

STATE OF NEW MEXICO

Medical Plan

EFFECTIVE: July 1, 2009
Offered by State of New Mexico
Administered by Lovelace Insurance Company

Addendum to 2009 Fiscal Year - Summary Plan Description

welcome

This booklet describes your group medical benefits. The State of New Mexico strongly believes in providing for employees' protection and welfare and is pleased to offer this Plan.

This booklet is an addendum to the 2008 Summary Plan Description reflecting the changes for effective date of July 1, 2009. A summary of benefit changes is on page three.

A copy of the 2008 Lovelace Summary Plan Description can be downloaded from the Lovelace website at www.lovelacehealthplan.com/ibac.php

If any conflict should arise between this booklet and the claims administrative procedures of our Third Party Administrator, Lovelace Insurance Company, or if any provision is not covered or only partially covered, the terms of this benefit booklet will govern in all cases.

This addendum does not imply a contract of employment. The State of New Mexico reserves the right to terminate, discontinue, alter, modify, or change this Plan or any provision of this Plan at any time.

It is your responsibility to read and understand the terms and conditions in this booklet. You are urged to read this addendum and the full booklet carefully and use it to make well-informed benefit decisions for you and your family.

Very truly yours,

General Services Department, Risk Management Division (GSD/RMD)

Effective July 1, 2009 the following benefit changes will apply either in out-of-pocket cost, copay and/or coinsurance increase. A complete updated Summary of Benefits follows.

BENEFIT DESCRIPTION	2008 BENEFIT	2009 BENEFIT
Deductibles	\$100/\$200/\$300	\$150/\$300/\$450
Out of Pocket	\$2000/\$4000/\$6000	\$3000/\$6000/\$9000
Primary Care Provider*	\$10.00 (deductible waived)	\$15.00 (deductible waived)
Specialist Provider (includes maternity)	\$25.00	\$30.00
Laboratory	No Copay	10%
X-Ray	No Copay	10%
Inpatient Hospital	\$300.00 per admission	\$400.00 per admission
MRI/PET/CT Scans	10% up to maximum of \$200 per test	10% up to maximum of \$200 per test
Emergency Room Visit	\$150.00	\$175.00
Urgent Care Center	\$35.00	\$50.00
Mental Health Out Patient	\$25.00	\$30.00
Chiropractic, Acupuncture, Massage Therapy	\$25.00 (up to \$1500 per contract year)	\$30.00 (up to \$1500 per contract year)
Naprapathic Services	\$25.00 (up to \$1500 per contract year)	\$30.00 (up to \$1500 per contract year)
Durable Medical Equipment	15%	20%
Home HealthCare	\$25.00 Physician, no copay for nursing services	\$30.00 Physician, no copay for nursing services
Physical, Occupational, and Speech Therapy	\$25.00	\$30.00

The administration of lab and x-ray billed with an office visit – either with a primary care physician (PCP) or specialist will be as follows:

Lab and X-ray will be paid at 90% – member will pay the PCP copay and 10% coinsurance for lab and x-ray – not subject to deductible for Primary care visit; subject to deductible for Specialist visit and applicable Specialist copay.

There is no change to the Wellness benefit. The benefit remains at 100% for annual exam, lab or x-ray associated with annual visit – not subject to deductible.

Outpatient Services are billed separately for facility, provider, x-ray/lab, anesthesia and any other service rendered for outpatient procedure – all are subject to deductible and 10% coinsurance.

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STATE OF NEW MEXICO MEDICAL BENEFIT SUMMARY

BENEFIT HIGHLIGHTS		IN-NETWORK PARTICIPATING PROVIDER
Annual Deductible	Member deductible (contract year) <ul style="list-style-type: none"> • Single • 2-Party • Family 	\$150 \$300 \$450
Annual Out-of-Pocket Maximum	Out-of-pocket maximum (contract year) <ul style="list-style-type: none"> • Single • 2-Party • Family 	\$3,000 \$6,000 \$9,000
Lifetime Maximum	Unlimited (Certain services are subject to contract year and/or lifetime maximums or are limited per condition.)	

COVERED SERVICES	DESCRIPTION	IN-NETWORK PARTICIPATING PROVIDER
Co-pay/Co-insurance may be subject to deductible		No referral required for specialty care
Physician Services	Office visit <ul style="list-style-type: none"> • Primary/GYN care • Specialty care 	\$15 office visit Co-pay ⁵ \$30 office visit Co-pay
	Preventive services <ul style="list-style-type: none"> • Adult routine physical • Annual wellness exam • Well child care • Vision screening (through age 17) • Hearing screening (through age 25) • Immunizations • Adult wellness 	No Co-pay ⁵ No Co-pay ⁵ No Co-pay ⁵ No Co-pay ⁵ No Co-pay ⁵ No Co-pay ⁵ No Co-pay ⁵
	Laboratory	10%
	X-ray	10%
	Allergy testing, treatment	\$30 office visit co-pay
	Allergy injections by a nurse	No Co-pay
	Allergy extract preparation	No Co-pay
	Hospital Services	Hospitalization (includes room and board, inpatient physician care – physician visits, surgeon, and anesthesiologist) ³
Inpatient rehabilitation services ³		\$400 Admission Co-pay
Laboratory		10%
X-ray		10%
MRI/PET Scans/CT Scans (maximum \$200 per test)		10% Co-insurance
Hospital Observation Services (no admission)		\$200 Co-pay
Surgery – Outpatient (no hospital admission)		10% Co-insurance
Maternity Services	Physician/midwife services (delivery, prenatal/postnatal care)	\$15 Co-pay – initial visit only, all other visits no Co-pay
	Genetic testing and counseling ³	Co-pay based on place of service
	Home birth	No Co-pay
	Hospital admission ³	\$400 Co-pay per pregnancy
	Routine nursery care for newborns	No Co-pay
Emergency Services	Emergency room visit ² Urgent Care Center Ambulance ¹ <ul style="list-style-type: none"> • Ground transportation • Air ambulance 	\$175 Co-pay \$50 Co-pay \$30 Co-pay per trip \$100 Co-pay per trip
	Mental Health	Outpatient services
Inpatient services ³ Partial hospitalization ³		\$400 Co-pay per Admission \$200 Co-pay per Admission
Residential Treatment Center (must be medically necessary) ³		\$400 Co-pay per Admission

COVERED SERVICES	DESCRIPTION	IN-NETWORK PARTICIPATING PROVIDER	
Substance Abuse	Outpatient services (30 visits per contract year) ⁴	\$30 office visit Co-pay	
	Inpatient services (30 days per contract year, 2 courses of treatment per lifetime) ^{3,4}	\$400 Co-pay per admission	
	Partial hospitalization (same limits as above, combined with Inpatient services) ^{3,4}	\$200 Co-pay per admission	
	Intensive outpatient (non-Step Down)	\$200 Co-pay per admission	
	Residential Treatment Center (limited to 60 days/Contract Year; must be medically necessary) ^{3,4}	\$400 Co-pay per admission	
Other Services	Biofeedback (for specified medical conditions only)	\$30 Office visit Co-pay	
	Cardiac or pulmonary rehabilitation	\$30 Office visit Co-pay	
	Chemotherapy and/or radiation therapy	No co-pay in physician's office	
	Chiropractic, Acupuncture, and Massage Therapy (\$1,500 combined contract year max.) ⁴	\$30 Office visit Co-pay	
	Naprapathic services (\$1,500 contract year max.) ⁴	\$30 Office visit Co-pay	
	Chronic pain treatment	Co-pay based on place of service	
	Dental services (for specified medical conditions only) <ul style="list-style-type: none"> Inpatient ³ Outpatient 	\$400 Co-pay per admission \$30 Office visit Co-pay	
	Dialysis	No Co-pay	
	Durable Medical Equipment, orthotics, prosthetics and appliances ³	20% Co-insurance	
	Injectable drugs received in the office ³ <ul style="list-style-type: none"> If billed in conjunction with an office visit If provided by a nurse and no office visit is billed 	Included in office visit Co-pay No Co-pay	
	Home health care ³	\$30 Physician Co-pay; no Co-pay for nursing services	
	Hearing Aids (to include repair, replacement, & associated testing)	15% Co-insurance	
	Hospice ^{3,4} <ul style="list-style-type: none"> Bereavement counseling (limited to 3 sessions during the Hospice benefit period) Respite care (lifetime maximum of 2 sessions of up to 10 days for each Hospice benefit period) 	No Co-pay	
	Infertility related services (only limited services covered)	Co-pay based on services	
	Physical, occupational and speech therapy (maximum of 60 visits per condition, per contract year) ⁴	\$30 office visit Co-pay	
	Restorative speech therapy ³	50% to a lifetime maximum of \$500	
	Skilled nursing facility (max. 60 days per contract year) (Admission co-pay waived if readmitted within 15 days) ^{3,4}	\$400 Admission Co-pay	
	Sleep disorder studies <ul style="list-style-type: none"> Inpatient ³ Sleep lab (2 nights) 	\$400 Admission Co-pay \$200 Co-pay	
	Smoking cessation	50% Co-insurance	
	Surgical services <ul style="list-style-type: none"> Inpatient Outpatient In-Office <ul style="list-style-type: none"> PCP Specialist Reconstructive Surgery ³ <ul style="list-style-type: none"> Inpatient Outpatient 	Covered as part of Hospital Admission 10% Co-insurance Included in PCP office visit Co-pay ⁵ \$30 Office visit Co-pay \$400 Admission Co-pay \$200 Co-pay	
	Weight loss programs (Morbid Obesity) <ul style="list-style-type: none"> Inpatient ³ Outpatient 	\$400 Admission Co-pay \$30 Office visit Co-pay	
	Transplants ³	Coverage for human organ transplants (refer to Summary Plan Document for details on transplant coverage) (no lifetime maximum)	Co-pay based on place of service

1 Ambulance Co-pay is waived if transportation is Medically Necessary and results in an Inpatient Hospital Admission.

2 The \$175 emergency care is waived if an Admission results. Then, the Hospital Admission Co-pay applies.

3 Benefit Certification may be required or benefits may be denied.

4 This benefit includes an annual maximum payment, annual visit limitation, lifetime visit limitation and/or lifetime maximum payment. Refer to SPD for more information.

5 Not subject to the Deductible

VERBIAGE CHANGES AND ADDITIONS

Cancer Clinical Trials

Coverage shall be provided for Medically Necessary covered Routine Patient Care Costs at a New Mexico facility, incurred as a result of the Member's participation in a cancer clinical trial if:

- (1) The clinical trial is undertaken for the purposes of the prevention, early detection or treatment of cancer for which no standard cancer treatment exists;
- (2) The clinical trial is not designed exclusively to test toxicity or disease pathophysiology, and it has a therapeutic intent;
- (3) The clinical trial is being provided in this state as part of a scientific study of a new therapy or intervention that is being conducted at an institution in this state and is for the treatment, palliation or prevention of cancer in humans;
- (4) The clinical trial is being provided as part of a study being conducted in accordance with a clinical trial approved by at least one of the following: (a) One of the federal National Institutes of Health; (b) A federal National Institute of Health Cooperative Group or center; (c) The United States Food and Drug Administration in the form of an investigational new drug application; (d) The United States Department of Defense; (e) The United States Department of Veteran Affairs; or (f) A qualified research entity that meets the criteria established by the federal National Institutes of Health for grant eligibility;
- (5) The clinical trial or study has been reviewed and approved by an Institutional Review Board that has a multiple project assurance contract approved by the Office of Protection from Research Risks of the federal National Institutes of Health;
- (6) The personnel providing the clinical trial or conducting the study (a) Are providing the clinical trial or conducting the study within their scope of practice, experience and training and are capable of providing the clinical trial because of their experience, training and volume of patients treated to maintain their expertise; and (b) Agree to accept reimbursement as payment in full from Lovelace Insurance Company and that is not more than the level of reimbursement applicable to other similar services provided by the Participating Providers within Lovelace Insurance Company's network;
- (7) There is no non-investigational treatment equivalent to the clinical trial

For the purposes of this specific Covered Benefit and Service, the following terms have the following meaning:

- "Routine Patient Care Cost" – means (1) A medical service or treatment that is a benefit under the Plan that would be covered if the patient were receiving standard cancer treatment; or (2) A drug provided to a patient during a cancer clinical trial if the drug has been approved by the United States Food and Drug Administration, whether or not that organization has approved the drug for use in treating the patient's particular Condition, but only to the extent that the drug is not paid for by the manufacturer, distributor or Provider of the drug.

Routine Patient Care Cost does not include (1) The cost of an investigational drug, device or procedure; (2) The cost of a non-health care service that the patient is required to receive as a result of participation in the cancer clinical trial; (3) Costs associated with managing the research that is associated with the cancer clinical trial; (4) Costs that would not be covered by the patient's if non-investigational treatments were provided; or (5) Costs paid or not charged for by the cancer clinical trial Providers.

New Special Enrollment Period and Qualifying Events for Health Care Coverage under CHIPRA

The Children's Health Insurance Program (CHIP) (formerly the State Children's Health Insurance Program or SCHIP) provides health insurance to children and some adults in families that earn too much money to qualify for Medicaid, but still cannot afford to pay for private insurance. On February 4, 2009, a bill to reauthorize and expand CHIP was signed into law.

As a result, effective April 1, 2009, a new midyear special enrollment period related to two new qualifying events may be available for eligible employees and dependents to enroll in employer group health plans. This means that in addition to enrolling upon hire, at open enrollment, or as the result of existing qualifying events, employees and their dependents may now have additional opportunities to enroll in a health care plan.

Following are the two new qualifying events:

- Employees or dependents lose Medicaid or CHIP coverage due to loss of eligibility
- Employees or dependents become eligible for a Medicaid or CHIP premium assistance program (not all states may offer a premium assistance program)

Employees must request coverage within 30 days of the new qualifying event(s).

COBRA Premium Reduction Provisions under ARRA

President Obama signed the American Recovery and Reinvestment Act (ARRA) on February 17, 2009. The law gives "Assistance Eligible Individuals" the right to pay reduced COBRA coverage premiums for periods of coverage beginning on or after February 17, 2009 and can last up to 9 months, unless otherwise specified under federal law and described in the notice provided to subscribers when they or their eligible dependents become eligible for COBRA continuation coverage. To be considered an Assistance Eligible Individual and receive reduced premiums, you must:

- Be eligible for COBRA continuation coverage at any time during the period from September 1, 2008 through December 31, 2009, or, as may be amended by law, and elect the coverage;
- Have COBRA continuation coverage election opportunity related to an involuntary termination of employment that occurred at some time from September 1, 2008 through December 31, 2009;

- Not be eligible for Medicare; and
- Not be eligible for coverage under any other group health plan, such as a plan sponsored by a successor employer or a spouse's employer.
- If you are already enrolled into COBRA Continuation coverage due to an involuntary termination of employment after September 1, 2008, you may be eligible for a premium credit after March 1, 2009.

If, after you elect COBRA Continuation Coverage and while you are paying the reduced premium, you become eligible for other group health plan coverage or Medicare you MUST notify the plan administrator, RMD, in writing. If you do not, you may be subject to a tax penalty.

Electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS. The amount of the premium reduction is recaptured for certain high income individuals. If the amount you earn for the year is more than \$125,000 (or \$250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. For more information, consult your tax preparer or visit the IRS webpage on ARRA at www.irs.gov.

For specific information, please contact the RMD Customer Care Center at 1-877-301-8041.

