

Prior Authorization / Precertification

Benefits payable for Hospital Inpatient Confinement Charges and confinement charges for services provided in an inpatient confinement facility will be reduced by 30% unless:

For Hospital Inpatient Confinement Charges and charges for services provided in an inpatient confinement facility, a Precertification is requested from the Company by the Insured Person or a designated patient representative as soon as a Hospital Inpatient Confinement or confinement in an inpatient confinement facility is scheduled, but no later than the day of a Hospital Inpatient Confinement or confinement in an inpatient confinement facility, for other than Emergency Services.

If a Precertification is not requested in a timely manner as specified above, the 30% reduction in benefits payable will be applied to all non-emergency Hospital Inpatient Confinement Charges and charges in an inpatient confinement facility.

For the purpose of these requirements, "Precertification" means notification to the Company by the Insured Person or his or her designated representative prior to a non-emergency Hospital Inpatient Confinement or confinement in an inpatient confinement facility.

Benefits will be payable only for that part of the Hospital Inpatient Confinement Charges or inpatient confinement facility charges that the Company determines to be a Covered Charge.

An inpatient confinement facility includes:

- Hospital;
- Skilled Nursing Facility;
- Rehabilitation hospital;
- Hospice;
- Long term acute care facility;
- Psychiatric Hospital or psychiatric unit of a general hospital for Mental Health and Behavioral Treatment Services;
- Inpatient Alcohol or Drug Abuse Treatment Facility or drug or alcohol unit of a general hospital or any other facility required by state law to be recognized as a treatment facility under the Group Policy for Alcohol and Drug Abuse Treatment Services;
- Partial Hospitalization or Day Treatment Facility for Mental Health, Behavioral, Alcohol and Drug Abuse Treatment Services.

Certain exceptions apply to Hospital Inpatient Confinement for childbirth as described below.

For Emergency Services, the Insured Person or a designated patient representative must contact the Company within two business days of a Hospital Inpatient Confinement or of a confinement in an inpatient confinement facility.

The 30% reduction in Benefits Payable is a penalty for failure to comply with the Utilization Management Requirements listed. The reduction:

- will not count toward satisfaction of the Out-of-Pocket Expense limits; and
- will not exceed \$10,000 per individual each Calendar Year.
- **Precertification Applicable to medical care received from PPO Providers or Non-Preferred Providers**

A Precertification by the Company is required for all Hospital Inpatient Confinements or inpatient facility confinements.

Precertification requires a review by the Company of a Physician's report of the need for a Hospital Inpatient Confinement or confinement in an inpatient confinement facility, (unless it is for an automatically approved Hospital Inpatient Confinement for childbirth).

The report (verbal or Written) must include the:

- reason(s) for the Hospital Inpatient Confinement or confinement in an inpatient confinement facility; and
- significant symptoms, physical findings, and treatment plan; and
- procedures performed or to be performed during the Hospital Inpatient Confinement or confinement in an inpatient confinement facility; and
- estimated length of the Hospital Inpatient Confinement or confinement in an inpatient confinement facility.

If a Hospital Inpatient Confinement or confinement in an inpatient confinement facility will exceed the approved number of days, the Company will initiate a Continued Stay Review. For the purpose of these requirements, **Continued Stay Review** means a review by the Company of a Physician's report of the need for continued Hospital Inpatient Confinement or confinement in an inpatient confinement facility.

The report (verbal or Written) must include the:

- reason(s) for requesting continued Hospital Inpatient Confinement or confinement in an inpatient confinement facility; and
- significant symptoms, physical findings, and treatment plan; and
- procedures performed or to be performed during the Hospital Inpatient Confinement or confinement in an inpatient confinement facility; and
- estimated length of the continued Hospital Inpatient Confinement or confinement in an inpatient confinement facility.

Charges incurred for room, board and other usual services, including Physician Visits that are in excess of those approved by the Company for Inpatient Hospital Confinement or confinement in an inpatient confinement facility will not be considered Covered Charges.

The following exception applies to Hospital Inpatient Confinement for childbirth.

Covered Charge requirements are waived and a Precertification is not required for mother and baby, for:

- A 48-hour Hospital Inpatient Confinement following vaginal delivery; or
- A 96-hour Hospital Inpatient Confinement following cesarean section.

A request for review by the Company of the need for continued Hospital Inpatient Confinement for mother or baby beyond the automatically approved time period stated above must be made by the Insured Person or a designated patient representative before the end of that time period.

If the Insured Person or a designated patient representative fails to request a review as specified in this section, **benefits will be reduced as described above.**

Exception: For all Hospital Inpatient Confinement Charges incurred beyond the 48-hour or 96-hour automatically approved Hospital Inpatient Confinement for childbirth, the penalty will be applied beginning the day after the automatically approved time period ends. **Except as waived above, no benefits will be payable for any Treatment or Service that is not a Covered Charge.**