

**OUTPATIENT PRESCRIPTION
DRUG BENEFIT**

PacifiCare Life and Health Insurance Company

(Herein called We, Our, Us and Company)

3120 West Lake Center Drive

Santa Ana, California 92704

This Rider is issued as part of the Policy and any *Certificate* to which it is attached. This Rider is subject to all the terms and provisions of the Policy, except as stated below. In consideration of any additional premium, We will provide the coverage described in this Rider.

Benefit

The Company will pay an Outpatient Prescription Drug Benefit for Covered Expenses incurred by a Covered Person for Covered Services described in this Rider. The benefit will be subject to Copayments, Coinsurance and exclusions and limitations described in this Rider and will not exceed any applicable maximum shown in the *Certificate* or this Rider.

Outpatient Prescription Drug Schedule of Benefits.

Benefits will be paid at the Percentage Payable set forth in the *Schedule of Benefits*. The Copayment amount for a 30-day Unit supply per Formulary prescription:

Summary of Benefits	Generic Formulary	Brand-Name Formulary
Participating Pharmacy - 100% after Copayment of:	\$10	\$35
Non-Participating Pharmacy - 80% after Copayment of:	\$10	\$35
Mail-Order 90-day Supply - 100% after 2 Copayments per 90-day supply		

For brand-name drugs which have generic equivalents, the Covered Person pays the generic drug plan Copayment plus the difference between the cost of the generic drug and the brand-name drug Copayment.

Definitions

Formulary means a continually updated list of prescription medications which are approved by PacifiCare Pharmacy and Therapeutics Committee. The Formulary contains both brand-name drugs and generic drugs, all of which have Food and Drug Administration (FDA) approval.

Participating Pharmacy means a pharmacy that has contracted with the Company to provide Outpatient Prescription Drugs to a Covered Person at negotiated costs.

Non-Participating Pharmacy means a pharmacy that has not contracted with the Company.

Unit means the maximum amount (quantity) of medication that may be dispensed per single Copayment. For most oral medications, a Unit represents a 30-day supply or 90-day supply (through the mail service benefit) of medication. For other

medications, a Unit represents a single container, inhaler unit, vial, package or course of therapy. For drugs that could be habit-forming, a Unit may be set at a smaller quantity for the Covered Person's protection and safety.

Formulary Prescription Drug Benefit

You or your Physician may contact PacifiCare at 1-866-867-0700 or our Web site www.pacificare.com to determine if a particular drug is part of the Formulary or to obtain a list of Formulary drugs. Your Physician is not obligated to prescribe a Formulary drug and may prescribe any FDA-approved drug he or she feels is Medically Necessary for your treatment.

Questions? Call the Customer Service Department at 1-866-867-0700.

Covered Expense

Except as provided for maintenance Drugs purchased through Mail Service, Covered Expense for a Covered Service will not exceed the negotiated cost at a Participating Pharmacy for the lesser of the following:

1. the Unit supply usually prescribed by a Provider; or
2. a 30-day supply.

Covered Services

Covered Services include Outpatient Prescription Drugs prescribed by a licensed Provider and dispensed by a pharmacy for the treatment of an Injury or Sickness. Covered Services consist only of Medically Necessary drugs and medications which, in accordance with federal or state laws, may not be dispensed without the written prescription of a Provider, or which are dispensed by a Provider who dispenses Outpatient Prescription Drugs to patients when required to do so in the course of his or her regular practice. The Outpatient Prescription Drug Benefit will be provided for the following medications when ordered by a Provider:

1. Federal Legend Drugs: any medicinal substances which bear the legend "Caution: Federal law prohibits dispensing without a prescription."
2. State Restricted Drugs: any medicinal substance which may be dispensed by prescription only according to state law.
3. Insulin, insulin syringes, inhaler extender devices and anaphylaxis prevention kits.
4. Federal Legend oral contraceptives, prescription diaphragms and oral infertility drugs.

Mail Service

Maintenance drugs may be dispensed for up to a 90-day supply through the PacifiCare Mail Service Center. The Copayment amount is specified in the *Schedule of Benefits*.

Preauthorization for Non-Formulary Selected Drugs

Coverage for selected drugs will require PacifiCare's Preauthorization. PacifiCare's Preauthorization review process is to ensure that the selected Drugs are Medically Necessary and being utilized according to treatment guidelines consistent with good professional practices. For a list of the selected medications that require PacifiCare's Preauthorization, please contact PacifiCare's Customer Service department.

If a non-Formulary prescription is recommended, it will not be covered unless the non-Formulary drug is Preauthorized. Preauthorization requests must be initiated by the Covered Person's Physician. Non-Formulary Drugs which are not otherwise excluded

from coverage will be Preauthorized in the following instances:

1. No Formulary alternative is appropriate and the Company determines the drug is Medically Necessary;
2. The Formulary alternative has failed after therapeutic trial. The Covered Person's Physician will be asked to provide a copy of the medical chart notes specifically stating treatment failure with the Formulary alternative;
3. The Formulary alternative is not appropriate as determined by review of Physician chart notes;
4. The Covered Person has been under treatment and remains stable on a non-Formulary prescription drug and conversion to a Formulary drug would be medically inappropriate;
5. The Covered Person has experienced typical allergic reaction or established adverse effects relating to the pharmacological properties of the Formulary drug which are attributed to formulations or differences in absorption, distribution or elimination; or

The Covered Person's Physician provides evidence to the Company in the form of documents, records or clinical trials which establishes that use of the requested non-Formulary drug over the Formulary drug is Medically Necessary, as determined by the Company.

Exclusions and Limitations

No benefits are payable for any of the following:

1. Drugs or medicines purchased and received prior to the Covered Person's effective date or subsequent to the Covered Person's termination.
2. Therapeutic devices or appliances, even though they may require a prescription. This includes hypodermic needles, syringes (except insulin syringes when provided by a Participating Pharmacy for use with approved self-injectable medications), support garments and other nonmedical substances.
3. All nonprescription contraceptive jellies, ointments, foams or devices.
4. Drugs dispensed by a Hospital, rest home, sanitarium, Skilled Nursing Facility, convalescent care facility, nursing home or similar institution while confined as a patient.
5. Drugs or medicines delivered or administered to the Covered Person by the Provider or the Provider's staff.
6. Dietary supplements, including vitamins and fluoride supplements (except prenatal), health or beauty aids and diet pills, and dental-related products, such as topical fluoride, medicated dental rinses and children's fluoride vitamins.

7. Medication which may be properly received without charge under local, state or federal programs or which is reimbursable under other insurance programs including workers' compensation and Medicare.
8. Medications prescribed for experimental or non-FDA-approved indications unless prescribed in a manner consistent with a specific indication in *Drug Information for the Health Care Professional*, published by the United States Pharmacopeial Convention or in the American Hospital Formulary Services edition of *Drug Information*; medications limited to investigational use by law.
9. For patent drugs or medications available without a prescription (over-the-counter) or for which there is a nonprescription equivalent available.
10. Drugs or medicines used or taken primarily to improve or otherwise modify the Covered Person's external appearance.
11. Smoking cessation products (other than those available by participating in PacifiCare's StopSmokingSM program), including, but not limited to, nicotine gum, nicotine patches, or any other drug containing nicotine or other smoking deterrent medications.
12. Administration or injection of any drug.
13. Immunizing agents, injectables (except insulin), biological sera, blood plasma or medication prescribed for parenteral use.
14. Any applicable sales tax or surcharge.
15. Outpatient Prescription Drugs determined not to be effective for the specific diagnosis or which do not follow community practice standards.
16. Injectable infertility drugs.
17. Prescription medication for the treatment of sexual dysfunction, including erectile dysfunction, impotence and anorgasmia or hyporgasmia.
18. Elective or voluntary enhancement procedures, services, supplies and medications, including, but not limited to, weight loss, hair growth, sexual performance, athletic performance, cosmetic purposes, anti-aging and mental performance.
19. New prescription medications or supplies until they are reviewed for safety, efficacy and cost-effectiveness, and approved by the Company.
20. Compound Medication: any medicinal substance which has at least one ingredient that is Federal Legend or State Restricted in a therapeutic amount.

Any benefit provided under the Outpatient Prescription Drug Benefit is not eligible as a Covered Expense under any other provision of the Policy.

Non-Participating Pharmacy Reimbursement/ Direct Reimbursement

For prescriptions obtained at a Non-Participating Pharmacy or when submitting a claim for direct reimbursement, the Covered Person must complete a claim form and submit a prescription receipt from the pharmacist. The receipt must specify the prescription number, name of drug, date filled, name of pharmacy, name of patient and proof of payment. The Company will reimburse the Covered Person for the Covered Expense as shown on the *Schedule of Benefits*.

If a PacifiCare Participating Pharmacy Is Not Available

The Prescription Drug Benefit is honored only at PacifiCare Participating Pharmacies. The Covered Person is eligible for reimbursement only if a PacifiCare Participating Pharmacy is not available or accessible. In this situation, the Covered Person must pay the pharmacy the retail price for the prescription and then file a claim for direct reimbursement. For direct reimbursement, the Covered Person should submit a completed claim form and the pharmacy receipt showing the prescription number, name of drug, date filled, name of pharmacy, name of patient and proof of payment to:

PacifiCare Pharmacy Department
P.O. Box 6037
Cypress, California 90630

This Rider is effective on the later of August 1, 2002, or the effective date of the Policy and *Certificate* to which it is attached. This Rider terminates at the same time as the Policy and *Certificate* and is subject to all provisions, definitions, limitations and conditions of the Policy and *Certificate*. This Rider does not change, waive or extend any part of the Group Policy and/or *Certificate* other than as stated herein.

Signed on behalf of PacifiCare Life
and Health Insurance Company.



Edward C. Cymerys, President

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Customer Service:
866-867-0700
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www.pacificare.com

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