

BOARD OF COUNTY COMMISSIONERS
SARPY COUNTY, NEBRASKA

RESOLUTION APPROVING MASTER GROUP APPLICATION AGREEMENT WITH BLUE
CROSS BLUE SHIELD OF NEBRASKA FOR EMPLOYEE HEALTH INSURANCE

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6) (Reissue 1997), the County has the power to do all acts in relation to the concerns of the County necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103 (Reissue 1997), the powers of the County as a body are exercised by the County Board; and,

WHEREAS, the County of Sarpy desires to enter into a Master Group Application agreement with BlueCross BlueShield of Nebraska effective July 1, 2009 through June 30, 2010 for the purpose of providing health insurance for county employees, as outlined in the agreement attached hereto as Exhibit A; and,

WHEREAS, said attached agreement is for unique, non-competitive and professional services and is in the best interests of the citizens of Sarpy County; and,

NOW, THEREFORE, BE IT RESOLVED by the Sarpy County Board of Commissioners that this Board hereby approves and adopts the Master Group Application agreement with BlueCross BlueShield of Nebraska, effective July 1, 2009 through June 30, 2010, a copy of which is attached.

BE IT FURTHER RESOLVED that the Chairman of this Board, together with the County Clerk, is hereby authorized to sign on behalf of this Board the contract with BlueCross BlueShield of Nebraska, a copy of which is attached, and any other related documents, the same being approved by the Board.

DATED this 19th day of May, 2009.

Moved by Tom Richards, seconded by Rich Jansen, that the above Resolution be adopted. Carried.

YEAS:

NAYS:

ABSENT:

[Signature]

none

none

[Signature]

[Signature]

ABSTAIN:

[Signature]

none

[Signature]

Approved as to form:

[Signature]
County Clerk



[Signature]

Deputy County Attorney

Deb Houghtaling

Sarpy County Clerk

1210 Golden Gate Drive, Suite 1118
Papillion, Nebraska 68046-2895

Phone: (402) 593-2105
Fax: (402) 593-4360

Fred Uhe
Chief Deputy

May 22, 2009

Mike Williams
Williams-Deras & Associates
302 S. 36th Street
Omaha NE 68131

RE: Sarpy County Blue Cross Blue Shield Master Group Application

Dear Mr. Williams:

Please find enclosed two (2) originals of the subject agreement which have been approved and signed by the Chairman of the Board on 5/19/2009. Upon completion please provide one original for Sarpy County records.

Mail to: Sarpy County Clerk
Attn: Chris Vance
1210 Golden Gate Dr.
Papillion NE 68046-2895

Sincerely,



Debra J. Houghtaling
Sarpy County Clerk

Enclosures (2)

cc: Linda Welles
Brian Hanson
Mark Wayne



BlueCross BlueShield of Nebraska

An Independent Licensee of the Blue Cross and Blue Shield Association

MASTER GROUP APPLICATION (INSURED)

[] New Group [X] Renewal or Revision (Please asterisk * amended sections.)

[X] Fully Insured [] Minimum Premium

Group No. - Dept No. 04800 - Dept. 01(Actives), Dept. 02(Retirees), Dept. 03(COBRA) Master Group# (003349)

Effective Date: The Master Group Contract shall be effective on 07/01/2009 provided this Application is accepted by Blue Cross and Blue Shield of Nebraska (BCBSNE), and payment of the charges is made as provided in the Application. Changes in the terms of this Application may only be made during the anniversary month of the effective date, unless prior BCBSNE approval is obtained for an off-anniversary change.

APPLICANT INFORMATION

A. Applicant/Plan Sponsor (Employer) Sarpy County

Plan Administrator (if different than Plan Sponsor)

Address 1210 Golden Gate Drive (Street)

Papillion (City)

NE 68046 (State, Zip Code)

Group Health Plan Name (GHP)

Group Health Plan Primary Contact (Name) Linda Welles

(Title) Assistant Personnel Coordinator

(Phone) 402-593-4487

(FAX) 402-593-5781

(E-mail) lwelles@sarpy.com

Employer (Tax) Identification Number (EIN) 47-6006504

B. Names of subsidiaries or affiliated organizations to be included (must be majority-owned - 51% or greater):

C. For new groups only: Will BCBSNE be processing claims for dates of service prior to the Contract effective date? [] Yes [] No If yes, attach copy of signed authorization. Note: These claims will be paid at the billed charge and will not be reviewed for deductible, copayment, duplicate claim, or any other claim processing reviews. The Group agrees to pay the applicable finance charge for this service.

D. Is the Group Health Plan subject to the Employee Retirement Income Security Act of 1974 (ERISA)? [X] Yes [] No

E. Is the Group Health Plan subject to the Consolidated Omnibus Reconciliation Act (COBRA), as amended, during this calendar year? [X] Yes [] No

URN

JUN 15 2009

- F. Does the Applicant authorize BCBSNE to administer dependent coverage requests involving court-ordered alternate recipients, which will include reviewing and determining dependent coverage and notifications required by OBRA '93 regarding Qualified Medical Child Support Orders (QMSCO)? Yes No
- G. Does the Applicant authorize BCBSNE to provide Certificates of Creditable Coverage to eligible employees/dependents, as provided by law? Yes No
- H. **Other Coverage:** Will any other group coverage be in effect while this Contract is in force? Yes No

If yes, name of carrier(s) _____

HMO open enrollment month: _____

- I. **Employee Data:** The following is from and agrees with your payroll and personnel records:

Total employees on the payroll (includes full-time, part-time, leased employees): _____

Eligible Employee Data:	Total
1. Total eligible employees on the payroll on the effective date of the Contract	_____
2. Eligible employees not enrolling due to group coverage through their spouse (Names of spouses, their employers and their insurers are required)	_____
3. Eligible employees not enrolling due to coverage through Medicare, Medicaid or individual coverage	_____
4. Eligible employees not enrolling due to coverage through BCBSNE HMO:	_____
5. Eligible employees not enrolling in either this plan or BCBSNE HMO plan: Due to enrolling in another HMO (Names of HMOs are required)	_____
For other or unknown reason	_____
Total Combined	_____
6. Total completed Declinations of Coverage attached (Sum of 2. thru 5.)	_____
7. Eligible employees enrolling on the effective date of the Contract	_____
8. Persons on COBRA or State Continuation Coverage	_____

ELIGIBILITY AND ENROLLMENT

- A. An employee working a minimum of 30 hours per week (must be at least 17 1/2) on a regular calendar year basis will be eligible for coverage on the group's next due date after such employee has completed an eligibility (probationary) waiting period of *0 days of service, and completes the applicable enrollment form. To remain eligible, the employee must continue to work the minimum number of hours per week required. If the Applicant includes Subgroups, the Subgroup Application shall indicate the eligibility (probationary) waiting period, and the minimum number of hours necessary for eligibility.

If an otherwise eligible employee is not actively at work on the effective date **for other than personal health reasons**, coverage for that employee will go into effect on the group's next due date following his/her return to active employment, subject to the receipt of an enrollment form within 31 days of the return-to-work date. As of the effective date indicated above, there are N/A such employees not actively working. (Attach list of names and corresponding social security numbers.)

For dependents who apply for coverage at the same time as the eligible employee, coverage will become effective on the same day as the employee.

Other eligibility provisions: *Employees effective the first of the month following hire date. Elected officials will be effective immediately after they are sworn in.

- B. Retirees eligible? Yes No. (Attach list of retirees and copy of Retirement Program describing plan eligibility requirements and contribution toward the monthly charges.)
- C. Board of Directors eligible? Yes No (Attach list of Board Members and Resolution passed approving the same contribution toward the health care plan as for employees.)

MRS

D. Enrollment Options – Membership Units: (Check all that apply)

Standard Membership Units

- Single – Employee Only
- Employee & Spouse
- Employee & Children
- Family

Alternate Membership Tiers

- Employee & One Dependent
- Employee & Two or More Dependents

Other Enrollment Provisions: _____

E. Waiting Periods for Pre-Existing Conditions (Health Coverage):

- Initial Enrollment of the Group Waived Enforced
(For groups of 99 or less, waiver applies only to those covered under the prior group contract. Attach prior billing.)
- Adding new employees/dependents within 31 days of eligibility Waived Enforced
- Late Enrollees (18-month waiting period) Waived Enforced

Other Waiting Period provisions: _____

F. Late Enrollment: Late enrollment is allowed only during the month prior to the annual renewal date. Enrollment Forms must be signed by the last day of open enrollment and must be received by BCBSNE in a timely manner.

Association Group: Late enrollment is allowed throughout the year for employees/dependents of an Association Subgroup with 50 or fewer employees, subject to a 25% premium surcharge for a period of 18 months, unless otherwise noted in this section. Late enrollment during the annual renewal period is not subject to the 25% premium surcharge. The Subgroup Application may include additional late enrollment information.

Other provisions: _____

G. Dental Eligibility and Enrollment: Employees and dependents whose dental enrollment forms are not received by BCBSNE within 31 days of their eligibility, shall not be eligible to apply for dental coverage until the Annual Enrollment Month which follows the employee's eligibility date, unless BCBSNE approves a special enrollment period or waives this provision. Dental coverage for the first year following the Annual Enrollment Month will be limited to Coverage A only and premiums will not be reduced unless other late enrollment restrictions are otherwise specified on this Master Group Application or attachment(s).

If an enrolled employee voluntarily cancels his/her dental coverage, such employee (and his/her eligible dependents) may not re-enroll for two years from the first month following the date of cancellation, unless other restrictions are specified on this Master Group Application or attachment(s).

Other provisions: _____

Check here if Dental Coverage not applicable:

MONTHLY CHARGES AND EMPLOYER CONTRIBUTION

A. Does your plan have a Section 125 plan which offers employees cash in lieu of health plan benefits? Yes No

11/2/03
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B. It is understood that the amount shown as employer contribution will be paid by you without charge to the eligible employees and the remainder collected by you from the eligible employees by payroll deduction and remitted monthly to BCBSNE.

The monthly charges will not change prior to 07/01/2010. This rate guarantee and continuation of coverage is subject to the Applicant continuing to meet BCBSNE underwriting guidelines, including minimum requirements for participation and contribution. If the number of covered employees increases or decreases 5% or more, or the terms of the Contract are changed, BCBSNE reserves the right to change the rates.

Other provisions: _____

	HEALTH		DENTAL	
	Employer Contribution	Total Monthly Charge	Employer Contribution	Total Monthly Charge
<input checked="" type="checkbox"/> Single	90%	\$526.85		
<input checked="" type="checkbox"/> Family	83%	\$1,295.53		
<input checked="" type="checkbox"/> Employee and Spouse	83%	\$1,129.58		
<input checked="" type="checkbox"/> Employee and Child	83%	\$1,129.58		

BENEFIT DESIGNS - COVERAGE ELECTION

The Benefit Plan Design options are described in the Application Attachment Forms, as identified below.

Please indicate the Benefit Plan Design(s) requested by marking the applicable box(es) below, and complete the appropriate Attachment Form(s). **The applicable Attachment Form(s) must be attached to this Application.**

- BluePreferred PPO Master Group Contract – Standard Options – **App-Att-A**
- BluePreferred PPO Master Group Contract – HSA Options – **App-Att-B**
- Rx Nebraska Prescription Drug Program – **App-Att-C**
- Dental Coverage – **App-Att-D**
- Group Medicare Supplemental - Retirees Only – **App-Att-E**
- Nebraska BlueChoice Master Group Contract – **App-Att-F**
- BlueClassic Master Group Contract – **App-Att-G**
- BlueTraditional Master Group Contract – **App-Att-H**

A separate Endorsement Summary or list may be used to identify Endorsements and/or special coverage provisions for this group plan. If used, it becomes a part of this Master Group Application and is hereby incorporated by this reference.

Yes, Endorsement Summary/List attached.

AUTHORIZED PLAN CONTACTS

The HIPAA Privacy Rules provide that the Group Health Plan is a separate legal entity from the Employer/Plan Sponsor. In compliance with the Rules, it is necessary to designate Authorized Plan Contacts for the Group Health Plan.

The Group Health Plan (GHP) Primary Contact is indicated on page 1 of this Master Group Application. The GHP Primary Contact serves as BCBSNE's primary contact for the GHP, and may also designate additional Authorized Plan Contacts for the GHP. Authorized Plan Contacts may be given access to Group Health Plan Information received from BCBSNE in accordance to the requirements set forth within the HIPAA Privacy Rules. **The GHP Primary Contact must identify Authorized Plan Contacts, and notify BCBSNE of any additions or deletions, by utilizing the Authorized Plan Contacts Form (8933).**

Except as specifically agreed in writing by BCBSNE, the Plan and Plan Sponsor, all disclosure of Protected Health Information (PHI) from BCBSNE shall be made to the Plan, or an Authorized Plan Contact.

APPLICANT CERTIFICATION AND SIGNATURE

I represent that I am authorized to obtain coverage on behalf of the Group Health Plan.

I have read and understand the provisions of this Application for a Master Group Contract and certify that all information herein is true and accurate and agree to the provisions specified. I understand that if any information on this Application is in conflict with the proposal, BCBSNE reserves the right to recalculate and change the rates previously proposed, or to decline coverage. I understand the possible effect of canceling our current group plan coverage or administrative services prior to receiving final approval from BCBSNE.

[Signature]
Signature

Chairman
Title

5/19/2009
Date

Joni Jones
(Typed Name)

(Typed Title)

(Typed Date)

AGENT CERTIFICATION:

I certify that I have verified the information in this Application for a Master Group Contract with the records of the Applicant and it is true and accurate to the best of my knowledge.

[Signature]
Signature

Broker
Title

5/19/09
Date

Mike Williams
(Typed Name)

Broker
(Typed Title)

5/19/09
(Typed Date)

ACCEPTANCE BY BLUE CROSS AND BLUE SHIELD OF NEBRASKA:

This Master Group Application is accepted.

This Master Group Application is accepted with the following changes: _____

Daniel W. Alm
Signature (Blue Cross and Blue Shield of Nebraska)

VP UNDERWRITING
Title

6/19/09
Date

The noted changes in this part are acceptable.

Signature of Applicant

Date

Please sign both the original and the copy. Retain the copy and return the original to Blue Cross and Blue Shield of Nebraska.

FOR OFFICIAL USE ONLY

Contract No.: Health _____ Dental _____ Med. Supp. _____

Endorsements: 9.2466 9.2177 9.2432

IN Draft

**BluePreferred Preferred Provider Organization Master Group Contract
Standard Design Options**

Contract Form No. 9836-I(1/2004)

Group – Dept. No. 04800 - All

This Attachment may be duplicated as necessary to include additional options. Please indicate number of options here: 1

OPTION 1

	Preferred	Non-Preferred
Deductible:		
Individual	\$3,000	\$6,000
Family Maximum	\$6,000	\$12,000
Coinsurance Limit:		
Individual	\$450	\$3,900
Family Maximum	\$900	\$7,800
Coinsurance Percentage for:		
Hospital/Medical/Surgical	30%	50%
Inpatient Mental Illness, Drug Abuse and Alcoholism	30%	50%
Outpatient Mental Illness, Drug Abuse and Alcoholism	0%	50%
Copayment Amount for:		
Outpatient Mental Illness, Drug Abuse and Alcoholism (therapy or "unit" services)	\$25	\$50

- A. **Inpatient Notification, Certification and Concurrent Review:** Failure to notify BCBSNE of an inpatient admission or to certify an admission, as required, will result in a 25% _____ reduction of benefits for all covered services related to that admission. Certification denial of an admission or continued stay will result in a denial of benefits for all services determined to be not medically necessary.
- B. **Total Benefits For All Covered Services (Per Person)** - \$2,000,000 Other: \$10,000,000
- C. **Total Benefits (Per Person) For Drug Abuse and Alcoholism** - \$20,000 Other: \$50,000
- D. **Appeals Procedure Endorsement (Form):** (A) _____ (B) _____ (C) _____ (D) X
- E. **Optional Endorsements:**
- Yes No **Office Visit Copayment for Preferred Providers** \$10 \$15 Other: _____
- Yes No **Office Services Copayment for Preferred Providers**
Endorsement Form: (9-2177 Includes Surgery)
Copayment Amount: \$25 PCP / \$50 Specialist
- Yes No **Preventive (Routine) Care** Endorsement Form: 9-
Calendar year maximum \$ N/A
Deductible Yes No Coinsurance Yes No
Copayment Yes No \$ 25 PCP / \$50 Specialist

F. **Family Deductible/Coinsurance:** Aggregate Embedded. If embedded, each family member must only meet the embedded single Deductible of \$ 3,000 Preferred/\$6,000 Non-Preferred and the embedded Coinsurance Limit (not including the deductible) of \$ 450 Preferred/\$900 Non-Preferred.

G. **Other Health Coverage Endorsements and Provisions:** See attached endorsement summary.

APP-ATT-C

RX Nebraska Prescription Drug Program

Rush Rx Set-Up Group – Dept No. 04800 – ALL

Standard Benefit Schedule – Covered and noncovered services as stated in Master Group Contract. (If the designated Master Group Contract does not include RX Nebraska provision, use Endorsement 9856 to add standard RX Nebraska.)

Non-Standard Benefit Schedule - Endorsement 99-841 and Form 4718A (please complete).

Rx Nebraska Prescription Drug Pass-Thru – Endorsement 9-1313 (skip section A., see section B., below).

A. **BENEFIT DESIGN OPTIONS** (Standard and Non-Standard Benefits)

Mail Order Benefits: Yes No

Maximum Day Supply:

Retail: 90-Day Supply 30 -Day Supply
Mail Order (if applicable): 90-Day Supply 30 -Day Supply

Copayment Amounts:

Two-Tier

Three-Tier

Retail:	Brand:	\$ _____ / _____ %	Generic:	\$10 _____ / _____ %
	Generic:	\$ _____ / _____ %	Formulary:	\$30 _____ / _____ %
			Non-Formulary:	\$55 _____ / _____ %
Mail Order:	Brand:	\$ _____ / _____ %	Generic:	\$10 _____ / _____ %
	Generic:	\$ _____ / _____ %	Formulary:	\$30 _____ / _____ %
			Non-Formulary:	\$55 _____ / _____ %

- Copayment is applicable per each 30-day supply (retail); per each 30-day supply (mail order).

Specialty Pharmacy Benefit Yes No Applies to drugs on the specialty pharmacy drug list. Place of dispensing overrides the formulary status for copayments for these drugs.

Specialty Network: \$ _____ or _____ % with max copay per RX \$ _____
Out-of-Network: \$ _____ or _____ % with max copay per RX \$ _____

Mandatory generic pricing Yes No (if the covered person requests a Name Brand Medication [DAW Code 2] when a generic version is available, he or she is responsible for the difference in cost between the name brand and generic drug, plus the applicable copayment amount.)

Mail Order Maintenance List Yes No Limits the mail order benefit to chronically used medications, thereby increasing the efficiency of mail order process. Available medications are listed on mail order maintenance list.

Deductible: Yes No Amount: \$ _____
Family: Yes No
Individual: Yes No

Calendar Year Copayment Maximum: Yes No Amount: \$ _____

Once copayment maximum is met for a year, benefits payable as follows: _____

Benefit Maximum Per Year: Yes No Amount: \$ _____

09/15/05

B. Rx Nebraska Pass-Thru Benefits: This option allows covered persons to present their identification card to a participating Rx Nebraska pharmacy, and be eligible to receive the negotiated discounted price (if applicable) for a covered prescription purchase. Participating pharmacies will file the claim to BCBSNE on behalf of the covered person, and benefits will be paid directly to the covered person, subject to the applicable Master Group Contract deductible and coinsurance amounts. If BluePreferred Master Group Contract is in effect, the benefit level is the Preferred level, unless otherwise noted below. (Par and non-par pharmacy claims are paid at same level.)

Standard or Non-Standard benefit schedule for RX Pass--Thru Benefits (if non--standard, complete form 4718A).

Other Pass-Thru Provisions: N/A

C. Pharmacy Preauthorization Programs

COX-2 Inhibitor and Mobic Preauthorization Program: Yes No

Leukotrine Modifier Preauthorization Program: Yes No

Proton Pump Inhibitor Step-Therapy Preauthorization Program: Yes No

D. Other Rx Nebraska Provisions: N/A



PERSONNEL DEPARTMENT
Sarpy County Clerk's Office
1210 Golden Gate Drive, Papillion, NE 68046-2895
(402) 593-4487 or 593-4485
www.sarpy.com



TO: Sarpy County Board of Commissioners
FROM: Linda Welles, Senior Administrator: Personnel
SUBJECT: Employee Group Insurance (Health, Dental)

Mike Williams (Williams-Deras & Associates, Inc.), under contract with Sarpy County for insurance consulting, has completed his negotiations with both Blue Cross and Blue Shield of Nebraska and MetLife and has verbally stated that they have offered to renew the current group insurance plans with Sarpy County.

The County's contract with Blue Cross Blue Shield (BC/BS) for employee group health insurance will expire on July 1, 2009 and requires renewal in sufficient time for the benefits open enrollment period beginning May 26, 2009. There will be an increase in monthly premiums and Mike has made recommendations with regard to plan design and will provide these options for your approval.

The County's agreement with MetLife for dental insurance pricing will also expire on July 1, 2009. Dental premiums will increase 5.00%. Long-term disability and life insurance premiums will remain the same and will not increase for an additional two-year negotiated period.

Mike is scheduled to appear before the Board on May 19, 2009, to recommend renewal of both BC/BS health insurance and MetLife insurance for the period of July 1, 2009 through June 30, 2010. Please find attached, for your review, the proposed resolutions authorizing the Chairman to sign the renewal with Blue Cross/Blue Shield and approve the renewal for employee group insurance services with MetLife.

May 15, 2009

Linda Welles

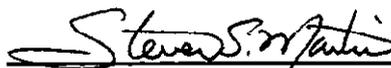
Attachment

cc: Deb Houghtaling, County Clerk
Fred Uhe, Chief Deputy County Clerk
Mark Wayne, County Administrator
Scott Bovick, Deputy County Administrator
Brian Hanson, Fiscal Administrator
Mike Williams, Williams-Deras & Associates

ENDORSEMENT

This is an Endorsement. An Endorsement is used by Blue Cross and Blue Shield of Nebraska to change your coverage. Please read it carefully. This Endorsement becomes a part of your Master Group Contract and should be attached to it. This Endorsement applies to:

Master Group Contract HIPAA and COBRA Amendments



Steven S. Martin, President
and Chief Executive Officer

The Master Group Contract to which this Endorsement is attached is amended as follows:

PART I. ELIGIBILITY, EFFECTIVE DATE OF COVERAGE, SPECIAL ENROLLMENT PERIOD, WAITING PERIODS FOR PRE-EXISTING CONDITIONS AND EVIDENCE OF COVERAGE.

Delete SPECIAL ENROLLMENT PERIOD and replace it with the following:

C. **SPECIAL ENROLLMENT PERIOD:** An eligible person who has not previously enrolled for coverage, may be able to enroll during a Special Enrollment Period.

1. **A Special Enrollment Period of 31 days is available** to an eligible person who declined coverage under this Contract at the time enrollment was previously offered because he or she was covered under other group health plan or health insurance coverage and who has subsequently lost that coverage because of any of the following:

a. The other coverage was COBRA continuation coverage which has now been exhausted.

b. The other coverage was not COBRA continuation coverage, and the coverage has been terminated resulting from loss of eligibility, including loss because of death of a spouse, divorce or legal separation, termination of employment or reduction in hours of employment, or the prior plan no longer offers any benefits to the class of individuals that includes the person. (A voluntary termination of coverage, a failure to pay premiums, or reasons determined to be "for cause," do not qualify as a loss of eligibility for coverage under this paragraph C.).

A loss of eligibility for coverage shall include that which is due to moving out of the service area of an HMO or other arrangement that only provides benefits to individuals who reside, live or work in the service area; or a loss due to the exhaustion of a lifetime limit on all benefits.

c. The other coverage was not COBRA continuation coverage and the employer ceased to make a contribution for other health insurance coverage.

Persons requesting enrollment during this Special Enrollment Period must do so within 31 days of the loss of other coverage, or late enrollment provisions may apply. The Subscriber must enroll (if not already covered) in order to enroll his or her Eligible Dependents during this Special Enrollment Period.

If required by the Group Applicant, the Subscriber must have waived enrollment for coverage in writing when coverage under this Contract was last offered, citing the other coverage as the reason for declination.

2. **A Special Enrollment Period of 31 days is available** to a Subscriber who acquires an Eligible Dependent through birth, adoption, placement for adoption or marriage. A Subscriber who is eligible, but who has not previously enrolled, may enroll at this time, whether or not the new Eligible Dependent(s) is enrolled. Likewise, an eligible spouse who has not previously enrolled may enroll at this time, whether or not the new Eligible Dependent child is enrolled.

Persons requesting enrollment during this Special Enrollment Period must do so within 31 days of the marriage, birth, adoption or placement for adoption, or late enrollment provisions may apply. The Subscriber must also enroll (if not already covered) in order to enroll his or her Eligible Dependents during this Special Enrollment Period.

3. **A Special Enrollment Period of 60 days is available** to a Subscriber or his or her Eligible Dependent(s) who is eligible but not enrolled, if either of the following conditions is met:

- a. the Subscriber or dependent is covered under Medicaid or a State Child Health Insurance Program (SCHIP), and such coverage is terminated as a result of a loss of eligibility.
- b. the Subscriber or dependent becomes eligible for premium assistance under Medicaid or a State Child Health Insurance Program (SCHIP) with respect to coverage under the group health plan.

The Subscriber must request enrollment in the group health plan not later than 60 days after the termination of coverage described in paragraph a., or not later than 60 days after the date the Subscriber or dependent is determined to be eligible for assistance as described in paragraph b., above. The Subscriber must also enroll (if not already enrolled) in order to enroll his or her Eligible Dependents during this Special Enrollment Period.

PART III. CONTINUATION OF COVERAGE; TRADE ADJUSTMENT ASSISTANCE REFORM ACT (TAA); CONVERSION COVERAGE.

The section titled **Federal Continuation Law** is amended to add the following to paragraph 2:

Second Qualifying Event: Continuation coverage may be extended up to a maximum of 36 months for an employee's covered spouse and/or Eligible Dependents when one of the following second qualifying events occurs during an 18-month period of COBRA coverage (or the extended 29-month period), provided that the second qualifying event would have caused the spouse or Eligible Dependent to lose coverage under the plan had the first qualifying event not occurred:

- 1) the covered employee dies;
- 2) the covered employee becomes entitled to Medicare;
- 3) the covered employee gets divorced or legally separated;
- 4) the covered dependent child is no longer eligible as a dependent under the plan.

PART XX. DEFINITIONS.

Delete the definition of **Creditable Coverage** and replace it with the following:

Creditable Coverage: Coverage of the individual under any of the following: (a) a group health plan, as defined by HIPAA; (b) health insurance coverage consisting of medical care offered by a health insurance issuer in the group or individual market; (c) Part A or Part B of Medicare; (d) Medicaid, other than coverage consisting solely of benefits under section 1928 (for pediatric immunizations); (e) Title 10 U.S.C. Chapter 55 (medical and dental care of the

uniformed services); (f) a medical care program of the Indian Health Service or a tribal organization; (g) a State health benefits risk pool; (h) the Federal Employees Health Benefits Program; (i) a public health plan, which means a plan providing health coverage that is established by a State, the U.S. government, or a foreign country, or a political subdivision thereof; (j) a health plan of the Peace Corps, or (k) a State Children's Health Insurance Program (SCHIP).

Creditable Coverage does not include coverage described in HIPAA as "excepted benefits," including: coverage only for accidents; disability income coverage; liability insurance, including general liability and automobile liability and any supplement thereto; credit only insurance; or coverage for on-site medical clinics.

Other excepted benefits include: limited scope dental or vision coverage or long term care coverage; non-coordinated coverages offered separately, such as specified disease or illness policies, hospital or other fixed indemnity insurance; and supplemental benefits such as Medicare Supplemental health insurance, TRICARE supplemental programs or other similar supplemental coverage.

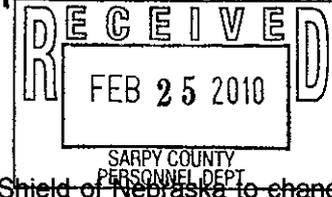


**BlueCross BlueShield
of Nebraska**

7261 Mercy Road
Omaha, Nebraska 68180-0001
www.bcsne.com

eff 2/1/09

ENDORSEMENT



This is an Endorsement. An Endorsement is used by Blue Cross and Blue Shield of Nebraska to change your coverage. Please read it carefully. This Endorsement becomes a part of your Master Group Contract and should be attached to it.

This Endorsement applies to:

**Physician's Office Services Copay for non-Routine Care
(includes surgery and anesthesia)**

Steven S. Martin, President
and Chief Executive Officer

The Master Group Contract to which this Endorsement is attached is amended as follows:

1. Benefits for the following Covered Services by a Preferred Physician incurred in the physicians' office shall be paid at 100% of the Allowable Charge, less a Copayment Amount, payable by the Covered Person. The Covered Person is responsible for payment of the Copayment Amount directly to the Preferred Physician. The Copayment Amount is \$ 25 for office services by a "primary care" Preferred Physician or \$ 50 for office services by a "specialist" Preferred Physician.

For purposes of this Endorsement, a "primary care Physician" shall mean a family practitioner, pediatrician, internal medicine physician, or obstetrician/gynecologist. All other types of Physicians not identified in the preceding sentence will be considered to be a "specialist Physician".

Covered Services include, but are not limited to:

- a. Physician office visits and consultations, including a second opinion consultation.
- b. X-ray, laboratory and pathology services performed in the Physician's office.
- c. Supplies used to treat the patient during the office visit (not including Home Medical Equipment).
- d. Drugs administered by the Physician during the office visit (not including injections).
- e. Hearing exams (when covered according to the terms of the Master Group Contract or endorsements thereto).
- f. Eye exams (when covered according to the terms of the Master Group Contract or endorsements thereto).
- g. Allergy testing and injections.
- h. Surgical procedures and anesthesia.

2. Services provided to a Covered Person as a Hospital Inpatient or Outpatient are excluded under this Endorsement. In addition, the following services will not be covered by this Endorsement:

- a. Services provided by non-Preferred Providers.



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- b. MRIs (magnetic resonance imaging), MRA's (magnetic resonance angiogram), CT and PET scans, and sleep studies.
 - c. Routine examinations or services and preventive health care services.
 - d. Services for Mental illness, alcoholism and/or drug abuse.
 - e. Services for Pregnancy.
 - f. Other services not specifically covered under this Endorsement.
3. Charges, to the extent benefits are provided under this Endorsement, are not eligible for additional benefits under any other part of the Contract.
4. Benefits provided according to this Endorsement are subject to all other terms, conditions, exclusions, limitations and definitions set forth in the Contract to which this Endorsement is attached.