

**ARKANSAS COMPREHENSIVE HEALTH INSURANCE POOL (CHIP)
HSA-Qualified Plan Endorsement to Policy Form – CHIP 201 (3/04)**

IMPORTANT: KEEP THIS ENDORSEMENT WITH YOUR POLICY

This Endorsement amends your Policy to allow you to choose a CHIP benefit plan with deductibles and other features that will qualify for use with a Health Savings Account (“HSA”). This Endorsement applies only to Insured Persons covered under an HSA-qualified benefit plan offered by CHIP (“HSA-Qualified Plan”).

For Insured Persons who have chosen an HSA-Qualified Plan, the Policy is amended as follows:

1. At the top of page 5, the following definitions are added to the Definitions section of the policy:

“**Health Savings Account (“HSA”)** is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses of the account beneficiary who, for the months for which contributions are made to an HSA, is covered under a high-deductible health plan.

HSA-Qualified Plan is health insurance offered by CHIP that meets the standards of federal law for use with an HSA.”

2. On page 9, the bullet point on benefits for residential care for chemical and drug dependency is deleted and replaced with the following:

“• Residential care for chemical 80%/100% 60%/80%
or drug dependency
(Subject to the maximum annual
benefit of \$4,000 for Covered
Expenses relating to chemical or
drug dependency)”

3. On page 9, the bullet point on benefits for residential care for mental and nervous disorders is deleted and replaced with the following:

“• Residential care for mental or 80%/100% 60%/80%
nervous disorders (Subject to
the maximum annual benefit of
\$4,000 for Covered
Expenses relating to mental or
nervous disorders)”

4. On page 10, the bullet point on benefits for outpatient treatment of chemical and drug dependency is deleted and replaced with the following:

“• Outpatient treatment of 80%/100% 60%/80%

chemical or drug dependency
(Subject to the maximum annual
benefit of \$4,000 for Covered Expenses
relating to chemical or drug
dependency)”

5. On page 10, the bullet point on benefits for outpatient treatment of mental and nervous disorders is deleted and replaced with the following:

“• Outpatient treatment of mental or nervous disorders (Subject to the maximum annual benefit of \$4,000 for Covered Expenses relating to mental or nervous disorders)” 80%/100% 60%/80%

6. At top of page 13, in the section entitled “Stop Loss Amount,” subsections (A) and (B) are deleted.

7. On page 13, the section entitled “Out-of-Pocket Maximum Expense,” is deleted and replaced with the following:

“Annual Out-of-Pocket Maximum: HSA-Qualified Plan

An Insured Person with an HSA-Qualified Plan will reach his or her Annual Out-of-Pocket Maximum for In-Network Covered Expenses when he or she pays a total of \$3,250 for such expenses (the \$1,250 annual Deductible, plus \$2,000 in Coinsurance). For the purpose of calculating the Annual Out-of-Pocket Maximum, Covered Expenses that an Insured Person pays for drugs are considered an In-Network Covered Expense. After the Insured Person reaches his or her Out-of-Pocket Maximum, CHIP pays In-Network Covered Expenses at 100%.

Coinsurance payments that an Insured Person pays for Covered Expenses of an Out-of-Network Provider do not count towards the annual Out-of-Pocket Maximum. However, once an Insured Person reaches the annual Out-of-Pocket Maximum, the percentage that CHIP pays for Out-of-Network Covered Expenses increases from 60% to 80%.

Annual Out-of-Pocket Maximum limitations do not affect the Policy’s limits on annual Covered Expenses. For example, the Covered Expenses for mental or nervous disorders are limited to \$4,000 annually, and Covered Expenses for chemical or drug dependency are limited to \$4,000 annually, regardless of whether the Insured Person has reached the annual Out-of-Pocket Maximum.

Also, it is important to keep in mind that an Insured Person may have to pay the difference between the benefits paid by this Policy and the amount of an Out-of-Network Provider’s bill. In-Network Providers have contracted with the Administrator to not charge an Insured Person beyond the Deductible and Coinsurance amounts for Covered Expenses. Out-of-Network Providers, however, may bill an Insured Person for balances

over the CHIP payment level in addition to the Deductible and Coinsurance amount.”

8. On page 15, the text of the section entitled “Inpatient Care for Chemical and Drug Dependency” is deleted and replaced with the following:

“Inpatient Care for Chemical or Drug Dependency. Covered Expenses for inpatient care for chemical or drug dependency are subject to the maximum annual benefit of \$4,000 applicable to all Covered Expenses for chemical or drug dependency. This maximum annual benefit will be reduced by chemical or drug dependency benefits paid under a prior CHIP Policy.”

9. On page 15, the section entitled “Inpatient Care for Mental and Nervous Disorders” is deleted and replaced with the following:

“Inpatient Care for Mental or Nervous Disorders. Covered Expenses for inpatient care for mental or nervous disorders are subject to the maximum annual benefit of \$4,000 applicable to all Covered Expenses for mental or nervous disorders. This maximum annual benefit will be reduced by mental or nervous disorder benefits paid under a prior CHIP Policy.”

10. On page 16, the section entitled “Residential Care for Chemical and Drug Dependency” is deleted and replaced with the following:

“Residential Care for Chemical or Drug Dependency. Covered Expenses for residential care for chemical or drug dependency are subject to the maximum annual benefit of \$4,000 applicable to all Covered Expenses for chemical or drug dependency. This maximum annual benefit will be reduced by chemical and drug dependency benefits paid under a prior CHIP Policy.”

11. On page 18, the text of the section entitled “Outpatient Care for Chemical and Drug Dependency” is deleted and replaced with the following:

“Outpatient Care for Chemical or Drug Dependency. Physician services rendered in the diagnosis and/or treatment of chemical or drug dependency are subject to the maximum annual benefit of \$4,000 applicable to all Covered Expenses for chemical or drug dependency. This maximum annual benefit will be reduced by chemical or drug dependency benefits paid under a prior CHIP Policy.”

12. On page 19, the text of the section entitled “Outpatient Care for Mental and Nervous Disorders” is deleted and replaced with the following:

“Outpatient Care for Mental or Nervous Disorders. Physician services rendered in the diagnosis and/or treatment of mental or nervous disorders are subject to the maximum annual benefit of \$4,000 applicable to all Covered Expenses for mental or nervous disorders. This maximum annual benefit will be reduced by mental or nervous disorder benefits paid under a prior CHIP Policy.”

13. On page 23, the text of the section entitled “Chemical and Drug Dependency” is deleted and replaced with the following:

“Chemical or Drug Dependency. The maximum annual Covered Expenses for chemical or drug dependency treatment for both inpatient and outpatient treatment are limited to a total of \$4,000 per Insured Person. The maximum annual benefit will be reduced by chemical or drug dependency benefits paid under a prior CHIP Policy.”