

MEDICA®

MINNESOTA



MEDICA DIRECT HSASM
FOR INDIVIDUALS

Health plans as individual
as you and your family.

For coverage beginning 7/1/2008 or later.

Dear Prospective Member:

Thank you for your interest in our **Medica Direct HSASM for Individuals** plan. We believe that this plan represents one of the best values in the marketplace for individuals and families. It's from a trusted name in health insurance and is backed by superior service.

In the next pages, you will find everything you need to learn about the plan and how to apply for coverage. Medica Direct HSA for Individuals offers a variety of deductible levels and other benefit plan design options. After you review the plan highlights and other information in this brochure, please work with your Medica broker or call us if you have questions to ensure that you understand all that these plans have to offer.

Again, thank you for your interest in Medica. We look forward to hearing from you!

Sincerely,

A handwritten signature in black ink, appearing to read "Craig".

Craig Ashby
Director, Individual Products
Medica



Your dollars, your health, your plan

Medica Direct HSA is a traditional deductible health plan available for individuals and families. It's popular, too, with those who are self-employed. There are many deductible levels from which to choose and optional benefits allow you to customize your coverage at a competitive price that you can afford.

Your coverage is administered by Medica in the traditional way — where Medica pays your eligible health and medical expenses and there is little or no paperwork for you.

You have another option, however. Medica Direct HSA for Individuals is also available in combination with a health savings account (HSA). If you choose to manage your medical payments yourself, this health plan combines the aspects of paying for health care with financial planning. You're in control. In addition to paying your monthly coverage premium, you set aside funds in a special qualified health savings account that you use to pay your eligible health and medical expenses, such as deductibles, copayments, coinsurances, drugs and medical supplies. You choose how to use those designated funds, and you receive both important federal tax savings and interest.

While you choose Medica for your healthcare coverage, you have the freedom to choose any qualified organization to administer your health savings account and invest your funds. These funds are portable and travel with you — regardless of your health plan coverage.

To help you understand your high deductible health plan coverage, the following is a summary of benefits for the Medica Direct HSA plan. It is a high level overview and not meant to be all-inclusive. If you have questions, work with your Medica broker or call Medica’s Sales Department at 952-992-2080 or 1-800-670-5935.

You should read your policy carefully. This summary of benefits provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will determine your benefits. The policy itself sets forth in detail the rights and obligations of both you and Medica Insurance Company.

Note: Pre-existing conditions that you had within the six months before your enrollment date may not be covered during the first 18 months following your enrollment date. However, if you have maintained continuous healthcare coverage, the pre-existing condition limitation applies during the first 12 months following your enrollment date. In addition, this 12-month period may be reduced by the amount of time you maintained qualifying coverage before your enrollment date.

* Any portion of the yearly deductible satisfied during the last three months of a calendar year (October, November or December) can be applied toward the next calendar year’s deductible. The deductible is subject to a “cost of living” increase on a yearly basis. This “cost of living” increase is tied to the Consumer Price Index (CPI).

** You receive the highest level of benefits and the lowest out-of-pocket costs when you use a network provider. If you choose to receive services from a non-network provider, you will be responsible for any deductible, coinsurance or copayment, and the difference between Medica’s non-network reimbursement amount (generally based on a fee schedule) and the non-network provider’s billed charges. The difference between Medica’s non-network reimbursement amount and the non-network provider’s billed charges does not apply to your out-of-pocket maximum. The out-of-pocket maximum is subject to a “cost of living” increase on a yearly basis. This “cost of living” increase is tied to the Consumer Price Index (CPI).

*** Optional first dollar benefit for preventive care (waives the deductible on the first \$300 per member per calendar year). This is only a summary. Refer to the Medica Direct HSA policy for a detailed description of what is and is not covered. These benefits are effective July 1, 2008.

- ---

Lifetime maximum per person
- ---

Office visits for sickness, injury, screenings and physicals***
- ---

Inpatient and outpatient hospital services (including lab and x-ray services)
- ---

Emergency room care and ambulance service
- ---

Medical supplies
- ---

Chiropractic, occupational, physical and speech therapy
- ---

Well-child services to age 6, immunizations to age 18
- ---

Skilled nursing facility services (limited to 120 days a year)
- ---

Home health care up to \$25,000 a year
- ---

Formulary prescription drugs
- ---

Mental health care
- ---

Substance abuse
- ---

Prenatal care
- ---

Delivery and post-delivery care

These benefits are effective July 1, 2008.

80% Plans			100% Plans		
	Deductible*	Out-of-pocket maximum**		Deductible*	Out-of-pocket maximum**
Single	\$1,400	\$2,350	Single	\$1,800	\$1,800
	\$1,800	\$2,950		\$2,400	\$2,400
Family	\$2,800	\$3,650	Family	\$2,850	\$2,850
	\$3,650	\$4,650		\$3,500	\$3,500
A family must meet the entire family deductible before any benefits will be paid, except where noted.			A family must meet the entire family deductible before any benefits will be paid, except where noted.		
\$5 million			\$5 million		
80% after deductible			100% after deductible		
80% after deductible			100% after deductible		
80% after deductible			100% after deductible		
80% after deductible			100% after deductible		
80% after deductible			100% after deductible		
100% (deductible doesn't apply)			100% (deductible doesn't apply)		
80% after deductible			100% after deductible		
80% after deductible			100% after deductible		
After deductible, you pay a \$15 copayment or 20%, whichever is greater			100% after deductible		
80% after deductible (optional)			100% after deductible (optional)		
80% after deductible			100% after deductible		
100% (deductible doesn't apply)			100% (deductible doesn't apply)		
First 12 months, 0% coverage; thereafter, 80% after deductible			First 12 months, 0% coverage; thereafter, 100% after deductible		

Services not covered include private-duty nursing; custodial care or rest care; eye wear; most dental services; cosmetic services; refractive eye surgery; infertility services; services that are investigational, not medically necessary or received while on military duty.

How to enroll

Final eligibility for coverage is determined by Medica after a health history review. To be eligible for Medica Direct HSA for Individuals, you must also meet the following criteria:

- You must be a U.S. citizen or a permanent resident (in accordance with U.S. immigration laws)
- You must be a Minnesota resident and physically reside in Minnesota for at least six months of every year
- You must not be eligible for Medicare

Our goal is to make the application process easy for you. So here are the steps:

- Complete the enclosed application in its entirety
 - Choose either single or family coverage and include all individuals to be covered on the plan
 - Choose your level of deductible
 - Choose your coverage level, either 80% or 100%
 - Sign and date the application
- Include a check or money order for your first month's premium payment
- Mail it in the envelope provided for your convenience
- If you're working with your local Medica broker, they should sign the application before it is mailed back to Medica

If your application is accepted, we will notify you of the date your coverage starts. If we cannot offer you coverage, we will return your premium to you. Please allow up to three to four weeks for processing your application.

If you want to establish a health savings account (HSA), you may choose any qualified trustee. Medica does not administer HSAs, but offers discounted pricing through preferred vendors. For more information about HSAs and HSA administrators, please visit medica.com "Medica Products." Once there, click on "Medica Direct HSA for Individuals."

Network Choice

You may see medical providers of your choice. More than 96% of Minnesota providers are in Medica's network. You receive the highest level of benefits and the lowest out-of-pocket costs when you use providers that are part of the Medica network. If you choose to receive services or supplies from a non-network provider, you are responsible for both any deductible, coinsurance or copayment owed and the difference between Medica's non-network reimbursement amount (generally based on a fee schedule) and the charges amount billed by the non-network provider.





Definitions

Coinsurance

This is a percentage of the covered amount that you pay yourself for certain healthcare services.

Copayment/Copay

This is a fixed-dollar amount that you pay up front when you receive care or buy a prescription.

Deductible

The fixed-dollar amount you pay each plan year before the plan begins to pay for covered services. Charges that aren't covered by your plan don't count toward satisfying the deductible.

Formulary

A list of covered prescription drugs. The Medica Formulary is the expansive list of drugs approved by Medica's independent review team of physicians and pharmacists for treatment of a wide variety of conditions.

Network provider

A term used to describe a provider who has entered into a written agreement with Medica or has made other arrangements with Medica to provide benefits to you. The network of providers will change from time to time.

Out-of-pocket

A general term describing your share of the cost of healthcare services. Copays, coinsurance and deductibles are all examples of out-of-pocket expenses because they are paid with your money, out of your "pocket."

Preventive care services

Health care designed to keep you well, like checkups, immunizations and cancer screenings.

Visit [MainStreetMedica.com](https://www.MainStreetMedica.com) for important online tools

This resource can help you stay in control and make informed decisions, including:

- Personalized health information for each covered family member
- Decision-support tools:
 - Treatment cost estimator — you choose how much to spend
 - Quality data on hospitals, physicians, clinics, radiology centers, surgery centers, pharmacies and other healthcare providers
 - Health-related news and articles
- The Medica Prescription Drug Formulary List (for covered drugs)
- *Find a Doctor* locator

Be covered when you're away with our Travel Program

You can receive Medica-style coverage when you travel in the United States but outside of Medica's service area so long as you use a Travel Program provider. Chiropractic services, mental health/substance abuse treatment and transplant services are not included in this expanded national coverage. Find more Travel Program information at [medica.com](https://www.medica.com):

- ▶ Click on **Medica Products**
- ▶ Click on **Medica Direct HSA for Individuals**
- ▶ Scroll down to **Find a Doctor**
- ▶ Click on **Travel Program**.



Contact us

For more information or to locate a Medica broker to assist you, contact Medica at:

952-992-2080 or 1-800-670-5935

TTY: 952-992-3650 or 1-800-234-8819

8 a.m. – 5 p.m. Monday – Thursday;

9 a.m. – 5 p.m. Friday.

You may also visit us at www.medica.com or e-mail us at medicaindividualproducts@medica.com.



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