

SUMMARY PLAN DESCRIPTION

FOR

**State of Nevada
Public Employees' Benefits Program**

MEDICARE EXCHANGE

HEALTH REIMBURSEMENT ARRANGEMENT

(EXCHANGE HRA PLAN)

TABLE OF CONTENTS

INTRODUCTION	1
GENERAL INFORMATION ABOUT THE EXCHANGE HRA PLAN	1
Q-1. What is the purpose of the Exchange HRA Plan?	1
Q-2. Who can participate in the Exchange HRA Plan?.....	1
Q-3. Can my dependents participate in the Exchange HRA Plan?	1
Q-4. When does participation in the Exchange HRA Plan begin?	2
Q-5. How does the Exchange HRA Plan work?	2
Q-6. What is an “Eligible Medical Expense”?	2
Q-7. When do I cease participation in the Exchange HRA Plan?	3
Q-8. What happens if I do not use all of the funds in my Exchange HRA Account during the Plan Year?	4
Q-9. How do I receive reimbursement under the Exchange HRA Plan?.....	4
Q-10. What happens if my claim for benefits is denied?	5
Q-11. What happens if I die?.....	6
Q-12. Are my benefits taxable?	6
Q-13. What happens if I receive an overpayment under the Exchange HRA Plan or a reimbursement is made in error from my HRA Account?	6
Q-14. How long will the Exchange HRA Plan remain in effect?	6
Q-15. How does the Exchange HRA Plan interact with other medical plans?	6
Q-16. What is “continuation coverage” and how does it work?	7
Q-17. Who do I contact if I have questions about the Exchange HRA Plan?.....	7
LEGAL NOTICES	7
Newborns’ and Mothers’ Health Protection Act of 1996	7
Women’s Health and Cancer Rights Act of 1998	7
Health Insurance Portability and Accountability Act.....	7
<i>Section 1. Introduction</i>	8
<i>Section 2. Notice of PHI Uses and Disclosures</i>	8
<i>Section 3. Rights of Individuals</i>	11
<i>Section 4. Your Right to File a Complaint with the Exchange HRA Plan or the HHS Secretary</i>	13
<i>Section 5. Whom to Contact at the Exchange HRA Plan for More Information</i>	13
<i>Section 6. Conclusion</i>	14
EXCHANGE HRA PLAN INFORMATION APPENDIX	15
GENERAL EXCHANGE HRA PLAN INFORMATION	15
EXCHANGE HRA PLAN TERMS	17

INTRODUCTION

The Public Employees' Benefits Program (PEBP) has established a Medicare Exchange Health Reimbursement Arrangement ("Exchange HRA Plan") for the benefit of state retirees and the retirees of participating local governments. The purpose of the Exchange HRA Plan is to reimburse eligible retirees for certain medical expenses which are not otherwise reimbursed. The Exchange HRA Plan is intended to qualify as a self-insured medical reimbursement plan for purposes of Sections 105 and 106 of the Internal Revenue Code ("Code"), as amended, as well as a health reimbursement arrangement as defined in IRS Notice 2002-45.

The material provisions of the Exchange HRA Plan as of the Effective Date are summarized below, but this Summary Plan Description (SPD) is qualified in its entirety by reference to the full text of the formal Exchange HRA Plan document, a copy of which is available for inspection at PEBP's office or on the PEBP website (www.pebp.state.nv.us). In the event of any conflict between the terms of this SPD and the terms of the Exchange HRA Plan document, the terms of the Exchange HRA Plan document will control. Individuals seeking to obtain additional information about the Exchange HRA Plan should contact PEBP or the Third Party Administrator as provided in the Exchange HRA Plan Information Appendix.

Note that capitalized terms used in this SPD are defined the first time they are used or are defined in the Exchange HRA Plan Information Appendix at the end of this booklet. Please note that "you," "your" and "my" when used in this SPD refer to you, the retiree.

GENERAL INFORMATION ABOUT THE EXCHANGE HRA PLAN

Q-1. What is the purpose of the Exchange HRA Plan?

The purpose of the Exchange HRA Plan is to reimburse Eligible Retirees (as defined in Q-2 and Q-3) for Eligible Medical Expenses (as defined in Q-6) which are not otherwise reimbursed by any other plan or program. Reimbursements for Eligible Medical Expenses paid by the Exchange HRA Plan generally are excludable from the Eligible Retiree's taxable income.

Q-2. Who can participate in the Exchange HRA Plan?

Retired employees are eligible to participate in the Exchange HRA Plan if they meet all requirements to be an Eligible Retiree as defined in Section 1 of the Exchange HRA Plan Information Appendix.

Q-3. Can my dependents participate in the Exchange HRA Plan?

PEBP did not elect to contribute separate Benefit Credits for your dependents. Therefore, dependents may not participate in the Exchange HRA Plan. However, you are still entitled to be reimbursed from your HRA Account for any Eligible Medical Expenses incurred on behalf of your dependents. This is explained more in Q-6 below.

Your dependents generally include your opposite sex legal spouse and any other individual who is your dependent for federal income tax purposes at the time of your retirement. Your dependents may also include your children as long as the child is claimed on your federal income tax return. You are required to provide proof of dependent status upon request by the PEBP (or its designee). Failure to provide such proof may result in a delay in benefits provided under the

Exchange HRA Plan. In addition, your dependents may include children for whom you are designated to pay healthcare expenses pursuant to a Qualified Medical Child Support Order (“QMCSO”), subject to the rules of the PEBP Master Plan Document. See the PEBP Master Plan Document for specific procedures regarding QMCSOs.

Q-4. When does participation in the Exchange HRA Plan begin?

Participation in the Exchange HRA Plan begins on the later of the Effective Date of the Exchange HRA Plan as provided in the Exchange HRA Plan Information Appendix or the date that the Eligible Retiree has satisfied all of the following requirements:

- He or she has become eligible for Medicare;
- He or she has obtained an individual health insurance policy through the PEBP sponsored Individual Market Medicare Exchange; and
- He or she has completed any enrollment forms or procedures required by PEBP.

Q-5. How does the Exchange HRA Plan work?

A separate HRA Account will be established for each Eligible Retiree in your family and Benefit Credits for each Eligible Retiree in your family will be credited to his or her own HRA Account.

Benefit Credits will be credited to HRA Accounts by PEBP in the amount and at the times specified in Sections 5 and 6 of the Exchange HRA Plan Information Appendix and will be reduced from time to time by the amount of any Eligible Medical Expenses for which the Eligible Retiree is reimbursed under the Exchange HRA Plan. At any time, the Eligible Retiree may receive reimbursement for Eligible Medical Expenses up to the amount in his or her HRA Account. Note that the law does not permit Eligible Retirees to make any contributions to their HRA Accounts.

An HRA Account is merely a bookkeeping account on PEBP’s records. It is not funded and does not bear interest or accrue earnings of any kind. All benefits under the Exchange HRA Plan are paid entirely from the PEBP’s general assets.

Q-6. What is an “Eligible Medical Expense”?

An Eligible Medical Expense is an expense incurred and paid by you or any dependent for medical care, as that term is defined in Code Section 213(d) (generally, expenses related to the diagnosis, care, mitigation, treatment or prevention of disease). Some common examples of Eligible Medical Expenses include:

Medications (in reasonable quantities)

NOTE: Medications are considered Eligible Medical Expenses only if they are prescribed by a doctor (without regard to whether the medication is available without a prescription) or is insulin.

Dental expenses;

Dermatology;

Physical therapy;

Contact lenses or glasses used to correct a vision impairment;

Birth control pills;

Chiropractor treatments;

Hearing aids;

Wheelchairs; and
Premiums for medical, prescription drug, dental, vision or long-term care insurance.

Some examples of common items that are not Eligible Medical Expenses include:

Baby-sitting and child care;
Long-term care services;
Cosmetic surgery or similar procedures (unless the surgery is necessary to correct a deformity arising from a congenital abnormality, accident or disfiguring disease);
Funeral and burial expenses;
Household and domestic help;
Massage therapy;
Custodial care;
Health club or fitness program dues; and
Cosmetics, toiletries, toothpaste, etc.

For more information about what items are and are not Eligible Medical Expenses, consult IRS Publication 502, "Medical and Dental Expenses," under the headings "What Medical Expenses Are Includible" and "What Expenses Are Not Includible." (Be careful in relying on this Publication, however, as it is specifically designed to address what medical expenses are deductible on Form 1040, Schedule A, not what is reimbursable under a health reimbursement account.) If you need more information regarding whether an expense is an Eligible Medical Expense under the Exchange HRA Plan, contact the Third Party Administrator as provided in the Exchange HRA Plan Information Appendix.

Only Eligible Medical Expenses incurred while you are an Eligible Retiree in the Exchange HRA Plan may be reimbursed from your HRA Account. You are entitled to obtain reimbursement from your HRA Account for Eligible Medical Expenses incurred by your dependents if those expenses were incurred while you are an Eligible Retiree. Eligible Medical Expenses are "incurred" when the medical care is provided, not when you or your dependent is billed, charged or pay for the expense. Thus, an expense that has been paid but not incurred (e.g. pre-payment to a physician) will not be reimbursed until the services or treatment giving rise to the expense has been provided.

The following expenses may not be reimbursed from an HRA Account:

expenses incurred for qualified long term care services;
expenses incurred prior to the date that you became an Eligible Retiree in the HRA;
expenses incurred after the date that you cease to be an Eligible Retiree in the HRA;
expenses that have been reimbursed by another plan or for which you plan to seek reimbursement under another health plan; and
any other expenses specifically identified as excluded in Section 7 of the Exchange HRA Plan Information Appendix.

Q-7. When do I cease participation in the Exchange HRA Plan?

Participation in the Exchange HRA Plan will end on the earlier of:

- (a) on the date the Eligible Retiree ceases to be an Eligible Retiree for any reason, including but not limited to:

- (1) enrollment in PEBP PPO or HMO coverage, if eligible;
 - (2) enrollment in other group coverage that precludes enrollment in an individual Medicare plan;
 - (3) employment as an active employee of the State of Nevada or a participating local government;
 - (4) ineligibility for coverage under Subchapter XVIII of Chapter 7 of Title 42 of the United States Code (Medicare); or
 - (5) death;
- (b) on the effective date of any Exchange HRA Plan amendment that renders the Eligible Retiree ineligible to participate;
 - (c) on the effective date of termination of the Exchange HRA Plan;
 - (d) with respect to a dependent, the date he or she ceases to be a dependent for any reason, including but not limited to:
 - (1) death;
 - (2) divorce;
 - (3) if the dependent is otherwise no longer considered a dependent pursuant to IRS Code 152; or
 - (4) the cessation of participation of the Eligible Retiree.

You may not obtain reimbursement of any Eligible Medical Expenses incurred after the date your eligibility ceases. (For the definition of “incurred,” see Q-6.) You have 180 days after your eligibility ceases, however, to request reimbursement of Eligible Medical Expenses you incurred before your eligibility ceased.

Q-8. What happens if I do not use all of the funds in my Exchange HRA Account during the Plan Year?

If you do not use all of the funds credited to your Exchange HRA Account during a Plan Year, those funds will be carried over to subsequent Plan Years, as reflected in Section 8 of the Exchange HRA Plan Information Appendix.

Q-9. How do I receive reimbursement under the Exchange HRA Plan?

You must complete a reimbursement form and mail or fax it to the Claims Submission Agent as provided in the Exchange HRA Plan Information Appendix, along with a copy of your insurance premium bill, an Explanation of Benefits (EOB), or, if no EOB is provided, a written statement from the service provider. The written statement from the service provider must contain the following: (a) the name of the patient, (b) the date service or treatment was provided, (c) a description of the service or treatment; and (d) the amount incurred. You can obtain a reimbursement form from the Third Party Administrator identified in the Exchange HRA Plan Information Appendix. Your claim is deemed filed when it is received by the Claims Submission Agent. Do not mail your form to the Third Party Administrator as this may result in a delay in processing.

If your claim for reimbursement is approved, you will be provided reimbursement as soon as reasonably possible following the determination. Claims are paid in the order in which they are received by the Claims Submission Agent.

Q-10. What happens if my claim for benefits is denied?

If your claim for reimbursement is wholly or partially denied, you will be notified in writing within 30 days after the Claims Submission Agent receives your claim. If the Claims Submission Agent determines that an extension of this time period is necessary due to matters beyond the control of the Exchange HRA Plan, the Claims Submission Agent will notify you within the initial 30-day period that an extension of up to an additional 15 days will be required. If the extension is necessary because you failed to provide sufficient information to allow the claim to be decided, you will be notified and you will have at least 45 days to provide the additional information. The notice of denial will contain:

- the reason(s) for the denial and the Exchange HRA Plan provisions on which the denial is based;
- a description of any additional information necessary for you to perfect your claim, why the information is necessary, and your time limit for submitting the information;
- a description of the Exchange HRA Plan's appeal procedures, including the right to external review by an Independent Review Organization, and the time limits applicable to such procedures; and
- a description of your right to request all documentation relevant to your claim.

If your request for reimbursement under the Exchange HRA Plan is denied in whole or in part and you do not agree with the decision of the Claims Submission Agent, you may file a written appeal. You should file your appeal with the Third Party Administrator at the address provided in the Exchange HRA Plan Information Appendix no later than 180 days after receipt of the denial notice. You should submit all information identified in the notice of denial, as necessary, to perfect your claim and any additional information that you believe would support your claim.

You will be notified in writing of the decision on appeal no later than 60 days after the Third Party Administrator receives your request for appeal. The notice will contain the same type of information provided in the first notice of denial provided by the Claims Submission Agent.

If your appeal to the Third Party Administrator is denied, you can appeal to PEBP. You should file your appeal with PEBP at the address provided in the Exchange HRA Plan Information Appendix no later than 60 days after receipt of the denial notice. You should submit all information identified in the notice of denial, as necessary, to perfect your claim and any additional information that you believe would support your claim.

You will be notified in writing of the decision on appeal no later than 60 days after the PEBP receives your request for appeal. The notice will contain the same type of information provided in the first notice of denial provided by the Claims Submission Agent.

Note: You cannot request an external review until you have exhausted these appeals procedures.

Q-11. What happens if I die?

If the Eligible Retiree dies, the Exchange HRA Account of the Eligible Retiree is immediately forfeited upon death, but the deceased Eligible Retiree's estate or representatives may submit claims for Eligible Medical Expenses incurred by the Eligible Retiree and his or her dependents on or before the date of the Eligible Retiree's death. Claims must be submitted within 180 days of his or her death.

Q-12. Are my benefits taxable?

The Exchange HRA Plan is intended to meet certain requirements of existing federal tax laws, under which the benefits you receive under the Exchange HRA Plan generally are not taxable to you. However, PEBP cannot guarantee the tax treatment to any given Eligible Retiree, as individual circumstances may produce different results. If there is any doubt, you should consult your own tax advisor.

Q-13. What happens if I receive an overpayment under the Exchange HRA Plan or a reimbursement is made in error from my HRA Account?

If it is later determined that you or your dependent received an overpayment or a payment was made in error (e.g., you were reimbursed from your HRA Account for an expense that is later paid by another medical plan), you or your dependent will be required to refund the overpayment or erroneous reimbursement to PEBP.

If you do not refund the overpayment or erroneous payment, PEBP reserves the right to offset future reimbursements equal to the overpayment or erroneous payment or, if that is not feasible, to withhold such funds from any amounts due to you from PEBP. If all other attempts to recoup the overpayment/erroneous payment are unsuccessful, PEBP may treat the overpayment as a bad debt and institute collection procedures, which may have tax and credit implications for you.

Q-14. How long will the Exchange HRA Plan remain in effect?

PEBP expects to maintain the Exchange HRA Plan indefinitely. However, PEBP has the right to modify or terminate the program at any time for any reason, including the right to change the classes of persons eligible for participation, the amount credited to HRA Accounts or to reduce or eliminate any amounts currently credited to an Eligible Retiree's HRA Account.

Q-15. How does the Exchange HRA Plan interact with other medical plans?

Only medical care expenses that have not been or will not be reimbursed by any other source may be Eligible Medical Expenses (to the extent all other conditions for Eligible Medical Expenses have been satisfied). You must first submit any claims for medical expenses to the other plan or plans before submitting the expenses to this Exchange HRA Plan for reimbursement.

If you are also a participant in a health flexible spending account sponsored by your Employer, the expenses covered both by this Exchange HRA Plan and the health flexible spending account must be submitted first to the health flexible spending account.

Q-16. What is “continuation coverage” and how does it work?

Under a federal law called “COBRA,” dependents covered under a medical plan may elect to continue coverage offered to similarly situated individuals under that plan for a limited time after the date they would otherwise lose coverage because of a divorce, legal separation or termination of domestic partnership from the primary insured, death of a primary insured or any other event that causes a dependent to no longer be a dependent. These are called “qualifying events.”

However, because PEBP does not provide Exchange HRA Benefit Credits to dependents, you may not be reimbursed for any medical expenses incurred by a person who is no longer considered to be a dependent after the date of the qualifying event nor is the dependent eligible to receive Exchange HRA Benefit Credits after the date of the qualifying event.

However, dependents who are covered under the PEBP PPO, HMO or Individual Market Medicare Exchange may continue that medical coverage following certain qualifying events as defined in the COBRA Continuation of Medical Coverage section of the PEBP Master Plan Document as long as any required monthly premium is paid when due or during the applicable grace period.

See the COBRA Continuation of Medical Coverage section of the PEBP Master Plan Document for more details.

Q-17. Who do I contact if I have questions about the Exchange HRA Plan?

If you have any questions about the Exchange HRA Plan, you should contact the Third Party Administrator or PEBP. Contact information for the Third Party Administrator and PEBP is provided in the Exchange HRA Plan Information Appendix.

LEGAL NOTICES

Newborns’ and Mothers’ Health Protection Act of 1996

The Exchange HRA Plan may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than forty-eight (48) hours following a normal vaginal delivery, or less than ninety-six (96) hours following a cesarean section, or require that a provider obtain authorization from the Exchange HRA Plan or the insurance issuer for prescribing a length of stay not in excess of the above periods.

Women’s Health and Cancer Rights Act of 1998

To the extent the Exchange HRA Plan provides benefits with respect to mastectomy, it will provide, in the case of an individual who is receiving benefits in connection with a mastectomy and who elects reconstruction in connection with such mastectomy, coverage for all stages of reconstruction of the breast on which a mastectomy was performed, surgery and reconstruction of the other breast to provide a symmetrical appearance, prostheses, and coverage of physical complications at all stages of the mastectomy, including lymphedemas.

Health Insurance Portability and Accountability Act

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT
YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN
GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY**

Section 1. Introduction

The Exchange HRA Plan is dedicated to maintaining the privacy of your health information. The Exchange HRA Plan is required by law to take reasonable steps to ensure the privacy of your personally identifiable health information or Protected Health Information (PHI) and to inform you about:

- the Exchange HRA Plan's uses and disclosures of PHI;
- your privacy rights with respect to your PHI;
- the Exchange HRA Plan's duties with respect to your PHI;
- your right to file a complaint with the Exchange HRA Plan and to the Secretary of the U.S. Department of Health and Human Services; and
- the person or office to contact for further information about the Exchange HRA Plan's privacy practices.

PHI includes all individually identifiable health information transmitted or maintained by the Exchange HRA Plan, regardless of form (oral, written, electronic). The Exchange HRA Plan is required by law to maintain the privacy of PHI and to provide individuals with notice of its legal duties and privacy practices.

The Exchange HRA Plan is required to comply with the terms of this notice. However, the Exchange HRA Plan reserves the right to change its privacy practices and to apply the changes to all PHI received or maintained by the Exchange HRA Plan, including PHI received or maintained prior to the change. If a privacy practice described in this Notice is changed, a revised version of this notice will be provided to all individuals then covered under the Exchange HRA Plan for whom the Exchange HRA Plan still maintains PHI. The revised notice will be provided by mail or by another method permitted by law.

Any revised version of this notice will be distributed within 60 days of the effective date of any material change to the uses or disclosures, the individual's rights, the duties of the Exchange HRA Plan or other privacy practices stated in this notice.

Please note that PEBP obtains summary PHI, enrollment and disenrollment, termination of coverage and specific appeals information from the Exchange HRA Plan. Most records containing your PHI are created and retained by the Third Party Administrator for the Exchange HRA Plan. In the event that PEBP receives PHI, the Exchange HRA Plan requires that PEBP only use and disclose PHI received from the Exchange HRA Plan for administrative purposes as permitted by federal law.

Section 2. Notice of PHI Uses and Disclosures

Except as otherwise indicated in this notice, uses and disclosures will be made only with your written authorization, subject to your right to revoke such authorization.

A. Required PHI Uses and Disclosures

Upon your request, the Exchange HRA Plan is required to give you access to certain PHI in order to inspect and copy it.

Use and disclosure of your PHI may be required by the Secretary of the Department of Health and Human Services to investigate or determine the Exchange HRA Plan's compliance with the privacy regulations.

The Exchange HRA Plan also will disclose PHI to PEBP for administrative purposes permitted by law and related to treatment, payment or health care operations. PEBP protects your PHI as required by federal law.

The Exchange HRA Plan contracts with business associates for certain services related to the Exchange HRA Plan. PHI about you may be disclosed to the business associates so that they can perform contracted services. To protect your PHI, the business associate is required to appropriately safeguard the health information. The following categories describe the different ways in which the Exchange HRA Plan and its business associates may use and disclose your PHI.

B. Uses and disclosures to carry out treatment, payment and health care operations

The Exchange HRA Plan and its business associates will use PHI without your consent, authorization, or opportunity to agree or object, to carry out treatment, payment and health care operations.

Treatment is the provision, coordination or management of health care and related services. It also includes but is not limited to consultations and referrals between one or more of your providers. For example, the Exchange HRA Plan may disclose to a treating cardiologist the name of your treating physician so that the cardiologist may ask for your lab results from the treating physician.

Payment includes but is not limited to actions to make coverage determinations and payment (including billing, claims management, subrogation, plan reimbursement, reviews for medical necessity and appropriateness of care and utilization review and preauthorizations). For example, the Exchange HRA Plan may tell a doctor whether you are eligible for coverage or what percentage of the bill will be paid by the Exchange HRA Plan.

Health care operations include but are not limited to quality assessment and improvement, reviewing competence or qualifications of health care professionals, underwriting, premium rating and other insurance activities relating to creating or renewing insurance contracts. It also includes disease management, case management, conducting or arranging for medical review, legal services and auditing functions including fraud and abuse compliance programs, business planning and development, business management and general administrative activities. For example, the Exchange HRA Plan may use information about your claims to refer you to a disease management program, project future benefit costs or audit the accuracy of its claims processing functions.

The Exchange HRA Plan may also use PHI to contact you to provide appointment reminders or information about treatment alternatives or other health-related benefits and services that may be of interest to you.

C. Authorized uses and disclosures

You must provide the Exchange HRA Plan with your written authorization for the types of uses and disclosures that are not identified by this notice or permitted or required by applicable law. In addition, your written authorization generally will be obtained before the Exchange HRA Plan will use or disclose psychotherapy notes about you from your mental health professional. Psychotherapy notes are separately filed notes about your conversations with your mental health professional during a counseling session. They do not include summary information about your mental health treatment. The Exchange HRA Plan may use and disclose such notes when needed by the Exchange HRA Plan to defend against litigation filed by you.

Any authorization you provide to the Exchange HRA Plan regarding the use and disclosure of your health information may be revoked at any time **in writing**. After you revoke your authorization, the Exchange HRA Plan will no longer use or disclose your health information for the reasons described in the authorization, except for the two situations noted below:

The Exchange HRA Plan has taken action in reliance on your authorization before it received your written revocation; and

You were required to give the Exchange HRA Plan your authorization as a condition of obtaining coverage.

D. Uses and disclosures that require that you be given an opportunity to agree or disagree prior to the use or release

Disclosure of your PHI to family members, other relatives and your close personal friends is allowed if:

the information is directly relevant to the family or friend's involvement with your care or payment for that care; and

you have either agreed to the disclosure or have been given an opportunity to object and have not objected.

E. Uses and disclosures for which consent, authorization or opportunity to object is not required

Use and disclosure of your PHI is allowed without your consent, authorization or request under the following circumstances:

When required by law.

When permitted for purposes of public health activities, including when necessary to report product defects, to permit product recalls and to conduct post-marketing surveillance. PHI may also be used or disclosed if you have been exposed to a communicable disease or are at risk of spreading a disease or condition, if authorized by law.

When authorized by law to report information about abuse, neglect or domestic violence to public authorities if there exists a reasonable belief that you may be a victim of abuse, neglect or domestic violence. In such case, the Exchange HRA Plan will promptly inform

you that such a disclosure has been or will be made unless that notice would cause a risk of serious harm. For the purpose of reporting child abuse or neglect, it is not necessary to inform the minor that such a disclosure has been or will be made. Disclosure may generally be made to the minor's parents or other representatives although there may be circumstances under federal or state law when the parents or other representatives may not be given access to the minor's PHI.

To a public health oversight agency for oversight activities authorized by law. This includes uses or disclosures in civil, administrative or criminal investigations; inspections; licensure or disciplinary actions (for example, to investigate complaints against providers); and other activities necessary for appropriate oversight of government benefit programs (for example, to investigate Medicare or Medicaid fraud).

When required for judicial or administrative proceedings. For example, your PHI may be disclosed in response to a subpoena or discovery request provided certain conditions are met. One of those conditions is that satisfactory assurances must be given to the Exchange HRA Plan that the requesting party has made a good faith attempt to provide written notice to you, and the notice provided sufficient information about the proceeding to permit you to raise an objection and no objections were raised or were resolved in favor of disclosure by the court or tribunal.

For law enforcement purposes, including to report certain types of wounds or for the purpose of identifying or locating a suspect, fugitive, material witness or missing person. The Exchange HRA Plan may also disclose PHI when disclosing information about an individual who is or is suspected to be a victim of a crime, but only if the individual agrees to the disclosure or the covered entity is unable to obtain the individual's agreement because of emergency circumstances. Furthermore, the law enforcement official must represent that the information is not intended to be used against the individual, the immediate law enforcement activity would be materially and adversely affected by waiting to obtain the individual's agreement and disclosure is in the best interest of the individual as determined by the exercise of the Exchange HRA Plan's best judgment.

When required to be given to a coroner or medical examiner for the purpose of identifying a deceased person, determining a cause of death or other duties as authorized by law. Also, disclosure is permitted to funeral directors, consistent with applicable law, as necessary to carry out their duties with respect to the decedent.

For research, subject to conditions.

When consistent with applicable law and standards of ethical conduct if the Exchange HRA Plan, in good faith, believes the use or disclosure is necessary to prevent or lessen a serious and imminent threat to the health or safety of a person or the public and the disclosure is to a person reasonably able to prevent or lessen the threat, including the target of the threat.

When authorized by and to the extent necessary to comply with workers' compensation or other similar programs established by law.

Section 3. Rights of Individuals

A. Right to Request Restrictions on PHI Uses and Disclosures

You may request that the Exchange HRA Plan restrict uses and disclosures of your PHI to carry out treatment, payment or health care operations, or restrict uses and disclosures to family members, relatives, friends or other persons identified by you who are involved in your care or

payment for your care. However, the Exchange HRA Plan is not required to agree to your request.

The Exchange HRA Plan will accommodate reasonable requests to receive communications of PHI by alternative means or at alternative locations as required by law. You or your personal representative will be required to complete a form to request restrictions on uses and disclosures of your PHI. Such requests should be made to the Exchange HRA Plan at the address provided at the end of this Notice specifying the requested method of contact or the location where you wish to be contacted.

B. Right to Inspect and Copy PHI

You have a right to inspect and obtain a copy of your PHI contained in a “designated record set,” for as long as the Exchange HRA Plan maintains the PHI. “*Designated Record Set*” includes enrollment, payment, billing, claims adjudication and case or medical management record systems maintained by or for a health plan; or other information used by the Exchange HRA Plan entity to make decisions about individuals.

The requested information will be provided within 30 days if the information is maintained on site or within 60 days if the information is maintained offsite. A single 30-day extension is allowed if the Exchange HRA Plan is unable to comply with the deadline. You or your personal representative will be required to complete a form to request access to the PHI in your designated record set. Requests for access to PHI should be made to the Exchange HRA Plan at the address provided at the end of this Notice.

If access is denied, you or your personal representative will be provided with a written denial setting forth the basis for the denial, a description of how you may exercise review rights and a description of how you may complain to the Secretary of the U.S. Department of Health and Human Services.

C. Right to Amend PHI

You have the right to request the Exchange HRA Plan amend your PHI or a record about you in a designated record set for as long as the PHI is maintained in the designated record set.

The Exchange HRA Plan has 60 days after the request is made to act on the request. A single 30-day extension is allowed if the Exchange HRA Plan is unable to comply with the deadline. If the request is denied in whole or part, the Exchange HRA Plan must provide you with a written denial that explains the basis for the denial. You or your personal representative may then submit a written statement disagreeing with the denial and have that statement included with any future disclosures of your PHI. You or your personal representative will be required to complete a form to request amendment of the PHI in your designated record set. Requests for amendment of PHI in a designated record set should be made to the Exchange HRA Plan at the address provided at the end of this Notice.

D. Right to Receive an Accounting of PHI Disclosures

At your request, the Exchange HRA Plan will also provide you with an accounting of disclosures by the Exchange HRA Plan of your PHI during the six years prior to the date of your request. However, such accounting need not include PHI disclosures made: (1) to carry out treatment, payment or health care operations; (2) to you about your own PHI; (3) prior to April 14, 2004; or (4) pursuant to your authorization.

If the accounting cannot be provided within 60 days, an additional 30 days is allowed if you are given a written statement of the reasons for the delay and the date by which the accounting will be provided. If you request more than one accounting within a 12-month period, the Exchange HRA Plan will charge a reasonable, cost-based fee for each subsequent accounting. You or your personal representative will be required to complete a form to request an accounting. Requests for an accounting should be made to the Exchange HRA Plan at the address provided at the end of this Notice.

E. The Right to Receive a Paper Copy of This Notice Upon Request

To obtain a paper copy of this Notice at any time contact PEBP. The Notice is also posted on the PEBP's internet site. Even if you have agreed to receive this Notice electronically, you are still entitled to a paper copy of this Notice.

F. A Note About Personal Representatives

You may exercise your rights through a personal representative. Your personal representative will be required to produce evidence of his/her authority to act on your behalf before that person will be given access to your PHI or allowed to take any action for you. Proof of such authority may take one of the following forms:

- a power of attorney for health care purposes, notarized by a notary public;
- a court order of appointment of the person as the conservator or guardian of the individual; or
- an individual who is the parent of a minor child.

The Exchange HRA Plan retains discretion to deny access to your PHI to a personal representative to provide protection to those vulnerable people who depend on others to exercise their rights under these rules and who may be subject to abuse or neglect. This also applies to personal representatives of minors.

Section 4. Your Right to File a Complaint with the Exchange HRA Plan or the HHS Secretary

If you believe that your privacy rights have been violated, you may complain to the Exchange HRA Plan in care of PEBP. You may file a complaint with the Secretary of the U.S. Department of Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue S.W., Washington, D.C. 20201. The Exchange HRA Plan will not retaliate against you for filing a complaint.

Section 5. Whom to Contact at the Exchange HRA Plan for More Information

If you have any questions regarding this Notice or the subjects addressed in it, you may contact PEBP.

Section 6. Conclusion

PHI use and disclosure by the Exchange HRA Plan is regulated by a federal law known as HIPAA (the Health Insurance Portability and Accountability Act). You may find these rules at 45 *Code of Federal Regulations* Parts 160 and 164. This Notice attempts to summarize the regulations. The regulations will supersede any discrepancy between the information in this Notice and the regulations.

If you wish to exercise one or more of the rights listed in this Notice, contact PEBP.

EXCHANGE HRA PLAN INFORMATION APPENDIX

GENERAL EXCHANGE HRA PLAN INFORMATION

Name of Plan:	State of Nevada Public Employees' Benefits Program Medicare Exchange Health Reimbursement Arrangement
Effective Date:	July 1, 2011
Name, address, and telephone number of the Plan Sponsor:	State of Nevada Public Employees' Benefits Program 901 South Stewart Street, Suite 1001 Carson City, NV 89701 (775) 684-7000 or (800) 326-5496
Name, address, and telephone number of the Plan Administrator: The Plan Administrator has the exclusive right to interpret the Exchange HRA Plan and to decide all matters arising under the Exchange HRA Plan, including the right to make determinations of fact, and construe and interpret possible ambiguities, inconsistencies, or omissions in the Exchange HRA Plan and the SPD issued in connection with the Exchange HRA Plan.	Same as Plan Sponsor
Agent for Service of Legal Process:	Same as Plan Sponsor
Sponsor's federal tax identification number:	88-0378065
Plan Number:	EXCHANGE HRA
Plan Year:	2012
Third Party Administrator:	Extend Health, Inc. 10975 South Sterling View Drive Suite A-1 South Jordan, UT 84905 (888) 598-7545 www.ExtendHealth.com/PEBP

<p>Claims Submission Agent:</p> <p>All reimbursement forms, and supporting documentation, must be provided to the Claims Submission Agent. Forms should not be mailed to the Third Party Administrator.</p>	<p>PayFlex Systems USA, Inc. Extend Health HRA P.O. Box 3039 Omaha, NE 68103-3039 Fax: (402) 231-4310</p>
<p>Funding:</p>	<p>Benefits are paid from PEBP's assets. There is no trust or other fund from which benefits are paid.</p>

EXCHANGE HRA PLAN TERMS

1. **Eligible Retiree:**

A retiree who:

- (e) is eligible to be covered under PEBP pursuant to:
 - (1) Nevada Revised Statutes Chapter 287;
 - (2) Nevada Administrative Code Chapter 287, and
 - (3) The PEBP Master Plan Document.
- (f) is eligible for free Medicare Part A
- (g) elects coverage through the Individual Market Medicare Exchange sponsored by PEBP.

For complete eligibility information, see the PEBP Master Plan Document.

2. **Dependent:**

The spouse or other dependent (as defined in Code Section 152) of an Eligible Retiree.

For complete eligibility information, see the PEBP Master Plan Document.

3. **Insurance Coverage Exception:**

None. An Eligible Retiree must obtain an individual health insurance policy through the PEBP sponsored Individual Market Medicare Exchange, even if an Eligible Retiree has health coverage under TRICARE or under a policy or plan provided by his or her Spouse's employer. If an otherwise Eligible Retiree resides outside the United States, the Eligible Retiree will not be considered an Eligible Retiree.

4. **Account Structure:**

A separate Exchange HRA Account will be established for each Eligible Retiree within a single family.

5. **Benefit Credit:**

- (a) The following monthly amount will be credited on behalf of Eligible Retirees:
 - (1) For Eligible Retirees who retired prior to January 1, 1994, the dollar amount is equal to the base amount (as determined by the Legislature each Legislative Session) multiplied by 15.
 - (2) Except as otherwise provided in paragraph (3) below, for Eligible Retirees who retired on or after January 1, 1994, the dollar amount is equal to the base amount (as determined by the Legislature each Legislative Session) multiplied by the years of service credit (calculated pursuant to NAC 287.485) up to a maximum of 20 years of service.

- (3) Retirees who were hired by their last employer on or after January 1, 2010, who subsequently retired and who:
 - (i) Have less than 15 years of service credit (calculated pursuant to NAC 287.485), or
 - (ii) Were not continuously covered by PEPB since their retirement, are not eligible for any Benefit Credit.

(b) No amount will be credited for dependents.

6. Timing of Benefit Credit:

Benefit Credit will be credited to HRA Accounts on the first business day of each calendar month.

7. Medical Expense Exclusion:

There are currently no excluded Medical Expenses. See Internal Revenue Service Publication 502 for a list of Eligible Medical Expenses.

PEBP reserves the right to change this section at any time.

8. Carryover of Accounts:

Credits remaining in an Exchange HRA Account at the end of a Plan Year (after the expiration of the claims run-out period) shall be carried over to the following Plan Year to reimburse Eligible Retirees for Eligible Medical Expenses incurred during subsequent Plan Years, up to a limit to be determined by PEBP at a later date.

9. Death:

Dependents shall NOT continue to receive Benefit Credits after the Eligible Retiree's death: