

PacifiCare[®]

☐ PacifiCare SignatureFreedomSM

P.O. Box 69312
Harrisburg, PA 17106-9312

Customer Service
1-866-867-0700
1-800-442-8833 (TDHI)

Visit our Web site @ www.pacificare.com



THE FLEXIBILITY OF SELF DIRECTED HEALTH
CARE SPENDING AND THE SECURITY OF
COMPREHENSIVE COVERAGE.

©2003 PacifiCare Health Systems, Inc.
FULLY INSURED
CM-603-46321.15
PC5020-001 Rev. 6/03

PacifiCare[®]

PacifiCare SignatureFreedom^{SM*} is a unique fully insured self directed health plan for those who demand flexibility, security and value.

PacifiCare SignatureFreedom is similar to a traditional PPO plan, where participants pay an annual deductible before the plan covers their health care expenses. But, with SignatureFreedom, covered persons are issued a Self Directed Account (SDA) that provides first coverage for a select set of services.

The SDA offers today's health care consumers the flexibility they demand.

A person with PacifiCare SignatureFreedom coverage can go to any provider for services covered by the SDA, offering them great flexibility and choice. If they choose to visit a provider from PacifiCare's extensive provider network, he or she may be rewarded with lower, PacifiCare-negotiated rates. This will help them make the most of the SDA funds.

Participants can use the SDA as a "health care checking account" for services including (but not limited to):

- Physician office visits
- Covered diagnostic X-ray and lab services
- Preventive care for children with immunizations (through age 18)
- Mammography screening
- Breast and pelvic exams
- Prostate cancer screening
- Periodic health evaluations

Unused portions of the SDA can be rolled over, year after year.

The SDA's rollover feature allows the covered person to "save" the unused balance of the SDA by rolling it over to the next year. They can continue to rollover the remaining balance of the SDA year after year. This allows them to "save" for health care expenses and encourages them to make smarter choices about their care. The unused balance of the SDA account is forfeited only if the policy is terminated.



PacifiCare PPO* provides the security today's health care consumer needs.

If a covered person depletes his/her SDA, the PacifiCare SignatureFreedom plan defaults to a high-deductible PPO plan. A portion of the yearly deductible for their PPO plan may have already been satisfied through their SDA.

If a participant requires services that are not covered by the SDA (such as inpatient surgery or emergency room services), he or she will need to meet the applicable PPO deductible.

Once the covered person satisfies the remaining portion of the deductible not covered by the SDA, he or she can take advantage of the coverage afforded by the PPO plan. Even if the PPO deductible has been met, there may be funds available in their SDA for SDA-eligible expenses.



Figure 1

How the Plan Works

PacifiCare SignatureFreedom has a simple plan design and a variety of key features. Figure 1 indicates how a sample plan works.

Sample PacifiCare SignatureFreedom Plan Design	
Self Directed Account	
\$1,000 Employee only	\$2,000 Family
Employee-Paid Deductible	
\$2,000 Employee only	\$4,000 Family
PPO Benefits	
In-Network Coinsurance 70%	Out-of-Network Coinsurance 50%
100% Coverage after Coinsurance Maximum (except for outpatient prescription drugs which require a Copayment or Coinsurance)	

* These plans are underwritten by PacifiCare Life and Health Insurance Company in California.

Education and Support Tools

PacifiCare SignatureFreedom puts a variety of education and support tools at participants' fingertips—providing access to the information they need to understand their health care choices and become savvy health care consumers.



PacifiCare SignatureFreedom Web site

- PacifiCare SignatureFreedom offers participants access to a dedicated Web site where they can access a variety of support services and personalized plan information, including personalized pages where participants can:
 - Track their SDA balance
 - Track their health care service and pharmacy claims
 - Research providers and health- and pharmacy-related costs

Health Care Companion

- This comprehensive handbook guides participants step-by-step through the PacifiCare SignatureFreedom plan. It includes a summary of the resources available to the plan's participants.

Customer Service

- PacifiCare's full-service Customer Service Center delivers personal, fast answers to coverage questions. Customer Service Associates are available Monday through Friday, 7 a.m. – 9 p.m. PST.
- Customer Service is also available via Internet.

Extensive Group of Contracted Providers

- PacifiCare SignatureFreedom participants benefit from access to PacifiCare's comprehensive provider network. PacifiCare develops relationships with providers, helping to cement an overall commitment to quality care and customer service.

Hospital Quality Index® profile

- The HOSPITAL QUALITY INDEX® profile is PacifiCare's recognized report on hospital performance. The profile rates PacifiCare-contracted hospitals on measures related to appropriate care, patient safety, patient satisfaction and utilization. It can be found on our Web site at www.pacificare.com.

Integrated Care from PacifiCare

The PacifiCare SignatureFreedom plan is integrated with other programs and services from PacifiCare, such as:

- Health Management Programs provide participants with chronic conditions such as asthma, diabetes, heart disease, depression and smoking addiction with the information and skills necessary to address self-care and lifestyle changes.

- PacifiCare PerksSM include savings on family safety products, health clubs, alternative care, vitamins, vision services and more.
- Women's Health SolutionsSM offers a continually expanding collection of programs and services that have been developed to target the needs of our female customers.
- 24-Hour Health Information provides participants with access to around-the-clock resources such as our Nurse Line and a variety of interactive health information resources delivered via the Internet at www.pacificare.com.
- PacifiCare Online provides information that helps participants make the most of their health plan through PacifiCare's award-winning Web site: www.pacificare.com.



Frequently Asked Questions about PacifiCare SignatureFreedom

What is the Self Directed Account (SDA)?

The SDA can be used to pay for specified eligible medical plan expenses. The SDA is available to satisfy part of the annual PPO deductible. The amount of the SDA is disclosed in the SDA Rider.

What is the SDA Rollover feature?

The SDA's rollover feature allows the covered person to "save" the unused balance of the SDA by rolling it over to the next year. They can continue to rollover the remaining balance of the SDA year after year. The unused balance of the SDA is only forfeited if the policy is terminated.

What services are not covered by the SDA?

Services not covered by the SDA include (but are not limited to) expenses such as hospitalization, outpatient surgery, emergency room services and nontraditional medical expenses such as acupuncture and infertility services.

What are the PPO benefits under the PacifiCare SignatureFreedom Plan?

PacifiCare PPO benefits work just like those of any other PPO plan. The covered person can see any physician or specialist, but he or she may enjoy greater benefits when seeing participating providers who have contracted with PacifiCare to provide services at prenegotiated rates.

What will the covered person have to pay for?

Here are a few scenarios where a covered person will pay for services:

1. ***The covered person has used all the funds available in the SDA (the balance of the SDA is zero) and the covered person hasn't met the plan year deductible.*** In this scenario, the covered person would be responsible for paying the difference between the



amount of the **annual** deductible and the amount already satisfied by the SDA. The **annual** deductible must be met before the covered person can use PPO benefits.

2. ***The SDA balance is zero and the covered person has met the plan year deductible.*** In this scenario, the covered person would be responsible for paying his/her share of the coinsurance as specified in the PacifiCare PPO *Schedule of Benefits*.
3. ***The SDA has not been used and the covered person hasn't met the plan year deductible, and the covered person is hospitalized for surgery.*** In this scenario, the covered person would pay up to the annual deductible amount because hospitalization is not covered by the SDA. The plan then begins paying a percentage of the covered expense under the PacifiCare PPO benefits. The funds in the SDA are still available to the insured for eligible expenses.

4. ***The SDA has not been used and the covered person hasn't met the plan year deductible, and the covered person is visiting his/her physician for a routine check-up.*** In this scenario, the covered person would not be responsible for paying as long as the cost of the office visit does not exceed the amount of the SDA balance. The cost of the visit will be deducted from the SDA.

How does the SignatureFreedom Plan pay claims for health care services?

Once the covered person has received health care from a participating or non-participating provider, the health care provider bills the plan for the cost of services. Once the bill is received by the plan and the SDA is reviewed:

1. ***If the service is covered by the SDA and the covered person has enough funds in the SDA to cover the bill,*** it is paid in full by the SDA, up to the SDA maximum. The covered person will pay nothing.
2. ***If the service is covered by the SDA but the covered person doesn't have enough funds in the SDA to cover the bill,*** the plan pays up to the amount left in the SDA. At this point, the covered person is responsible for the rest of the health care expenses until he/she satisfies their portion of the annual deductible.
3. ***If the service is not covered by the SDA,*** the covered person is responsible for the health care expenses until he/she satisfies the annual deductible.

Once the PPO annual deductible has been satisfied, the bill will be paid at the PPO coinsurance level.

1. ***If the covered person still has funds available in their SDA after the annual deductible has been met,*** the SDA will pay the covered person's share of the coinsurance for the specified eligible medical expenses until the SDA is exhausted.
2. ***If the covered person does not have funds available in his/her SDA,*** he or she pays a share of the PPO coinsurance up to the annual coinsurance maximum.

