



Arkansas BlueCross BlueShield

An Independent Licensee of the Blue Cross and Blue Shield Association

MEDIPAK[®] G GROUP INSURANCE TRUST

MEDIPAK[®] G

MEDICARE SUPPLEMENT

CERTIFICATE OF GROUP INSURANCE

AND RELATED BENEFITS

GUARANTEED RENEWAL
RATES SUBJECT TO CHANGE
UPON THIRTY (30) DAY NOTICE.

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

READ YOUR CERTIFICATE CAREFULLY

IF AFTER EXAMINATION OF YOUR CERTIFICATE YOU ARE NOT
SATISFIED WITH IT FOR ANY REASON, YOU MAY RETURN IT TO
ARKANSAS BLUE CROSS AND BLUE SHIELD WITHIN THIRTY (30)
DAYS OF ITS DELIVERY TO YOU AND RECEIVE A FULL REFUND OF
ALL PREMIUMS.

ADMINISTERED BY

**ARKANSAS BLUE CROSS AND BLUE SHIELD,
A MUTUAL INSURANCE COMPANY
601 S.GAINES STREET
LITTLE ROCK, ARKANSAS 72201**

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SPECIMEN

We certify that a group insurance policy effective June 1, 2010 has been issued to the Medi-Pak[®] Group Insurance Trust. The policy provides benefits for eligible participants who have enrolled in the Trust.

The effective date of your insurance is shown on your enrollment card.

This Benefit Certificate contains the complete agreement regarding your Medicare supplement insurance benefits between Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company (the Plan) and the Medi-Pak[®] Group Insurance Trust.

Medicare Supplement Coverage - This coverage is designed to supplement Medicare by covering some hospital, medical and surgical services which are partially covered by Medicare. Coverage is provided for hospital inpatient charges and physician charges, subject to any deductibles and co-payment provisions which are set forth in the certificate.

SPECIMEN

ARTICLE I. DEFINITIONS

- A. Benefit Period means the period beginning on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for sixty (60) days in a row.
- B. Certificate means this document, the application, the identification card, and any supplements or amendments to them.
- C. Coinsurance is the part of the charges you must pay:
1. for Medicare approved hospital services;
 2. for Medicare approved physician services; and,
 3. for Medicare approved Skilled Nursing Facilities.
- This amount is indexed each year by the appropriate inflation adjustment specified by the Secretary of the U.S. Department of Health and Human Services.
- D. Deductible means:
1. Part A inpatient hospital deductible applied by Medicare; and
 2. Part B calendar year deductible applied by Medicare.
- This amount is indexed each year by the appropriate inflation adjustment specified by the Secretary of the U.S. Department of Health and Human Services.
- E. Effective Date is the date shown on the identification card. Coverage begins on that date, at 12:01 a.m.
- F. Extended Care Services means those services and supplies to which you would be entitled under Medicare while a patient in a Skilled Nursing Facility.
- G. Inpatient Hospital Services means those services and supplies to which you are entitled under Medicare as an inpatient in a Participating Hospital.
- H. Medicare means the two programs cited as the "Health Insurance for the Aged Act," Title I, Part I, of Public Law 89-97, as amended. Part A refers to Hospital insurance. Part B refers to supplemental medical insurance.
- I. Medicare Eligible Expenses means expenses of the kinds covered by Medicare, to the extent recognized as reasonable and medically necessary by Medicare.
- J. Participant and Member means the person who signed the application or was automatically enrolled and to whom this certificate is issued.
- K. Participating Hospital means a hospital certified by and participating in Medicare.
- L. Physician means a provider of services or supplies to a Medicare eligible recipient and who is entitled to payment therefore under Medicare.
- M. Plan, We and Us means Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company.
- N. Regulations mean the rules and policies of the Secretary of Health and Human Services that apply to Medicare.
- O. Secretary means the Administrator of Medicare under the United States Department of Health and Human Services.
- P. Skilled Nursing Facility means a skilled nursing facility certified by and participating in Medicare.
- Q. United States refers to the fifty (50) states plus the District of Columbia, Puerto Rico, Guam, American Samoa, and the Virgin Islands.
- R. You and Your means the Participant or Member, and if enrolled under a family certificate, your spouse.

ARTICLE II. MEDICARE EXTENDED HOSPITAL SERVICES

A. Benefits Provided

If you are admitted to a Participating Hospital as a registered bed patient on or after the Effective Date, subject to other provisions of this certificate, the Plan will pay these amounts:

1. One Hundred percent (100%) of the Medicare Part A inpatient hospital deductible (in effect at the time of admission to the hospital) per benefit period; and
2. Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period; and
3. Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used; and
4. Upon exhaustion of the Medicare hospital inpatient coverage including the lifetime reserve days, coverage of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate or other appropriate standard of payment, subject to a lifetime maximum benefit of an additional 365 days; and
5. The reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations), under Medicare Part A, unless replaced in accordance with federal regulation; and
6. The Coinsurance (in effect under Medicare at the time service is rendered) for Extended Care Services received at a Participating Skilled Nursing Facility during the 21st through the 100th day benefit period; and
7. Coverage of Part A Medicare Eligible Expenses incurred for hospice care and respite care expenses.

B. Limitations

These benefits are limited to services you are eligible for under the definition of Inpatient Hospital services in those facilities participating with Medicare.

ARTICLE III. MEDICARE PART B SERVICES

A. Benefits Provided

1. Within the limits of this certificate and subject to the Part B Medicare deductible paid by you, the Plan will pay on your behalf the Coinsurance (in effect at the time the service is rendered) of Part B Medicare-eligible expenses.
2. The reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal requirements), under Medicare Part B, unless replaced in accordance with federal regulation.
3. One hundred percent (100%) of the Medicare Part B Excess Charges: Coverage for all of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.

B. Limitations

1. Payment by the Plan will be limited to the reasonable charge as determined by

- Medicare.
2. No Medicare Part B Benefits will be paid for services provided by a hospital which is not a Participating Hospital.

ARTICLE IV. ADDITIONAL SERVICES AND SUPPLIES

- A. Medically Necessary Emergency Care in a Foreign Country
 1. Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician and medical care received outside the United States which is within the scope of Medicare coverage when provided in the United States, during the first sixty (60) consecutive days of each trip outside of the United States. This benefit is subject to a calendar year deductible of Two Hundred Fifty Dollars (\$250.00), and a lifetime maximum benefit of Fifty Thousand Dollars (\$50,000.00).
 2. For purposes of this benefit, "emergency care" shall mean care needed immediately because of an illness or an injury of sudden and unexpected onset.

ARTICLE V. BENEFITS NOT PROVIDED

- A. No benefits will be paid under any article of this certificate for any benefits you collect or could collect under or by virtue of any other law. Present Law here means any law enacted by the United States or any of its political subdivisions that provides for medical or hospital care. This includes, among other laws, any Worker's Compensation Law, the Federal Employees Health Benefits Act of 1959, and any law respecting medical care for active or inactive Armed Services Personnel or their dependents.
- B. No Benefits shall be payable hereunder for any benefits that are or could be obtained under Medicare.
- C. No benefit shall be available under this certificate if you do not have Medicare hospital Part A and Medicare medical Part B coverage.
- D. No benefits shall be payable for the Medicare Part B Deductible.

ARTICLE VI. SUBROGATION

If you are injured by a third party, the Plan is subrogated to such rights you may have against such third party to the extent of the services or benefits provided. You must cooperate fully with the Plan in its efforts to collect from the third party and if you fail to do so, the Plan shall be entitled to withhold benefits, services, payment or credits due under this certificate.

ARTICLE VII. CONDITIONS UNDER WHICH BENEFITS WILL BE PAID

- A. Premiums
 1. Initial premiums must be paid on or before the Effective Date. This certificate shall not be in force until the Plan or its authorized agent has received that payment.
 2. Premiums for further periods of coverage shall be paid at the rate in force at the

time your premium is due. All premiums must be paid by you or on your behalf to the Plan or its authorized agent.

3. One of the factors that determines your premium rate is the location of your residence. If you move to another geographic location, your premium rate may change. The new premium rate will be effective on the first day of the next premium billing period.

B. Other Conditions

1. Benefits are available on or after the Effective Date. They are contingent upon the recommendation of a physician who is treating you. Benefits are limited to those services specified in this certificate.
2. For continuance of benefits the Plan may require that the attending physician certify over his or her signature the medical necessity for continued care. If such a certificate is requested and received, it is subject to review by the Plan. Continued benefits will be paid contingent upon the Plan's approval. The Plan may request such a certificate no more often than every ten (10) days.
3. Those benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible amount and copayment percentage factors. Premiums may be modified to correspond with such changes.

C. Upon Termination of This Certificate

1. If on the date of termination, you are totally disabled due to sickness or injury, benefits will continue for that sickness or injury:
 - a. Until the end of your Benefit Period or when we have paid the maximum benefit under this certificate, whichever occurs first; and
 - b. Subject to the other conditions set forth in Article VII.B. of this certificate.
2. Totally disabled means that you are under a physician's orders in an institution or at home, for medical care or treatment.

ARTICLE VIII. CLAIMS, APPEALS AND LEGAL ACTIONS

A. Notice, Proof and Payment of Claims

1. Claims under Articles III & IV. You must furnish written proof of any services, supplies, or treatment to the Plan within ninety (90) days after they are rendered, or as soon as is reasonably possible. Only in the absence of legal capacity is proof acceptable later than one year. After the Plan receives notice it will furnish its usual forms within fifteen (15) days. If it does not, Proof of Claim will be assumed (if all other requirements are met.)
2. Benefits will be paid immediately upon receipt of due written proof of claim.

B. How To Appeal A Claim

1. If a claim for benefits is denied either in whole or in part, you will receive a notice explaining the reason or reasons for the denial. You may request a review of a denial of benefits for any claim or portion of a claim by sending a written request to the Appeals Coordinator of Arkansas Blue Cross and Blue Shield, A Mutual Insurance Company, 601 S. Gaines Street, Little Rock, Arkansas 72203. Your request must be made within sixty (60) days after you have been notified of the denial of benefits.
2. In preparing your request for review, you or your duly authorized representative

will have the right to examine documents pertinent to your claim. However, medical information can be released to you only upon the written authorization of your physician. You or your representative may submit, with your request for review, any additional information relevant to your claim and may also submit issues and comments in writing. A complete review will then be made of all information relating to your claim. You will receive a final decision in writing within sixty (60) days after the receipt of your review request, except where special circumstances require extensive review. A final decision will be sent to you after no longer than one hundred twenty (120) days.

C. Legal Action

No action at law or in equity shall be brought to recover on this certificate:

1. Before the 61st day after written proof of loss has been furnished.
2. After three years has expired after written proof of loss is required.

D. Time Limits on Certain Defenses

After twelve (12) months from the Effective Date, non-fraudulent misstatements in your application may not be used to void the certificate or to deny any claim made thereafter.

ARTICLE IX. GENERAL PROVISIONS

A. Amendments

1. No provision of this certificate may be varied, waived, or amended except by a written amendment signed by the President of the Plan.
2. Premiums are subject to change upon thirty (30) days' written notice to you.
3. Premium changes are subject to the approval of the Arkansas Insurance Commissioner.
4. If made, premium will be applicable to all certificates like this one.

B. A grace period will apply for premiums (except the initial Premiums.) This grace period means that if you pay your premiums within thirty-one (31) days after they are due, your certificate remains continuously in force. If you do not, your certificate is terminated as of the date premiums were payable.

If your certificate is terminated this way, you may apply for reinstatement. If you do so the Plan will let you know within thirty (30) days whether that application is approved.

If the certificate is reinstated, you and the Plan have the same rights as immediately before the due date of the defaulted premiums. Premiums in connection with reinstatement apply to a period for which premiums had not been paid but may not extend to more than sixty (60) days before the date of reinstatement.

C. Medicaid

All benefits and premiums under this certificate will be suspended during your entitlement to benefits under Medicaid for up to twenty-four (24) months. You must request this suspension within ninety (90) days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your certificate will be reinstated if you make such request within ninety (90) days of the date you are no longer entitled to Medicaid.

D. Termination

1. This certificate shall terminate and all rights under it cease, upon your death. Upon submission of proof of death, all unearned premiums for any period

beyond the end of the month in which death occurs, will be refunded.

2. You may terminate this certificate by giving thirty (30) days written notice to the Plan. Provided, the Plan may not cancel this certificate, except for fraud, material misrepresentation, or non-payment of premiums.
- E. You, as a precondition to payment of any benefits, authorize and direct any provider of service or supplies and the Department of Health and Human Services to furnish the following to the Plan any time the Plan requests:
1. Any information relevant to status, eligibility, or charges.
 2. Any records or copies of records related to attendance, examination, treatment, or charges.
- F. This certificate cancels all previous certificates and certificate rights between you and the Plan. This certificate consists only of the items listed herein.
- G. Assignment. No assignment of benefits hereunder shall be honored by the Plan unless executed on the Plan's regular claim form and accepted thereon by the physician or other provider of service. The Plan will not recognize any assignment from a provider of medical services or supplies unless such provider has entered into a written agreement with a Blue Cross or Blue Shield Plan to provide medical service or supplies to that Plan's Participants or Members.
- H. Despite our best efforts, we may make a claim payment which is not for a benefit provided under this Policy, or we may make payment to you when payment should have gone directly to the Provider of treatment or services instead. In the event of an erroneous or mistaken payment, you agree to refund the full amount of such payment to us promptly upon our request. If the Company does not receive the full amount of the refund due, the Company will have the right to offset future payments made to you or your Provider under this Policy/Certificate or under any other Policy/Certificate you have with the Company now or in the future.

P. Mark White

P. Mark White, President and Chief Executive Officer

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Innovative Fitness Program Rider Silver Sneakers®

INTRODUCTION

This Rider makes benefits available for Member's participation in and services received in a specified Silver Sneakers® Fitness Program.

DEFINITIONS

Participating Fitness Facility means an Arkansas Blue Cross and Blue Shield approved individual health club, exercise site or wellness studio located in Arkansas, designated and accepted as a Participating Fitness Facility by Arkansas Blue Cross and Blue Shield to provide a Silver Sneakers® Fitness Program to Members under the terms of this Rider.

Silver Sneakers® Fitness Program means a program that includes exercise classes and basic fitness membership services for Arkansas Blue Cross and Blue Shield Members provided through a Participating Fitness Facility. Basic fitness membership services are defined by each Participating Fitness Facility.

BENEFITS

The Member is entitled to attend, at least once per week, a Silver Sneakers® Fitness Program at any Participating Fitness Facility, at no cost to the Member.

LIMITATIONS

Basic fitness membership services exclude all those programs, services and facilities which carry additional charges such as racquetball, tennis and other court sports, massage therapy, lessons related to recreational sports, tournaments, and similar fee-based activities.

SPECIMEN