

## SUMMARY OF BENEFIT CHANGES AND CONTRACT LANGUAGE CLARIFICATIONS

### To implement the Patient Protection and Affordable Care Act (Reform)

This comparison summarizes the revisions that will be made to group products effective with the first renewal after September 23, 2010 (unless specifically noted otherwise). Health insurers continue to receive additional guidance from the U.S. Department of Health and Human Services (HHS) regarding Reform. Therefore, this information is subject to change.

This list does not include minor grammatical or cosmetic modifications. If there is any inconsistency between this Summary of Changes and the Booklet, Policy, Plan or Endorsement the terms of the Booklet, Policy, Plan or Endorsement will prevail.

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| BENEFIT / REGULATORY / LEGISLATIVE CHANGES  |   |  |
| COMPONENT / CONTRACT(S) AFFECTED  | EXISTING CONTRACT / BOOKLET / REASON FOR CHANGE   | NEW CONTRACT / BOOKLET LANGUAGE  |
| <b>ANNUAL LIMIT</b><br>Applies to all <u>group</u> products.                                      | Added an annual limit to accommodate the <b>essential benefit</b> mandate under Reform.   | Added a \$2,000,000 annual limit to all benefits except for adoption, dental and vision care, if included as part of the contract.   |
| <b>BOOKLET</b><br>Applies to all <u>group</u> products.   | All terms of "dependent child(ren)" shall be revised to accommodate the <b>enrolled child(ren) eligibility</b> requirement under Reform.  | Such references of "dependent child(ren)" shall now be "child(ren)."   |
| <b>DEPENDENTS</b><br>Applies to all <u>group</u> products.  | Revised the age of eligible children and removed the marriage or domestic partner status to accommodate the <b>enrolled child(ren) eligibility</b> requirement under Reform.        | Eligible children can now be up to 26 years of age and married or entered into a domestic partnership.   |
| <b>DEPENDENTS</b><br>Applies to all <u>group</u> products.  | Eligible children to be "dependent" upon the employee or employee's spouse will no longer apply to accommodate the <b>enrolled child(ren) eligibility</b> requirement under Reform. | Removed entire paragraph that expressed the enrolled child must be "dependent" upon the employee or employee's spouse for partial or total support.  |
| <b>DEPENDENTS</b><br>Applies to all <u>group</u> products.  | Revised the age of disabled children requiring updated affidavit information to accommodate the <b>enrolled child(ren) eligibility</b> requirement under Reform.                    | Added additional information at the end of the Dependents provision to show that an adult child will not be allowed to enroll if they are eligible for other employer coverage.                                  |
| <b>FRAUDULENT USE OF BENEFITS</b><br>Applies to all <u>group</u> medical products.                | Revised the paragraph to add the term "material" as appropriate to accommodate the <b>fraud and misrepresentation</b> requirement under Reform.                                     | The paragraph will now start: "If You or Your Enrolled Dependent engages in an act or practice that constitutes fraud in connection with coverage or makes an intentional misrepresentation of material fact..." |
| <b>FRAUD OR MISREPRESENTATION IN APPLICATION</b><br>Applies to all <u>group</u> medical products. | Revised the provision to use the term "material" as appropriate to accommodate the <b>fraud and misrepresentation</b> requirement under Reform.                                     | The second sentence of the paragraph will now begin: "In the event of any intentional misrepresentation of material fact or fraud..."<br><br>The two bullets will now start as: "With regard to a Member..."     |

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| <p><b>GRANDFATHERED</b></p> <p>Applies to all <u>group</u> products.</p>                                  | <p>Added disclaimer to point out a grandfathered versus a non-grandfathered Contract to accommodate the <b>grandfathering</b> requirement under Reform.</p>  | <p>Added the following disclaimer: "We believe this coverage is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (PPACA). As permitted by PPACA, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that Your plan may not include certain consumer protections of PPACA that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in PPACA, for example, the elimination of lifetime limits on benefits.</p> <p>Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Group. For ERISA plans, You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1 (866) 444-3272 or <a href="http://www.dol.gov/ebsa/healthreform">www.dol.gov/ebsa/healthreform</a>. This website has a table summarizing which protections do and do not apply to grandfathered health plans."</p> |
| <p><b>HOW CALENDAR YEAR BENEFITS RENEW</b></p> <p>Applies to all <u>group</u> medical products.</p>       | <p>Revised section to remove the lifetime maximum for the entire plan. The maximum no longer applies to accommodate the <b>lifetime maximum benefits</b> requirement under Reform.</p>                           | <p>Revised second paragraph to read: "Some benefits of this Contract have a separate Maximum Benefit based upon a Member's Lifetime and do not renew every Calendar Year. Those exceptions are specifically noted in the benefits sections of this Booklet."</p>   |
| <p><b>LIMITS (DOLLAR MAXIMUM BENEFIT LIMITS)</b></p> <p>Applies to all <u>group</u> products.</p>         | <p>The dollar maximum limits will no longer apply to accommodate the <b>essential benefits</b> mandate under Reform.</p>   | <p>Removed all dollar maximum limits, except for dental and vision care, if included as part of the contract.</p>  |
| <p><b>LIMITS (DOLLAR MAXIMUM REVISION TO DAY/VISITS)</b></p> <p>Applies to all <u>group</u> products.</p> | <p>The dollar maximum limits will be revised to a day/visit maximum on specified benefits to accommodate the <b>essential benefits</b> mandate under Reform.</p>   | <p>Revised any dollar maximum limits on the specified benefits below to a day/visit limit: Neurodevelopmental Therapy and Rehabilitation Services.</p>   |
| <p><b>LIFETIME MAXIMUM BENEFITS</b></p> <p>Applies to all products.</p>                                   | <p>The lifetime maximum for the entire plan no longer applies to accommodate the <b>lifetime maximum benefits</b> requirement under Reform.</p>  | <p>Removed the entire Lifetime Maximum Benefits provisions.</p>  |
| <p><b>LOSS OF DEPENDENT STATUS</b></p> <p>Applies to all <u>group</u> products.</p>                       | <p>Eligible child(ren) entering into a marriage or domestic partner status being cause for termination no longer applies to accommodate the <b>enrolled child(ren) eligibility</b> requirement under Reform.</p> | <p>The bullet reading: "For an enrolled child who marries, eligibility ends on the..." has been removed.</p>   |

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| <p><b>MAXIMUM BENEFITS</b></p> <p>Applies to all <u>group</u> products.</p>                               | <p>The lifetime maximum for the entire plan no longer applies to accommodate the <b>lifetime maximum benefits</b> requirement under Reform.</p>  | <p>Removed the entire first paragraph. Revised the beginning of the second paragraph to read as: "Some benefits for Covered Services may have..."</p> <p>Also removed the following sentence from the second paragraph: "Benefits paid for those Covered Services also apply toward the cumulative Lifetime Maximum Benefit amount."</p> |
| <p><b>PREEXISTING CONDITION</b></p> <p>Applies to all <u>group</u> medical products.</p>                  | <p>Members who enroll prior to 19 years of age will no longer have a waiting period for preexisting conditions imposed to accommodate the <b>preexisting exclusions for children</b> requirement under Reform.</p> | <p>Revised last sentence of the paragraph to read: "In addition, exclusion periods for Preexisting Conditions are not imposed on a Member who is enrolled prior to reaching 19 years of age."</p>  |
| <p><b>SUBMISSION OF CLAIMS AND REIMBURSEMENT</b></p> <p>Applies to all <u>group</u> medical products.</p> | <p>Revised section to remove the lifetime maximum for the entire plan. The maximum no longer applies to accommodate the <b>lifetime maximum benefits</b> requirement under Reform.</p>                             | <p>Revised the second paragraph to read: "You will be responsible for the total billed charges for benefits in excess of any Maximum Benefits, and for charges for any other service or supply not covered under this plan, regardless of the Provider rendering such service or supply."</p>  |
| <p><b>ULHIGA NOTICE</b></p> <p>Applies to all <u>group</u> products.</p>                                  | <p>Per Utah DOI, need to revise the ULHIGA Notice based on specific revisions received from the Utah DOI.</p>  | <p>Entire provision has been replaced with new language from the Utah DOI.</p>   |



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