

# **Priority Health Medicare Supplement Certificate Plan F**



**NOTICE TO BUYER: THIS COVERAGE MAY NOT COVER ALL OF YOUR  
MEDICAL EXPENSES.**

**YOUR RIGHT TO CANCEL**

Please read this Certificate right away. If you're not satisfied with it for any reason, you can return it within 30 days. Upon return, this Certificate becomes invalid. We'll refund all payments you've made on it.

Upon your payment of Premium and the issue of this Certificate and your ID Card, we agree to provide the benefits described in this Certificate.

**GUARANTEED RENEWABILITY**

Your Coverage may be renewed annually unless we discontinue offering such Coverage; you fail to pay required Premiums on a timely basis; you make material representations to us; or you are no longer eligible for Coverage. Your Certificate may be revised to comply with federal or state law. This Certificate can't be canceled or nonrenewed solely on the grounds of deterioration of health. Of course, you can end your Certificate at any time by writing to us. No refusal of renewal will affect an existing valid claim for Medicare-approved expenses Covered under this Certificate and incurred prior to the date on which this Certificate ends.

NOTE: If you permanently move outside the State of Michigan after you have enrolled with us, your Coverage will continue. However, all additional eligibility requirements must continue to be satisfied or your Coverage will not be renewed.

**INCREASE IN PREMIUMS**

- (1) We may raise your Premiums if your age category or other rating factors change.
- (2) We may also raise your Premium on any Certificate each year.
- (3) After the Effective Date of your Coverage under this Certificate, any increase in benefits or Coverage that results in an increase in the Premium must be agreed to in writing by You, *unless the benefits are required by law*.
- (4) If we raise the Premiums, we'll give you 30 days prior written notice.
- (5) The same rates shall apply to all participants in the same actuarial rating classifications, as determined by us.

## **Table of Contents**

### **Medicare Supplement Certificate**

<b>SECTION 1. About This Certificate</b>	<b>4</b>
<b>SECTION 2. Obtaining Covered Services</b>	<b>4</b>
<b>SECTION 3. Eligibility</b>	<b>5</b>
<b>SECTION 4. Enrollment</b>	<b>5</b>
<b>SECTION 5. Effective Date of Coverage</b>	<b>5</b>
<b>SECTION 6. Covered Services</b>	<b>6</b>
<b>SECTION 7. Exclusions</b>	<b>7</b>
<b>SECTION 8. Claim Reimbursement</b>	<b>8</b>
<b>SECTION 9. Termination, Renewal and Reinstatement of Coverage</b>	<b>10</b>
<b>SECTION 10. Subrogation</b>	<b>13</b>
<b>SECTION 11. Recovery of Excess Payment</b>	<b>13</b>
<b>SECTION 12. Non-Duplication of Benefits</b>	<b>13</b>
<b>SECTION 13. Suspension of Benefits and Premiums for Certificate Holders Entitled to Benefits Under a Group Health Plan</b>	<b>14</b>
<b>SECTION 14. Premiums</b>	<b>14</b>
<b>SECTION 15. Definitions</b>	<b>14</b>
<b>SECTION 16. General Provisions</b>	<b>19</b>
<b>SECTION 17. Confidentiality of Health Care Records</b>	<b>20</b>

**INDIVIDUAL MEDICARE SUPPLEMENT CERTIFICATE –  
PRIORITY HEALTH**

Certificate Delivered in Michigan – 2010

**SECTION 1. About This Certificate**

This Certificate has been applied for as Individual Medicare Supplement Coverage. Read this entire Certificate carefully. It sets the terms and conditions of Coverage; describes the health care services that are Covered; and describes the rights and obligations of you and Priority Health. It is your responsibility to understand the terms and conditions of your health benefits contained in this Certificate.

**IMPORTANT NOTICE. YOUR CERTIFICATE MAY NOT APPLY! PLEASE READ!**

This Certificate was issued based on the information in your application, which has become part of this Certificate. If there is any misstatement in your application, you must let us know immediately. Otherwise, your Certificate may not be valid.

If any information in your application is incorrect or incomplete, please write to us at 1231 East Beltline, NE, P.O. Box 269, Grand Rapids, MI 49501, within 10 days of receiving this Certificate.

Words that are capitalized in this Certificate are special terms that are defined in Section 15. The terms “we,” “us,” and “our” refer to Priority Health. The term “you,” “your” and “yourself” refer to the Subscriber.

If you have any questions about Coverage, contact our Customer Service Department at:

Customer Service Department, MS 1105  
1231 E. Beltline NE  
Grand Rapids, MI 49525-4501  
800 852-9780

or  
on our website at *priorityhealth.com*

**SECTION 2. Obtaining Covered Services**

Priority Health Medicare Supplemental Plan F helps pay some of the costs Medicare does not pay. This plan will extend benefits beyond those that Medicare offers to you.

By choosing to enroll as a Priority Health Subscriber, you agree to abide by the rules as stated in this Certificate. This Certificate will be issued to Eligible Subscribers in exchange for Premium paid to us.

You need to use both your red, white and blue Medicare card and your Priority Health ID Card for health care services. Your Medicare provider must first bill Medicare for Medicare Covered Services. For services that are Covered by Medicare, we will pay the Medicare coinsurance amount only.

If Medicare changes benefits, coinsurance or deductibles, this Certificate will automatically adjust to include those changes.

Any changes must be in writing and approved by us and the Commissioner of the Michigan Office of Financial and Insurance Regulation (OFIR).

### **SECTION 3. Eligibility**

#### **A. Medicare Supplement Eligibility**

- (1) You must be enrolled in Medicare Part A and Part B to have Medicare Supplemental Plan F Coverage.
- (2) You must be a permanent resident of the State of Michigan and physically reside in Michigan at least nine (9) months of every year.
- (3) You must be 65 years or older and meet our medical criteria.
- (4) You must not continue to be enrolled in any other group or non-group Medicare supplemental program or Medicare Advantage plan if you are Covered under this Certificate.
- (5) You must not be eligible for enrollment in a group Medicare or Medicare supplemental group program if you are Covered under this Certificate.

#### **B. Change in Eligibility Status**

You agree to notify us in writing or by calling our Customer Service Department within 30 days of any change in eligibility status. If you are no longer eligible for Coverage, you are responsible for payment for any services or benefits.

#### **C. Medicaid Eligibility**

You may be eligible for Medicaid. If so, the Coverage and Premium under this Certificate will be suspended for up to 24 months while you apply for and are entitled to Medicaid Coverage. You must request this suspension within 90 days of becoming entitled to Medicaid benefits. When we are notified, we will refund any Premium you had paid for the time you were Covered by Medicaid, less any amount for claims we have paid.

When you are no longer entitled to Medicaid benefits, you must let us know within 90 days of losing Medicaid and we will renew your Medicare Supplemental contract. Your contract will be effective back to the date you lost Medicaid Coverage if you pay the Premiums.

### **SECTION 4. Enrollment**

To apply for Coverage, you must submit a completed application and the appropriate Premium amount to us. Medicare enrollment will be verified.

### **SECTION 5. Effective Date of Coverage**

The Effective Date of Coverage is the first of the month following receipt of your completed and accepted application or a date specified in your application. The date must be a date in the future. We will verify your enrollment in Medicare Part A and Part B.

Services obtained prior to the Effective Date of Coverage are not Covered.

## **SECTION 6. Covered Services**

We'll pay for your care described in this Section under the terms, conditions and provisions of this Certificate. The services you get must be reasonable and Medically Necessary for admission as an Inpatient for, or diagnosis and treatment of, an Illness. Medicare Benefits won't be duplicated.

The benefits of this Certificate will automatically change to coincide with any changes in applicable Medicare deductible amounts and coinsurance percentage factors. When benefits change, your Premium may change.

### **A. Hospital Inpatient Benefits:**

- (1) We'll pay the Medicare Part A Hospital Inpatient deductible amount per Benefit Period.
- (2) We'll pay 100% of the Medicare Part A Hospital daily coinsurance from the 61<sup>st</sup> to the 90<sup>th</sup> day of your Confinement.
- (3) We'll pay 100% of the Medicare Part A Hospital daily coinsurance for each Medicare lifetime Inpatient day used from the 91<sup>st</sup> through the 150<sup>th</sup> day in any Medicare Benefit Period.
- (4) You may still be in a Hospital after the above benefits are paid. If so, we'll pay 100% of the Medicare Part A Eligible Expenses for hospitalization paid at the applicable prospective payment system rate, or other appropriate Medicare standard for payment, subject to a lifetime limitation benefit of an additional 365 days.
- (5) We'll pay the Medicare Part A Eligible Expenses for the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations), unless replaced in accordance with federal requirements.

### **B. Skilled Nursing Facility Care**

We'll pay the coinsurance for the Medicare Part A Eligible Expenses for the 21<sup>st</sup> through the 100<sup>th</sup> day of Skilled Nursing Facility Care if (1) you were a Hospital Inpatient for at least 3 days; (2) the Hospital treated you for an Illness; and (3) then you were admitted to a Medicare participating Skilled Nursing Facility within 30 days after being discharged from the Hospital. The services had to be covered by Medicare. We pay no benefits for a Confinement that continues beyond the 100<sup>th</sup> day for Custodial Care, including Maintenance Care of Supportive Care.

### **C. Professional and Other Services:**

- (1) We'll pay the Medicare Part B Calendar Year deductible regardless of Hospital Confinement.
- (2) We'll pay 100% of Medicare Part B excess Charges.
- (3) We'll pay the coinsurance amount, or the copayment amount paid for Hospital outpatient department services under a prospective payment system, of Medicare Eligible Expenses under Part B regardless of Hospital Confinement, subject to the Medicare Part B deductible.
- (4) We'll pay the Medicare Part B Eligible Expenses for the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations), unless replaced in accordance with federal requirements.

**D. Emergency Services Outside the United States**

There is a deductible of \$250.00 for this benefit. Expenses Covered under this paragraph must add up to the deductible amount before we pay benefits. After the deductible is satisfied, we'll pay 80% of the billed Charges for expenses for Medically Necessary emergency Hospital, Physician and medical care received in a foreign country, provided:

- (1) such care would have been covered by Medicare if received in the United States; and
- (2) such care began during the first sixty (60) consecutive days of each trip outside the United States. Benefits are payable up to a lifetime maximum benefit limit of \$50,000 while you are Covered under this Certificate.

For Purposes of this benefit, "emergency Hospital, Physician and medical care" shall mean care needed immediately because of an Injury or an Illness of sudden and unexpected onset.

**SECTION 7. Exclusions**

The following aren't Covered under this Certificate:

- A.** Treatment, services or supplies Medicare doesn't cover, unless this Certificate specifically provides for them.
- B.** Treatment, services or supplies to the extent that they are paid for by Medicare, or would have been paid for by Medicare if you were enrolled in Medicare Parts A and B; treatment, services or supplies to the extent that they are paid for by another government entity or program, directly or indirectly; this doesn't apply, though, to health benefits or insurance plans for employees of such entities.
- C.** Treatment, services or supplies you need as a result of war, or an act of war, occurring on or after the Effective Date of this Certificate.
- D.** Personal comfort and convenience items.
- E.** Routine physical exams; eye exams; hearing exams and directly related tests; eye glasses; or for the preparation or fitting of such things as eyeglasses or hearing aids, except for those services covered by Medicare.
- F.** Orthopedic shoes or other supporting devices for the feet; or routine foot care not covered by Medicare.
- G.** Private duty nursing, long term care, Custodial Care, including Maintenance Care and Supportive Care.
- H.** Cosmetic surgery. But we do Cover such surgery if it's for repair of accidental Injury or for improving the functioning of a malformed body part.
- I.** Domestic help; services provided by members of your Immediate Family or anyone else living in your household.
- J.** Care, treatment, filling, removal or replacement of teeth, or for dental x-rays, root canal therapy, surgery for impacted teeth, or for other surgical procedures involving the teeth or structures directly supporting them.

- K.** Treatment, services or supplies to the extent that a worker's compensation law or other U.S. or state plan covers them.
- L.** Drugs and medicines you buy with or without a Physician's prescription.
- M.** Treatment, services or supplies for Confinement, surgery or care before your insurance becomes effective, or after Coverage ends except as stated in Section 9.C.
- N.** Professional services not provided by a Physician.
- O.** Treatment, services or supplies that are deemed unreasonable and unnecessary by Medicare. This includes but is not limited to the following: drugs or devices that have not been approved by the Food and Drug Administration (FDA); medical procedures and services performed using drugs or devices not approved by FDA; and services including drugs or devices, not considered safe and effective because they are experimental or investigational.
- P.** Routine immunizations, except if eligible under Medicare.
- Q.** Treatment of service related conditions for Subscribers or ex-Subscribers of the armed forces by any military or veterans Hospital or soldier home or any Hospital contracted for or operated by any national government or agency.
- R.** Home health care.
- S.** Services that you could get free if you did not have health care Coverage.
- T.** Services covered by any group health care contract.
- U.** Transportation and travel.

## **SECTION 8. Claim Reimbursement**

We pay the coinsurance required by Medicare. Our payments are based on Medicare's approved amount for Covered Services. All claims are subject to review of availability of benefits at the time the claim is processed as well as the exclusions and maximums under your Coverage.

When your provider sends us a claim, it must show the following:

- Your contract number.
- Type and date of service.
- The diagnosis.

The provider may be required to verify services were provided.

If your provider does not send us a claim, you may send us a copy of the "Explanation of Medicare Benefits" form you receive from Medicare.

If you authorized Medicare to send its payment to the provider, then we will send our payment to the provider. If Medicare sends its payment to you, then we will send our payment to you.

However, we can, if we choose, pay any benefit we owe to you or directly to the Physician, Hospital or other provider that furnished the services, care, item or facility. Such payments discharge our liability for the amounts paid.



**Provisions Required by Michigan Insurance Code:****A. Notice of Claim**

Written notice of a claim must be given to the insurer within 20 days after the occurrence or commencement of any loss Covered by the Certificate, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the Subscriber or the beneficiary to the insurer at Priority Health Claims Department, PO Box 232, Grand Rapids, MI, 49501-0232, or to the address referenced on your ID Card, or to any authorized agent of the insurer, with information sufficient to identify the Subscriber, shall be deemed notice to the insurer.

**B. Claim Forms**

We, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of this Certificate as to proof of loss upon submitting, within the time fixed in the Certificate for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which a claim is made.

**C. Proof of Loss**

Written proof of loss must be furnished to the insurer at its said office in case of claims for loss for which this Certificate provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which the insurer is liable and in case of claim for any other loss within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than 1 year from the time proof is otherwise required.

**D. Time of Payment of Claims**

Indemnities payable under this Certificate for any loss other than loss for which this Certificate provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this Certificate provides periodic payment will be paid weekly and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

**E. Payment of Claims**

Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payments which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such indemnity shall be payable to the estate of the Subscriber. Any other accrued indemnities unpaid at the Subscriber's death may, at the option of the insurer, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the Subscriber.

**F. Legal Actions**

No action at law or in equity shall be brought to recover on this Certificate prior to the expiration of 60 day after written proof of loss has been furnished in accordance with the requirements of this Certificate. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

**SECTION 9. Termination, Renewal and Reinstatement of Coverage****A. Termination for Nonpayment of Premium**

If you fail to pay the Premium by the due date, you are in default. If the default continues you will be terminated as of the last date through which the Premium was paid. If you are terminated, any benefits incurred by you and paid by us after the termination will be charged to you. A grace period of 30 days will be granted for the payment of each Premium falling due after the first Premium. During the grace period, the Certificate shall continue in force.

**B. Termination for Other Reasons**

Subject to reasonable notice, your Coverage may also be terminated for any of the following reasons:

- (1) You are no longer eligible for Medicare coverage.
- (2) You no longer meet eligibility requirement under this Certificate.
- (3) You provide false or misleading information or withhold material information.
- (4) We no longer offer this Coverage.

Your contract will end the last day Covered by your last payment.

NOTE: If you permanently move outside the State of Michigan after you have enrolled with us, your Coverage will continue if all other eligibility requirements continue to be satisfied.

**C. Extension of Benefits**

Termination of this Certificate shall be without prejudice to a continuous loss which commenced while the Certificate was in force. Any such extension of benefits shall only be available for such loss while you are continuously totally Disabled and shall continue to be subject to all the maximum benefit amounts and duration limitations of the Certificate. Receipt of Medicare Part D shall not be considered in determining a continuous loss.

For the purpose of this subsection, “totally Disabled” means a Physician says:

- (1) You are Confined in a hospital or Medicare certified Skilled Nursing Facility; or
- (2) You are unable to perform the substantial duties of any job or occupation for which you are qualified and in fact you are not working for any salary or profit; or
- (3) You are substantially unable to engage in the normal activities of an individual in good health of the same age and/or sex.

**D. Grace Period**

A grace period of 30 days will be granted for the payment of each Premium falling due after the first Premium. During the grace period the Certificate shall continue in force.

**E. Immediate Termination**

We can terminate your Coverage for cause immediately if we find out you have committed or attempted to commit fraud against us or you have been dishonest with us about some important or material matter. For example, we may terminate your Coverage if we find out you gave us wrong or misleading information or you let someone else use your ID Card or receive benefits in your place. If we choose, termination can be effective the day you committed the fraud or were dishonest with us. Also, we can collect from you the costs for Covered Services that you received after the effective date of termination and we paid for, plus our cost of recovering those Charges (including attorney's fee).

If we tell you we have terminated or will terminate your Coverage, we will terminate your Coverage on the date stated in the notice. If we terminate your Coverage retroactively, we will refund any Premiums you paid for the period after the termination date, offset by the amount of any Covered Services you received during that period. Also, we are entitled to reimbursement for any payments made for Covered Services you received after your termination date not offset by Premiums you paid.

NOTE: If you are still eligible for Coverage under Section 3 of this Certificate, we will not terminate your Coverage based on your health or your health care needs.

**F. Renewal Terms**

The initial term of this Certificate is from 12:01 a.m. of the day Coverage becomes effective through 12 consecutive months. Following the initial term, this Certificate will renew automatically for an additional 12 months, subject to all terms and provisions of this Certificate, unless otherwise terminated as provided for in this Certificate. We will give you advance written notice of any change in the Premium; or material changes in Covered Services; or other provisions of this Certificate that will be effective on the renewal date.

This Certificate is guaranteed renewable for life subject to timely payment of Premium. We will neither cancel nor nonrenew your Certificate for any reason other than nonpayment of Premium, material misrepresentation, or fraud. If you permanently move outside the State of Michigan after you have enrolled with us, you may still choose to renew your Coverage if all other eligibility requirements continue to be satisfied. Your Certificate may be revised to comply with federal or state law. This Certificate can't be canceled or nonrenewed solely on the grounds of deterioration of health. This Certificate automatically terminates on the date you die. Of course, you can end your Certificate at any time by writing to us. No refusal or renewal will affect an existing valid claim for Medicare Eligible Expenses Covered under this Certificate and incurred prior to the date on which this Certificate ends.

We're not responsible for notifying you when Premiums are due for Coverage provided during renewal periods under this Certificate. You can designate in writing a Remitting Agent to pay us the Premiums for this Certificate. If you do this, we can give any required notices to him/her, with the same effect as if we'd sent them to you.

**G. Reinstatement**

Reinstatement is subject to our right to change or terminate this Certificate (see Renewal Terms). If you end the contract by not paying your Premium, it may be reinstated. The following rules all apply:

- (1) (a) Your Coverage must be lapsed due to nonpayment of Premium; (b) you must apply for reinstatement within 1 year of the lapsed date; and (c) you want to reinstate the same Coverage you had.
- (2) We must approve your application to reinstate. We can approve or decline it.
- (3) If we reinstate you, losses resulting from accidents occurring or Illness beginning between the lapse date and the Effective Date of the new Certificate are not Covered.
- (4) Claims that occur in the lapse period aren't Covered.
- (5) If your application is approved, the new Certificate will be effective on the first day of the month following approval provided the required first Premium has been paid. Any Premium received shall be applied to Coverage under the new Certificate.
- (6) You must pay Premiums on a monthly basis.

**H. Midterm Cancellation by You**

This Certificate provides for midterm cancellation at your request and that, if you cancel this Certificate midterm or if this Certificate terminates midterm because of your death, we shall issue a pro rata refund to you or your estate.

**I. Time Limit on Certain Defenses**

After 2 years from this Certificate's original Effective Date, no misstatements in the application will be used to void this Certificate or deny a claim beginning after the 2 year period expires. This doesn't apply to fraudulent misstatements made in the application.

**J. Certificate of Creditable Coverage**

After we are notified of your termination of Coverage you will receive a Certificate of Creditable Coverage that will provide proof of the coverage you had under the Certificate. In addition, you have the right to receive a Certificate of Creditable Coverage if you request one for yourself within 24 months after Coverage terminates. If you become covered by other health insurance, a Certificate of Creditable Coverage may help you receive the new coverage without a pre-existing condition exclusion or with a shorter exclusion period.

You may request a Certificate of Creditable Coverage by writing or calling our Customer Service Department at:

Priority Health  
Customer Service Department, MS1105  
PO Box 269  
Grand Rapids, MI 49501-0269  
800 852-9780

or use our secure e-mail form in the Member center on our website *priorityhealth.com*

## **SECTION 10. Subrogation**

You agree that we shall be subrogated to all of your rights to the extent of the benefits we provide under this Certificate. This means we can stand in your or your estate's shoes and sue a third party directly for an Illness or Injury for which we are providing services. Those rights are hereby assigned to us to that extent.

The assigned rights include, but are not limited to, rights against:

- A.** All persons or organizations, and their insurers, liable or responsible for paying for losses or damages you sustain;
- B.** Automobile liability insurance coverage;
- C.** Underinsured motorist insurance coverage;
- D.** Uninsured motorists insurance coverage;
- E.** Homeowner liability insurance coverage;
- F.** Medical malpractice insurance coverage;
- G.** Patient compensation funds; and
- H.** Any applicable umbrella insurance coverage.

The assigned rights shall not be reduced or diminished under any circumstances by attorney's fees, court costs or any other costs of collection which may be incurred by you.

We have no right to recover from you if you have not been made whole, after taking into consideration your comparative negligence. If a dispute arises between you and us over the question of whether or not you have been made whole, we have the right to a judicial and jury determination of whether you have been made whole. Such a determination shall be governed by the rules of evidence; shall require the fact finder to determine the dollar amount that makes you whole; and in all other substantive and procedural respects shall be conducted as in any other civil jury trial.

You must promptly advise us in writing whenever a claim against any person and/or organization is made on your behalf. You also must further provide to us additional information as is reasonably requested by us. You agree to fully cooperate in protecting our rights against any person and/or organization. You shall not enter into a settlement or compromise arrangement with any person and/or organization without our prior written consent. Entering into any such settlement or arrangement is a breach of this contract; such a breach shall be deemed to prejudice our rights.

## **SECTION 11. Recovery of Excess Payment**

We might pay more than we owe under this Certificate. If so, we can recover the excess from you, the Hospital, or other provider of care for up to one year. We can also recover from another insurance company or service plan, or from any other person or entity that has received any excess payment from us for up to one year.

## **SECTION 12. Non-Duplication of Benefits**

- A.** We provide each Subscriber with health care services within the limits of this Certificate.
- B.** Priority Health Coverage does not duplicate benefits or pay more for Covered Services than the actual fees.

### **SECTION 13. Suspension of Benefits and Premiums for Certificate Holders Entitled to Benefits Under a Group Health Plan**

Benefits and Premiums under this Certificate shall be suspended at your written request for a period provided by federal regulations in which you have applied for and are determined to be entitled to under section 226(b) of the Social Security Act, and are covered under a group health plan (as defined in section 1862(b)(1)(A)(v) of the Social Security Act), but only if you provide proof of such entitlement to us within 90 days after the date you become entitled to such group health benefits.

If such suspension occurs and you lose entitlement to such group health benefits, this Certificate shall be automatically reinstituted (effective as the date of loss of coverage) if you provide written notice of loss of coverage within 90 days after the date of such loss and pay the Premium attributable to the Certificate, beginning on the date of loss of coverage. The reinstituted Certificate shall provide substantially equivalent Coverage to the Coverage in effect before the date of suspension.

If notice is not given or Premium paid in accordance with the preceding paragraph, the suspended Certificate shall be canceled as of the end of the period provided by federal regulation.

### **SECTION 14. Premiums**

Premiums for Covered Services to be provided under this Certificate are as disclosed to you at the time you submitted your initial application with us.

The initial Premium will be effective for the initial term of this Certificate. We may change the Premium upon 30 days written notice to you prior to the renewal of this Certificate or a change in any applicable law or regulation having a direct and material impact upon the cost of providing Coverage to Subscribers (such as revision of the Covered Services provided under this Certificate to include benefits mandated by applicable laws). You may terminate this Certificate as of the date that the revised Premium would become effective, by providing written notice of termination not less than 10 days prior to such effective date.

Premiums are due in full at Priority Health on or before the first day of each month for the following month's Coverage unless arrangements have been made with us to make payments on other than a monthly basis. Each Premium period, whether monthly or otherwise, shall end at 11:59 p.m. E.S.T.

Premium payments to Priority Health are subject to a 30-day grace period. During this time Premiums may be made to us without lapse of Coverage. If the Premium is not paid within that grace period, your Coverage will be terminated as of the end of that period. If you fail to pay the required Premium and Coverage is terminated, we can collect from you all costs of Covered Services that you received and we paid for during the 30-day grace period, plus our costs of recovering these Charges (including attorney's fees).

### **SECTION 15. Definitions**

- A. Amendment. The Certificate may be changed at any time; these changes would be reflected in an additional document called an Amendment which would be attached to this Certificate.

- B.** Benefit Period. A Benefit Period starts with the first full day that you are in a Hospital. It ends when you have not been in a Hospital or Skilled Nursing Facility or Rehabilitative facility for at least 60 consecutive days. There's no limit to the number of Benefit Periods you can have.
- C.** Calendar Year. The period that starts with the Effective Date of your Certificate and ends on December 31<sup>st</sup> of such year. Each following Calendar Year shall start on January 1<sup>st</sup> of any year and end on December 31<sup>st</sup> of that year.
- D.** Certificate. The document that describes your and our rights and duties. It includes the application and any Amendments to this document.
- E.** Certificate of Creditable Coverage. A Certificate issued to you upon termination of Coverage under this Certificate.
- F.** Charges. The reasonable Charges for items or services set by Medicare. We treat Charges for stays in a Hospital or Skilled Nursing Facility as incurred on the date of admission. We treat all other Charges as incurred on the date you get the service or item. We pay only up to the reasonable Charges set by Medicare; no agreement between you (or someone acting for you) and any other person, group or provider of services will cause us to pay more.
- G.** Coinsurance or Copayment. The portion of Covered health care costs for which the Covered person has a financial responsibility. Coinsurance is usually a fixed percentage which applies after first meeting a deductible. A Copayment is usually a flat dollar amount, rather than a percentage.
- H.** Confinement. Reasonable and necessary admission as an Inpatient in a Hospital or Skilled Nursing Facility.
- I.** Continuous Period of Creditable Coverage. The period during which an individual was Covered by Creditable Coverage, if during the period of the Coverage the individual had no breaks in Coverage greater than 63 days.
- J.** Covered Service, Coverage, Cover or Covered. Those service and supplies that you are entitled to under this Certificate, if they are Medically/Clinically Necessary and you have met all other requirements of this Certificate. This Certificate limits what we will pay for some services and supplies. When we say we will "Cover" a service or supply, that means we will treat the service or supply as a Covered Service.
- K.** Creditable Coverage. With respect to an individual, Coverage of the individual provided under any of the following: (1) a group health plan; (2) health insurance coverage; (3) Part A or Part B of Title XVIII of the Social Security Act (Medicare); (4) Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under section 1928; (5) Chapter 55 of Title 10 of the United States Code, commonly referred to as TRICARE (formerly known as CHAMPUS); (6) a medical care program of the Indian Health Service or of a tribal organization; (7) a state health benefits risk pool; (8) a health plan offered under chapter 89 of Title 5 of the United States Code commonly referred to as the Federal Employees Health Benefits Program; (9) a public health plan as defined in federal regulation; and (10) a health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**Creditable Coverage does not include:**

- (1) Any of the following: (a) coverage only for accident or disability income insurance, or any combination thereof; (b) coverage issued as a supplement to liability insurance; (c) liability insurance, including general liability insurance and automobile liability insurance; (d) Workers' Compensation or similar insurance; (e) automobile medical payment insurance; (f) credit-only insurance; (g) coverage for on-site medical clinics; and (h) other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.
- (2) The following benefits if they are provided under a separate policy, certificate or contract of insurance or are otherwise not an integral part of the plan: (a) limited scope dental or vision benefits; (b) benefits for long-term care, nursing home care, home health care, community-based care, or any combination; and (c) such other similar, limited benefits as are specified in federal regulations.
- (3) The following benefits if offered as independent, non-coordinated benefits: (a) coverage only for a specified disease or illness; and (b) Hospital indemnity or other fixed indemnity insurance.
- (4) The following if offered as a separate policy, certificate or contract of insurance: (a) Medicare supplemental health insurance as defined under section 1882(g)(1) of the Social Security Act; (b) coverage supplemental to the coverage provided under chapter 55 of Title 10, United States Code; and (c) similar supplemental coverage provided to coverage under a group health plan.

- L. Custodial Care.** Care given to you if: (1) you do not require the technical skills of a registered nurse at all times; (2) you need services for activities of daily living including, but not limited to, dressing, bathing, eating, walking, taking medications and maintaining continence; and (3) the services you require are not likely to improve your condition. Custodial Care includes Maintenance Care and Supportive Care as defined in this Certificate. Care may still be considered Custodial Care as determined by us, even if: (1) you are under the care of a Physician; (2) the Physician prescribes services to support and maintain your condition; or (3) health care services are being provided by a registered or licensed practical nurse.
- M. Disabled or Disability.** Under the Social Security Act, you are Disabled or have a Disability if, taking into account your age, education and past work experience, you are unable to perform any substantial gainful activity by reason of a medically determinable physical or mental impairment, or combination of impairments, which can be expected to result in death or which has lasted or can be expected to last at least 12 consecutive months.
- N. Effective Date.** The first of the month following receipt and acceptance of your completed application or a date specified in your application. The date must be a date in the future. We will verify your enrollment in Medicare Part A and Part B.
- O. Home Care.** Care you receive while confined to your home. A specific plan for your care and treatment must be made by a licensed agency or organization and approved in writing by your Physician. He/she must review the plan at least every 2 months unless he/she decides less frequent reviews are enough.
- P. Home Health Care Agency.** An agency or organization that is licensed to provide skilled nursing services and other therapeutic services in an outpatient setting.



- Q.** Hospice Care. Services for the terminally Ill and their families including pain management and other supportive services.
- R.** Hospital. An appropriately licensed acute care institution (including a long term acute care facility) that provides Inpatient medical care and treatment for Ill and Injured persons through medical, diagnostic, and major surgical facilities. All services must be provided on its premises under the supervision of a staff of Physicians and with 24 hour-a-day nursing and Physician services.
- S.** ID Card. The Subscriber Identification Card you receive from us as evidence of your enrollment with us.
- T.** Ill or Illness. A sickness or a disease, including congenital defects or birth abnormalities.
- U.** Immediate Family. Your spouse, children, parents, grandparents, brothers and sisters and their spouses.
- V.** Injury or Injured. Accidental bodily Injury.
- W.** Inpatient. Admission as a bed patient to a Hospital or Skilled Nursing Facility.
- X.** Maintenance Care. Health care services delivered after the acute phase of an Illness has passed and maximum therapeutic benefit has occurred. Such care promotes optimal function in the absence of significant symptoms.
- Y.** Medicaid. The state governmental program that helps with the medical costs for some people with limited incomes and resources. Some people with Medicare are also eligible for Medicaid. Medicaid has programs that can help you pay for your Medicare premiums and other costs, if you qualify.
- Z.** Medical Emergency. The sudden onset of a medical condition with signs and symptoms of sufficient severity, including severe pain, that the absence of immediate medical attention could reasonably be expected to result in serious jeopardy to the individual's health or to a pregnancy in the case of a pregnant woman, serious impairment of bodily functions, or serious dysfunction of any bodily organ or part.
- AA.** Medically/Clinically Necessary. The services or supplies needed to diagnose, care for or treat your physical or mental condition as determined by the Centers for Medicare and Medicaid Services (CMS).
- BB.** Medicare. Title XVIII of the Social Security Act, as amended.
- CC.** Medicare Advantage Plan. A plan of coverage for health benefits under Medicare Part C as defined in 42 United States Code Section 13951-28(b)(1), as amended, and includes any of the following: (1) coordinated care plans that provide health care services, including but not limited to health maintenance organization plans (with or without point-of-service option), plans offered by provider-sponsored organizations, and preferred provider plans; (2) medical savings account plans coupled with a contribution into a Medicare Advantage medical savings account; and (3) Medicare Advantage private fee-for-service plans.
- DD.** Medicare Eligible Expenses. Health care expenses which are covered by Medicare Parts A and B, recognized as medically necessary and reasonable by Medicare, and that may or may not be fully reimbursed by Medicare. Medicare Eligible Expenses may also be referred to as the cost of Covered Services.

- EE.** Medicare Eligible Person. A person who qualifies for Medicare.
- FF.** Medicare Supplement Coverage. Coverage that conforms to Michigan Compiled Laws 500.3807. “Medicare Supplement Coverage” includes Medicare supplement and Medicare Select plans but does not include coverage under Medicare Advantage plans as established under Medicare Part C or Outpatient Prescription Drug plans established under Medicare Part D.
- GG.** Member. A person enrolled with us as a Subscriber
- HH.** Pharmacy. An establishment where prescription drugs are legally dispensed.
- II.** Physician. An appropriately licensed medical or osteopathic doctor.
- JJ.** Premium. The total payment from Subscriber to us for Coverage.
- KK.** Priority Health. The Michigan nonprofit corporation and licensed health maintenance organization providing benefits under this Certificate.
- LL.** Remitting Agent. The party, named in your application, who will pay your Premiums. You authorize him/her to collect Premiums from you and to pay us when due. He/she must notify us of any changes in your eligibility under this Certificate. He/she will receive our notices of Premium rate change or other information about Coverage. He/she is your agent; we’re not liable for his/her acts or omissions.
- MM.** Residential Treatment. 24 hour services provided in a facility where the focus of care is Custodial, and Inpatient Medically/Clinically Necessary criteria are not met.
- NN.** Skilled Nursing, Subacute, or Inpatient Rehabilitation Facility. A facility that is appropriately licensed to provide services in lieu of hospitalization including skilled nursing care and related services, subacute services and short-term rehabilitative therapy care on an Inpatient basis.
- OO.** Subscriber. A person who: (a) meets all applicable eligibility requirements of the Certificate; (2) has enrolled for Coverage; and (3) has paid us any applicable Premium payments under this Certificate.
- PP.** Substance Abuse Treatment Facility. A Substance Abuse Treatment Facility is a facility that (1) meets licensing standards; (2) provides a program for diagnosis, evaluation and treatment of substance abuse; (3) prepares and maintains a written plan of treatment for each patient based on medical, psychological and social needs; and (4) provides, on its premises, 24 hours a day, detoxification services, infirmity-level medical services or arranges with a Hospital for any other medical services that may be required, supervision by a staff of Physicians, and skilled nursing care by licensed nurses who are directed by a registered nurse.
- QQ.** Supportive Care. Health care services for a patient whose recovery has slowed or ceased entirely, and only minimal rehabilitative gains can be demonstrated with continued care.
- RR.** Urgent Care. Services provided at a licensed facility other than a Hospital emergency room to treat non-life threatening conditions that require immediate medical attention to limit severity and prevent complications.

**SS.** Urgent Care Center. A licensed facility, not including a Hospital emergency room, that provides Urgent Care for the immediate treatment only of an Injury or Illness. An Urgent Care Center may include a Physician's office when Urgent Care is provided after normal office hours.

**TT.** We, us or our. Priority Health.

**UU.** You, your or yourself. The Subscriber.

## **SECTION 16. General Provisions**

### **A. Your Relationship With Your Doctor or Hospital**

This contract won't alter the usual, customary relationship you have with your doctor, hospital, service or facility. We don't contract with you to choose or provide a doctor, hospital, service or facilities; nor do we assure their availability. We're not responsible to you for the acts of any health care provider or for any services or facilities. We're obligated only to provide the benefits stated in this Certificate.

### **B. Entire Agreement**

This Certificate, the application and any Amendments or attachments, is the entire agreement between Subscriber and us. Beginning on the Effective Date of Coverage, the Certificate supersedes all other agreements for health care services and benefits between you and us. No change in the Certificate is valid until approved by an executive officer of Priority Health and unless such approval is endorsed or attached. No agent has authority to change the Certificate or to waive any of its provisions.

### **C. Limit on Assignability of Benefits**

This is your personal Certificate. You can't assign any benefit to anyone other than a Physician, Hospital or other provider entitled to receive a specific benefit for you.

### **D. Conformity with State and Federal Law**

We will apply this Certificate in accordance with state and federal laws and regulations. If any part of this Certificate does not conform with state or federal laws or regulations, we will change our procedures to agree with the laws and regulations.

### **E. Clerical Errors**

Clerical errors, such as incorrect transcriptions of Effective Dates, termination dates, or erroneous mailings, will not change the rights or obligations of you or us under this Certificate. Clerical errors will not operate to grant additional benefits to you, terminate Coverage otherwise in force or continue Coverage beyond the date it would otherwise terminate.

### **F. Issuance of Certificate**

This Certificate shall be issued after you sign the application (that is then made a part of this Certificate) and we issue this Certificate.

**G. Governing Law and Severability**

This Certificate will be governed by Michigan law and any applicable federal law. If any provision of this Certificate is held to be invalid or unenforceable, the remaining provisions of this Certificate will remain in full force and effect.

**H. Notices**

Any notice required or permitted under this Certificate shall be in writing and shall be considered to have been given on the date when delivered in person; or if delivered by first-class United States mail, on the date mailed, proper postage prepaid, and properly addressed to the address in your application or to any more recent address of which the sending party has received written notice.

**I. Third Parties**

This Certificate shall not confer any rights, remedies, claims or obligations on third parties except as specifically provided in this Certificate.

**J. Waiver**

In the event a party waives any provision of this Certificate, that party will not be considered to have waived that provision at any other time or to have waived any other provision. The failure to exercise any right under this Certificate shall not operate as a waiver of such right.

**SECTION 17. Confidentiality of Health Care Records**

Your healthcare records are kept confidential by us, our agents and the providers who treat you.

You agree to permit providers to release information to Priority Health. This can include medical record and claims information related to services you may receive or have received. We agree to keep this information confidential and to require its contractors to do the same. Consistent with our Notice of Privacy Practices, information will be used and disclosed only as authorized or required by law.

It is your responsibility to cooperate with us by providing health history information and helping to obtain prior medical records at the request of Priority Health.

You may request a copy of our Notice of Privacy Practices by writing or calling our Customer Service Department at:

Priority Health  
Customer Service Department, MS1105  
PO Box 269  
Grand Rapids, MI 49501-0269  
800 852-9780  
or visit our website *priorityhealth.com*

Filed: 2009

Doc\_

**PREMIUM SCHEDULE  
FOR  
MEDICARE SUPPLEMENT  
PLAN F**

**PREMIUM RATE CAN BE CHANGED AT OPTION OF PRIORITY HEALTH**

Monthly Premium: \$           

Effective Date:                      (The terms of the Certificate provide for annual renewal periods.)