Terms & Definitions

Advantra Freedom: the Private Fee For Service (PFFS) Medicare Advantage Prescription Drug (MAPD) plan that provides medical and prescription drug benefits to Medicare-eligible retired employees and Medicare-eligible dependents of retired employees. Advantra Freedom is offered by Coventry Health Care, Inc.

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 (or Employee Only) 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: Wells Fargo TPA.

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. 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 30-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.

Coventry: This is the company, Coventry Health Care, Inc., that provides medical and prescription drug benefits to Medicare-eligible retired employees and Medicare-eligible dependents of retired employees through the Advantra Freedom Private Fee For Service Medicare Advantage Prescription Drug (MAPD) plan.

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 your benefits, 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.

MAPD (Medicare Advantage/Prescription Drug) Plan: A type of Medicare benefits that combines Medicare Parts A, B and D into one comprehensive benefit package. Effective July 1, 2008, PEIA provides benefits to Medicare-eligible retired employees and Medicare-eligible dependents of retired employees exclusively through the Advantra Freedom MAPD plan offered by Coventry Health Care, Inc.

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

Medical Home: A West Virginia provider who is a general practice doctor, family practice doctor, internist, pediatrician, geriatrician, or OB/GYN who has enrolled with Wells Fargo TPA as a medical home provider, and who is listed in PEIA's Medical Home directory.

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) 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.
Non-Resident PPB Plan Participants: PEIA PPB Plan participant who resides outside West Virginia and beyond the bordering counties.

Notification: The required process of reporting an inpatient stay to PEIA's utilization management vendor, Wells Fargo TPA. 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, freestanding 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 Wells Fargo TPA 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 Wells Fargo TPA.

Precertification: The required process of reporting any inpatient stay and certain outpatient procedures in advance to obtain approval for the admission or service. Wells Fargo TPA 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 Wells Fargo TPA 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.

Resident PPB Plan Participants: PEIA PPB Plan participants who live in West Virginia or a bordering county of a surrounding state.

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.

Special Medicare Plan: The plan created by PEIA to provide benefits to retirees unable to access providers in the Advantra Freedom plan and those retirees who become eligible for Medicare benefits during a plan year. Claims under this plan are processed by Wells Fargo and Express Scripts, but the medical benefits are identical to those provided to members of the Advantra Freedom plan.

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 Wells Fargo TPA.

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.

Wells Fargo TPA: 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.