

MINNESOTA MANDATED BENEFIT ENDORSEMENT

Health Plan

This endorsement only applies to Minnesota residents who are eligible for coverage. Under this endorsement the following benefits and/or provisions are amended and are subject to the Benefit Plan Cost Sharing Amounts, unless otherwise stated. Please read this endorsement carefully and keep it with your Benefit Plan documents for future reference.

INPATIENT HOSPITAL AND MEDICAL SERVICES

Cleft Lip or Cleft Palate

- In the case of deformities known as cleft lip or cleft palate, benefits will be available for dependent children for inpatient medical and dental treatment, including orthodontic and oral surgery treatment, for services that were scheduled or initiated prior to the dependent reaching age 19.

Complications from Breast Implants

- Benefits are available for services related to complications from breast implants.

TRANSPLANT SERVICES

- Benefits are available for the treatment of breast cancer by high dose chemotherapy with autologous bone marrow transplantation. Prior Approval is required. Benefits are limited to a Lifetime Maximum of 2 transplants per Member.

TEMPOROMANDIBULAR OR CRANIOMANDIBULAR JOINT TREATMENT

- Benefits are available for surgical and nonsurgical temporomandibular or craniomandibular joint treatment rendered on an inpatient or outpatient basis by a Physician or Dentist. The surgical and nonsurgical Lifetime Maximums for temporomandibular or craniomandibular joint treatment do not apply.

OUTPATIENT HOSPITAL AND MEDICAL SERVICES

Cleft Lip or Cleft Palate

- In the case of deformities known as cleft lip or cleft palate, benefits will be available for dependent children for outpatient medical and dental treatment, including orthodontic and oral surgery treatment, for services that were scheduled or initiated prior to the dependent reaching age 19.

Phenylketonuria (PKU)

- Benefits are available for the special dietary treatment for phenylketonuria (PKU) when recommended by a Physician. The Maximum Benefit Allowance does not apply.

Port-wine Stains

- Benefits are available for the elimination or maximum feasible treatment of port-wine stains.

Complications from Breast Implants

- Benefits are available for services related to complications from breast implants.

WELLNESS SERVICES

Routine Cancer Screening

- Benefits are available for routine screening procedures for cancer (Including mammograms, pap smears, colorectal cancer screening, Prostate Specific Antigen (PSA) tests and surveillance tests for ovarian cancer). A Health Care Provider will counsel Members as to how often preventive services are needed based on the age, gender and medical status of the Member.

Well Child Care

- The Cost Sharing Amounts for Well Child Care are waived.

Diabetic Education Services

- The Maximum Benefit Allowance for Diabetic Education Services does not apply.

MATERNITY SERVICES

Prenatal Care

- Benefits are available for prenatal care as defined by the Standards for Obstetric Gynecologic Services issued by the American College of Obstetricians and Gynecologists. The Cost Sharing Amounts are waived.

PSYCHIATRIC AND SUBSTANCE ABUSE SERVICES

Inpatient Services

- The Maximum Benefit Allowance for inpatient psychiatric and substance abuse services does not apply. Preauthorization is required.
- Benefits are available for the inpatient treatment of emotionally handicapped children in a residential treatment facility licensed by the Commissioner of Human Services.
- Benefits are available for Covered Services received from the following Health Care Provider:

Community Mental Health Center - an outpatient public or private health and human services facility which provides clinical services for the treatment of mental illness in accordance with the provisions set forth in Rule 29 of Minnesota's Department of Health and Human Services standards, sections 9520.0750 to 9520.870.

Outpatient Services

- The Maximum Benefit Allowance for outpatient psychiatric and substance abuse services does not apply. Benefits will be subject to Cost Sharing Amounts, including the first 5 hours/visits.
- Outpatient psychiatric services require Prior Approval after 30 hours per Benefit Period.
- Outpatient substance abuse services require Prior Approval after 20 visits per Benefit Period.

PRIVATE DUTY NURSING SERVICES

Ventilator Dependent Services

- Benefits are available up to a Maximum Benefit Allowance of 120 hours of services while the person is hospitalized. Covered Services by a Private Duty Nurse will be limited to the provision of communicator or interpreter services during a transition period of up to 120 hours to assure adequate training of hospital staff to communicate with the patient.

SCALP HAIR PROSTHESIS

- Benefits are available for scalp hair prosthesis for loss suffered as a result of alopecia areata. Benefits are subject to a Maximum Benefit Allowance of \$350 per Member per Benefit Period.

HEARING AIDS

- Benefits are available for hearing aids for Members through age 18 subject to a Maximum Benefit Allowance of 1 hearing aid in each ear per Member every 3 years. Prior Approval is required. This benefit is also subject to the Medical Supplies and Equipment Maximum Benefit Allowance.

CONTINUATION OF COVERAGE

- Eligible Dependents can elect to continue coverage when the Subscriber becomes enrolled for benefits under Title XVIII of the Social Security Act (Medicare). Continuation coverage may be continued until the earlier of the following dates:
 1. the date coverage would otherwise terminate under the Benefit Plan;
 2. 36 months after continuation by the Eligible Dependents was elected; or
 3. Eligible Dependents become covered under another group Benefit Plan.
- If the Eligible Dependents become ineligible for coverage due to an annulment of marriage, legal separation or divorce, coverage can be continued to the earlier of the following dates:
 1. the date the Subscriber's former spouse becomes covered under any other group Benefit Plan, or
 2. the date coverage would otherwise terminate under the Benefit Plan.
- Subscribers who are voluntarily or involuntarily terminated or laid off from employment may elect to continue coverage, if the Benefit Plan remains in force for active Subscribers of the group. A Subscriber is considered laid off from employment if there is a reduction in hours to the point where an employee is no longer eligible under the Benefit Plan. Termination does not include discharge for gross misconduct. The Subscriber shall be eligible to continue coverage until the Subscriber becomes covered under another Benefit Plan or, for a period of 18 months after termination or lay off from employment, whichever is shorter.

Upon request, the Company will provide instructions necessary to enable the Member to elect continuation of coverage.

ELIGIBLE DEPENDENT

- A dependent of the Subscriber who qualifies for membership under this Benefit Plan in accordance with the requirements specified below:
 - A. The Subscriber's spouse under a legally existing marriage between persons of the opposite sex.
 - B. The Subscriber's or the Subscriber's living, covered spouse's unmarried children under the age of 25 years who are financially dependent on the Subscriber or the Subscriber's spouse. Children are considered under age 25 until the end of the month in which the child becomes 25 years of age. The term child or children includes:
 1. Children physically placed with the Subscriber for adoption or whom the Subscriber or the Subscriber's living, covered spouse has legally adopted.
 2. Children living with the Subscriber for whom the Subscriber or the Subscriber's living, covered spouse has been appointed legal guardian by court order.
 3. The Subscriber's grandchildren or those of the Subscriber's living, covered spouse if: (a) the parent of the grandchild is a covered Eligible Dependent under this Benefit Plan and (b) both the parent and the grandchild are primarily dependent on the Subscriber for support. If a lapse in coverage occurs due to ineligibility of the parent under this Benefit Plan, the grandchild cannot be reenrolled unless the Subscriber has been appointed legal guardian.
 4. Children for whom the Subscriber or the Subscriber's living, covered spouse are required by court order to provide health benefits.
 5. Children beyond the age of 25 who are full-time students at accredited institutions who are financially dependent on the Subscriber or the Subscriber's spouse. Coverage in such cases will be continued only until the end of the month in which the child becomes 26 years of age. An accredited institution is defined as an institution of higher education offering a degree or certificate in a specific field or trade for which the recipient may gain employment after completing course work. The institution must be licensed, certified or accredited.
 6. Children beyond the age of 25 who are incapable of self support because of mental retardation or physical handicap that began before the child attained age 25 and who are primarily dependent on the Subscriber or the Subscriber's spouse for support. Coverage for such a disabled child will continue for as long as the child remains unmarried, disabled and the Subscriber's dependent for federal income tax purposes. The Subscriber may be asked periodically to provide evidence satisfactory to BCBSND of these disabilities.
- This Benefit Plan shall provide coverage to newborn infants from the moment of birth and immediately thereafter for illness, injury, congenital malformation or premature birth. Newborn infants include grandchildren who are financially dependent upon a covered grandparent and reside continuously with that grandparent from birth.

REINSTATEMENT OF BENEFIT PLAN

- In the event of termination for nonpayment of premiums, BCBSND will accept the past due premium and reinstate the Benefit Plan if the Group applies for reinstatement and submits the premium no later than 60 days after the due date for the premium payment, unless:
 1. the Group has, in the interim, left the state or the service area; or
 2. the Group has applied for reinstatement on two or more prior occasions.

Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid.

RIGHTS OF SUBROGATION AND REIMBURSEMENT

- If BCBSND pays benefits for Covered Services to or for a Member for any injury or condition caused or contributed to by the act or omission of any third party, and the Member has received a full recovery, BCBSND shall have certain rights of assignment, subrogation and/or reimbursement as set forth below. BCBSND has full discretionary authority to determine whether to exercise any or all of said rights. For purposes of this section, full recovery does not include payments made by BCBSND to or for the Member's benefit. Nothing herein shall limit BCBSND's right to recovery from another source which may otherwise exist at law.

A Member must notify BCBSND of the circumstances of the injury or condition, cooperate with BCBSND in doing whatever is necessary to enable BCBSND to assert these rights, and do nothing to prejudice them. The rights stated herein apply automatically in any applicable situation. BCBSND has no obligation to notify a Member of BCBSND's intent to exercise one or more of these rights and BCBSND's failure to provide such a notice shall not constitute a waiver of these rights.

If a Member does not comply with these provisions or otherwise prejudices the rights of BCBSND to assignment, subrogation or reimbursement, BCBSND shall have full discretion to withhold payment of any future benefits to or for the Member and to off set the benefits already paid to or for the Member against the payment of any future benefits to or for the Member regardless of whether or not said future benefits are related to the injury or condition.

- A. Right of Assignment and/or Subrogation: If a Member fails to bring a claim against a third party (including any person, firm or corporation which may be liable for or on behalf of the third party), BCBSND has the right to bring said claim as the assignee and/or subrogee of the Member and to recover any benefits paid under this Benefit Plan.
- B. Right of Reimbursement: If a Member makes any recovery from a third party (including any person, firm or corporation which may be liable for or on behalf of the third party), whether by judgment, settlement or otherwise, the Member must notify BCBSND of said recovery and must reimburse BCBSND to the full extent of any benefits paid by BCBSND, not to exceed the amount of the recovery. This right of reimbursement shall apply to any such recovery to the extent of any benefits paid under this Benefit Plan. Any recovery the Member may obtain is conclusively presumed to be for the reimbursement of benefits paid by BCBSND until BCBSND has been fully reimbursed.

BCBSND's rights of subrogation, reimbursement and assignment are subject to subtraction of actual monies paid to account for the pro rata share of the Member's costs, disbursements and reasonable attorney fees, and other expenses incurred in obtaining the recovery from another source unless BCBSND is separately represented by its own attorney.

If BCBSND is separately represented by an attorney, BCBSND may enter into an agreement with the Member regarding the Member's costs, disbursements and reasonable attorney fees, and other expenses. If BCBSND and the Member cannot reach agreement on such allocation, the matter of allocation shall be submitted to binding arbitration.

The Member agrees to not transfer any right to any recovery to a third party or otherwise attempt to avoid BCBSND's rights under this Benefit Plan. The Member agrees that any recovery shall be held in trust for BCBSND until BCBSND has been fully reimbursed and/or that BCBSND shall have a lien on any recovery to the full extent of any benefits paid under this Benefit Plan. The Member agrees that to enforce its rights under this section, BCBSND may pursue any and all remedies, legal or equitable, available under state or federal law, including subrogation, breach of contract, constructive trust, equitable lien, injunction, restitution and any other remedies.

This endorsement is in effect so long as you remain a Minnesota resident and are eligible for coverage through the Group Benefit Plan to which this endorsement was issued.