking. The chart on the next page shows the copayments.

What You Pay

Once you meet your deductible, you pay a copayment to obtain drugs. Copayments are the portion of the cost that you are required to pay per new or refill prescription. The rest of the cost is paid by PEIA. Several factors determine your copayment.

Generic Drugs

The brand name of a drug is the product name under which the drug is advertised and sold. Generic medications have the same active ingredients and are subject to the same rigid U.S. Food and Drug Administration (FDA) standards for quality, strength and purity as their brand-name counterparts. Generic drugs usually cost less than brand-name drugs. Please ask your doctor to prescribe generic drugs whenever possible.

West Virginia Preferred Drug List (WVPDL)

The West Virginia Preferred Drug List (WVPDL) is a list of carefully selected medications that can assist in maintaining quality care while providing opportunities for cost savings to the PEIA PPB Plan. Under this program, your plan requires you to pay a lower

copayment for medications on the WVPDL and a higher copayment for medications not on the WVPDL. By asking your doctor to prescribe WVPDL medications, you can maintain high quality care while you help to control rising health-care costs.

Here's how the copayment structure works:

- Highest Copayment: You will pay the highest copayment for brand-name drugs that are not listed on the WVPDL.
- Middle Copayment: You will pay a mid-level copayment for brand-name drugs that are listed on the WVPDL.
- Lowest Copayment: You will pay the lowest copayment for all generic drugs. Generic drugs are subject to the same rigid U.S. Food and Drug Administration standards for quality, strength and purity as their brand-name counterparts. Generic drugs usually cost less than brand-name drugs. Please ask your doctor to prescribe generic drugs for you whenever possible.

Sometimes your doctor may prescribe a medication to be "dispensed as written" when a WVPDL brand name or generic alternative drug is available. As part of your plan, an Express Scripts pharmacist or your retail pharmacist may discuss with your doctor whether an alternative formulary or generic drug might be appropriate for you. Your doctor always makes the final decision on your medication, and you can always choose to keep the original prescription at the higher copayment.

Drugs on the WVPDL are determined by the Express Scripts Pharmacy and Therapeutics Committee. The committee, made up of physicians, meets quarterly to review the medications currently on the Formulary, and to evaluate new drugs for addition to the Formulary. The Formulary may change periodically, based on the recommendations adopted by the committee.

If you have any questions about the copayment structure or about your WVPDL, please call Express Scripts Member Services at 1-877-256-4680.

Prescription Drug Co-payments			
PEIA PPB Plan A			
	Up to a 34-day supply	35- to 68-day supply*	69- to 90-day supply*
Generic Drug	\$5	\$10	\$15
Brand-name drug listed on the WV Preferred Drug List	\$15	\$30	\$45
Brand-name drug not listed on the WV Preferred Drug List	\$30	\$60	\$90
Common Specialty Medications	\$50	not available	not available
PEIA PPB Plan B			
Generic Drug	\$5	\$10	\$15
Brand-name drug listed on the WV Preferred Drug List	\$20	\$40	\$60
Brand-name drug not listed on the WV Preferred Drug List	\$50	\$100	\$150
Common Specialty Medications	\$50	not available	not available
* For maintenance medications only. See the Maintenance Medications section for the list of qualifying medications. You may be able to get a discount on your maintenance medications through a Retail Maintenance Network pharmacy or through Mail Service. Read on for details.			
Should your doctor prescribe or you request the brand-name drug when a generic drug is available, you must pay the difference in price, plus the applicable generic co-payment.			

Prescription Out-of-Pocket Maximum

PEIA has an out-of-pocket maximum on drugs of \$1,750 for an individual and \$3,500 for a family. Once you have met the out-of-pocket maximum, PEIA will cover the entire cost of your prescriptions for the balance of the plan year. The out-of-pocket maximum only includes actual copays, not deductibles or other charges, and is separate from your medical out-of-pocket maximum.

Getting Your Prescriptions Filled

Using A Retail Network Pharmacy

Express Scripts has a nationwide network of pharmacies. To get a prescription filled, simply present your medical/prescription drug ID card at a participating Express Scripts pharmacy. You can purchase both acute and maintenance medications at an Express Scripts network pharmacy.

Your ID card contains personalized information that identifies you as a PEIA PPB Plan member, and ensures that you receive the correct coverage for your prescription drugs.

If you use an Express Scripts pharmacy, you do not have to file a claim form. The pharmacist will file the claim for you online, and will let you know your portion of the cost.

If you use a network pharmacy and choose not to have the pharmacist file the claim for you online, you will pay 100% of the prescription price at the time of purchase. You may submit the receipt with a completed claim form to Express Scripts for reimbursement. The prescription receipt must be attached to the form. You will usually be reimbursed within 21 days from receipt of your claim form. You will be reimbursed the amount PEIA would have paid, less your required copayment, your deductible (if applicable), and a \$3 fee. This reimbursement may be less than you paid for the prescription.

If you need claim forms, call Express Scripts Member Services at 1-877-256-4680 or visit their website at www.express-scripts.com.

To find the participating pharmacies nearest you, call Express Scripts Member Services at 1-877-256-4680 and use the voice-activated Pharmacy Locator System. If you have Internet access, you can find a pharmacy online at www.express-scripts.com.

Using the Retail Maintenance Network

If you take a drug on a long-term basis, you may be able to purchase a 90-day supply of that drug if it is on the maintenance list (see the Maintenance Drug List). PEIA offers a Retail Maintenance Network of pharmacies that will fill your 90-day prescription for just two copayments. You can buy two months and get one month free. Check with your local pharmacist to verify participation.

Using Non-Network Pharmacies

If you use a non-participating pharmacy, you will pay 100% of the prescription price at the time of purchase, and submit a completed claim form to Express Scripts. The prescription receipt must be attached to the form. You will usually be reimbursed within 21 days from receipt of your claim form. You will be reimbursed the amount PEIA would have paid at a participating pharmacy, less your required copayment, your deductible (if applicable), and a \$3 fee. This reimbursement may be less than you paid for the prescription.

If you need claims forms, call Express Scripts Member Services at 1-877-256-4680 or visit their website at www.express-scripts.com.

Using the Express Scripts Mail Service Pharmacy Program

Express Scripts provides a convenient mail service pharmacy program for PEIA PPB Plan insureds. You may use the mail service pharmacy if you're taking medication to treat an ongoing health condition, such as high blood pressure, asthma, or diabetes.

When you use the mail service pharmacy, you can order up to a 90-day supply of a medication on the maintenance list, as prescribed by your doctor, and pay only two copayments. Express Scripts' licensed professionals fill every prescription following strict quality and safety controls. If you have questions about your prescription, registered pharmacists are available around the clock to consult with you.

New Prescriptions and the Mail Service Pharmacy

If you want to use the mail service pharmacy, the first time you are prescribed a medication that you will need on an ongoing basis, ask your doctor for two prescriptions: the first for a 14-day supply to be filled at a participating retail pharmacy; the second, for up to a 90-day supply, to be filled through the mail service pharmacy. There are several ways to submit your mail service prescriptions. Just follow the steps below. Some restrictions apply.

1. Ordering new prescriptions. Ask your doctor to prescribe your medication for up to a 90-day supply for maintenance medications, plus refills if appropriate. Mail your prescription and required copayment along with an order form in the

envelope provided. Or ask your doctor to fax your order to 1-800-636-9494. You will need to give your doctor your member ID number located on your ID card.

2. Refilling your medication. A few simple precautions will help ensure you don't run out of your prescription. Remember to reorder on or after the refill date indicated on the refill slip. Or reorder when you have less than 14 days of medication left.
 - Refills online: Log on to Express Scripts' website at www.express-scripts.com. Have your member ID number, the prescription number (it's the 9-digit number on your refill slip), and your credit card ready when you log on.
 - Refills by phone: Call 1-877-256-4680 and use the automated refill system. Have your member ID number, refill slip with the prescription number, and your credit card ready.
 - Refills by mail: Use the refill and order forms provided with your medication. Mail them with your copayment.
3. Delivery of your medication. Prescription orders receive prompt attention and, after processing, are usually sent to you by U.S. mail or UPS within two weeks. Your enclosed medication will include instructions for refills, if applicable. Your package may also include information about the purpose of the medication, correct dosages, and other important details.
4. Paying for your medication. You may pay by check, money order, VISA, MasterCard, Discover or American Express. Debit cards are not accepted for payment.

Please note: *The pharmacist's judgment and dispensing restrictions, such as quantities allowable, govern certain controlled substances and other prescribed drugs. Federal law prohibits the return of any dispensed prescription medicines.*

Maintenance Drug Co-payments				
	PEIA PPB Plan A		PEIA PPB Plan B	
	Up to 34-day supply	35 to 90-day supply*	Up to 34-day supply	35 to 90-day supply*
Generic medication	\$5	\$10	\$5	\$10
Brand-name medication listed on the WV Preferred Drug List	\$15	\$30	\$20	\$40
Brand-name medication not listed on the WV Preferred Drug List	\$30	\$60	\$50	\$100
* For maintenance medications only. See the Maintenance Medications section for the list of qualifying medicationst.				
Should your doctor prescribe or you request the brand-name drug when a generic drug is available, you must pay the difference in price, plus the applicable generic co-payment.				

Prior Authorization

Your prescription drug program provides coverage for some drugs only if they are prescribed for certain uses and amounts, so those drugs require prior authorization for coverage. Prior Authorization is handled by the Rational Drug Therapy Program (RDT). If your medication must be authorized, your pharmacist or physician can initiate the review process for you. The prior authorization process is typically resolved over the phone; if done by letter it can take up to two business days. If your medication is not approved for plan coverage, you will have to pay the full cost of the drug.

PEIA will cover, and your pharmacist can dispense, up to a five-day supply of a medication requiring prior authorization for the applicable copayment. This policy applies when your doctor is either unavailable or temporarily unable to complete the prior authorization process promptly. Prior authorizations may be approved retroactively for up to 30 days to allow time for the physician to work with and provide documentation to RDT. If the prior authorization is ultimately approved, your pharmacist will be able to dispense the remainder of the approved amount with no further copayment for that month's supply if you have already paid the full copayment.

The medications listed below require prior authorization:

1. becaplermin (Regranex®)

2. Botox®*
3. Brand-name medically necessary prescriptions. If the medication your doctor prescribes is a multi-source drug (that is, more than one manufacturer markets the drug), and there is an FDA-approved—or “A-B-rated”—generic on the market, then PEIA will pay only for the generic version, unless your physician provides medical justification for coverage of the brand-name drug. If prior authorization is granted, these drugs will be covered as non-preferred brand-name drugs.
4. ciclopirox (Penlac®)
5. erythroid stimulants (Epogen®, Procrit®, Aranesp®)*
6. fentanyl (Actiq® and Duragesic®)
7. fluconazole (Diflucan®)
8. growth hormones*
9. itraconazole (Sporanox®)
10. legend oral contraceptives for dependents (covered for treatment of medical conditions only)
11. leuprolide (Lupron®, Lupron Depot®)*
12. modafinil (Provigil®) for adults (*for pharmacy benefits, PEIA defines “adults” as 19 years of age and older.*)
13. Myobloc®*
14. oxycodone hydrochloride (Oxycontin®)
15. tazarotene (Tazorac®)
16. terbinafine (Lamisil®)
17. teriparatide (Forteo®)*
18. tretinoin cream (e.g. Retin-A) for individuals 27 years of age or older
19. topiramate (Topamax®)
20. vacation supplies of medication for foreign travel (allow 7 days for processing)
21. voriconazole (VFEND®)
22. zonisamide (Zonegran®)

* These drugs must be purchased through the Common Specialty Medications Program. See information later in this section.

This list is subject to change during the plan year if circumstances arise which require adjustment. Changes will be communicated to members through the PEIA News. The changes will be included in PEIA’s Plan Document, which is filed with the Secretary of State’s office, and will be incorporated into the next edition of the Summary Plan Description.

Drugs with Special Limitations

Step Therapy

Step Therapy promotes appropriate utilization of first-line drugs and/or therapeutic categories. Step Therapy requires that participants receive one or more first-line drug(s), as defined by program criteria before prescriptions are covered for second-line drugs in defined cases where a step approach to drug therapy is clinically justified.

To promote use of cost-effective first-line therapy, PEIA uses step therapy in the following therapeutic classes:

- Angiotensin-Converting Enzyme (ACE) Inhibitors (Accuretic®, Accupril®, Aceon®, Altace®, Capoten®, Capozide®, Lexxel®, Lotesin/HCT®, Lotrel®, Mavik®, Monopril/HCT®, Prinivil®, Prinizide®, Tarka®, Uniretic®, Univasc®, Vasotec®, Vasoretic®)
- Angiotensin II Receptor Antagonists (Atacand/HCT®, Teveten/HCT®, Avapro®, Cozaar®, Benicar/HCT®, Micardis/HCT®, Diovan/HCT®, Avalide®, Hyzaar®)
- Disease-modifying Antirheumatic Drugs (e.g., Enbrel®, Kineret®, Humira®) [Must be purchased through the Common Specialty Medication Program. See information later in this section.]
- Inspra®
- Leukotriene Inhibitors (e.g., Accolate®, Singulair®)
- Non-Steroidal Anti-inflammatory Drugs (brand-name NSAID e.g., Celebrex®, Arthrotec®, Mobic®),

- Proton Pump Inhibitors (e.g., omeprazole, Prilosec[®], Prevacid[®], Nexium[®], Aciphex[®], Protonix[®]),
- Selective Serotonin Reuptake Inhibitors (e.g., Celexa[®], Lexapro[®], Luvox[®], Paxil[®], Paxil CR[®], Prozac[®], Prozac Weekly[®], Zoloft[®]),
- Straterra[®], and
- Xopenex[®]

This list is subject to change during the plan year, if circumstances arise which require adjustment. Changes will be communicated to members through the PEIA News. The changes will be included in PEIA's Plan Document, which is filed with the Secretary of State's office, and will be incorporated into the next edition of the Summary Plan Description.

Quantity Limits

Under the PEIA PPB Plan Prescription Drug Program, certain drugs have preset coverage limitations (quantity limits). Quantity limits ensure that the quantity of units supplied in each prescription remains consistent with clinical dosing guidelines and PEIA's benefit design. Quantity limits encourage safe, effective and economic use of drugs and ensure that members receive quality care. Select medications from the quantity limit list are provided on the following page. If you are taking one of the medications listed below and you need to get more of the medication than the plan allows, ask your pharmacist or doctor to call RDT to discuss your refill options.

1. Anzemet[®], Emend[®], Kytril[®], Zofran[®] coverage limitations:
 - Anzemet[®] is limited to 1 tablet per prescription
 - Emend[®] 80mg is limited to 2 capsules per prescription.
 - Emend[®] 125mg is limited to 1 capsule per prescription.
 - Emend[®] Tri-fold Pack is limited to 1 package per prescription.
 - Kytril[®] is limited to 2 tablets per prescription
 - Zofran[®] 24 mg is limited to 1 tablet per prescription
 - Zofran[®] 4 mg and 8 mg are limited to 12 tablets per prescription
 - Zofran[®] Solution is limited to 3 bottles per prescription
2. Diflucan[®] 150 mg. Coverage is limited to two tablets per prescription.
3. Migraine medications. Coverage is limited to quantities listed in the chart on the next page.
4. New drugs approved by the FDA that have not yet been reviewed by Express Scripts' Pharmacy and Therapeutics Committee will have a non-preferred status. PEIA reserves the right to exclude a drug or technology from coverage until it has been proven effective.
5. Non-sedating antihistamines (Allegra[®], Clarinex[®], Zyrtec[®]). PEIA will cover 34 days of therapy in a 180-day period. Therapy beyond 34 days requires prior authorization from RDT.
6. Toradol. Coverage is limited to one course of treatment (5 days) per 90-day period.
7. Tamiflu[®] and Relenza[®]. Coverage is limited to one course of treatment within 180 days. Additional quantities require prior authorization from RDT.

Generic name	Brand name	Quantity Limit Per dispensing	Total Quantity Level Limit within a 28-Day Period
Almotriptan tablets 6.25 mg, 12.5 mg	Axert® - Pharmacia	6 tablets	18 tablets
Dihydroergotamine nasal spray	Migranal® - Novartis	4 spray devices	2 kits = 8 unit dose sprays
Eletriptan tablets 20mg, 40mg	Relpax® - Pfizer	6 tablets	18 tablets
Frovatriptan tablets 2.5 mg	Frova® - ELAN	9 tablets	27 tablets
Naratriptan tablets 1 mg, 2.5 mg	Amerge® - GSK	9 tablets	18 tablets
Rizatriptan tablets 5 mg, 10 mg, orally disintegrating tablets	Maxalt-MLT® - Merck	6 tablets	24 tablets
Rizatriptan tablets 5 mg, 10 mg	Maxalt® - Merck	6 tablets	24 tablets
Sumatriptan injection syringes	Imitrex® - GSK	1 Kit (2 syringes)	8 kits = 16 injections
Sumatriptan injection vials	Imitrex® - GSK	2 vials	16 vials
Sumatriptan nasal spray 20 mg	Imitrex® - GSK	6 spray devices	3 boxes = 18 unit dose spray devices
Sumatriptan nasal spray 5 mg	Imitrex® - GSK	6 spray devices	6 boxes = 36 unit dose spray devices
Sumatriptan tablets 25 mg, 50 mg, 100 mg	Imitrex® - GSK	9 tablets	18 tablets
Zolmitriptan tablets 2.5 mg, 5 mg, orally disintegrating tablets	Zomig-ZMT® - AstraZeneca	6 tablets for 2.5 mg 3 tablets for 5 mg	18 tablets
Zolmitriptan tablets 2.5 mg, 5 mg	Zomig® - AstraZeneca	6 tablets for 2.5 mg 3 tablets for 5 mg	18 tablets

Maintenance Medications

You may receive up to a 90-day supply of the following medications and classes listed below. Only the medications on this list are available in 90-day supplies.

1. alendronate sodium (Fosamax®)
2. antiarthritics
3. anticoagulants
4. anticonvulsants
5. antidementia drugs
6. antihypertensives
7. antiparkinsonism agents
8. antispasmodics: urinary tract
9. benign prostatic hypertrophy/micturation
10. bronchodilators
11. calcitonin (Miacalcin®)
12. cardiovascular agents
13. cholinergic stimulants (urinary retention)
14. corticosteroids, bronchial
15. cromolyn sodium (Intal®)

16. diabetic therapies
17. digestants
18. disposable needles and syringes
19. diuretics
20. enzymes, systemic
21. estrogens and progestins
22. gastrointestinal, colitis
23. glaucoma agents
24. gout medications
25. hormones, misc.
26. immunosuppressive agents
27. legend vitamins (including legend hematinics, vitamin K)
28. leukotriene receptor antagonists (asthma agents)
29. lipotropics (cholesterol lowering agents)
30. mucolytics (pulmonary agents)
31. oral contraceptives
32. legend potassium
33. raloxifene (Evista®)
34. risedronate (Actonel®)
35. selective serotonin reuptake inhibitors (antidepressants in this class only)
36. thyroid medications
37. tuberculosis medications
38. xanthines (asthma agents)

Common Specialty Medications

Beginning July 1, 2005, PEIA has selected CuraScript as the exclusive pharmacy for common specialty medications. This means you will only be able to purchase these specialty medications through CuraScript, and the medication will be mailed to either your home or physician's office. Most often these are self-administered injections.

After you have met your prescription drug deductible, the copayment on these medications will be \$50 for any medications in this class.

Please refer to the list of the most "Common Specialty Medications" on the next page. These drugs are not available in 90-day supplies.

In addition to providing these specialty medications to our members, CuraScript offers:

- A Patient Care Coordinator who serves as your personal advocate and point of contact.
- Delivery of your specialty medications directly to you or your doctor.
- Supplies to administer your medications — at no additional cost.
- Care management programs to help you get the most from your medications.

If you are prescribed one of these common specialty medications, call CuraScript toll-free at 1-866-413-4135 (8 a.m. – 9 p.m., Eastern time, Monday-Friday and 9 a.m. – 1 p.m., Eastern time, Saturday). A Patient Care Coordinator will contact your physician and work with you to schedule a delivery time for the medication.

Common Specialty Medications List

Drug Name	Category
Acthar	Multiple Sclerosis
Aldurazyme	Mucopolysaccharidosis
Aranesp [PA]	Anemia
Arixtra	Anti-Coagulant
Avonex	Multiple Sclerosis
Betaseron	Multiple Sclerosis
Bicillin C-R	Anti-Infectives
Botox [PA]	Migraine, Cerebral Palsy
Cerezyme	Gaucher Disease
Copaxone	Multiple Sclerosis
Copegus	Hepatitis C
Desferal	Diagnostic
Enbrel [ST]	Rheumatoid Arthritis
Epogen [PA]	Anemia
Fabrazyme	Fabry Disease
Fortaz	Anti-Infectives
Forteo [PA]	Osteoporosis
Fragmin	Anti-Coagulant
Fuzeon	HIV
Genotropin [PA]	Growth Hormone
Geref [PA]	Growth Hormone
Humatrope [PA]	Growth Hormone
Humira [ST]	Rheumatoid Arthritis
Infergen	Hepatitis C
Innohep	Anti-Coagulant
Intron A	Interferons
Iressa	Anti-Neoplastic
Kineret [ST]	Rheumatoid Arthritis
Leukine	Hematopoietic
Leuprolide [PA]	Anti-Neoplastic
Lovenox	Anti-Coagulant

Drug Name	Category
Lupron [PA]	Anti-Neoplastic
Lupron Depot [PA]	Endometriosis, Anti-Neoplastic, Precocious Puberty
Myobloc [PA]	Neurologic
Neulasta	Neutropenia
Neumega	Hematopoietic
Neupogen	Neutropenia
Norditropin [PA]	Growth Hormone
Nutropin [PA]	Growth Hormone
Pegasys	Hepatitis C
Peg-Intron	Hepatitis C
Procrit [PA]	Anemia
Protropin [PA]	Growth Hormone
Pulmozyme	Cystic Fibrosis
Rebetol	Hepatitis C
Rebetron	Hepatitis C
Rebif	Multiple Sclerosis
Ribavirin	Hepatitis C
Rimso-50	Anti-Neoplastic
Rocephin	Anti-Infectives
Roferon-A	Anti-Neoplastic
Saizen [PA]	Growth Hormone
Sensipar	Hyperparathyroidism
Serostim [PA]	Growth Hormone
Tarceva	Anti-Neoplastic
Temodar	Anti-Neoplastic
Tev-Tropin [PA]	Growth Hormone
Thalomid	Anti-Neoplastic
Thyrogen Kit	Diagnostic
Tobi	Cystic Fibrosis
Xeloda	Anti-Neoplastic
Zavesca	Gaucher Disease
Zorbtive [PA]	Growth Hormone

[PA] -- This drug requires Prior Authorization from RDT

[ST] -- This drug requires Step Therapy

Diabetes Management

Blood Glucose Monitors: Covered diabetic insureds can receive a free Bayer Ascensia Elite®, Ascensia Elite® XL, Ascensia DEX2®, Ascensia Breeze® or Ascensia Contour® blood glucose monitor with a current prescription. Simply ask your pharmacist, and he or she will contact Bayer by fax or mail to request the monitor.

Glucose Test Strips: The plan covers only Bayer Ascensia Elite®, Ascensia® Autodisc, or Ascensia® Microfill test strips at the preferred copayment of \$15 per 34-day supply. Other brands require a 100% copayment.

Needles/Syringes and Lancets: You can obtain a supply of disposable needles/syringes and lancets for the copayments listed below:

Coverage	Needles/Syringes	Lancets
At the retail pharmacy:		
Up to a 34-day supply	\$10	\$5
35- to 68-day supply	\$20	\$10
69- to 90-day supply	\$30	\$15
Through the mail service and retail maintenance network pharmacies:		
Up to a 34-day supply	\$10	\$5
35- to 90-day supply	\$20	\$10

Tobacco Cessation Program

PEIA has a tobacco cessation program that includes coverage for Zyban® and nicotine withdrawal drugs. The drugs are covered under your prescription drug program after you call the PEIA Quit Line: 1-877-966-8784. The program also includes phone coaching services and printed information.

What is Covered?

After the Quit Line is contacted, PEIA will cover prescription and over-the-counter (OTC) tobacco cessation products only if they are dispensed with a prescription. Coverage is limited to one twelve-week cycle per plan year, two cycles per lifetime. Zyban® is available for the Brand-preferred copayment. Nicotine withdrawal therapy is available for the generic copayment of \$5 for up to a 34-day supply.

From time to time PEIA may offer special discounts on nicotine withdrawal therapy. Call the Quit Line at 1-877-966-8784 for details.

Who is Eligible for Tobacco Cessation?

PEIA PPB Plan insureds will be screened for eligibility and readiness. Pregnant women will be offered 100% coverage during any pregnancy.

Drugs or Services That Are Not Covered

Your plan does not cover the following medications or services:

1. Amounts paid by Medicare for drugs covered by Medicare
2. Anorexients (any drug used for the purpose of weight loss)
3. Anti-wrinkle agents (e.g., Renova®)
4. Birth control drugs for dependent children
5. Bleaching agents (e.g., Eldopaque®, Eldoquin Forte®, Melanex®, Nuquin®, Solaquin®)
6. Charges for the administration or injection of any drug

7. Contraceptive devices and implants
8. Drugs dispensed by a hospital, clinic or physician's office
9. Drugs labeled "Caution-limited by federal law to investigational use," or experimental drugs not approved by the FDA, even though a charge is made to the individual
10. Drugs prescribed for uses not approved by the FDA
11. Drugs requiring a prescription by State law, but not by federal law (State controlled) are not covered
12. Erectile dysfunction medications
13. Fertility drugs
14. Fioricet® with Codeine
15. Fiorinal® with Codeine
16. Hair growth stimulants
17. Homeopathic medications
18. Immunizations, biological sera, blood or blood products, Hyalgan®, Synvisc®, Remicade®, Synagis®, Xolair®, Amevive®, Raptiva® (these are covered under the medical plan)
19. Medication which is to be taken by or administered to an individual, in whole or in part, while he or she is a patient in a hospital, sanitarium, or extended care facility
20. Medication for which the cost is recoverable under any Workers' Compensation or occupational disease law, or any State or governmental agency, or medication furnished by any other Drug or Medical Service for which no charge is made to the member
21. Non-legend drugs (except when included in a compound with a legend drug)
22. Pentazocine/Acetaminophen (Talacen®)
23. Prescription drug charges not filed within 6 months of the purchase date, if PEIA is the primary insurer, or within 6 months of the processing date on the Explanation of Benefits (EOB) from the other plan, if PEIA is secondary
24. Replacement medications for lost or stolen drugs
25. Requests for more than a 90-day supply of maintenance medications, or requests for more than a 34-day supply of short-term medications
26. Stadol® Nasal Spray
27. Therapeutic devices or appliances, including support garments and other non-medicinal substances, regardless of intended use, except those listed above
28. Vacation supplies, unless leaving the country.

Other Important Features of Your Prescription Drug Program

Your prescription drug program is designed to provide the care and service you expect, whether it's keeping a record of your medication history, providing toll-free access to a registered pharmacist, or keeping you in touch with any changes to your program.

Express Scripts uses the health and prescription information about you and your dependents to administer your benefits. They also use information and prescription data from claims submitted nationwide for reporting and analysis without identifying individual patients.

When your prescriptions are filled at one of Express Scripts' mail service pharmacies or at a participating retail pharmacy, pharmacists use the health and prescription information on file for you to consider many important clinical factors including drug selection, dosing, interactions, duration of therapy and allergies. Express Scripts' pharmacists may also use information received from your network retail pharmacy.

Drug Utilization Review

Under the drug utilization review program, prescriptions filled through the mail service pharmacy and participating retail pharmacies are examined by Express Scripts for potential drug interactions based on your personal medication profile. The drug utilization review is especially important if you or your covered dependents take many different medications or see more than one doctor. If there is a question about your prescription, your pharmacist may notify your doctor before dispensing the medication.

Education and Safety

You will receive information about critical topics like drug interactions and possible side effects with every new prescription Express Scripts mails. Your retail pharmacy may also provide you with drug information.

By visiting www.express-scripts.com, you also can access other health-related information. Click on Drug Information or Health Information to browse information relative to specific health interests, get safety tips and answers to the most commonly asked medication questions, or just keep up with timely health issues. To view health information personalized to fit your interests, register with www.express-scripts.com. Any written health information cannot replace the expertise and advice of health care practitioners who have direct contact with a patient. All Express Scripts health information is designed to help you communicate more effectively with your doctor and, as a result, understand more completely your situation and choices.

Health Management

Based on your prescription and health information, Express Scripts may provide information to you on one or more of Express Scripts' Care Management programs, provided as a service to you by PEIA. Program participants generally receive educational mailings and may receive a follow-up call from an Express Scripts pharmacist or nurse. Express Scripts develops these programs to support your doctor's care, and they may contact your doctor regarding your participation in these programs.

Coordination of Benefits

If another insurance carrier is the primary insurer for a policyholder or a dependent, or if you are Medicare-eligible, PEIA will pursue coordination of benefits.

1. Commercial Insurance: As a secondary payor, PEIA will pay only if the other insurance plan's benefit is less than what PEIA would have provided as the primary insurer. If PEIA is the secondary insurer, you must submit the following documentation to Express Scripts to have the secondary claim processed:
 - a. a completed Express Scripts claim form;
 - b. the receipt from the pharmacy; and
 - c. an Explanation of Benefits from the primary plan or a pharmacy printout that shows the amount paid by the primary plan.

You will usually be reimbursed within 21 days from receipt of your claim form.

If you need claims forms, call Express Scripts' Member Services at 1-877-256-4680 or visit their website at www.express-scripts.com.

2. Medicare: If Medicare is the primary insurer, Medicare must be billed first for any drugs covered by Medicare Part B. Your pharmacist should bill Medicare Part B as the primary insurer. Acordia will receive the crossover claims from Medicare Part B and pay the pharmacy directly. This will save you money since PEIA will pay the member responsibility for prescription drugs covered by Medicare Part B. You should not pay any deductible or co-insurance for Medicare Part B-covered drugs. You can find a listing of pharmacies willing to bill Medicare and accept assignment on our web page at www.wvpeia.com or by calling our customer service unit at 1-888-680-7342. These classes of drugs are usually covered by Medicare Part B:
 - Immunosuppressants
 - Oral Chemotherapeutic medications
 - Drugs for nausea associated with chemo meds
 - Diabetic testing supplies
 - Limited Inhalation therapies

Medicare Part D

Beginning January 1, 2006, Medicare will offer a new program, Medicare Part D (prescription drug coverage). Please be aware that you DO NOT have to purchase Medicare Part D (prescription drug coverage) when it becomes available. PEIA will continue to provide prescription drug coverage to our Medicare members, and Medicare Part D will be of little or no use to you.

Appealing a Claim

If you think that an error has been made in processing your prescription drug claim or in a prescription benefit determination or denial, first call Express Scripts or RDT (depending on the nature of your complaint) to ask for details. If you are not satisfied with the outcome of your telephone inquiry, the second step is to appeal to Express Scripts or RDT in writing. Please have your physician provide any additional relevant clinical information to support your request. Mail your request with the above information to:

Type of Error	Who to Call	Where to Write
Prior Authorization error or denial	RDT 1-800-847-3859	Rational Drug Therapy Program WVU School of Pharmacy PO BOX 9511 HSCN Morgantown, WV 26506
Prescription drug claim payment error or denial	Express Scripts 1-877-256-4680	Express Scripts, Inc. Clinical Appeals - (Client-WVA) BL0390 6625 W. 78th Street Bloomington, MN 55439

Express Scripts or RDT will respond in writing to you and your physician with a letter explaining the outcome of the appeal. If this does not resolve the issue, the third step is to appeal in writing to the director of PEIA. Your physician must request a review in writing within sixty (60) days of receiving the decision from Express Scripts or RDT. Mail third step appeals to:

Director
Public Employees Insurance Agency
State Capitol Complex
Building 5, Room 1001
1900 Kanawha Boulevard, East
Charleston, WV 25305-0710

Facts, issues, comments, letters, Explanations of Benefits (EOBs), and all pertinent information about the claim and review should be included. When your request for review arrives, PEIA will reconsider the entire case, taking into account any additional materials that have been provided. A decision, in writing, explaining the reason for modifying or upholding the original disposition of the claim will be sent to the covered person or his or her authorized representative. For more information about your drug coverage, please contact Express Scripts at 1-877-256-4680.

How to Reach Express Scripts

On the Internet: Reach Express Scripts at www.express-scripts.com. Visit Express Scripts' website anytime to learn about patient care, refill your mail service prescriptions, check the status of your mail service pharmacy order, request claim forms and mail service order forms or find a participating retail pharmacy near you.

By Telephone: For those insureds who do not have access to Express Scripts via the Internet, you can learn more about your program by calling Express Scripts Member Services at 1-877-256-4680, 24 hours a day, 7 days a week.

Special Services: Express Scripts continually strives to meet the special needs of PEIA's insureds:

- You may call a registered pharmacist at any time for consultations at 1-877-256-4680.
- PEIA's hearing-impaired insureds may use Express Scripts' TDD number at 1-800-972-4348.
- Visually impaired insureds may request that their mail service prescriptions include labels in Braille by calling 1-877-256-4680.

Prescription Drug Copayment Assistance Program

PEIA offers a program to assist retired employees who struggle to deal with increasing prescription drug costs in the PEIA PPB Plan. This assistance reduces prescription drug copayments for those who qualify.

Who Qualifies for the Assistance Program?

Retired employees whose annual household income falls below 250% of the federal poverty level, and who are members of the PEIA PPB Plan can qualify for assistance. Retired employees who receive Premium Assistance from PEIA are automatically enrolled in

this program. Retired employees who are using sick or annual leave or years of service to extend their employer-paid insurance qualify for this program if their annual income meets the guidelines.

What is Available under the Program?

If you qualify for assistance, PEIA will provide you with the reduced prescription copayments based on your years of service as shown in the chart on the next page, as well as generic drugs for \$3 for each 30-day supply regardless of your years of service. These reduced copayments are available to you at your local pharmacy or through the Express Scripts Mail Service Pharmacy Program. To take full advantage of the Prescription Drug Copayment Assistance Program, it is best to get your maintenance medications in 90-day supplies. When you fill a 90-day prescription through mail order or at a Retail Maintenance Network pharmacy, you'll pay for only two thirty-day supplies—you get one thirty-day supply for no copayment. See "Getting Your Prescriptions Filled" for details of the benefits of the Retail Maintenance Network and the Express Scripts Mail Service Pharmacy Program.

Years of active service	Brand-Preferred Co-payment		Brand Non-preferred Co-payment	
	30-day supply at a Retail Pharmacy	Up to 90-day supply by mail or at a Retail Maintenance Network Pharmacy	30-day supply at a Retail Pharmacy	Up to 90-day supply by mail or at a Retail Maintenance Network Pharmacy
20 or more	\$6	\$12	\$21	\$42
10 through 19	\$9	\$18	\$29	\$58
5 through 9	\$12	\$24	\$30	\$60
less than 5	\$15	\$30	\$30	\$60

How Do You Apply for Assistance?

If you believe you qualify, contact PEIA for an application, or you can print a copy at www.wvpeia.com.

Amending the Benefit Plan

The West Virginia Public Employees Insurance Agency reserves the right to amend all or any portion of this Summary Plan Description in order to reflect changes required by court decisions, legislation, actions by the Finance Board, actions by the Director or for any other matters as are appropriate. The Summary Plan Description will be amended within a reasonable time of any such actions. All amendments to the Summary Plan Description must be in writing, dated and approved by the Director. The Director shall have sole authority to approve amendments. The Summary Plan Description and all approved amendments will be filed with the office of the West Virginia Secretary of State.

If you have questions about this notice, please contact the person listed under "[Who to Contact](#)" at the end of this 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.

Summary

In order to provide you with benefits, PEIA will receive personal information about your health, from you, your physicians, hospitals, and others who provide you with health care services. We are required to keep this information confidential. This notice of our privacy practices is intended to inform you of the ways we may use your information and the occasions on which we may disclose this information to others.

Occasionally, we may use members' information when providing treatment. We use members' health information to provide benefits, including making claims payments and providing customer service. We disclose members' information to health care providers to assist them to provide you with treatment or to help them receive payment, we may disclose information to other insurance companies as necessary to receive payment, we may use the information within our organization to evaluate quality and improve health care operations, and we may make other uses and disclosures of members' information as required by law or as permitted by PEIA policies.

Kinds Of Information That This Notice Applies To

This notice applies to any information in our possession that would allow someone to identify you and learn something about your health. It does not apply to information that contains nothing that could reasonably be used to identify you.

Who Must Abide by This Notice

- PEIA
- All employees, staff, students, volunteers and other personnel whose work is under the direct control of PEIA.

The people and organizations to which this notice applies (referred to as "we," "our," and "us") have agreed to abide by its terms. We may share your information with each other for purposes of treatment, and as necessary for payment and operations activities as described below.

Our Legal Duties

- We are required by law to maintain the privacy of your health information
- We are required to provide this notice of our privacy practices and legal duties regarding health information to anyone who asks for it.
- We are required to abide by the terms of this notice until we officially adopt a new notice.

How We May Use or Disclose Your Health Information.

We may use your health information, or disclose it to others, for a number of different reasons. This notice describes these reasons. For each reason, we have written a brief explanation. We also provide some examples. These examples do not include all of the specific ways we may use or disclose your information. But any time we use your information, or disclose it to someone else, it will fit one of the reasons listed here.

- 1. Treatment.** We may use your health information to provide you with medical care and services. This means that our employees, staff, students, volunteers and others whose work is under our direct control, may read your health information to learn about your medical condition and use it to help you make decisions about your care. For instance, a health plan nurse may take your blood pressure at a health fair. We will also disclose your information to others to provide you with options for medical treatment or services. For instance, we may use health information to identify members with certain chronic illnesses, and send information to them or to their doctors regarding treatment alternatives.
- 2. Payment.** We will use your health information, and disclose it to others, as necessary to make payment for the health care services you receive. For instance, an employee in our customer service department or at our claims processing administrator may use your health information to help pay your claims. And we may send information about you and your claim payments to the doctor or hospital that provided you with the health care services. We will also send you information about claims we pay and claims we do not pay (called an "explanation of benefits"). The explanation of benefits will include information about claims we receive for the subscriber and each dependent who are enrolled together under a single contract or identification number. Under certain circumstances, you may receive this information confidentially: see the "[Confidential Communication](#)" section in this notice. We may also disclose some of your health information to companies with whom we contract for payment-related services. For instance, if you owe us money, we may give information about you to a collection company that we contract with to collect bills for us. We will not use or disclose more information for payment purposes than is necessary.
- 3. Health Care Operations.** We may use your health information for activities that are necessary to operate this organization. This includes reading your health information to review the performance of our staff. We may also use your information and the information of other members to plan what services we need to provide, expand, or reduce. We may also provide health information to students who are authorized to receive training here. We may disclose your health information as necessary to others who we contract with to provide administrative services or health care coverage. This includes our third-party administrators, available managed care plans, lawyers, auditors, accreditation services, and consultants, for instance.
- 4. Legal Requirement to Disclose Information.** We will disclose your information when we are required by law to do so. This includes reporting information to government agencies that have the legal responsibility to monitor the state health care system. For instance, we may be required to disclose your health information, and the information of others, if we are audited by state auditors. We will also disclose your health information when we are required to do so by a court order or other judicial or administrative process.
- 5. Public Health Activities.** We will disclose your health information when required to do so for public health purposes. This includes reporting certain diseases, births, deaths, and reactions to certain medications. It may also include notifying people who have been exposed to a disease.
- 6. To Report Abuse.** We may disclose your health information when the information relates to a victim of abuse, neglect or domestic violence. We will make this report only in accordance with laws that require or allow such reporting, or with your permission.
- 7. Law Enforcement.** We may disclose your health information for law enforcement purposes. This includes providing information to help locate a suspect, fugitive, material witness or missing person, or in connection with suspected criminal activity. We must also disclose your health information to a federal agency investigating our compliance with federal privacy regulations.
- 8. Specialized Purposes.** We may disclose the health information of members of the armed forces as authorized by military command authorities. We may disclose your health information for a number of other specialized purposes. We will only disclose as much information as is necessary for the purpose. For instance, we may disclose your information to coroners, medical examiners and funeral directors; to organ procurement organizations (for organ, eye, or tissue donation); or for national security, intelligence, and protection of the president. We also may disclose health information about an inmate to a correctional institution or to law enforcement officials, to provide the inmate with health care, to protect the health and safety of the inmate and others, and for the safety, administration, and maintenance of the correctional institution.
- 9. To Avert a Serious Threat.** We may disclose your health information if we decide that the disclosure is necessary to prevent serious harm to the public or to an individual. The disclosure will only be made to someone who is able to prevent or reduce the threat.

10. **Family and Friends.** We may disclose your health information to a member of your family or to someone else who is involved in your medical care or payment for care. This may include telling a family member about the status of a claim, or what benefits you are eligible to receive. In the event of a disaster, we may provide information about you to a disaster relief organization so they can notify your family of your condition and location. We will not disclose your information to family or friends if you object.
11. **Research.** We may disclose your health information in connection with medical research projects. Federal rules govern any disclosure of your health information for research purposes without your authorization.
12. **Information to Members.** We may use your health information to provide you with additional information. This may include sending newsletters or other information to your address. This may also include giving you information about treatment options, alternative settings for care, or other health-related options that we cover.
13. **Health Benefits Information.** If your enrollment in PEIA's health plan is offered through your employer, your employer may receive limited information, as necessary, for the administration of their health benefit program. The employers will not receive any additional information unless it has been de-identified or you have authorized its release.

Your Rights

1. **Authorization.** We may use or disclose your health information for any purpose that is listed in this notice without your written authorization. We will not use or disclose your health information for any other reason without your authorization. If you authorize us to use or disclose your health information, in additional circumstances you have the right to revoke the authorization at any time. For information about how to authorize us to use or disclose your health information, or about how to revoke an authorization, contact the person listed under "[Who to Contact](#)" at the end of this notice. You may not revoke an authorization for us to use and disclose your information to the extent that we have taken action in reliance on the authorization. If the authorization is to permit disclosure of your information to an insurance company, as a condition of obtaining coverage, other law may allow the insurer to continue to use your information to contest claims or your coverage, even after you have revoked the authorization.
2. **Request Restrictions.** You have the right to ask us to restrict how we use or disclose your health information. We will consider your request. But we are not required to agree. If we do agree, we will comply with the request unless the information is needed to provide you with emergency treatment. We cannot agree to restrict disclosures that are required by law.
3. **Confidential Communication.** If you believe that the disclosure of certain information could endanger you, you have the right to ask us to communicate with you at a special address or by a special means. For example, you may ask us to send explanations of benefits that contain your health information to a different address rather than to your home. Or you may ask us to speak to you personally on the telephone rather than sending your health information by mail. We will agree to any reasonable request.
4. **Inspect And Receive a Copy of Health Information.** You have a right to inspect the health information about you that we have in our records, and to receive a copy of it. This right is limited to information about you that is kept in records that are used to make decisions about you. For instance, this includes claim and enrollment records. If you want to review or receive a copy of these records, you must make the request in writing. We may charge a fee for the cost of copying and mailing the records. To ask to inspect your records, or to receive a copy, contact the person listed under "[Who to Contact](#)" at the end of this notice. We will respond to your request within 30 days. We may deny you access to certain information. If we do, we will give you the reason, in writing. We will also explain how you may appeal the decision.
5. **Amend Health Information.** You have the right to ask us to amend health information about you which you believe is not correct, or not complete. You must make this request in writing, and give us the reason you believe the information is not correct or complete. We will respond to your request in writing within 30 days. We may deny your request if we did not create the information, if it is not part of the records we use to make decisions about you, if the information is something you would not be permitted to inspect or copy, or if it is complete and accurate.
6. **Accounting of Disclosures.** You have a right to receive an accounting of certain disclosures of your information to others. This accounting will list the times we have given your health information to others. The list will include dates of the disclosures, the names of the people or organizations to whom the information was disclosed, a description of the information, and the reason. We will provide the first list of disclosures you request at no charge. We may charge you for any additional lists you request during the following 12 months. You must tell us the time period you want the list to cover. You may not request a time period longer than six years. We cannot include disclosures made before April 14, 2003. Disclosures for the following reasons will not be included on the list: disclosures for treatment, payment, or health care operations; disclosures for national security purposes; disclosures to correctional or law enforcement personnel; disclosures that you have authorized; and disclosures made directly to you.
7. **Paper Copy of this Privacy Notice.** You have a right to receive a paper copy of this notice. If you have received this notice electronically, you may receive a paper copy by contacting the person listed under "[Who to Contact](#)" at the end of this notice.
8. **Complaints.** You have a right to complain about our privacy practices, if you think your privacy has been violated. You may file your complaint with the person listed under "[Who to Contact](#)" at the end of this notice. You may also file a complaint directly with the:
Region III, Office for Civil Rights
U.S. Department of Health and Human Services
150 South Independence Mall West, Suite 372, Public Ledger Building
Philadelphia, PA 19106-9111.
All complaints must be in writing. We will not take any retaliation against you if you file a complaint.

Our Right to Change This Notice

We reserve the right to change our privacy practices, as described in this notice, at any time. We reserve the right to apply these changes to any health information which we already have, as well as to health information we receive in the future. Before we make any change in the privacy practices described in this notice, we will write a new notice that includes the change. The new notice will include an effective date. We will mail the new notice to all subscribers within 60 days of the effective date.

Who to Contact

Contact the person listed below:

- For more information about this notice, or
- For more information about our privacy policies, or
- If you want to exercise any of your rights, as listed on this notice, or
- If you want to request a copy of our current notice of privacy practices.

Privacy Officer, West Virginia Public Employees Insurance Agency
Building 5, Room 1001, 1900 Kanawha Blvd. E.
Charleston, WV 25305-0710
304-558-7850 or 1-888-680-7342

Copies of this notice are also available at the reception desk of the PEIA office at the address above. This notice is also available by e-mail. Send an e-mail to: peia@peia.state.wv.us.



Public Employees Insurance Agency

State Capitol Complex
Building 5, Room 1001
1900 Kanawha Boulevard, East
Charleston, WV 25305-0710

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CHARLESTON,
WV
PERMIT NO. 55

WHO TO CALL WITH QUESTIONS

Health Claims, Benefits, Preauthorizations and Prior Approvals for Out-of-State Care

Acordia National 1-304-353-7820
or 1-888-440-7342 (toll-free)
or on the web at: www.acordianational.com

Precertification and Utilization Management

Acordia National 1-304-353-7820
or 1-888-440-7342 (toll-free)
or on the web at: www.acordianational.com

Prescription Drug Benefits and Claims

Express Scripts
1-877-256-4680 (toll-free)
or on the web at: www.express-scripts.com

Subrogation and Recovery

Beacon Recovery Group
1-800-874-0500 (toll-free)

PEIA

*Answers to questions about eligibility,
life insurance and third-level claim appeals.*

WV Public Employees Insurance Agency
1-304-558-7850

or 1-888-680-7342 (toll free)

or on the web at: www.wvpeia.com

Mountaineer Flexible Benefits

*Dental, vision, and disability insurance and
flexible spending accounts.*

Fringe Benefits Management Company
1-800-342-8017 (toll free)

or on the web at: www.fbmc-benefits.com

Managed Care Plans

Carelink
1-800-348-6961 (toll-free)

or on the web at: www.cvtv.com

The Health Plan

1-800-624-6961 (toll-free)

or 1-740-695-3585

or on the web at: www.healthplan.org