Benefits Description for VEHI-VSTRS 65 Medical Plan Only

If you have questions about your coverage, please call Blue Cross and Blue Shield of Vermont's (Blue Cross's) customer service department toll free at (800) 344-6690.

Read This Document and Outline of Coverage Very Carefully

Your outline of coverage appears on this page, and describes your plan's most important features. The Benefit Description, which appears later in this document, describes Your plan's services, limitations and cost-sharing amounts. You must read this document to understand all your rights and duties.

Notice

- Your plan may not fully cover all of your medical costs.
- Your outline of coverage does not give all the details of your coverage. Contact the VSTRS Retirement Division or Blue Cross's customer service team at the number listed on the back of your ID card.

How Does Your Coverage Work?

Your plan was designed to supplement Medicare coverage. The government does not sponsor this plan or any other Medicare-Supplementary coverage. VSTRS and VEHI Trust provide the coverage.

You may subscribe to this plan only if you have Medicare Parts A and B. This plan does not include a Prescription Drug Plan (Part D). Note: Not purchasing a credible Part D prescription drug plan, may result in a future Part D enrollment penalty.

With few exceptions, Your plan helps pay for the same services as Medicare does. It helps cover co-insurance and other expenses you would have to pay even with your Medicare coverage.

Neither Medicare nor Your plan covers all of your medical expenses. In some cases, you will have to pay for part or all of a health care service yourself.

Vermont State Teachers Retirement Hospital Services—Per Benefit Period

Medicare (Part A)—Per Benefit Period	MEDICARE PAYS	PLAN PAYS	YOU PAY
SERVICES			
Hospitalization*, ** Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but $1,632	$1,632 (Part A deductible)	$0
61st through 90th day	All but $408 a day	$408 a day	$0
91st day and after, while using 60 lifetime reserve days	All but $816 a day	$816 a day	$0
Once lifetime reserve days are used: additional 365 days	$0	100% of Medicare-eligible expenses	$0
Beyond the additional 365 days	$0	$0	All costs
Skilled Nursing Care Facility* You must meet certain requirements, including having been in a hospital for at least three days and entered an approved facility within 30 days after leaving the hospital.			
First 20 days	All approved amounts	$0	$0
21st through 100th day	All but $204 a day	Up to $204 a day	$0
101st day and after	$0	$0	All costs
Blood			
First three pints	$0	All costs	$0
Additional amounts	100%	$0	$0
Hospice Care You must meet certain requirements, including a doctor's certification of terminal illness.	All but very limited copayment/coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	$0

* A benefit period begins 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 60 days in a row.

Medical Services—Per Plan Year

Medicare (Part B)—Per Plan Year	MEDICARE PAYS	PLAN PAYS	YOU PAY
SERVICES			
Medical Expenses in or out of the hospital and outpatient hospital treatment, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests and durable medical equipment			
First $240 of Medicare-approved amounts***	$0	$240 (Part B deductible)	$0
Remainder of Medicare-approved amounts	Generally 80%	Generally 20%	$0
Part B excess charges (above Medicare-approved amounts)	$0	$0	All costs
Blood			
First three pints	$0	All costs	$0
Next $240 of Medicare-approved amounts*, ***	$0	$240 (Part B deductible)	$0
Remainder of Medicare-approved amounts	80%	20%	$0
Clinical Laboratory Services			
Tests for diagnostic services	100%	$0	$0

Medicare Parts A and B	MEDICARE PAYS	PLAN PAYS	YOU PAY
SERVICES Home Health Care (Medicare-approved services)			
Medically necessary skilled care services and medical supplies	100%	$0	$0
Durable medical equipment: First $240 of Medicare-approved amounts ***	$0	$240 (Part B deductible)	$0
Remainder of Medicare-approved amounts	80%	20%	$0

Foreign Travel (not covered by Medicare)	MEDICARE PAYS	PLAN PAYS	YOU PAY
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
SERVICES			
First $250 each calendar year	$0	$0	$250
Remainder of charges	$0	80% to a lifetime maximum benefit of $50,000	20% and amounts over the $50,000 lifetime maximum

** Notice: When your Part A hospital benefits are exhausted, the Plan stands in the place of your Part A hospital benefit and pays whatever amount Medicare would have paid up to an additional 365 days as provided in the policy's "Core benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

*** Once you have been billed $240 of Medicare-approved amounts for covered services (which are noted with three asterisks), your Part B deductible will have been met for the calendar year.

CHAPTER ONE

Benefits for Covered Services

VSTRS Eligibility

In order to be eligible for this plan, you must be enrolled in Medicare Part A and Medicare Part B. You cannot be enrolled in this plan ***and*** in a Medicare Part C plan (also called Medicare Advantage), a Medicare supplement, a Medigap or a Carve-out policy at the same time. This will result in denial of your claims and eventual termination from this plan.

For information about eligibility, and premium contribution questions, please contact the Vermont State Teachers' Retirement Office toll-free at **1-800-642-3191**, Monday through Friday, 7:45 a.m. to 4:30 p.m. Eastern time. TTY users call 711.

Limitations and Exclusions

Your plan only provides benefits for approved, eligible services. No benefits will be provided for services and supplies not specifically covered in this document.

Core Benefits

Coinsurance for Hospitalization (61st—90th Day)

Your plan provides benefits for eligible expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare Benefit Period.

Coinsurance for Hospitalization (During Reserve Days)

Your plan provides benefits for eligible expenses incurred for hospitalization, to the extent not covered by Medicare, for each Medicare lifetime inpatient reserve day used.

Hospitalization (Additional Reserve Days)

When you exhaust hospital inpatient coverage, including your lifetime reserve days, your plan provides benefits for eligible expenses for hospitalization, subject to a lifetime maximum Benefit of an additional 365 days. Your Provider must accept your plan's allowance as payment in full and may not bill you for any balances between our payment and the full charge.

Blood

Your plan provides benefits for the reasonable cost of the first three pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) you receive per calendar year.

Coinsurance, Copayments

After your Medicare Part B deductible is paid, your plan provides benefits for your coinsurance and/or copayment share of Medicare-eligible expenses under Part B, regardless of hospital confinement.

Hospice Care Benefit

Your plan pays the copayment and coinsurance amounts for all hospice care and respite care expenses approved by Medicare.

Additional Benefits

Part A Deductible

Your plan provides benefits for 100 percent of the Part A inpatient hospital deductible amount for each Benefit Period.

Part B Deductible

Your plan provides benefits for 100 percent of the Part B deductible amount for each calendar year, regardless of hospital confinement.

Skilled Nursing Facility Care Co-insurance

Your plan provides benefits for your co-insurance share from the 21st day through the 100th day in a Benefit Period for post-hospital care in an eligible skilled nursing facility. If the actual billed charges are less than your co-insurance share, your plan will pay the actual billed charge.

Necessary Emergency Care in a Foreign Country

Your plan provides limited benefits for emergency care you receive in a foreign country. After you pay your deductible, your plan pays the billed charges for eligible expenses up to a lifetime maximum Benefit of $50,000 (U.S.) under the following conditions:

- if your hospital, provider and medical care are medically necessary and an emergency;
- your care would have been covered by Medicare if it were provided in the United States; and
- your care begins during the first sixty (60) consecutive days of a trip outside the United States.

Please Note: For purposes of this Benefit, "emergency care" means care needed immediately because of an injury or an illness of sudden and unexpected onset.

Limitations and Exclusions

Limitations

We only provide Benefits for approved Medicare-eligible services provided on or after the effective date of this Contract.

Exclusions

No Benefits will be provided for services and supplies not specifically covered in this Contract.

CHAPTER TWO

Claims

Remember, when you contact a Provider, it is your responsibility to:

- identify yourself as having Medicare coverage; and
- identify yourself as having supplemental coverage through VEHI and/or VSTRS.

Claim Submission

In most cases, your Provider will submit your claim to Medicare. Medicare, in turn, will submit your processed claim to Blue Cross electronically. This means that, in most cases, you will not have to submit a claim to Blue Cross.

If you receive services in a foreign country, you are required to submit your claims directly to Blue Cross. Do not send these claims to Medicare first.

Blue Cross must receive all claims eligible to be processed by Medicare within one calendar year after you receive the service. Claims received after this date are ineligible for benefits.

You may obtain claim forms from Blue Cross by calling their customer service department or visiting their website at **www.bluecrossvt.org**.

Release of Information

Blue Cross needs specific information in order to administer your benefits. This information includes records, copies of records, and verbal statements. By accepting this plan, you give Blue Cross the right to obtain, from any source, all information they need to administer your benefits. Blue Cross also has the right to obtain this information to perform utilization review studies and analyses of Benefit programs. You plan's approval of your benefits is conditional upon your furnishing Blue Cross with such information, even if your plan provides benefits before they obtain the information.

In order to avoid duplicate payments, your plan may furnish this information to other entities who provide similar benefits, unless otherwise prohibited by law.

Benefit Determination and Payments

Benefit Determination

When Blue Cross receives your claim, they determine:

- whether this plan covers your services; and
- your Benefit amount.

Your Summary of Health Plan Payment (SHPP), formerly Explanation of Benefits (EOB) shows your Benefit.

Benefit Payments

Your plan usually pays:

- Medicare-participating Providers directly; and
- you directly for services you receive from other Providers (however, your plan reserves the right to pay any Provider directly).

Your rights under this plan are personal. This means that you may not assign your Benefit rights to any other party.

Payment In Error

If your plan or Blue Cross pay benefits incorrectly to you, your plan and Blue Cross require you to repay any overpayment. Your plan or Blue Cross will send you written notice requesting a refund. If your plan or Blue Cross pay your Provider incorrectly, your plan and Blue Cross reserves the right to seek reimbursement. In either case, your future benefits may be reduced or withheld to recover incorrect payments made to you or your Provider.

Regardless of whether your plan seeks recovery, erroneous payments on one occasion will not obligate your plan to provide benefits on another occasion.

Claim Review and Appeal

You may request a review of how your plan determined your Benefit by contacting Blue Cross's customer service center. You must, however, request this review within 60 days after Blue Cross mails your Summary of Health Plan Payment (SHPP).

Remember, whenever you contact Blue Cross please note:

- your ID number as shown on your ID Card;
- the date of the service in question; and
- the number of the claim as it appears on your Summary of Health Plan Payment (SHPP).

If you do not agree with the results of the claim review, you may request a claim appeal. If, however, you have a claim appeal pending with Medicare, please don't notify Blue Cross until Medicare has resolved the appeal. You must make this appeal within 60 days after Blue Cross mails you the results of the claim review. Send your appeal with the information noted above and any comments, in writing to:

Claim Appeal Committee
Blue Cross and Blue Shield of Vermont
P. O. Box 186
Montpelier, Vermont 05601-0186

You have the right to review data related to your appeal. Blue Cross usually reviews your claim appeal and mails you a written decision within 60 days after they receive your appeal. If, however, Blue Cross determines that a more extensive review is necessary, they will notify you that a decision will be made within 120 days.

The written decision of the claim appeal committee is our final determination of your benefits. By accepting this plan, you agree to seek a decision of the claim appeal committee before taking any judicial action.

CHAPTER THREE

Legal Information

Applicable Law

Your plan and this document shall be construed in accordance with the laws of Vermont, except to the extent such laws are preempted by the law of any other state or federal law. Your plan is intended for sale and delivery in, and is subject to the laws of, the State of Vermont and the United States. Blue Cross upholds its provision only to the extent allowable by law.

Future of the Plan

VEHI and/or VSTRS reserves the right, in its sole discretion, to change, modify amend or terminate your plan, in whole or in part, to the extent it deems advisable, at any time for any reason. Such changes, modifications, amendments or termination will be undertaken by action of VEHI and/or VSTRS or an authorized officer, or as otherwise required by your plan document. Furthermore, VEHI and/or VSTRS reserves the right, in its sole discretion, to change any third party providing services to your plan, including the Contract Administrator. Upon termination, any amounts payable under the terms of your plan as in effect immediately before the termination will be paid in accordance with plan terms. Significant changes to your plan, including termination, will be communicated to participants as required by applicable law.

The benefits under this plan do not vest. VEHI and/or VSTRS reserves the right, in its sole discretion, to determine the nature and amount of benefits, if any, that will be provided to individuals (and their Dependents) under your plan, as well as the right to reduce, terminate or modify the terms or the amount of such benefits.

Limitation on Assignment

Your rights and benefits under your plan cannot be assigned, sold or transferred to your creditors or anyone else. However, you may assign your right to benefits to the health provider who rendered the services under your plan.

Limitation of Rights

This document will not be held or construed to give any person any legal or equitable right against your Plan Organizer, Blue Cross or any other person connected with your plan, except as expressly provided in this document or as provided by applicable law; or to give any person any legal or equitable right to any assets of your plan.

Participant Address

You must notify your employer of any change of address. If you have questions call Blue Cross customer service at the number listed on the back of your ID card.

Non-waiver of Our Rights

Occasionally, your plan may choose not to enforce certain terms or conditions of your Benefit Description. This does not mean your plan gives up the right to enforce them later.

Plan Funding

The Plan is a self-funded plan. Benefits are paid from employee contributions (as applicable) and from the general assets of the Company or Plan Organizer.

Severability Clause

If any provisions of your plan are declared invalid or illegal for any reason, the remaining terms and provisions will remain in full force and effect.

Subrogation

If another person or organization caused or contributed to your illness or injuries, or is supposed to pay for your treatment (such as another carrier), then Your Plan has a right to collect back for benefits provided by this document. This is called Your Plan's "right of subrogation." In this section the person or organization is called a "third party." The third party might or might not be an insurer. Your Plan's right of subrogation means that:

- If Your Plan pays benefits for your health care services and then you recover expenses for those services from a third party through a suit, settlement or other means, you must reimburse Your Plan. Your Plan will have a lien on your recovery from a third party up to the amount of benefits Your Plan paid.
- You must reimburse Your Plan whether or not you have been "made whole" by the third party. Your Plan might reduce what you owe to Cover a share of attorneys' fees and other costs you incur in the process.
- Your Plan reserves the right to bring a lawsuit in your name or in our name against a third party or parties to recover benefits Your Plan advanced. Your Plan may also settle claims with a third party.
- This right of subrogation extends to any kind of auto, workers' compensation, property or liability insurance providing medical benefits.
- You must cooperate with Your Plan and Blue Cross and furnish information and assistance that is required to enforce Your Plan's rights.
- You must take no action interfering with Your Plan's rights and interests.
- If you refuse to pay Your Plan or Blue Cross or to cooperate with Your Plan or Blue Cross, they may take legal action against you. Your Plan may seek reimbursement from the funds you recovered from a third party, up to the amount of benefits paid. If Your Plan does so, you must also pay Your Plan's and/or Blue Cross's attorney's fees and collection expenses. Your Plan may reduce or withhold future benefits to recover what you owe.
- You agree that you will not settle your claim against a third party without first notifying Your Plan and Blue Cross. In some cases, Your Plan will compromise the amount of our claim.

CHAPTER FOUR

General Definitions

These terms have special meaning. All defined terms except "You," "Your," "We," "Us," and "Our" are capitalized in the text of the document to show that they convey the meaning defined here.

Plan Documents: (consists of):

- this Outline of Coverage;
- this Benefit Description;
- any supplements and endorsements issued by your Plan Organizer;
- your ID Card.

Benefit: the amount your plan pays for a covered service or supply as shown on your Summary of Health Plan Payment (SHPP).

Benefit Period: A Benefit Period begins 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 60 days in a row.

Contract Administrator: the party designated in the plan document and appointed by the Plan Organizer to adjust claims for a self-funded plan.

Plan Organizer: The person or group of persons formally charged, or named in the plan document, as having the responsibility, and given the authority, of overseeing the operation of your plan.

Providers: physicians, hospitals, skilled nursing facilities, home health agencies and other Providers approved by Medicare or approved by your plan or Blue Cross for services under this Contract.

You, Your: the individual who is enrolled in this plan.

Health plans are administered by:

BlueCross BlueShield
of Vermont

An Independent Licensee of
the Blue Cross and Blue Shield Association.

P.O. Box 186
Montpelier, VT 05601-0186
www.bluecrossvt.org.

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280-415 VSTRS 65 Plan (1/2024)