

HORIZON HEALTHCARE SERVICES, INC.

DECLARATION OF UNDERSTANDING

New Jersey law requires that contract holders that apply for or renew a high deductible health plan for which qualified medical expenses are paid using a health savings account established pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223) receive a "Declaration of Understanding" that describes certain features of the plan. Accordingly, following is a brief description of some significant features of your Horizon Healthcare Services, Inc. (Horizon BCBSNJ) high deductible health plan.

DEDUCTIBLES: This is a high deductible plan. Except for covered preventive services, the deductible must be satisfied before benefits are payable under this plan. The deductible arrangements available to you are described in the application for group coverage or the proposal. If your plan is already in force, the arrangement you selected is described in the contract issued by Horizon BCBSNJ. The applicable deductible must be met each calendar year before benefits (in-network or out-of-network, as the case may be) are paid.

COVERED SERVICES AND SUPPLIES: Under this plan, covered services and supplies can be obtained from in-network or out-of-network providers. Following is a list of some of the plan's major covered services and supplies, some of which may be subject to frequency or dollar limits.

- ❑ Facility charges for inpatient and outpatient care (hospitals; skilled nursing facilities; birthing centers; physical rehabilitation centers).
- ❑ Physicians' charges for surgical procedures and other medical care.
- ❑ Ambulance services.
- ❑ Diagnostic X-rays; lab tests.
- ❑ Home health care.
- ❑ Hospice care.
- ❑ Prescription drugs.
- ❑ Preventive care (gynecological care and exams; mammographies; screenings (prostate cancer; colorectal cancer; newborn hearing and lead poisoning); routine adult physicals; immunizations; well-child care).
- ❑ Certain prosthetic devices; durable medical equipment.
- ❑ Private duty nursing.
- ❑ Certain therapy services.

COINSURANCE: This is the amount that Horizon BCBSNJ pays for covered services and supplies after a deductible is met. The percent that Horizon BCBSNJ pays is greater when services are obtained from in-network providers.

MAXIMUM OUT-OF-POCKET: Covered services and supplies are reimbursed at 100% after the applicable maximum is reached during a calendar year. Out-of-pocket deductible and coinsurance amounts (including those incurred for covered prescription drugs) will be applied toward these maximums.

CLAIM PROCEDURES: Covered persons do not need to file claims for covered services and supplies provided in-network. Claims for out-of-network services must be filed within one year after charges are incurred. Horizon BCBSNJ will pay claims within 30 days after the date the claims are received. If there is a dispute about the claim (or part of it) due to missing information, Horizon BCBSNJ will pay the claim (or the disputed part of it) within 30 days after the missing information is received.

By signing below, I confirm that I have read and understand this Declaration. I further understand that this Declaration provides only a brief summary of the Horizon BCBSNJ high deductible health plan. It is not a contract of insurance. The plan includes exclusions and limitations not described above. Full details of the plan are described in the group contract issued by Horizon BCBSNJ in connection with it.

Contract Holder: _____

By: _____

Title: _____

Date: _____

RE: <Group Name>
<Group Number>