

DISCLOSURES

Overview

As a prospective member of KPS Health Plans, you have the right to receive and review information regarding KPS plans before you enroll. This information includes, but is not limited to, a summary of plan benefits (including limitations and exclusions), the costs you may incur under a KPS plan, certain KPS policies and procedures and a listing of participating primary care and specialty providers.

In compliance with Washington State law, KPS gives prospective enrollees the following documents:

Comparison Summary of Plan Benefits

Information regarding:

- ✓ Covered benefits.
- ✓ Exclusions, reductions and limitations to covered benefits.
- ✓ Amounts you are required to pay for your care, including:
 - Individual and family deductibles
 - Copayments
 - Coinsurance
 - Maximum annual out-of-pocket costs

Prescription Drug List (if your plan covers prescription drugs)

Information regarding:

- ✓ Drugs covered by the plan.
- ✓ Copayment amounts you are required to pay when you have a prescription filled.
- ✓ How often drugs are added to, or removed from the list, and where you can get more information.

KPS Health Plans Brochure

Information regarding:

- ✓ The types and availability of plans offered by KPS.
- ✓ Pre-authorization requirements for certain services.
- ✓ Referral requirements for specialty care.
- ✓ How KPS pays its network providers.
- ✓ A summary of KPS's appeals procedures.
- ✓ How KPS's prescription drug plans work.
- ✓ How you can learn more about KPS Health Plans.

KPS Privacy Policy

Information regarding:

- ✓ The types of personal information collected about each enrollee.
- ✓ The types of personal information KPS discloses and under what circumstances that information is disclosed.

You can also view this at MyKPS.net

For More Information

KPS also provides the following information to prospective members on request:

- ✓ A listing of network primary care and specialty providers
- ✓ A listing of network pharmacies
- ✓ Pharmacy Questions and Answers
- ✓ A complete description of covered benefits and services, including exclusions and limitations, an explanation of plan restrictions, and information on how to access care
- ✓ KPS's accreditation status and any publicly reported Health Employer Data Information Set (HEDIS) data

If you would like a copy of any of the referenced information, call, or if you wish, you may also send a written request for information to:

KPS Health Plans
P.O. Box 339
Bremerton, WA 98337

KPS
health plans
360-478-6786
1-800-628-3753
www.kpshealthplans.com

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KPS
health plans

2010 Individual and Family Plans



Why KPS

AT KPS WE FEEL THAT YOU DESERVE A QUALITY HEALTH PLAN THAT WORKS FOR YOU, NOT ONE TAILORED FOR SOMEONE IN ANOTHER STATE. YOU DESERVE A PLAN BACKED BY QUALITY CUSTOMER SERVICE LOCATED HERE AT HOME, AND NOT FROM A CALL CENTER IN ANOTHER STATE OR COUNTRY. WE KNOW YOUR NEEDS AS WE HAVE BEEN HERE FOR YOU AND YOUR NEIGHBORS FOR MORE THAN 60 YEARS.

KPS was established in Bremerton, Washington in 1946. We are a Washington state nonprofit health care service contractor offering preferred provider organization (PPO) health plans, and providing Medicare Supplement health care coverage to seniors throughout the entire state of Washington, as well as a full range of other plans to cover individuals, families, or businesses for an entire lifetime.

WE'RE HERE FOR YOU

Providers

Whether you live near Seattle, Olympia, Walla Walla, Anacortes, or our hometown of Bremerton, rest assured that KPS is working for you! Our extensive offering of providers, from the KPS, First Choice Health, and MultiPlan/PHCS networks spans across Washington state and beyond! Our networks give you a choice of more than 47,000 providers in Washington state alone.

MyKPS

You have access to an extensive online service offering secure access to a personal health record, prescription, claims and benefit information, a question and answer section, and more! MyKPS is your personal 24/7 customer service site.

Online Enrollment

KPS makes it easy. You can now apply for your new KPS Individual/Family Health Plan online. Select your plan and apply conveniently at www.kpshealthplans.com.

Prescription Drugs Your health care plan may include a prescription drug plan coverage. This three-tier plan includes generic drugs (Tier 1), preferred brand-name drugs (Tier 2) and non-preferred brand-name drugs (Tier 3). While this prescription plan does encourage the utilization of generic drugs that are pharmaceutically and therapeutically equivalent to brand-name drugs, both preferred and non-preferred brand-name drugs are also covered. KPS uses the national MedImpact Pharmacy Network, which includes all national chains and most local pharmacies.

KPS Health Plans is committed to protecting the privacy of your personal and health information. Effective April 14, 2003 we were required by applicable federal and state law to maintain the privacy of your personal and health information. KPS Health Plans is also required to give you this notice to tell you how KPS may use and give out ("disclose") your personal and health information held by KPS Health Plans.

Personal and health information (referred to in this notice as "personal information") means any information that is identifiable to you as your personal information, including information regarding your health care and treatment, identifiable factors such as your name, age, and address; or financial information.

We may collect personal information about you, or members covered by KPS Health Plans through you, from the following sources:

- Information we receive from you, including information you provide on applications or other forms,
- Information we receive from your health care providers or other companies, such as other health insurance companies, relating to your medical claims and billings,
- General information about the health care services you have received, such as the quality and availability of services.

We restrict access to personal information about you to only those who need to know that information to provide treatment, payment or health care operations services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your personal information.

We do not disclose any personal information about our members or former members to anyone, except as permitted or required by law. However, KPS Health Plans will use and give out your personal health information:

- To you or someone who has the legal right to act for you (your personal representative) or a close family member who is involved in your care, or responsible for the payment of your services,
- To the Secretary of the Department of Health and Human Services, if necessary, to make sure your privacy is protected,
- To law enforcement officials when investigating and/or prosecuting alleged civil or criminal actions, and
- Where required by law.

KPS Health Plans **has the right** to use and give out your personal information to arrange for treatment, payment of, and health care operations services, including:

- Medical quality reviews.
- Accounting.
- Legal and risk management services.

KPS Health Plans **may** use or give out your personal information for the following purposes under limited circumstances:

- For Government healthcare oversight activities (such as fraud and abuse investigations),
- To avoid a serious and imminent threat to the health or safety of you or the public.

By law, KPS Health Plans must have your written permission (an "authorization") to use or give out your personal information for any purpose that is not set out in this notice. You may take back ("revoke") your written permission at any time, except if KPS has already acted based on your permission.

By law, you **have the right** to:

- See and get a copy of your personal information held by KPS Health Plans, except in certain limited situations.
- Make a reasonable request in writing to amend any of your personal information created by KPS Health Plans if you believe that it is wrong or if information is missing, and KPS Health Plan agrees. If KPS Health Plans disagrees, we will notify you why in writing. You may have a statement of your disagreement added to your personal information.
- Get a listing of those obtaining your personal information from KPS Health Plans in the past 6 years. The listing will not include information:
 - ✓ That was given to you or your personal representative or close family relative involved in your care or payment of such care, or
 - ✓ That you authorized KPS Health Plans to release, or
 - ✓ That was given out for law enforcement purposes, or
 - ✓ That was given out to pay for your health care claim or a disputed claim.
- Request in writing that KPS Health Plans communicate with you in confidence about your personal information by alternative means or to an alternative location. If you advise us that disclosure of all or any part of your personal information could endanger you, we must comply with any reasonable request provided it specifies an alternative

means or location.

- Ask KPS Health Plans to place additional restrictions on our use or disclosure of your personal information for treatment, payment, health care operations or to persons you identify. We are not required to agree to these additional restrictions and will notify you about the reasons regarding this action. If we do agree to the additional restrictions, we will abide by our agreement (except in an emergency).
- Get a separate electronic or paper copy of this notice.

For more information about exercising your rights set out in this notice, you may call KPS Health Plans' Member Services department at (360) 478-6796 or toll free at (800) 552-7114. You can also reach KPS Health Plans' privacy official for this purpose at (800) 552-7114.

If you believe KPS Health Plans has violated your privacy rights set out in this notice, you may file a complaint with KPS Health Plans at the following address:

KPS Health Plans

Compliance Department
P.O. Box 339
Bremerton, WA 98337

Filing a complaint will not affect your benefits under KPS Health Plans. You also may file a complaint with the Secretary of the Department of Health and Human Services.

KPS Health Plans does have the right to change the way your personal information is used and given out. If KPS Health Plans makes any changes, you will get a new notice by mail within 60 days of the change, and that notice will become effective on the date the revised notice is issued.

Please note: Telephone calls to and from KPS Health Plans may be recorded for quality assurance and training purposes.

If you are the primary subscriber with KPS Health Plans and other persons are covered by KPS Health Plans through you, we suggest that you share this information with each other to ensure that each of you is aware of our policy and your privacy rights.

Please refer to KPS Health Plans' website at www.KPSHealthPlans.com for more information about our privacy practices. Need more information? Click here for more detailed information.

Coverage is limited to the diagnosis and therapeutic care or treatment of disease, sickness or injury, or the prevention of disease, sickness or injury, as described in the Contract. The following services are specifically excluded from coverage for:

1. Air conditioners, de-humidifiers, air purifiers.

2. Any care, treatment, or service received prior to your effective date of coverage under this Individual Plan.

3. Any care, treatment, or service received after coverage under this Individual Plan has ended.

4. Arch supports, shoe orthotics, corrective shoes, and elastic stockings, except as specifically provided for under the **Diabetic Education, Equipment and Supplies** benefit.

5. Artificial insemination, in vitro fertilization, and gamete intra-fallopian transplant (GIFT), including any direct or indirect complications or after-effects other than pregnancy.

6. Biofeedback, except in the case of urinary incontinence.

7. Cardiac rehabilitation.

8. Charges for non-Covered Benefits and Services, and resulting complications, including services not specifically described in this Contract

9. Conditions resulting from acts of war, whether declared or undeclared.

10. Cosmetic surgery, including treatment for complications of cosmetic surgery, except as provided for under the **Plastic and Reconstructive Surgery** benefit.

11. Developmental delay, speech delay, or other learning disabilities.

12. Enuresis training equipment.

13. Exercise equipment and whirlpool baths.

14. Experimental and Investigational procedures, as defined in this Contract.

15. Eyeglasses and contact lenses.

16. Hearing aids, hearing devices such as cochlear implants, and hearing exams.

17. Hospitalization solely for diagnostic purposes.

18. Inpatient rehabilitation.

19. Maintenance, custodial, or domiciliary care, except as provided under the **Home Health and Hospice Care** benefit.

20. Medical services paid by the Veterans Administration or by state, local, or federal governmental programs.
21. Neurodevelopmental therapy.

22. Non-surgical treatment for deformities of the toes and feet, including routine foot care, except when such care is directly related to the treatment of diabetes.

23. Obesity treatment, including, but not limited to, Provider office visits, surgical weight loss procedures, pre-surgical diagnostics and procedures, weight reduction programs (such as Weight Watchers), and dietary control programs.

24. Orthoptics (eye exercise programs), pleop-tics, visual analysis therapy and/or training, and radial keratotomy.

25. Over-the-counter products (except insulin supplies for the treatment of diabetes), including, but not limited to, contraceptive devices or supplies, unless specifically listed as a benefit under this Individual Plan.

26. Personal comfort items (e.g., radios, tele-phones, televisions).

27. Private duty nursing.

28. Self-help care of any form, including, but not limited to, non-medical self-care, self-help training, marital or sexual counseling.

29. Services, supplies, and drugs, which are not Medically Necessary for the treatment of an illness, injury, or physical disability, even though the services are not specifically listed as exclusions.

30. Services for any occupational illness or injury arising out of, or in the course of, an activity pertaining to any trade, business, employment (including self-employment), or occupation for wage or profit, whether or not a proper and timely claim was filed for such benefits under another plan or policy, except as provided for under the **Occupational Injury** benefit.

31. Services and supplies for, or associated with, care or work on the teeth; x-rays of the teeth and other dental procedures.

32. Services for the treatment of complica-tions arising from non-Covered Benefits and Services or procedures, except for the complications of pregnancy.

33. Services for which there is no charge to you.

34. Services for which you are not legally required to pay.
35. Services provided by a person who is related to you by blood or marriage, or who resides in your home.

36. Sex change or other sexual transformation procedures.

37. Speech, occupational, educational, milieu, massage, and physical therapies, except as specifically included under the **Home Health and Hospice Care** benefit or the **Outpatient Rehabilitation** benefit.

38. Treatment for abnormalities of the jaw, including malocclusion; jaw augmentation or reduction surgery (orthognathic surgery), except as provided for under the **Oral Surgery** benefit or the **Plastic and Reconstructive Surgery** benefit; diagnosis and treatment of temporomandibular joint (TMJ) disorders.

39. Treatment for sexual dysfunction includ-ing, but not limited to, sterility, infertility, impotence, or frigidity.

40. Treatment of chemical dependency disorders.

41. Treatment of sleep disorders, including studies, durable medical equipment such as C-pap machines, and surgeries.

42. Unnecessary duplicate diagnostic services for a single ongoing illness. Consultations for second surgical opinions are covered under the **Professional Services** benefit.

43. Services for elective care received in a foreign country.

44. Services and supplies not specifically described in this Contract.
- Additional Exclusions for the Centric 30/2000, 30/3000, 30/5000 Plans:

Pregnancy and maternity care, except for complications of pregnancy. **Does not apply to Centric Enhanced and The Healthy Investor™ HSA Plans.**

Sterilization. **Does not apply to Centric Enhanced and The Healthy Investor™ HSA Plans.**

Vision-We have partnered with **VSP** to provide you with discounts on vision exams, hardware and lenses at no cost to you.

Dental-Regular dental visits are an essential part of health care, especially for children. KPS has teamed up with **Washington Dental Service (WDS)** to offer optional dental coverage with our Individual/Family plans. The 100% / 50% / 30% plan provides 100% coverage for exams, cleanings and other preventive care; 50% coverage for minor restorative care such as fillings and root canals; and 30% for crowns, partials, implants and other major restorative care.

Prescription Discount Program-You have brand name drug discounts just by being a KPS member. Average discount ranges from 10-20%, and can vary by pharmacy and prescription.



Centric 30/2000, 30/3000, and 30/5000 - These catastrophic PPO plans provide coverage for major medical events as well as deductible-waived benefits like preventive care, generic drugs, and 100% coverage for the first three office visits after a \$30 copay per visit within the calendar year. Self-employed? We've got you covered with Occupational Injury coverage up to \$50,000 per calendar year.

Centric Enhanced - Comprehensive PPO coverage you can count on. With a \$1,000 deductible per person, this plan provides the coverage you have come to expect from KPS, with coverage for maternity, generic and brand name drugs, and of course, occupational injury coverage for our self-employed individuals.

All of our Centric plans offer our unique Accidental Injury benefit: If you are injured, the deductible is waived up to six months if it is treated within 72 hours of onset of injury. Just another way KPS is providing a safety net for you.

The Healthy Investor™ Plans

The Healthy Investor™ plans offer lower premiums and a chance for you to take charge of your health care spending through wise use of a Health Savings Account (HSA).

An HSA is a special tax-exempt account that offers you the option of either paying for qualified health expenses, or saving the funds to better support your future health care needs. The contribution to your HSA is 100% tax deductible, and any interest or other earnings accumulate tax free. The funds can be used to cover your health insurance deductible and any coinsurance for qualified health services, prescriptions, or products. Amounts distributed are not taxable, as long as the funds are used to pay for qualified health expenses. For a listing of qualified health expenses, go to www.irs.gov/publications/p502/ar02.

HSA funds can be administered by the HSA Administrator of your choosing, and more financial institutions are offering HSAs all the time. You may contact the financial institution of your choice to see if they offer an HSA, or for your convenience KPS recommends the following HSA Administrators:

Internet HSA Administrators
HSA Bank -- www.hsabank.com
1-800-357-6246

Bank of America
www.bankofamerica.com/hsaaccts/
1-866-791-0250

Local HSA Administrators
Kitsap Bank -- www.kitsapbank.com
1-800-283-5537

Sterling Savings Bank
www.sterlingsavingsbank.com
1-800-772-7791

KPS Health Plans cannot provide tax advice. Please consult your tax advisor for specific questions regarding HSA accounts.

Individual and Family Plans



	Centric Enhanced	Centric			The Healthy Investor™ HSA Individual & Family	
Annual Deductibles*						
Individual	\$1,000	\$2,000	\$3,000	\$5,000	\$2,000	\$3,000
Family†	\$3,000	\$6,000	\$9,000	\$15,000	\$4,000	\$6,000
Annual Coinsurance Maximums** (Does not include deductible, unless otherwise stated)					Includes Deductible	
Individual	\$5,000 Par/\$10,000 Non-Par	\$6,000 Par/\$12,000 Non-Par			\$5,000 Par/Unlimited Non-Par	
Family	\$15,000 Par/\$30,000 Non-Par	\$18,000 Par/\$36,000 Non-Par			\$10,000 Par/Unlimited Non-Par	
Non-Participating Provider Coinsurance	50%	50%			50%	
Preventive Care	Not subject to deductible	Not subject to deductible			Not subject to deductible	
Annual Routine Physical Exam	100%	100%			100%	
Well Baby Care (to 24 months of age)	100%	100%			100%	
Annual Routine Eye Exam	VSP Discount Program	VSP Discount Program			VSP Discount Program	
Smoking Cessation-Professional Services	70%, \$150 maximum per year	70%			80%, \$150 maximum per year	
Outpatient Lab & X-Ray	70%	70%			80%	
Mammography and PSA - Routine	100%, Not subject to deductible	100%, Not subject to deductible			100%, Not subject to deductible	
Mammography and PSA - Diagnostic	70%	70%			80%	
Professional Services						
Office, home, naturopath or urgent care visits	70%	100% after \$30 copay for first 3 visits Not subject to deductible , Subsequent visits 70%, Subject to deductible			80%	
Other professional services	70%	70%			80%	
Spinal & Extremity Manipulations (12 manipulations per calendar year)	See Professional Services Section	See Professional Services Section			80%	
Acupuncture (12 treatments per calendar year)	See Professional Services Section	See Professional Services Section			80%	
Maternity	See Professional and Facility/Hospital Services Sections	Not a Benefit			80%	
Facility/Hospital Services						
Inpatient	70% after \$500 copay per admit	70%			80%	
Outpatient Surgery	70% after \$100 copay	70%			80%	
Emergency Room & Supplies	70% after \$150 copay per visit (copay waived if admitted)	70% after \$150 copay per visit (copay waived if admitted)			80%	
Ambulance-Ground & Air	70% (\$5,000 maximum per calendar year)	70%			80% (\$5,000 maximum per calendar year)	
Outpatient Rehabilitation (Physical, Speech, Massage & Occupational Therapy)	70% (\$1,000 maximum per calendar year)	70%			80% (\$1,000 maximum per calendar year)	
Home Health Care (130 visits per calendar year)	70%	70%			80%	
Hospice (6 months per calendar year)	70%	70%			80%	
Mental Health						
Inpatient (prior authorization required)	See Facility/Hospital Services Section	See Facility/Hospital Services Section			80%	
Outpatient	See Professional Services Section	See Professional Services Section			80%	
Medical Equipment & Supplies	70% (\$2,500 maximum per calendar year)	70%			80% (\$2,500 maximum per calendar year)	
Skilled Nursing Facility (in lieu of hospitalization)	70%	70%			80%	
Occupational Injury (owners and officers only) (\$50,000 maximum per calendar year)	70%	70%			80%	
Prescription Drugs	Not subject to deductible (\$3,000 maximum per calendar year, maximum does not apply for diabetes)	Not subject to deductible			(\$3,000 maximum per calendar year, maximum does not apply for diabetes)	
Tier 1: Generic	\$10 copay	\$15 copay or the cost of the drug, whichever is less			80%	
Tier 2: Preferred Brand Name	30%	Pharmacy Discount Program			80%	
Tier 3: Non-Preferred Brand Name	50%	Pharmacy Discount Program			80%	
Optional Programs						
Dental (through Washington Dental Service)	✓	✓			✓	

All benefits are subject to annual deductible and/or copay (if applicable) unless otherwise stated. This benefit comparison contains only a brief explanation of the more important coverage features offered. It does not constitute a contract. Complete coverage details, including waiting periods and other limits and exclusions, are in the contracts. In the event of discrepancies, the contract shall govern. *In the case of accidental injury, charges for medically necessary covered services directly related to the treatment of the injury are exempt from the deductible on the Centric plans for a period of up to six (6) months, provided initial treatment for the injury is received within (72) hours of the onset of the injury. After six (6) months, the condition is considered to be chronic and charges related to the treatment of the injury would be applied to any outstanding deductible. All other applicable benefit limitations and maximums apply. **After member satisfies the annual deductible and coinsurance maximum, KPS pays 100% of covered benefits for the remainder of the calendar year, with some limitations. If you choose a non-participating provider, your coinsurance costs are higher. In addition, it is your responsibility to pay the difference between any amounts billed by the non-participating provider or facility and the amount paid by KPS. Please refer to our website, www.kpshealthplans.com, to find a participating provider. †The Healthy Investor™ family plans are designed for two or more family members. The entire family deductible must be satisfied before benefits are paid, annual routine physical exams, well-baby exams, routine mammograms, and routine prostate cancer screening are not subject to the annual deductible.