

The contract between you, the member, and Blue Care Network (BCN) of Michigan includes this booklet, **General Provisions**, and the booklet, **Your Benefits**. BCN is an independent corporation operating under a license from the Blue Cross Blue Shield Association, which is an association of independent Blue Cross Blue Shield Plans. This Association permits BCN to use the Blue Cross Blue Shield Service Mark in Michigan.

When you enroll in BCN, you understand that:

- BCN is not contracting as the agent of the Association.
- You have not entered into the contract with BCN based on representations by any person other than BCN.
- No person, entity or organization other than BCN will be held accountable or liable to you for any of BCN's obligations created under the contract.
- There are no additional obligations on the part of BCN other than those obligations stated under the provisions of the contract with BCN.

Blue Care Network

General Provisions

Blue Care Network (BCN) is a Health Maintenance Organizations (HMO) licensed by the state of Michigan and affiliated with Blue Cross Blue Shield of Michigan. Your Certificate (*Your Benefits* and *General Provisions*) is issued by your BCN health plan and is an agreement between you as an enrolled member and BCN.

If your coverage is arranged through your employment, your eligibility and benefits will also be subject to the contract made between your employer and BCN.

Eligible members are entitled to the HMO services and benefits described in your Certificate in exchange for the premium paid to BCN.

By enrolling in this health plan and accepting this Certificate, you, the member, agree to abide by the rules as stated in this Certificate. You also recognize that, except for emergency health services, only those health care services provided by your Primary Care Physician or arranged or approved by BCN are a benefit under this Certificate.

Definitions

These definitions will help you understand the terms used in this booklet.

BCN is Blue Care Network, the Health Maintenance Organization in which you are enrolled.

Certificate is the two booklets we issue to you that describe your coverage, and any riders we issue that change your coverage:

- **Your Benefits** is a detailed description of your health care coverage, including exclusions and limitations.
- **General Provisions** (this booklet) describes the rules of your BCN health coverage plan.

Enrollment means submitting a completed enrollment form and paying the necessary premium to BCN.

Family Dependent is an eligible family member who is enrolled for health care coverage with BCN. A dependent must meet the requirements stated in Part 1, Section 1.3.

Geographic Region is the counties covered by your BCN regional office.

Group is the legal entity that contracted with BCN on behalf of its employees to receive the benefits described in the Certificate.

Hospital is a state-licensed, acute-care facility that provides continuous, 24-hour inpatient medical, surgical or obstetrical care. It is not primarily a nursing care facility, rest home, home for the aged or a facility to treat substance abuse, psychiatric disorders or pulmonary tuberculosis.

Member is the subscriber or an eligible dependent entitled to benefits under this Certificate.

Non-Group Subscriber is one who enrolls for BCN coverage and pays the premiums for coverage directly rather than through a group.

Open Enrollment Period is a period of time each year when eligible people may enroll or disenroll in BCN.

Primary Care Physician is a licensed medical doctor (MD) or doctor of osteopathy (DO) affiliated with BCN as a Primary Care Physician and located in your geographic region.

Premium is the amount prepaid monthly for coverage. For group coverage, this amount may include employee contributions.

Referral Physician is a provider to whom a member is referred by a Primary Care Physician.

Service Area is the geographic area through approval by state authorities that is served by BCN.

Skilled Nursing Facility is a state-licensed, certified nursing home that is affiliated with BCN and that provides a high level of specialized care to members. It is an alternative to extended hospital stays.

Subscriber is the eligible person who has enrolled for health care coverage with BCN. This person is the one responsible for payment of health care coverage premiums or whose employment is the basis for coverage eligibility. This person is also known as a “member.”

Other **members** are those dependents of the subscriber who are eligible for coverage.

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Part 1: Eligibility, Enrollment and Effective Date of Coverage

This section describes eligibility, enrollment and effective date of coverage for the five types of subscribers listed below.

All BCN subscribers and members must meet eligibility requirements established by BCN. Certain requirements depend on whether the subscriber is:

- a group subscriber
- a non-group subscriber / group-conversion subscriber
- family dependent
- dependent under a qualified medical child support order
- principally supported child

All members must live in the BCN service area to be eligible for coverage unless stated otherwise in this booklet.

1.1 Group Subscriber

Eligibility

A group subscriber must do **all** of the following:

- live in the BCN service area at least nine months out of the year;
- be an active employee or eligible retiree of a group; and
- meet the group's eligibility requirements.

Enrollment

- A new employee must enroll within 30 days of becoming eligible or during an open enrollment period.

NOTE: If the employee declines enrollment because of having other coverage, and that coverage ends, he/she may enroll if:

- Any COBRA coverage is exhausted, and
- The other coverage was terminated as a result of loss of employer contributions or loss of eligibility.

The employee must request enrollment within 30 days after the other coverage ends.

Effective Date

The effective date of coverage depends on the agreement between the group and BCN.

1.2 Non-Group Subscriber

Eligibility

A non-group subscriber must:

- live in the BCN service area at least nine months out of the year;
- not be eligible for enrolling in group coverage or group conversion coverage;
- not be eligible for or enrolled in other health care coverage as a subscriber or dependent, including Medicare.

Enrollment

Enrollment takes place during an open enrollment period or when the member is converting from group coverage to non-group coverage. See Part 6.

Effective Date

The effective date of coverage is the date designated by BCN.

1.3 Family Dependent

Eligibility

A family dependent may be either:

- the legally married spouse of the subscriber or
- a dependent of the subscriber – an unmarried child of the subscriber or of the subscriber's spouse by birth, legal adoption, or legal guardianship

NOTE: Children of the subscriber's spouse must live with the subscriber at least 50% of the time.

Dependent children are eligible until they become 19 years old. The dependent's enrollment terminates at the end of the calendar year in which he or she becomes 19 years old.

Exception: An unmarried, dependent child who becomes 19 while enrolled in BCN and who is totally and permanently disabled may continue coverage if:

- The dependent is incapable of self-sustaining employment because of mental retardation or physical handicap;
- The dependent must rely primarily on the subscriber for financial support; and
- The dependent lives in the service area.

The subscriber must submit to BCN the proof of this disability and dependence within 30 days of the dependent's 19th birthday. BCN may require annual proof of continued disability and dependence.

NOTE: A dependent whose only disability is a learning disability or substance abuse does not qualify for coverage after age 19.

Enrollment

Any eligible dependents may be added to the subscriber's contract:

- during the annual open enrollment period
- when the subscriber enrolls
- within 30 days of a 'qualifying event,' that is, birth, marriage, placement for adoption, etc.

NOTE: Other non-enrolled eligible dependents may also be added at the same time as the newly qualified dependent.

If the subscriber's dependents were not enrolled because of other coverage, and they lose their coverage, the subscriber may add them within 30 days of their loss of coverage.

Effective Date of Coverage

- Coverage is effective on the date of the qualifying event, if the dependent is enrolled within 30 days of the event.
- If the dependent is not enrolled within 30 days, coverage will not begin until the next open enrollment period's effective date.
- For a dependent who lost coverage and notifies BCN within 30 days, coverage will be effective when the previous coverage lapses. If you do not notify BCN within 30 days, coverage will not begin until the next open enrollment period's effective date.
- Adopted children must be covered from the date of placement.

NOTE: Placement means when the subscriber becomes legally responsible for the child; therefore, the child's coverage may begin before the child lives in the subscriber's home.

1.4 Dependent under a Qualified Medical Child Support Order

Eligibility

The child must:

- be under 19 years old and unmarried; and
- be under court or administrative order that his or her medical care is the subscriber's legal responsibility.

NOTE: A copy of the court order, court-approved settlement agreement or divorce decree is required to enroll the child. If you have questions about whether an order is 'qualified' for purposes of ERISA, call your group representative or BCN.

Enrollment

- The child may be enrolled at any time, preferably within 30 days of the court order.

In addition:

- If the subscriber parent does not apply, the other parent **or** the state Medicaid agency may apply.
- The subscriber parent may change from individual coverage to family coverage.
- If the parent that is under court order to provide coverage for the child is not already a subscriber, that parent may enroll (if eligible) when the child is enrolled.
- Neither parent may disenroll the child from an active contract while the court order is in effect, unless the child becomes covered under another plan.

Effective Date of Coverage

- If BCN receives notice within 30 days of the court order, coverage is effective as of the date of the court order.
- If BCN receives notice after 30 days of the order, coverage is effective on the date BCN receives notice.

1.5 Principally Supported Child

Eligibility

A principally supported child must:

- be under 19 years of age and unmarried;
- live full-time in the home with the subscriber;
- not be eligible for Medicare, and
- be dependent on the subscriber for principal support in accordance with Internal Revenue Service standards, and have met these standards for at least six full months prior to applying for coverage.

Enrollment

You may apply for coverage for a principally supported child after you have been the principal support for six months; however, coverage does not begin for three more months.

To apply, you must furnish the following:

- evidence that the child was reported as a dependent on the subscriber's most recently filed tax return **or**
- evidence and a sworn statement that the child qualifies for dependent tax status in the current year.

To continue coverage, you must furnish proof of eligibility every year.

Effective Date of Coverage

Coverage for principally supported children begins on the first day of the month, 90 days after application and proof of support. The premium payment must have been received by BCN prior to the effective date of coverage.

1.6 Additional Eligibility Guidelines

The following guidelines apply to **all** members:

- **Medicare:** If a member becomes eligible to enroll in Medicare, the member is eligible to enroll in only the applicable BCN Medicare program **except** when Medicare is the secondary payer by law.
- **Service Area Waiver:** Under certain circumstances BCN may waive the service area requirement in writing for a subscriber and family dependents who live outside the service area.
- **Change of Status:** You agree to notify BCN within 30 days of any change in eligibility status of you or any family dependents. **When a member is no longer eligible for coverage, he or she is responsible for payment for any services or benefits.**
- **Members admitted to a hospital or skilled nursing facility** prior to the effective date of coverage will be covered for inpatient care on the effective date of the Certificate **only** if:
 - The member has no continuing coverage under any other health benefits contract, program or insurance.

Part 2: Other Party Liability

BCN does not pay claims or coordinate benefits for services that:

- Are not provided or pre-authorized by BCN and a Primary Care Physician, and
- Are not a benefit under this Certificate.

2.1 Nonduplication

- BCN provides each member with full health care services within the limits of this Certificate.
- BCN does not duplicate benefits or pay more for covered services than the actual fees.
- Coverage for your benefits will be reduced to the extent that the benefits are available or payable under any other certificate or policy covering the member, whether or not you make a claim for the benefits.

2.2 Auto Policy and Workers' Compensation Claims

- This Certificate is a coordinated certificate of coverage. That is, services and treatment for any automobile-related injury that are paid or payable under any automobile or no-fault automobile policy will not be paid by BCN. BCN will not allow "double-dipping" whereby you would recover payment for the same services from both BCN and the automobile or no-fault carrier.
- Services and treatment for any work-related injury that are paid or payable under any workers' compensation program will not be paid by BCN.
- If any such services are provided by BCN, BCN has the right to seek reimbursement from the other program or insurer.

2.3 Coordination of Benefits (COB)

NOTE: "Certificate" and "Policy" used here include a certificate, contract or policy issued by:

- a health or medical care corporation,
- a hospital service corporation,
- a health maintenance organization,
- a dental care corporation,
- an insurance company,
- a labor-management trustee plan,
- a union welfare plan,
- an employer organization plan, or
- an employer self-insurance plan

in connection with a group disability benefit plan under which health, dental, hospital, medical, surgical or sick care benefits are provided to subscribers.

"Determination of benefits" means determining the amount that will be paid for covered services.

“Coordination of Benefits” means determining which certificate or policy is responsible for paying benefits for covered services first (primary carrier) when a member has dual coverage. Then, benefits payments are coordinated between two carriers to provide 100% coverage whenever possible for services covered in whole or in part under either plan, but not to pay in excess of 100% of the total amounts to which providers or members are entitled.

Coordination

When a member has coverage under a certificate or policy that does not contain a coordination of benefits provision, that certificate or policy will pay first. This means benefits under the other coverage will be determined before the benefits of your BCN Certificate.

After those benefits are determined, BCN’s benefits and the benefits of the other plan will be coordinated to provide 100% coverage whenever possible for services covered partly or totally under either plan. In no case will payments be more than the amounts to which providers or members are entitled.

BCN does not pay claims or coordinate benefits for services that:

- Are not provided or pre-authorized by BCN and a Primary Care Physician, and
- Are not a benefit under this Certificate.

Order of Benefits Determination (which policy will pay first)

When a member has coverage under another policy or certificate that does have a coordination of benefits provision, these rules apply:

1. The benefits of the policy that covers the person as a **subscriber** (policy-holder) will be determined first. The benefits that cover the person as a **dependent** will be determined second.
2. If two policies cover a person as a dependent, the policy of the person whose birthday falls earlier in the calendar year will be considered primary, i.e., those benefits will be determined first.
3. If two policies cover a person as a dependent and the birthdays of the two policy-holders are identical, the policy that has covered the patient longer will be primary.

NOTE: If either policy or certificate is lawfully issued in another state, and does not have the coordination of benefits procedure regarding dependents based on birthday anniversaries, and each policy or certificate determines its payment of benefits after the other, the policy that does not have the COB procedure based on birthdays will determine who pays first.

4. If the claim is for a dependent minor child, payment of benefits will be determined as follows:
 - a) If the parents of the minor child are divorced, and the divorce decree or court order places financial responsibility for medical, dental or other health care expenses on one specific parent, the policy of that parent will be primary.
 - b) If the parents of the child are legally separated or divorced, and the parent with custody has not remarried and a court order does not specify which parent is responsible for medical coverage, the policy that covers the child as a dependent of the custodial parent will be paid first. (Also see paragraph a.)

- c) If the parents are divorced and the custodial parent has remarried:
 - The benefits of the custodial parent’s policy will be paid before the benefits of the custodial step-parent.
 - The policy that covers the minor child as a dependent of the custodial parent’s spouse will be paid before the benefits that cover the minor child as a dependent of the non-custodial parent.
- 5. If paragraphs 1, 2, 3 or 4 do not establish the order in which benefits should be paid, the policy or certificate that has covered the child longer will pay first, subject to the following:
 - a) The benefits of a policy of a person who is laid-off or retired will be secondary to any other policy covering the minor child.
 - b) If either policy or certificate is lawfully issued in another state and does not have a provision regarding laid-off or retired employees, and each policy determines its benefits after the other, then paragraph a) does not apply.

COB Exception

Benefits under this Certificate will not be reduced or otherwise limited because of a non-group contract that is issued as a hospital indemnity, surgical indemnity, specified disease or other policy of disability insurance as defined in section 3400 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3400 of the Michigan Compiled Laws.

COB Administration

- If BCN determines that benefits under this Certificate should have been reduced because of benefits available under another certificate or policy, BCN has the right to:
 - recover any payments made to the member directly from the member or
 - assess a reasonable charge for services provided by BCN in excess of BCN’s liability

If benefits that should have been paid by BCN have been provided under another certificate or policy, BCN may directly reimburse whoever provided the benefits payments.

- For COB purposes, BCN may release, claim or obtain any necessary information from any insurance company or other organization. Any member who claims benefits payment under this Certificate must furnish BCN with any necessary information or authorization to do this.

2.4 Subrogation

Subrogation means that BCN has the same right as a member to recover expenses for services for which another person or organization is legally liable, to the extent that BCN has provided or paid for the services. BCN will be subrogated to the member’s right of recovery against the liable party.

- a) When you accept a BCN ID card, you agree that, as a condition to receiving benefits and services under this Certificate, you will make every effort to recover funds from the liable party. If you recover any funds, you will reimburse BCN. BCN shall have a lien against any such recoveries of funds whether by judgment, settlement, compromise or reimbursement. This applies no matter how the recovered funds are designated, i.e., economic or non-economic damages.

- b) When you accept a BCN ID card, it is understood that you acknowledge BCN's right of subrogation. If BCN requests, you will authorize this action through a subrogation agreement. If a subrogation lawsuit by you or by BCN results in a financial recovery greater than the services and benefits provided by BCN, BCN has the right to recover its legal fees and costs out of the excess.
- c) You or your representative will do whatever is necessary to enable BCN to implement the provisions of this Section. If you hire a lawyer to pursue a claim, you must inform the lawyer of BCN's rights under this Certificate. When reasonable collection costs and legal expenses are incurred in recovering amounts that benefit both you and BCN, the costs and legal expenses will be divided equitably.
- d) You agree not to compromise or settle a claim or take any action that would prejudice the rights and interests of BCN without getting BCN's prior written consent.
- e) If you refuse or do not cooperate with BCN regarding subrogation, it will be grounds for terminating membership in BCN. BCN will have the right to recover from you the value of services and benefits provided to you.

Part 3: Member Rights and Responsibilities

3.1 Confidentiality of Health Care Records

A consent to release of medical information is written on your BCN identification card. By using your identification card and as a condition of receiving benefits under this Certificate you consent to the release of information from your medical records and information received from your health care providers incident to the doctor-patient relationship to BCN and to your Primary Care Physician.

Your health care records will be kept confidential by BCN and your Primary Care Physician. BCN will not disclose information from your medical records without your consent except in connection with the administration of this Certificate, when required by law, for use of nonidentifying data for statistical studies or in bona fide medical research or education.

It is your responsibility to cooperate with BCN by providing health history information and helping to obtain prior medical records at BCN's request.

3.2 Inspection of Medical Records

You have access to your own medical records or those of your minor children or wards at the Medical Office during regular office hours. However, access to records of a minor without the minor's consent may be limited by law or applicable BCN policy.

3.3 Primary Care Physician

You may select a Primary Care Physician from the list of BCN physicians in your geographical area. BCN will make every attempt to honor your choice. A female Member may also directly access any affiliated obstetrician gynecologist for all obstetric and routine gynecologic care without a referral. The female Member retains the right to receive the obstetrical and/or gynecological services directly from her Primary Care Physician.

The parent or guardian of a BCN Member under the age of eighteen (18) years (referred to as a “Minor”) may select an affiliated pediatrician as the Minor’s Primary Care Physician. Alternatively, the parent or guardian of a Minor may select a BCN affiliated family practitioner or general practitioner as the Minor’s Primary Care Physician, and may access a BCN affiliated pediatrician for general pediatric services for the Minor (hereinafter “Pediatric Services”). No referral is required for a Minor to receive Pediatric Services from the affiliated pediatrician.

A Member wishing to change Primary Care Physicians may do so by making arrangements with BCN. If after reasonable efforts, the Member and Primary Care Physician are unable to establish and maintain a satisfactory physician-patient relationship, BCN may transfer the Member to another Primary Care Physician. If a satisfactory physician-patient relationship cannot be established and maintained, BCN may ask you to disenroll. In some cases, the contract may be terminated, which will affect all the Members on the contract. (See Section 5.3.)

3.4 Refusal to Accept Treatment

You have the right to refuse treatment or procedures recommended by BCN physicians for personal or religious reasons. However, your decision could adversely affect the relationship between you and your physician, and the ability of your physician to provide appropriate care for you.

If you refuse the treatment recommended, and the BCN physician believes that no other medically acceptable treatment is appropriate, the physician will notify you. If you still refuse the treatment or request procedures or treatment that BCN regards as medically or professionally inappropriate, BCN is no longer financially or professionally responsible for treating the condition.

3.5 Complaint and Grievance Procedure

If you have a complaint or grievance regarding any aspect of BCN’s services, you must follow the procedure established by BCN. You receive a copy of this procedure when you become a member. You also may obtain a copy at any time by contacting BCN at 1-800-662-6667.

If grievances are not settled through BCN’s procedure, you may appeal to the

Office of Financial and Insurance Services
Division of Insurance, Health Plans Division
611 Ottawa, Second Floor
PO Box 30220
Lansing, MI 48909-7720

3.6 Member’s Role in Policy-Making

At least one third of the Board of Directors of BCN will consist of BCN members, elected by subscribers. BCN provides nomination and election procedures to subscribers each year.

3.7 PCP Notification of Termination

Each member may receive notification of termination from his or her physician with 15 days of knowledge of the termination effective date. The physician can continue care with a terminally ill member, diagnosed as such prior to the physician's notification of termination from the plan.

Limitations and Exclusions:

If the physician provides notification to the member, BCN will permit the member to continue an ongoing course of treatment as follows:

- 1) For 90 days from the date of notice to the member by the physician of the physician's termination.
- 2) Through post-partum care directly related to the pregnancy if the member is in her second or third trimester of pregnancy at the time of the physician's termination.
- 3) The member must have been diagnosed as terminally ill prior to receiving notification of physician's termination.

Continuation of care only applies if the physician adheres to BCN's policies and procedures.

Part 4: Forms, Identification Cards, Records and Claims

4.1 Forms and Applications

Applicants and BCN members must complete and submit any applications, medical questionnaires or other forms that BCN requests within reason. You warrant that any information you submit is true, correct and complete. If you intentionally submit false or misleading information to BCN or omit any requested information, it may be grounds for refusing an application or for terminating your enrollment.

4.2 Identification Card

BCN issues identification cards to members. You must present these cards whenever you receive or seek services from a provider. This card is the property of BCN. BCN may request that the card be returned at any time.

To be entitled to benefits, the person using the card must be the member for whom all premiums have been paid. If a person is not entitled to receive services, the person must pay for the services received.

If your card is lost or stolen, report it to BCN immediately.

4.3 Misuse of Identification Card

If any BCN member does any of the following:

- misuses the identification card,
- repeatedly fails to present the card when receiving services from a provider,

- permits any other person to use the card, and/or
- attempts to or defrauds BCN,

BCN may confiscate the card, and all rights of the member under this Certificate will terminate.

4.4 Membership Records

- BCN will keep membership records.
- BCN will not provide coverage unless information is submitted in a satisfactory format by a group or a member.
- Any incorrect information submitted to BCN may (and should) be corrected. However, you will be responsible for reimbursing BCN for any service paid by BCN based on incorrect information.

4.5 Authorization to Receive Information

By accepting coverage under this Certificate, you agree that:

- BCN may obtain any information from providers in connection with services to a member.
- BCN may disclose any of your medical information to your Primary Care Physician.
- BCN may copy records related to your care.

4.6 Member Reimbursement

There is no reason for you to pay a provider for covered services under this Certificate (other than copays), but if circumstances require that you do, and you can prove that you have, BCN will reimburse you for those covered services.

- You must provide written proof of the payment within 12 months of the date of service.
- Claims submitted more than 12 months after the date of service will not be paid.

Part 5: Termination of Coverage

5.1 Termination of Group Coverage

This Certificate and the contract between a group and BCN will continue in effect for the period established by BCN and the group. The agreement continues from year to year, subject to the following:

- The group or BCN may terminate the Certificate with 30 days written notice. Benefits for all members of the group will terminate on the date the Certificate terminates.
- If the group terminates this Certificate, all rights to benefits end on the date of termination. BCN will cooperate with the group to arrange for continuing care of members who are hospitalized on the termination date.

5.2 Termination for Nonpayment

Nonpayment of Premium

- If a group or individual subscriber fails to pay the premium by the due date, the group or individual is in default. BCN allows a 30 day grace period, however, if the default continues, the group and its members, or the individual subscriber may be terminated.
- BCN will allow a 30 day grace period, however, if the group or individual is terminated, any benefits incurred by a member and paid by BCN after the termination will be charged to the group or the individual subscriber.

Nonpayment History

- BCN may refuse to accept an application for enrollment or may decline renewal of any member's coverage if the applicant or any member on the contract has a history of delinquent payment of premiums or copayments.

Nonpayment of Member Copay

- BCN may terminate coverage for any contract under the following conditions:
 - Members fail to pay copayments or other fees within 90 days of their due date, or
 - Members do not make and comply with acceptable payment arrangements with BCN to correct the situation.
- The termination will be effective at the renewal date of the Certificate. BCN will give reasonable notice of such termination.

5.3 Termination of a Member's Coverage

Coverage for any member may also be terminated for any of the reasons listed below. Such termination is subject to reasonable notice and grievance rights, if applicable:

- The member no longer meets eligibility requirements
- A contract is cancelled for nonpayment
- The group's coverage is cancelled
- Refusal to cooperate with BCN in pursuing subrogation
- A satisfactory physician-patient relationship cannot be established
- Providing false or misleading information or for withholding material information
- Fraud or misuse of the BCN ID card
- Acting in an abusive or threatening manner, being obstructive to staff or other patients or for intentionally misusing the BCN system

5.4 Extension of Benefits

All rights to BCN benefits end on the termination date **except**:

- Benefits will be extended for an authorized inpatient admission that began prior to the termination date.

This extension of benefits will continue only for the condition being treated on the termination date, and only until **any one** of the following occurs:

- The patient is discharged.
- The benefits expire.
- The Primary Care Physician determines that the inpatient admission is no longer medically necessary.
- The patient becomes eligible for other coverage.

Part 6: Conversion and Continuation Coverage

6.1 Loss Because of Eligibility Change

If you no longer meet **eligibility** requirements for group coverage, you may apply for conversion to non-group coverage. There will be no lapse in coverage if the following events occur within 30 days after you lose eligibility for group coverage:

- You apply in writing.
- You are approved by BCN.
- You pay the applicable premium charges.

NOTE: Your non-group coverage may not be the same level of coverage as your prior group coverage.

6.2 Loss Because of Moving

If you no longer meet eligibility requirements because you move, but you are still eligible for coverage according to your group's guidelines, you have two choices. You must choose one of the following within 30 days to avoid a lapse in coverage:

- You may apply in writing for a waiver of the residency requirement. The waiver **must** be approved by BCN.

or

- You must transfer to your group's alternate carrier, if any.

If your group does not have an alternate carrier, you may apply for conversion coverage through Blue Cross Blue Shield of Michigan.

6.3 Loss of Coverage by Dependent

If a family dependent ceases to be eligible for coverage because of:

- the death of the subscriber,
- divorce from the subscriber,
- change of residence **or**
- loss of dependent status,

the dependent may apply for conversion coverage as outlined in Section 6.1. A minor or totally disabled dependent that is 19 years or older, may convert only as a dependent on a parent's conversion contract.

- If a family dependent member is no longer eligible to continue membership because he or she is eligible to enroll in Medicare, BCN will notify the member and convert the member's coverage to the applicable BCN Medicare program.

6.4 COBRA Coverage

COBRA is the continuation of group coverage, but at the member's expense, for members who lose eligibility. Most groups with over 20 employees are required by federal law to offer this coverage. The group is the administrator of its COBRA plan. If you have questions, contact the group.

NOTE: Groups with under 20 employees, church-related groups and federal employee groups are exempt from COBRA.

If your group is subject to this federal law, and you are eligible for continuation coverage under the law, points 1, 2 and 3 below apply to you.

1. You may apply and pay for group continuation coverage directly to your employer, but you must do so within the time limits allowed by law. You must also comply with other requirements of federal law.
2. This coverage may continue for up to 18, 29 or 36 months, depending on the reason for your initial eligibility.
 - You are considered a group member for all purposes, including termination for cause; however, events that would otherwise result in loss of eligibility are waived to the extent that the federal law specifically allows continuation.
 - Continuation coverage and all benefits cease automatically under **any** of the following:
 - The period allowed by law expires.
 - The group stops offering BCN coverage.
 - You begin coverage under any other plan (with some exceptions).
 - You become eligible for Medicare.
 - You do not pay for your coverage fully and on time.
3. If you maintain uninterrupted coverage in good standing, you may change from continuation coverage to non-group conversion coverage at any time during the last six months of the period you were allowed for continuation coverage.
 - If you apply in writing and pay the premium to BCN before the last day of the period you were allowed for continuation coverage, there will be no lapse in coverage.
 - The non-group conversion coverage may not be the same level of coverage as your prior group coverage.
 - A minor or totally disabled dependent that is 19 years or older, may convert only as a dependent on a parent's conversion contract.

Part 7: General Provisions

7.1 Notice

Any notice that BCN is required to give its members will be

- In writing;
- Delivered personally or sent by U.S. Mail; and
- Addressed to the subscriber's last address of record

7.2 Change of Address

You, the subscriber, must notify BCN immediately of any change of address for yourself or any dependent. If you do not notify BCN of a change of address outside the service area within a reasonable period of time, your contract may be cancelled.

7.3 Headings

The titles and headings in your Certificate are not a part of the Certificate. They are intended to make your Certificate easier to read and understand.

7.4 Governing Law

This Certificate of coverage is made and will be interpreted under the laws of the state of Michigan.

7.5 Execution of Contract of Coverage

When you, the subscriber, sign the BCN application form, you are agreeing to all terms, conditions and provisions of this Certificate.

7.6 Assignment

The benefits provided under this Certificate are for the personal benefit of the members. They cannot be transferred or assigned to another person.

If any member tries to assign this Certificate to another person, all rights will be automatically terminated. BCN will not pay any provider except under the provisions of this Certificate.

7.7 BCN Policies

BCN may adopt reasonable policies, procedures, rules and interpretations in order to administer this Certificate.

7.8 Arbitration and Litigation

- You may not bring any action or lawsuit against BCN under this Certificate unless you give BCN 30 days advance notice.
- You may not bring any action or lawsuit against BCN under this Certificate more than two years after a claim has arisen.
- You may not bring any action or lawsuit against BCN unless you have first followed the BCN internal grievance process.

7.9 Your Contract

Your contract with BCN consists of all of the following:

- *Your Benefits and General Provisions* booklets (the “Certificate”)
- The agreement between the group and BCN (for group coverage)
- Any applicable riders
- The application signed by the subscriber
- BCN identification card

These documents supersede all other agreements between BCN and members as of the effective date of the documents.

7.10 Waiver by Agents

No agent or any other person, except an executive officer of BCN, has the authority to do any of the following:

- Waive any conditions or restrictions of this Certificate
- Extend the time for making payment
- Bind BCN by making promises or representations or by giving or receiving any information.

7.11 Amendments

- This Certificate and the agreement between the group and BCN are subject to amendment, modification or termination.
- Such changes must be made in accordance with the terms of this Certificate or by mutual agreement between the group and BCN, with regulatory approval, if required.

7.12 Major Disasters

In the event of major disaster, epidemic or other circumstances beyond the control of BCN, BCN will attempt to perform covered services insofar as it is practical, according to BCN's best judgment and within any limitations of facilities and personnel that exist.

If facilities and personnel are not available, causing delay or lack of services, there is no liability or obligation to perform covered services under such circumstances.

Such circumstances include:

- complete or partial disruption of facilities
- disability of a significant part of facility or BCN personnel, etc.
- war
- riot
- civil insurrection
- labor disputes not within the control of BCN

7.13 Obtaining Additional Information

The following information is available from BCN by writing to BCN at 20500 Civic Center Drive, Southfield, Michigan 48076.

- The current provider network in your service area
- The professional credentials of the health care providers who are participating providers with BCN, including participating providers who are board certified in the specialty of pain medicine and the evaluation and treatment of intractable pain
- The names of participating hospitals where individual participating physicians have privileges for treatment
- How to contact the appropriate Michigan agency to obtain information about complaints or disciplinary actions against a health care provider
- Information about the financial relationships between BCN and a participating provider