

RECOMPILATION
OF
HOSPITAL SERVICE GROUP CONTRACT NO. 1
ISSUED TO THE
STATE OF NEW YORK

(As Amended to January 1, 1980)

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INFORMATIONAL NOTE

In accordance with the provisions of Amendment No. 28, effective January 1, 1980, Hospital Service Group Contract No. 1 now covers both employees of the State of New York and employees of Participating Agencies. Formerly, employees of Participating Agencies were covered under Hospital Service Group Contract No. 3. That Contract was discontinued on December 31, 1979 and those employees were included in Hospital Service Contract No. 1 by Amendment No. 28.

Prior retirees of the State of New York were previously covered under a separate portion of Contract No. 1 (Articles I-A through VII-A). Amendment No. 28 deleted Articles I-A through VII-A and amended the definition of "Employee" in the principal portion of Contract No. 1 to include prior retirees.

6. The term "Individual Coverage" means coverage for services to be rendered to the Employee subject to the terms and limitations hereof.

7. The term "Dependent Coverage" means coverage for services to be rendered to a Dependent subject to the terms and limitations hereof.

8. The term "skilled nursing facility" means an institution or part of an institution which is primarily engaged in providing to in-patients (a) skilled nursing care and related services for patients who require medical or nursing care, or (b) rehabilitation services for the rehabilitation of injured, disabled, or sick persons, and which institution or part of an institution has qualified as, and has been determined by the Secretary of Health, Education and Welfare to be, a skilled nursing facility under Title XVIII of the Social Security Act (Medicare), or has been accredited as a skilled nursing facility by the Joint Commission on Accreditation of Hospitals, except that such term shall not include any institution or part of an institution which is primarily for the care and treatment of mental diseases or tuberculosis.

9. The term "spell of illness" means with respect to any person covered under this Contract a period of consecutive days beginning with the first day (not included in a previous spell of illness) on which such person was furnished benefits under this Contract while confined in a Hospital or skilled nursing facility and ending with the

close of the first period of 90 consecutive days thereafter on each of which such person was not confined as an in-patient of a Hospital or a skilled nursing facility.

10. The term "public hospital" means a hospital which is operated by any governmental body.

ARTICLE II - ELIGIBILITY FOR COVERAGE UNDER THIS CONTRACT

Each Employee shall be eligible for Individual Coverage and for Dependent Coverage under this Contract in accordance with the regulations of the President of the Civil Service Commission, as amended from time to time.

ARTICLE III - EMPLOYEE REQUEST FOR COVERAGE

An Employee shall make request for Individual Coverage and Dependent Coverage in accordance with the regulations of the President of the Civil Service Commission and published memoranda of the Employee Insurance Section of the New York State Civil Service Department, as amended from time to time.

ARTICLE IV - EFFECTIVE DATES OF COVERAGE

1. Subject to the provisions of Article V, the Individual Coverage and Dependent Coverage of an Employee shall become effective on a date or dates determined in accordance with the regulations of the President of the Civil Service Commission and published memoranda of the Employee Insurance Section of the New York State Civil Service Department, as amended from time to time.

2. The Employer shall notify the Corporation of the date or dates on which the Employee's Individual Coverage and/or Dependent Coverage under this Contract shall become effective.

ARTICLE V - BENEFIT PROVISIONS

The Corporation will furnish under this Contract and on the terms herein set forth the following benefits:

1. Hospital Service to a covered Employee or Dependent upon admission to a Hospital, as defined in Article I hereof, during the time he is confined therein as a registered in-patient subject to the limitations contained in this Article V and the exclusions in Article VI. Hospital Service shall comprise and mean, when such service is provided by the admitting hospital:

(a) Bed, board and general nursing service as follows:

- (1) In semi-private accommodations (2, 3, or 4 beds in a room); or
- (2) In private accommodations, a daily room allowance towards payment of the private room charges made by the Hospital which allowance shall be equal to the admitting hospital's most common semi-private room charge.

(b) All hospital diagnostic and therapeutic services, including but not limited to the following:

- (1) Use of operating, recovery and cystoscopic rooms equipment.
- (2) Laboratory and pathology examinations.
- (3) Basal metabolism tests.
- (4) Use of cardiographic equipment.

- (5) Oxygen and use of equipment for administration.
 - (6) Prescribed drugs and medicines.
 - (7) Intravenous preparations, vaccines, sera, biologicals, blood and blood plasma except that charges for blood and/or blood plasma will be included only upon presentation of satisfactory evidence that local conditions were such that it was necessary for the patient to incur expenses for such blood and/or blood plasma.
 - (8) Use of transfusion equipment.
 - (9) Dressings and plaster cases.
 - (10) X-ray examinations, therapy and radioactive isotopes.
 - (11) Anesthesia supplies, equipment and administration.
 - (12) Physiotherapy and hydrotherapy.
 - (13) Ambulance service:
- (c) Benefits Periods:
- (1) Hospital Service shall be available, except for care limited or excluded under this Article V and the exclusions in Article VI, during 365 days in a spell of illness. The days for which the Corporation is responsible shall be consecutive in each hospital admission from the date of admission and in

no case may the covered Employee or Dependent select the day or days for which such Hospital Service shall be available.

(2) If a covered Employee or Dependent shall remain in a Hospital after he has been advised by his attending physician that further Hospital Service is unnecessary, the Corporation shall not be liable for any services rendered thereafter during such hospital confinement.

(3) In the event an Employee or Dependent is confined in a Hospital on April 1, 1969, or the first admission of an Employee or Dependent to a Hospital subsequent to April 1, 1969, occurs between April 1, 1969, and June 29, 1969, and such admission follows a period of less than 90 consecutive days from the date of the last discharge of the Employee or Dependent from a Hospital, then, in either case, until such Employee or Dependent has not, thereafter, been confined in a Hospital or a skilled nursing facility for a period of not less than 90 consecutive days, the number of days for which Hospital Service shall be provided subsequent to April 1, 1969, shall be limited to 365 reduced by the number of days for which Hospital Service

was provided to the Employee or Dependent under this Contract between (a) the date preceding April 1, 1969, which was the beginning of the last Hospital admission of the Employee or Dependent which followed a period of not less than 90 consecutive days during which the Employee or Dependent was not confined in a Hospital, and (b) April 1, 1969.

(d) Outpatient Care

- (1) For emergency accident cases and for cases where surgery is performed in a Hospital on an out-patient basis, a covered Employee or Dependent shall be entitled to the Hospital Service set forth above to the extent used, except that in an emergency accident case the emergency care must be received in the Hospital not later than 72 hours following injury.
- (2) A covered Employee or Dependent shall be entitled to benefits for diagnostic x-ray examinations, radiation therapy and laboratory tests, including electroencephalograms, electrocardiograms and basal metabolism tests, rendered in the out-patient department of a Hospital, provided that (i) the Employee or Dependent

is physical present in the out-patient department, (ii) such x-ray examinations, radiation therapy and laboratory tests are related to and necessary for the diagnosis of illness or injury and are ordered by a physician, and (iii) they are unrelated to maternity care.

(3) A covered Employee or Dependent shall be entitled to benefits up to a maximum of \$50.00 each time ambulance service is used to or from a hospital provided that (i) the ambulance service is medically necessary, (ii) the service is provided by a professional ambulance service, and (iii) the professional ambulance service bills for its services.

(4) A covered Employee or Dependent shall be entitled to benefits for physical therapy treatments rendered in the out-patient department of a Hospital, provided that (i) the treatments are ordered by a physician, (ii) the treatments are in connection with an illness for which the Employee or Dependent had been hospitalized or in connection with surgical care, (iii) the treatments commence no later than six (6) months from the date of the discharge of the Employee or Dependent

from the Hospital or from the date of surgery (but in no event shall benefits for treatments be provided after one year from the date of discharge from the Hospital or from the date of surgery) and (iv) the treatments are billed for by the Hospital.

(5) A covered Employee or Dependent shall be entitled to benefits for hemodialysis treatments if rendered in the out-patient department of a Hospital, provided that (i) the treatments are ordered by a physician and (ii) the treatments are billed for by the Hospital.

(6) A covered Employee or Dependent shall be entitled to benefits rendered in the out-patient department of a Hospital for emergency care for a sudden, unexpected onset of a medical condition of such nature that failure to render immediate care could reasonably result in deterioration to the point of placing the Employee or Dependent's life in jeopardy or cause serious impairment to bodily functions of the Employee or Dependent. In no event shall benefits for such emergency room care be provided unless the care was rendered less than 12 hours

after the first appearance of the symptoms of the illness.

7. A covered Employee or Dependent shall be entitled to tests ordered by a physician which are performed in the out-patient department of a Hospital as a planned preliminary to admission of the Employee or Dependent as a registered bed patient for surgery in the same Hospital, provided that (i) the tests are necessary for and consistent with the diagnosis and treatment of the condition for which surgery is to be performed, (ii) reservations for a hospital bed and for the operating room shall have been made prior to the performance of the tests, (iii) the Employee or Dependent is physically present at the Hospital for the tests, and (iv) the surgery actually takes place within seven days of such pre-surgical tests.

(e) Limitations

Benefits for Hospital Service are limited in the following cases to the extent specified:

(1) For mental and nervous disorders

- (i) A covered Employee or Dependent shall be eligible for the benefits for Hospital Service set forth in this Article V for

admissions for mental or nervous disorders in the event the covered Employee or Dependent is confined in a general or public hospital for diagnosis and treatment of such condition, but such Hospital Service shall be limited to 120 days in a spell of illness, and in no event shall the number of days for which Hospital Service is provided for mental or nervous disorders and the number of days for which Hospital Service is provided for all other conditions exceed in the aggregate 365 during the same spell of illness, except that the number of days of Hospital Service provided for pulmonary tuberculosis in a spell of illness shall be limited to 120 as hereinafter provided.

- (ii) In the event a covered Employee or Dependent is confined in a general or public hospital for diagnosis and treatment of a mental or nervous disorder on April 1, 1969, or the first admission of a covered Employee or Dependent to such a hospital for such a condition subsequent to April 1, 1969,

occurs between April 1, 1969 and June 29, 1969, and such admission follows a period of less than 90 consecutive days from the date of the last discharge of the Employee or Dependent from such a hospital for such a condition, then, in either case, until such Employee or Dependent has not, thereafter, been confined in a Hospital or a skilled nursing facility for a period of not less than 90 consecutive days, the number of days for which Hospital Service shall be provided to the Employee or Dependent subsequent to April 1, 1969, in such a Hospital for such a condition shall be limited to 120 reduced by the number of days for which Hospital Service was provided to the Employee or Dependent under this Contract by such a hospital for such a condition between (a) the date preceding April 1, 1969, which was the beginning of the last hospital admission of the Employee or Dependent to such a hospital for such a condition which followed a period of not less than 90 consecutive days during which the Employee or

Dependent was not confined in such a hospital for such a condition, and (b) April 1, 1969.

(2) For pulmonary tuberculosis

(i) A covered Employee or Dependent shall be eligible for the benefits for Hospital Service set forth in this Article V for admissions for pulmonary tuberculosis in the event the covered Employee or Dependent is confined in a general or public hospital for diagnosis and treatment of such condition, but such Hospital Service shall be limited to 120 days in a spell of illness, and in no event shall the number of days for which Hospital Service is provided for pulmonary tuberculosis and the number of days for which Hospital Service is provided for all other conditions exceed in the aggregate 365 during the same spell of illness, except that the number of days of Hospital Service provided for mental or nervous disorders in a spell of illness shall be limited to 120 as hereinabove provided.

(ii) In the event a covered Employee or Dependent is confined in a general or

public hospital for diagnosis and treatment of pulmonary tuberculosis on April 1, 1969, or the first admission of a covered Employee or Dependent to such a hospital for such a condition subsequent to April 1, 1969, occurs between April 1, 1969, and June 29, 1969, and such admission follows a period of less than 90 consecutive days from the date of the last discharge of the Employee or Dependent from such a hospital for such a condition, then, in either case, until such Employee or Dependent has not, thereafter, been confined in a Hospital or a skilled nursing facility for a period of not less than 90 consecutive days, the number of days for which Hospital Service shall be provided to the Employee or Dependent subsequent to April 1, 1969, in such a hospital for such a condition shall be limited to 30 reduced by the number of days for which Hospital Service was provided to the Employee or Dependent under this Contract by such a hospital for such a condition between (a) the date preceding

April 1, 1969, which was the beginning of the last hospital admission of the Employee or Dependent to such a hospital for such a condition which followed a period of not less than 90 consecutive days during which the Employee or Dependent was not confined in such a hospital for such a condition and (b) April 1, 1969.

- (iii) In the event a covered Employee or Dependent is confined in a general or public hospital for diagnosis and treatment of pulmonary tuberculosis on April 1, 1970, or the first admission of a covered Employee or Dependent to such a hospital for such a condition subsequent to April 1, 1970, occurs between April 1, 1970 and June 29, 1970, and such admission follows a period of less than 90 consecutive days from the date of the last discharge of the Employee or Dependent from such a hospital for such a condition, then, in either case, until such Employee or Dependent has not, thereafter, been confined in a Hospital or a skilled nursing facility for a period of not

less than 90 consecutive days, the number of days for which Hospital Service shall be provided to the Employee or Dependent subsequent to April 1, 1970, in such a hospital for such a condition shall be limited to 120 reduced by the number of days for which Hospital Service was provided to the Employee or Dependent under this Contract by such a hospital for such a condition between (a) the date preceding April 1, 1970, which was the beginning of the last hospital admission of the Employee or Dependent to such a hospital for such a condition which followed a period of not less than 90 consecutive days during which the Employee or Dependent was not confined in such a hospital for such a condition and (b) April 1, 1970.

2. Skilled nursing services to a covered Employee or Dependent upon admission to a skilled nursing facility, as defined in Article I hereof, during the time he is confined therein as an in-patient, subject to the limitations and conditions hereinafter set forth and the exclusions in Article VI.

- (a) Skilled nursing services shall comprise and mean when such services are provided by the admitting skilled nursing facility:
- (1) Nursing care provided by or under the supervision of a registered professional nurse.
 - (2) Bed and board in connection with the furnishing of such nursing care, but only in semi-private accommodations (2, 3, 4 beds in a room); in private accommodations, an allowance equal to the skilled nursing facility's most common charge for semi-private accommodations.
 - (3) Physical, occupational, or speech therapy furnished by the skilled nursing facility or by others under arrangement with them made by the facility.
 - (4) Medical social services.
 - (5) Special drugs, biologicals, supplies, appliances and equipment furnished for use in the skilled nursing facility, as are ordinarily furnished by such facility for the care and treatment of in-patients.
 - (6) Such other services necessary to the health of the patients as are generally

provided by skilled nursing facilities, excluding, however, any item or service if it would not be provided under section 1 of this Article V if furnished to an in-patient of a Hospital.

(b) Transfer from Hospital

- (1) Skilled nursing services in a skilled nursing facility shall be furnished to an Employee or Dependent only after the Employee or Dependent transferred from a Hospital in which he was an in-patient for not less than 3 consecutive days before his discharge from the Hospital. For purposes of the preceding sentence, items and services shall be deemed to have been furnished to an Employee or Dependent after transfer from a Hospital, and he shall be deemed to have been an in-patient in the Hospital immediately before transfer therefrom, if he is admitted to the skilled nursing facility within 14 days after discharge from such Hospital; and an Employee or Dependent shall be deemed not to have been discharged from a skilled nursing facility if, within 14 days after discharge therefrom, he is admitted to

such facility or any other skilled nursing facility.

(c) Benefit Period

- (1) Skilled nursing services shall be available in a skilled nursing facility, except for obstetrical cases and any other case excluded under Article VI, for 100 days during a spell of illness.

(d) Co-insurance

- (1) Benefits for skilled nursing services in a skilled nursing facility furnished to an Employee or Dependent during a spell of illness shall be reduced by the same co-insurance amount as is provided under Title XVIII of the Social Security Act (Medicare) with respect to care to a skilled nursing facility for each day (before the 101st day) on which such Employee or Dependent is furnished such services after such services have been furnished to him for 20 days during such spell, which co-insurance amount shall be the responsibility and the obligation of the Employee or Dependent.

- (e) The Corporation may require, from time to time, written declarations by the attending physician of the Employee or Dependent and/or

by the skilled nursing facility in which the Employee or Dependent is confined as to the further need of the Employee or Dependent for skilled nursing services, and the Corporation shall not be liable for benefits for any skilled nursing services rendered after the date such services are determined to be unnecessary.

3. Subject to the deductible amount and co-insurance percentage set forth below a covered Employee or Dependent shall be entitled to receive in the aggregate during any calendar year up to 40 Home Health Care visits upon the following conditions:

- (a) Home Health Care shall mean the care and treatment of the covered Employee or Dependent who is under the care of a physician if, and only for as long as the Employee or Dependent would otherwise have required hospitalization in a Hospital or confinement in a skilled nursing facility, as defined in Title XVIII of the Social Security Act, if Home Health Care was not provided (subject to the 40 Home Health Care visits limitations set forth above), provided that a plan covering Home Health Care is established and approved in writing by a physician.

- (b) Home Health Care shall be provided by (i) a Hospital possessing a valid operating certificate and certified to provide home health services under the provisions of the Public Health Law of the State of New York or (ii) a non-profit or public home health service or agency certified to provide home health services under the provisions of the Public Health Law of the State of New York.
- (c) Home Health Care shall consist of the following: (i) part-time or intermittent home nursing care by or under the supervision of a registered professional nurse (R.N.), (ii) part-time or intermittent home health aide services which consist primarily of caring for the patient, (iii) physical, occupational or speech therapy if provided by the Home Health Agency, (iv) those medical supplies, drugs and medications prescribed by a physician, which are provided under this Contract to in-patients in a Hospital, and (v) laboratory services by or on behalf of a Hospital to the extent laboratory services are provided under this Contract to in-patients in the Hospital which furnished the services.

(d) For the purpose of determining the benefits for Home Health Care available to an Employee or Dependent, each visit by a member of a Home Health Care team shall be considered as one Home Health Care visit and four hours of home health aide service shall be considered as one Home Health Care visit.

(e) The first \$50.00 of the charges to an Employee or Dependent in each calendar year and 25% of the charges to the Employee or Dependent thereafter for the Home Health Care benefits set forth above shall be the obligation and responsibility of the Employee or Dependent and the Corporation shall not be liable to the Employee or Dependent or to any Home Health Agency or other provider of service for such deductible and co-insurance amounts.

4. If on the date when an Employee or Dependent first became covered hereunder, or on the date when the coverage hereunder of an Employee or Dependent is reinstated, the Employee or Dependent is then confined in a Hospital, skilled nursing facility or other institution or facility for care or treatment, or is confined at home under the care of a physician or surgeon because of a disabling sickness or injury, such covered Employee or Dependent shall not be entitled to any coverage hereunder until such person is no

longer confined in a Hospital, skilled nursing facility or other institution or facility, or at home, or otherwise. However, in the case of an Employee or Dependent covered from the Effective Date of this Contract, or an Employee or Dependent for whom coverage is reinstated after the Employee has been on authorized leave without pay for the purpose of serving in the armed forces of the United States, who, on the Effective Date of this Contract or on the date such reinstatement of coverage is effective, is confined in a Hospital, skilled nursing facility or other institution or facility for care or treatment or who is confined at home or otherwise under the care of a physician or surgeon because of a disabling sickness or injury, Hospital Service, as defined in this Article V, shall be furnished, but until the covered Employee or covered Dependent, as the case may be, is discharged and no longer confined at home or otherwise, the benefits under this Contract shall not be more than the difference between the benefits to which he is entitled under any other plan or contract providing hospitalization benefits and the benefits provided by this Contract.

Notwithstanding anything to the contrary set forth in this Section 4, if an Employee or Dependent transfers from a health maintenance organization option under the Employer's Health Insurance Plan to this Contract and is confined in a Hospital, a skilled nursing facility or other institution or facility for care or treatment, or is confined at home under the care of a physician or surgeon

because of a disabling sickness or injury, such Employee or Dependent shall receive benefits under this Contract for covered services rendered while so confined unless benefits are provided under the health maintenance organization option from which the Employee or Dependent transferred.

ARTICLE VI - EXCLUSIONS

Benefits shall not be provided for:

1. Services furnished to an Employee or Dependent prior to the effective date of his coverage.
2. Expenses for eye glasses, hearing aids and examinations for the prescription or fitting thereof.
3. Services for cosmetic surgery or treatment, except that coverage will be provided for reconstructive surgery when incidental to or following surgery resulting from trauma, infection or other diseases of the involved parts or when necessary because of congenital disease or anomaly of a dependent child which has resulted in a functional defect.
4. Any condition, disease, ailment or accidental injury for which benefits are available in whole or in part under a Workmen's Compensation Act or similar legislation whether or not the Employee or Dependent claims compensation or receives benefits for hospital service thereunder and whether or not any recovery is had by the Employee or Dependent against a third party for damages resulting from such condition, disease, ailment or accidental injury.
5. Services rendered in a Veterans' Facility; or other services which are furnished in whole or in part under the laws of the United States for which no charge would be made if this Contract were not in effect.
6. Services rendered for illness or injury due to war or any act of war, whether declared or undeclared, which war

or act of war shall occur after the Effective Date of this Contract.

7. Services for which the Employee or the Dependent is not required to make payment.

8. Services to the extent covered by benefits provided under any other policy or contract covering the Employer's Health Insurance Plan.

9. Services of physicians, surgeons and special nurses or their board.

10. Convalescent, custodial or sanitarium-type care; rest cures; or, except as provided in sections* 1(e)(2) and 1(e)(3) of Article V, Hospital Services for mental or nervous disorders or for pulmonary tuberculosis; or services in a place of rest, a place for the aged, a place for drug addicts, a place for alcoholics; or, except as provided in section 2 of Article V in a skilled nursing facility, any nursing home.

11. On any day an Employee or Dependent would be entitled to receive benefits under this Contract, for service or care, such benefits shall be reduced by the

Paragraph Eighth of Amendment #28 to this Contract deleted Section 1(e)(1), which concerned maternity care, and renumbered Sections 1(e)(2) and (e)(3) to be (e)(1) and (e)(2), respectively. Therefore the above references are incorrect and at the time of the next Contract Amendment, they will be changed to reflect the renumbering.

benefits to which the Employee or Dependent is entitled to receive for the same service or care under either Part A or Part B of Title XVIII of the Social Security Act (commonly referred to as "Medicare"), or by the benefits to which the Employee or Dependent would have been entitled to receive if he was otherwise eligible for coverage under Part A of Medicare but failed to enroll for such coverage under Part A of Medicare (if such enrollment was necessary), or by the benefits the Employee or Dependent would have been entitled to receive under Part B of Medicare if he was otherwise eligible for coverage under Part B of Medicare but failed to enroll for such Part, or having enrolled failed to continue to make payment of the charges therefor.

12. Services or benefits for any loss, or portion of a loss, for which benefits are recovered or recoverable under mandatory automobile no-fault insurance, except that:

A. Any loss, or portion of a loss, for which benefits are provided under this Contract, which is not recovered or recoverable from mandatory automobile no-fault insurance because of a no-fault deductible will be paid subject to the deductible and/or co-insurance provisions of this Contract, and

B. Any loss, or portion of a loss, for which benefits are provided under this Contract, which is not recovered or recoverable from mandatory automobile no-fault insurance because such loss exceeds the maximum benefits provided under mandatory automobile no-fault insurance shall

be paid without regard to the deductible and/or co-insurance provisions of this Contract.

ARTICLE VII - CESSATION OF COVERAGE - CONVERSION

1. Coverage hereunder for an Employee whose status as an Employee terminates, and for his Dependents, shall cease on a date determined in accordance with the provisions of the Civil Service Law and the regulations of the President of the Civil Service Commission, as amended from time to time.

2. (a) Coverage hereunder of an Employee and his Dependents shall continue in the event of the Employee's retirement if the Employee meets the requirements set forth in the regulations of the President of the Civil Service Commission, as amended from time to time, for the continuation of coverage upon retirement.

(b) Coverage hereunder of the Dependents of a deceased Employee shall continue in accordance with the provisions of the Civil Service Law and the regulations of the President of the Civil Service Commission, as amended from time to time.

3. The coverage hereunder on account of any Dependent shall cease on the date that such person ceases to be a Dependent.

4. All coverage shall cease on the date of termination of this Contract.

5. All coverage with respect to the Employees and Retired Employees of a Participating Agency, and with respect to the Dependents of deceased Employees and Retired Employees of a Participating Agency, shall cease, in accordance with the regulations of the President of the Civil Service Commission, as amended from time to time, upon the default of the Participating Agency in its payments to the Health Insurance Fund, or upon the withdrawal or expulsion of the Participating Agency from the Employer's Health Insurance Plan.

6. Conversion Privilege -

- (a) In the event of the termination of coverage of any Employee under this Contract because of the termination of his status as an Employee, or in the event of the termination of coverage of an Employee upon the default of the Participating Agency in its payments to the Health Insurance Fund, or upon the withdrawal or expulsion of the Participating Agency from the Employer's Health Insurance Plan, such Employee may, at his option, within 31 days after such termination, apply to the Corporation for a contract of the type then being generally issued by the appropriate Participating Corporation on a direct-payment basis which provides benefits most nearly comparable to the benefits

provided under this Contract, at the charges then in effect for such direct-payment type of contract, covering the Employee and his Dependents who were covered under this Contract and who are eligible for coverage under such direct-payment contract. The Participating Corporation shall, without evidence of insurability, issue such contract effective from the date of termination of the Employee's coverage under this Contract, but only upon payment of the then established charges for the direct-payment contract from the effective date thereof.

(b) If Individual and Dependent Coverage is in force, in the event of the death of an Employee, as to his Dependents, the same provisions for continuation of coverage shall apply as in cases of termination of coverage in subdivision (a) of this section.

(c) If Individual and Dependent Coverage is in force, in the event a spouse or child ceases to be a Dependent, he may apply for continuation of coverage in the same manner and on the same basis as in case of termination of coverage in subdivision (a) of this section.

(d) Each Employee shall be given written notice of his conversion privilege and its duration by the Employer or by the Corporation within 15 days after the termination of his coverage under this Contract, provided that if such notice be given more than 15 days but less than 90 days after the termination of his coverage under this Contract, the time allowed for the exercise of such privilege of conversion shall be extended for 15 days after the giving of such notice. If such notice be not given within 90 days after the date of termination of coverage under this Contract, the time allowed for the exercise of such conversion privilege shall expire at the end of such 90 days. Written notice by the Employer given to the Employee or mailed to the Employee at his last known address, or written notice by the Corporation mailed to the Employee at the last address furnished to the Corporation by the Employer, shall be deemed full compliance with the provisions of this subdivision for the giving of notice.

ARTICLE VIII - WAIVER OF CONTRIBUTIONS AND CHARGES

If at any time while an Employee is on authorized leave without pay or while his name is on a preferred list for eligibility for reinstatement and during which time his coverage hereunder remains in force, he shall present to the Corporation satisfactory proof that, as a result of sickness or injury, he has become and is then totally disabled and has been continuously so disabled for (a) in the case of an Employee for whom charges are paid on a bi-weekly basis, at least six such bi-weekly charge periods, and (b) in the case of an Employee for whom charges are paid on a monthly basis, at least three such monthly charge periods, his coverage hereunder shall be continued in force without payment of any contributions by the Employee or any charges otherwise payable. Such waiver of charges shall commence (a) in the case of an Employee for whom charges are paid on a bi-weekly basis, with the seventh such bi-weekly charge period following the occurrence of such disability or with the bi-weekly charge period immediately following the exhaustion of accrued sick leave, whichever is later, and (b) in the case of an Employee for whom charges are paid on a monthly basis, with the fourth monthly charge period following the occurrence of such disability or with the monthly charge period immediately following the exhaustion of accrued sick leave, whichever is later. Such waiver of charges shall continue during the period of such total disability but in

no event for more than twenty-six bi-weekly charge periods or twelve monthly charge periods as appropriate. Proof that disability has occurred shall be presented to the Corporation as soon as is reasonably possible, and no charges falling due more than one year before receipt of such proof shall be waived. Any charges paid to the Corporation and later waived under the provisions of this Article VIII shall be refunded.

ARTICLE IX - BENEFITS AFTER CESSATION OF COVERAGE

1. If an Employee or Dependent becomes pregnant at any time subsequent to January 1, 1980 and her coverage under the Contract terminates prior to the termination of such pregnancy, she shall be entitled to benefits after her coverage terminates with respect to such pregnancy only in accordance with the provisions of Section 2 of this Article IX.

2. If an Employee or Dependent, on the date of the cessation of Employee's or Dependent's coverage hereunder, is totally disabled as a result of illness, injury or pregnancy and while still totally disabled receives services, which would otherwise be covered hereunder, within three months after such cessation or during any hospital confinement commencing within three month period, such Employee or Dependent, as the case may be, shall be entitled to the same benefits hereunder as if the coverage had continued in effect.

ARTICLE X - TERM OF CONTRACT - TERMINATION

1. The term of this Contract shall be one year commencing on the Effective Date hereof and it shall be renewed for a term to expire at 12:01 A.M. on April 1, 1959, and it shall be further renewed for a term of one year commencing on the last above mentioned date and from year to year thereafter, unless this Contract is terminated as herein provided.

2. This Contract shall be terminated:

- (a) By default in the payment of charges in accordance with Article XI hereof.
- (b) At the option of the Corporation on any renewal date by giving at least ninety days prior written notice to the Employer.

3. The application of this Contract to the Employees of any participating Agency may be terminated by the Employer upon written notice to the Corporation, which notice shall be in advance of such termination and shall specify the date of such termination.

4. When termination under this Article occurs, the Corporation's liability for (i) benefits not paid, as of the termination date, for services rendered or expenses incurred prior to the termination date, and (ii) benefits for services rendered or expenses incurred after the termination date shall be determined as follows:

- (a) If the additional payment described in Section 7(a) of Article XI shall have been paid in full on or before the date this Contract terminates, the Corporation shall be fully liable for the payment of benefits described in (i) above and for the payment of benefits described in (ii) above to the extent provided in Article IX.
- (b) If the additional payment described in Section 7(a) of Article XI shall not have been paid in full on or prior to the date this Contract terminates, the Corporation shall have liability for the payments described in (i) and (ii) above only to the extent that such payment of benefits does not exceed Quantity L, as hereinafter defined, except that if such additional payment is being paid in installments as provided in Section 7(b) of Article XI only to the extent that such payment of benefits does not exceed the sum of Quantity L, as hereinafter defined, and the installment amounts actually paid by the Employer under this Contract. However, if all installments required by the above-referenced Sections of Article XI are duly paid, the Corporation shall be liable for the payment of benefits to the same

extent as is described in Section 4 (a) above. Quantity I shall be calculated as of the end of the experience year coincident with or last preceding the date this Contract terminates and shall be equal to (ii) plus (iii) minus (iv), each of which is defined in Section 2 of Article XIX of this Contract.

(c) The Employer shall have the responsibility for the payment of any of the benefits described in (i) and (ii) above for which the Corporation is not liable by reason of the provisions of (b) above. The Corporation shall pay the Employer the claims administration expense otherwise incurred by the Corporation attributable to the payment of claims for which the Employer assumes responsibility under this Section 4. The amount of the claims administration expense, if any, to be paid to the Employer by the Corporation shall be determined as follows:

(i) Calculate the ratio, as of the end of the experience year coincident with or last preceding the date this Contract terminates, of the claims administration expense provision determined by the Corporation to the amount of claims

ARTICLE XI - PAYMENT OF CHARGES

1. (a) The charges for the benefits provided under this Contract which are due on April 3, 1980, and on the first day of each succeeding two weeks period (herein called the due date) thereafter, the charges for the benefits provided under this Contract which are due on April 5, 1980, and on the first day of each succeeding two weeks period (herein called the due date) thereafter and the charges for the benefits provided under this Contract which are due on April 10, 1980 and on the first day of each succeeding two weeks period (herein called the due date) thereafter shall be the aggregate of (1) \$7.32 for each Employee covered for Individual Coverage only, and (2) \$22.14 for each Employee covered for Individual and Dependent Coverage, subject, however, to proper accounting adjustments, if any.
- (b) The charges on account of Employees who are compensated on other than bi-weekly basis may be paid on the first day of each month, which with respect to such Employees shall be the due date of such charges. The charges on account of Employees of Participating

Agencies and the charges for the Employees of the Employer who retire prior to December 5, 1957 shall be paid on the first day of each month which shall be the due date of such charges. Such charges due on April 1, 1980, and the charges due on the first day of each succeeding month thereafter shall be the aggregate of (1) \$15.86 for each Employee covered for Individual Coverage only, and (2) \$47.98 for each Employee covered for Individual and Dependent Coverage, subject, however, to proper accounting adjustments, if any.

- (c) At the election of the Employer, and upon at least fifteen days notice to the Corporation, the charges on account of any class of Employees which may be designated by the Employer (provided charges on account of such class of Employees are paid on a bi-weekly basis) may be paid on a date which is seven days subsequent to the due date hereinabove provided for Employees for whom charges are paid on a bi-weekly basis, which with respect to such class of Employees shall be the due date of such charges. The first payment of charges on such new bi-weekly basis shall be one-half of the bi-weekly charges then being

the charge for such coverage for one Dependent only of the deceased Employee shall be the same as the charge for an Employee covered for Individual Coverage only, and the charge for such coverage for two or more Dependents of the deceased Employee shall be the same as the charge for an Employee covered for Individual and Dependent Coverage.

2. A grace period of thirty-one days, without interest charge, shall be granted to the Employer for the payment of any charge due after the initial charge provided the Employer has not previously given written notice to the Corporation that this Contract is to be terminated as of the due date of such charge, and during any such grace period this Contract and the benefits hereunder shall continue in force.

If the Employer fails to pay any charges within the grace period, this Contract shall be terminated on the last day of such grace period, but the Employer shall, nevertheless, be liable to the Corporation for the payment of all charges then due and unpaid, together with the charges for the grace period. If, however, written notice is given by the Employer to the Corporation, during the grace period, that this Contract is to be terminated before the expiration of the grace period this Contract shall be terminated as of the date of receipt of such written notice by the Corporation or the date specified by the Employer for such termination, whichever date is later, and the Employer shall be liable to the Corporation for the payment of the

pro-rata charges for the period commencing with the last due date and ending with such date of termination.

3. On written notice by the Employer, the charges due hereunder may, if not then so payable, be changed at any due date of payment of charges under this Contract, so as to be payable in advance in multiples, not in excess of six times the charges due with respect to any bi-weekly payroll - period.

4. On April 1, 1962, and on any date subsequent to April 1, 1962, on which any charge becomes due hereunder, the Corporation may change the monthly and bi-weekly charges for any or all coverages, by giving written notice of such change at least ninety days prior to the effective date of such change, provided that a change in any charge shall not be made more frequently than once every twelve months. Nothing contained herein shall prevent the Employer and the Corporation from agreeing, at the time of an amendment to this Contract: increasing or decreasing the benefits provided hereunder, to a change in any charge resulting from such amendment, and any such change in charges shall not be considered in applying the limitation on the frequency of change in charges as set forth above.

5. The Employer shall furnish to the Corporation within three months after each due date of charges a written statement showing the number of employees covered for Individual Coverage only, the number covered for Individual

and Dependent Coverage, and the number covered for Dependent Coverage only, as of such due date.

6. All charges falling due under this Contract, including adjustments thereof, if any, are payable by the Employer, on or before their respective due dates, direct to the Corporation at its offices at P.O. Box 8650, Albany, New York 12208.

7. (a) In addition to the charges set forth above, an additional payment shall be due from the Employer to the Corporation immediately prior to the date on which this Contract terminates. Such additional payment, shall be equal to the sum of all amounts transferred by the Corporation to the Employer under the provisions of Article XIX of this Contract less any amounts transferred from the Employer to the Corporation under the provisions of such Article.

(b) At the option of the Employer, the additional payment described in (a) above may be paid by the Employer to the Corporation in monthly installments commencing with the first day of the month immediately following the date this Contract terminates. Each such monthly installment shall be equal to the amount of regular charges due under this Contract in the last month prior to the date this

Contract terminates. Such installments shall continue until the entire additional payment described in (a) above has been paid to the Corporation. The last installment shall be equal to the difference between the additional payment described in (a) above and the sum of the prior installments.

ARTICLE XIII - RECORDS - INFORMATION TO BE FURNISHED

The Employer shall maintain or cause to be maintained records from which may be determined the names of all Employees covered hereunder and shall furnish to the Corporation such information concerning Employees covered as may reasonably be considered to have a bearing on the coverage. The records of the Employer as have a bearing on the coverage shall be open for inspection by the Corporation at any reasonable time.

ARTICLE XIV - CONDITIONS UNDER WHICH BENEFITS
SHALL BE PROVIDED - CONFIDENTIALITY OF RECORDS

1. Hospital Service is subject to all the rules and regulations of the hospital selected, including the rules and regulations governing admission. The Corporation in no way guarantees admission to any hospital or that any specific accommodations will be available.

2. The Corporation shall not be liable unless written notice of admission of a covered Employee or covered Dependent to a hospital shall be given to the Corporation or the appropriate Participating Corporation within 30 days after such admission. Failure to give such notice shall not invalidate or diminish any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.

3. The Corporation and any Participating Corporation shall be entitled to receive from attending or examining physicians or from hospitals providing benefits hereunder such information and records relating to attendance or examination of, or treatment rendered to a covered Employee or covered Dependent before or after the covered Employee or covered Dependent became covered under this Contract as may be required in administration of claims arising under this Contract.

4. All records and information relating to this Contract are confidential, and may be used by the Corporation or by Participating Corporations solely for the

ARTICLE XV - LEGAL PROCEEDINGS - NOTICE -
ENTIRE CONTRACT - RELATIONSHIP OF
PARTICIPATING CORPORATIONS

1. No action at law or in equity shall be brought to recover on this Contract prior to the expiration of sixty days after proof of claim on the form provided by the Participating Corporation has been filed in accordance with the requirements hereof. No such action shall be brought unless brought within two years from the expiration of the time within which proof of claim is required.

2. Any notice given hereunder shall be sufficient if given in writing by the Corporation to the Employer when mailed to the Employer at its address as it appears on the records of the Corporation or if given by the Corporation to an Employee or Dependent when mailed to the Employee either at his address as it appears on the Corporation's records or in case of the Employer at the latter's address as it appears on the records of the Corporation, or if given by the Employer or an Employee or his Dependent to the Corporation at its offices at P.O. Box 8650, Albany, New York 12208.

If the Employer notifies the Corporation that any Employee is not, or after a specified date will not be entitled to coverage hereunder, such notice shall be conclusive as to the Corporation and no such Employee shall thereafter have any rights against the Corporation unless and until the Employer certifies that the Employee was in fact covered.

3. This Contract and the application of the Employer, a copy of which is attached hereto, constitute the entire contract between the parties.

All statements made by the Employer shall be deemed representations and not warranties and no such statement shall avoid the coverage or reduce benefits under this Contract or be used in defense of a claim hereunder unless it is contained in the written application.

No agent is authorized to alter or amend this Contract, to accept charges in arrears or to extend the due date of any charge, to waive any notice or proof of claim required by this Contract, or to extend the date before which any such notice or proof must be submitted. No change in this Contract shall be valid unless approved by an executive officer of the corporation and evidenced by endorsement hereon, or by amendment hereto signed by the Employer and by the Corporation.

4. The Employer and all covered Employees and covered Dependents may treat the Corporation for all purposes as the sole contracting party to this Contract, and may maintain any action on this Contract against the Corporation alone. Any notice given to the Corporation by the Employer or any covered Employee or covered Dependent shall be binding upon the Corporation and on all Participating Corporations.

ARTICLE XVI - EXPERIENCE RATING - PARTICIPATION

1. This Contract is subject to experience rating by the Corporation based on the total experience of all the participating Corporations under the Contract, and the Corporation shall ascertain annually as of October 31st in each year, and pay to the Employer the amount of the experience credit, if any, which the Employer is entitled to receive. In such event an amount equal to the excess, if any, of the Employees' aggregate contributions toward the cost of the coverage provided under such contracts over the net cost of such coverage shall be applied by the Employer for the sole benefit of the Employees.

2. In determining the amount of the experience credit payable to the Employer for the year ending October 31, 1977 and for each year thereafter (hereinafter referred to as the experience year) the Corporation shall be entitled to impose an interest charge if the average period of time from the due date of subscription charges to the payment date of such charges exceeds twenty-seven (27) days. The Corporation shall make interest charges only for this purpose, and such interest charge shall be determined in the following manner:

- (a) An annual rate of interest shall be determined for each experience year on the first day of the experience year. Such annual rate of interest shall be the prime lending rate, as of that day, of the

Corporation's principal bank. The Corporation shall notify the Employer of the rate which shall apply for the experience year as soon as it is so determined. Such rate shall be converted to a daily equivalent for purposes of (b) below.

- (b) Interest shall be charged on subscription charges paid more than twenty-seven (27) days after the due date, and an offsetting credit shall be allowed on subscription charges paid within twenty-seven (27) days of the due date. For each payment due from the Employer to the Corporation during the experience year, the product of the payment amount and the number of days, less twenty-seven (27), from the due date until the date the payment is received by the Corporation shall be calculated. These products shall be summed over the experience year. If at the end of the experience year the sum is negative, no interest charge shall be made. If at the end of the experience year the sum is positive, the interest charge shall be the product of the sum so determined and the daily interest rate determined in (a) above.
- (c) For the purpose of determining the interest charge in (b) above, "due date" for

subscription charges paid on a bi-weekly basis shall mean the first day of the bi-weekly payroll period of the class of employees for which subscription charges are paid in advance for coverage of such employees under this Contract during such payroll period. "Due date" for subscription charges paid on a monthly basis shall mean the first day of the month for which subscription charges are paid in advance for coverage of persons under this Contract during such month. "Due date" for subscription charges paid on a quarterly basis shall mean the first day of the quarter for which subscription charges are paid in advance for coverage of persons under this Contract during such quarter. "Payment date" shall mean the day the Corporation actually receives the check from the Employer (by mail or personal delivery) in payment of the subscription charges.

ARTICLE XVII - MISCELLANEOUS

1. The rights of the Employee or Dependent under this Contract are personal to the Employee or Dependent and are not assignable.

2. The Employer shall not be deemed to be the agent of the Corporation with respect to any matter or thing relating to this Contract.

:

ARTICLE XVIII - NON-DUPLICATION OF BENEFITS

1. Definitions:

- (a) The term "Plan" means any plan providing benefits or services for or by reason of hospital, medical, dental or other health care, diagnosis or treatment, which benefits or services are provided by (1) group, fraternal, or ~~blanket~~ insurance coverage; (2) Blue Cross, Blue Shield or other prepayment coverage; (3) coverage under a labor-management trustee'd plan, union welfare plan, employer organization plan or employee benefits organization plan, including any federal, state or other governmental plan or law; or (4) coverage under any plan solely or largely tax-supported or otherwise provided for by or through action of any government.

The term "Plan" shall be construed separately with respect to each policy, contract or other arrangement for benefits or services and separately with respect to that portion of any such policy, contract, or other arrangement which reserves the right to take the benefits or services of other Plans into

consideration in determining its benefits,
and that portion which does not.

- (b) The term "this Plan" as used herein means this Group Contract of which this Article XVIII is a part.
- (c) The term "Allowable Benefits" means any necessary, reasonable and customary item of service or care covered in whole or part under this Plan.

When a Plan provides benefits in the form of services, the reasonable cash value of each service rendered shall be deemed as a benefit paid.

The Corporation shall not be required to determine the existence of any Plan, or the amount of benefits payable under any Plan except this Plan, and the provision for benefits under this Plan shall be affected by the benefits that would be payable under any and all other Plans only to the extent that the Corporation is furnished with information relative to such other Plans by the Employer or Employee or any other insurance company or other organization or person.

(d) The term "Claim Determination Period", as used in this Article, with respect to any person covered under this plan, means a calendar year during all or part of which period such person is also covered under at least one other plan and receives one or more items of service or care that are covered under this plan.

2. Determination of Benefits:

(a) The benefits that would be provided under this plan, in the absence of this provision, for the Allowable Benefits provided to such person during a Claim Determination Period shall be reduced to the extent necessary so that the sum of such reduced benefits and all the benefits payable for such Allowable Benefits under all other plans, except as provided in subdivision (b) of this Section 2, shall not exceed the total of such Allowable Benefits. Benefits payable under another plan include the benefits that would have been payable had claim been duly made therefore.

(b) If:

(1) another plan which is involved in subdivision (a) of this Section 2 which contains a provision coordinating its

benefits with those of this Plan would, according to its rules, determine its benefits after the benefits of this Plan have been determined, and

(2) the rules set forth in subdivision (c) of this Section 2 would require this Plan to determine its benefits before such other Plan, then the benefits of such other Plans will be ignored for the purposes of determining the benefits under this Plan.

(c) For the purposes of subdivision (b) of this Section 2, the rules establishing the order of benefit determination are:

- (1) The benefits of a Plan which covers the person on whose expenses claim is based other than as a dependent shall be determined before the benefits of a Plan which covers such person as a dependent;
- (2) The benefits of a Plan which covers the person on whose expenses claim is based as a dependent of a male person shall be determined before the benefits of a Plan which covers such person as a dependent of a female person;
- (3) When rules (1) and (2) do not establish an order of benefit determination, the

benefits of a Plan which has covered the person on whose expenses claim is based for the longer period of time shall be determined before the benefits of a Plan which has covered such person the shorter period of time.

- (d) When the total amount of benefits otherwise payable under this Plan during any Claim Determination Period is reduced in accordance with this Article, each benefit that would be provided in the absence of this Article shall be reduced either proportionately or in such other equitable manner as the Corporation shall determine.

3. Right to Receive and Release Necessary Information:

For the purposes of determining the applicability and implementing the terms of this provision of this Plan or any provision of similar purpose of any other Plan, the Corporation may, without the consent of or notice to any person, release to or obtain from any insurance company or other organization or person any information, with respect to any person, which it deems to be necessary for such purposes, and in so acting, the Corporation shall be free from any liability that might arise in relation to such action. Any person claiming benefits under this Plan shall furnish to the Corporation such information as may be necessary to implement this provision.

4. Facility of Payment:

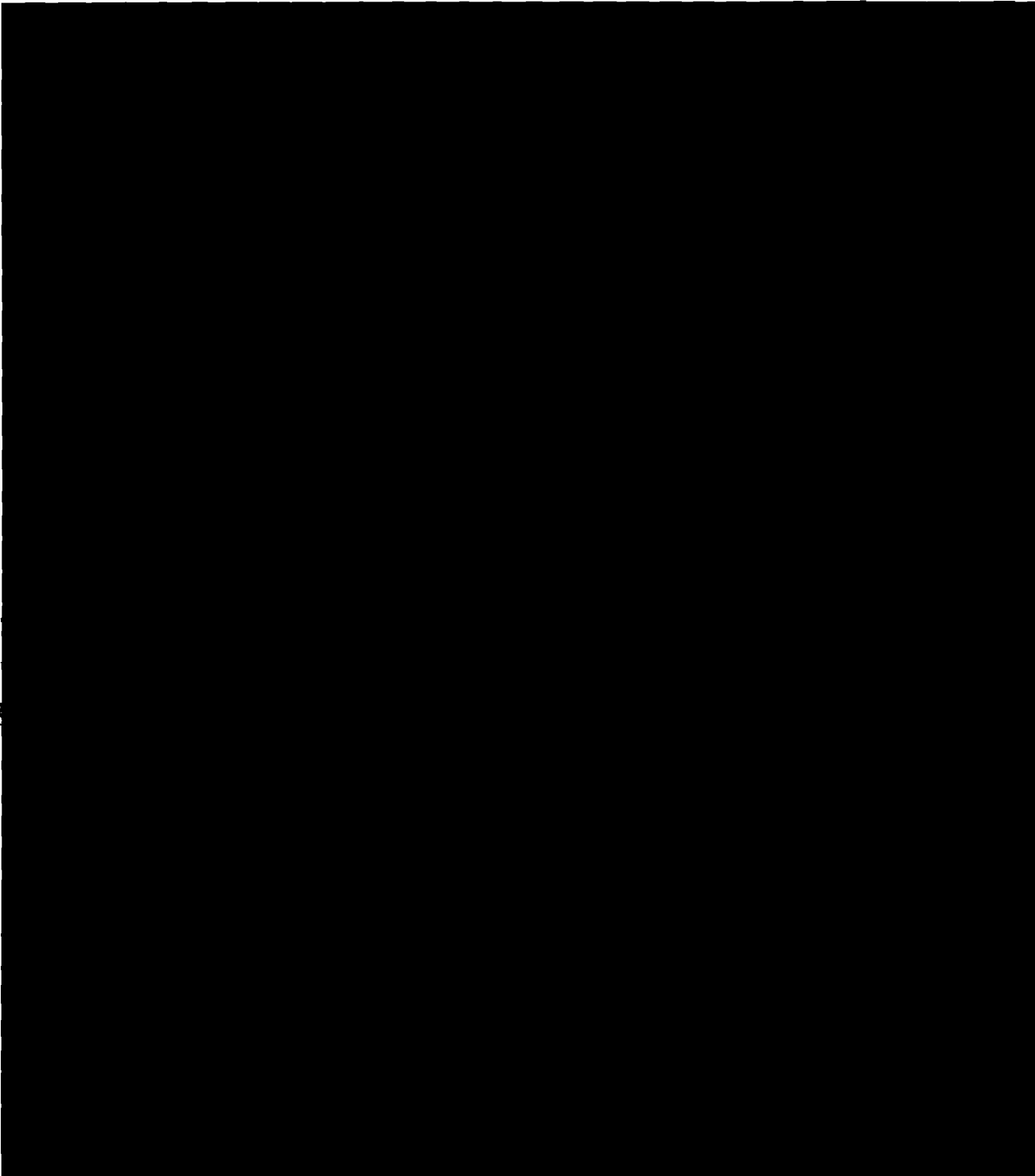
Whenever benefits which should have been provided under this Plan in accordance with this provision have been paid under any other Plan, the Corporation shall have the right, exercisable alone and in its sole discretion, to pay over to any organizations making such other payments any amounts it shall determine to be warranted in order to satisfy the intent of this provision and amounts so paid shall be deemed to be benefits provided under this Plan, and to the extent of such payments for Allowable Benefits, the Corporation shall be fully discharged from liability under this Plan.

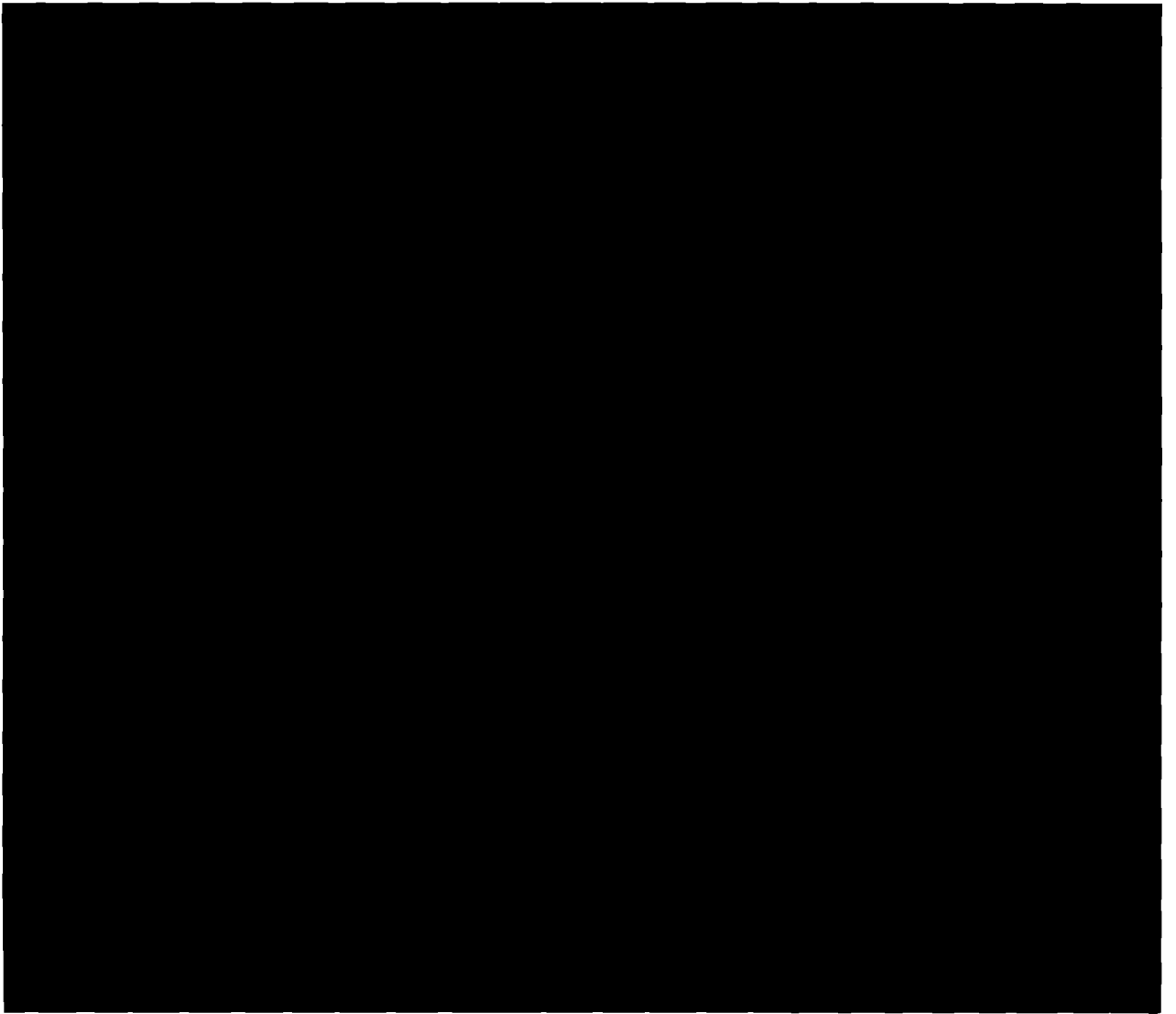
5. Right of Recovery:

- (a) Whenever benefits have been provided by the Corporation with respect to Allowable Benefits in a total amount, at any time, in excess of the maximum amount of benefits necessary at that time to satisfy the intent of this provision, the Corporation, irrespective of to whom paid, shall have the right to recover such excess from among one or more of the following as the Corporation shall determine: any person to, or for, or with respect to, whom payment was made, any insurance company and any other organization.
- (b) Any person covered under this Plan shall execute and deliver such instrument and

papers as may be required and do whatever
else is necessary to secure such rights to
the Corporation.

ARTICLE XIX - TRANSFER OF FUNDS





EMPIRE BLUE CROSS AND BLUE SHIELD

DEFICIT RECOVERY AMENDMENT

Hospital Service Group Contract No. 1, as amended (the "Contract") issued to the State of New York ("State") is amended effective June 28, 1988 as follows, provided this Amendment is signed by the State and returned to Empire Blue Cross and Blue Shield.

1. The premium rates for 1988 as contained in Attachment "A" hereto shall be reduced to conform to the schedule contained in Attachment "B" hereto.
2. In consideration of Empire Blue Cross and Blue Shield's agreement to accept the reduced premium rates, and consistent with the intent of the State Legislature as expressed in Chapter 50 of the Laws of 1988, the State will repay the Deficit in its entirety in installment payments as provided in Attachment "C" hereto.
3. The State's obligation to remit installment payments to Empire Blue Cross and Blue Shield to repay the Deficit is not dependent upon the availability of premium surplus or the renewal of the Contract and is expressly intended to survive the termination of the Contract.
4. Except as specifically and expressly provided to the contrary herein, in all other respects, the terms and conditions of the Contract remain unchanged.

STATE OF NEW YORK
DEPARTMENT OF CIVIL SERVICE

BY

DATE:

President

EMPIRE BLUE CROSS AND BLUE SHIELD

BY:

DATE:

July 12, 1988

ATTACHMENT "C" TO DEFICIT RECOVERY AMENDMENT



<u>YEAR</u>	<u>AMOUNT OF RECOUP</u>
1988	A large solid black rectangular redaction box covering the entire 'AMOUNT OF RECOUP' column for the years 1988 through 1991 and the 'TOTAL DEFICIT' row.
1989	
1990	
1991	
TOTAL DEFICIT	

Notwithstanding any company policy to the contrary, the State shall be entitled to receive dividends based on experience gains in excess of the sum of (1) the scheduled recoupment of pre-1988 deficits as shown above, (2) additional pre-1988 deficits not included above, and (3) recoupment of any post-1987 deficits, if any.

AMENDMENT NO. 29

to

HOSPITAL SERVICE PLAN GROUP CONTRACT NO. 1

issued to the

STATE OF NEW YORK

by

ASSOCIATED HOSPITAL SERVICE OF CAPITAL DISTRICT
(now Blue Cross of Northeastern New York, Inc.)

THIS AGREEMENT, made as of January 1, 1983, between the STATE OF NEW YORK, hereinafter referred to as the "Employer", and BLUE CROSS OF NORTHEASTERN NEW YORK, INC. (formerly Associated Hospital Service of Capital District), hereinafter referred to as the "Corporation"^{BLUE CROSS OF INSURANCE}

WITNESSETH, that whereas the parties hereto entered into a contract, dated September 10, 1957, for the purpose of furnishing hospital service to employees of the State of New York, and of public authorities, public benefit corporation, and other appropriate agencies of the State of New York electing to participate therein pursuant to the Civil Service Law, and the dependents of such employees, hereinafter referred to as the "Contract", which Contract was amended by Amendment No. 1 thereto, dated March 26, 1958; by Amendment No. 2 thereto, dated August 28, 1958; by Amendment No. 3 thereto, dated November 21, 1958; by Amendment No. 4 thereto, dated February 6, 1959; by Amendment No. 5 thereto, dated June 15, 1959; by Amendment No. 6 thereto, dated July 14, 1959; by Amendment No. 7 thereto, dated May 31, 1960;

by Amendment No. 8 thereto, dated April 1, 1961; by Amendment No. 9 thereto, dated June 1, 1961; by Amendment No. 10 thereto, dated September 9, 1963; by Amendment No. 11 thereto, dated July 1, 1964; by Amendment No. 12 thereto, dated April 1, 1965; by Amendment No. 13 thereto, dated October 1, 1965; by Amendment No. 14 thereto, dated December 1, 1965; by Amendment No. 15 thereto, dated January 1, 1966; by Amendment No. 16 thereto, dated July 1, 1966; by Amendment No. 17 thereto, dated August 1, 1966; by Amendment No. 18 thereto, dated April 1, 1967; by Amendment No. 19 thereto, dated April 1, 1969; by Amendment No. 20 thereto, dated April 20, 1970; by Amendment No. 21 thereto, dated July 1, 1973; by Amendment No. 22 thereto, dated July 1, 1974; by Amendment No. 23 thereto, dated July 1, 1975; by Amendment No. 24 thereto, dated June 1, 1976; and by Amendment No. 25 thereto, dated April 1, 1977; by Amendment No. 26 thereto, dated May 1, 1977, by Amendment No. 27 thereto, dated July 1, 1977; and by Amendment No. 28 thereto, dated January 1, 1980; and

WHEREAS, it is the desire of the parties to the said Contract that it be further modified and amended;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

FIRST. Article V (Benefit Provisions), Article VI (Exclusions), and Article XVIII (Non-duplication of Benefits) of the Contract are deleted.

SECOND. A new Article V is added to the Contract to provide as follows:

ARTICLE V
PROVISIONS OF BOOKLETS ISSUED
AS CERTIFICATES UNDER THIS CONTRACT

The Corporation will furnish benefits under this Contract, subject to exclusions, limitations and other terms and conditions, as follows:

1. As set forth in pages 1 through 28 (except for the provisions relating to Prescription Drugs set forth on pages 14 through 17) of the booklet, Form NYS-SW, used as a Certificate issued to persons covered under this Contract, entitled "Health Insurance for You and Your Dependents, The New York State Government Employees Health Insurance Plan, Statewide Plan."
2. As set forth in pages 3 through 13, inclusive, and pages 31 through 42, inclusive, of the booklet, Form 90M NSY BC/GHI 1314A 3/84, used as a Certificate issued to persons covered under this Contract, entitled "Health Insurance for You and Your Dependents, the New York State Government Employees Health Insurance Plan, The GHI Option."

THIRD. Former Article VII of the Contract is renumbered Article VI, and the reference to "31 days" in Section 6 of such Article is changed to "45 days".

FOURTH. Article VIII of the Contract is renumbered Article VII, and the reference in the last sentence of such Article to "Article VIII" is changed to "Article VII".

FIFTH. Article IX of the Contract is renumbered Article VIII, and the reference in Section 1 of such Article to "Article IX" is changed to "Article VIII".

SIXTH. Article X of the Contract is renumbered Article IX, and the references in such Article to "Articles IX, XI and XIX" are changed to refer to "Articles VIII, X, and XVII", respectively.

SEVENTH. Article XI of the Contract is renumbered Article X. Section 1(d) of such Article is amended to read as follows:

- (d) In the case of the continuation of coverage of Dependents of a deceased Employee pursuant to Section 2 (b), of Article VI, the charge for such coverage for the period for which contributions were made by the Employee shall be the same as the charge for an Employee covered for Individual and Dependent Coverage and thereafter the charge for such coverage for one Dependent only of the deceased Employee shall be the same as the charge for an Employee covered for Individual Coverage only, and the charge for such coverage for two or more Dependents of

the deceased Employee shall be the same as the charge for an Employee covered for Individual and Dependent Coverage.

Section 1(e) of such Article is deleted.

The reference in Section 7(a) of such Article to "Article XIX" is changed to "Article XVII".


EIGHTH. Articles XII, XIII, XIV, XV, XVI, XVII and XIX of the Contract are renumbered Articles XI, XII, XIII, XIV, XV, XVI and XVII, respectively.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

STATE OF NEW YORK


Authorized Signature

BLUE CROSS OF NORTHEASTERN
NEW YORK, INC.


Authorized Signature

AMENDMENT NO. 30

to

HOSPITAL SERVICE PLAN GROUP CONTRACT NO. 1

issued to the

STATE OF NEW YORK

by

ASSOCIATED HOSPITAL SERVICE OF CAPITAL DISTRICT
(now Blue Cross of Northeastern New York, Inc.)

THIS AGREEMENT, made as of April 1, 1985, between the STATE OF NEW YORK, hereinafter referred to as the "Employer", and BLUE CROSS OF NORTHEASTERN NEW YORK, INC. (formerly Associated Hospital Service of Capital District), hereinafter referred to as the "Corporation"

WITNESSETH, that whereas the parties hereto entered into a contract, dated September 10, 1957, for the purpose of furnishing hospital service to employees of the State of New York, and of public authorities, public benefit corporation, and other appropriate agencies of the State of New York electing to participate therein pursuant to the Civil Service Law, and the dependents of such employees, hereinafter referred to as the "Contract", which Contract was amended by Amendment No. 1 thereto, dated March 26, 1958; by Amendment No. 2 thereto, dated August 28, 1958; by Amendment

ASSOCIATED HOSPITAL SERVICE OF CAPITAL DISTRICT
STATE OF NEW YORK

WHEREAS, it is the desire of the parties to the said Contract that it be further modified and amended;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

FIRST. The benefit for emergency care for sudden onset of an illness in the outpatient department of a hospital, described on page 6 of the Booklet Form NYSEP, and on page 7 of the Booklet Form-NYS BC/GHI 1314A, used as Certificates issued to persons covered under the Contract is changed to provide that such benefit will be provided within 24 hours after the first appearance of the symptoms of the illness.

SECOND. The following benefit is added to the Contract:

Alcoholism Treatment

Blue Cross will pay for 60 outpatient visits a year in an approved facility for the diagnosis and treatment of alcoholism. If family coverage is selected, 20 of these visits may be for family members. Even if the alcoholic has not received or is not receiving treatment, five of these 20 visits for family members will be covered. "Family members" means the enrollee and eligible dependents covered by the Contract.

An approved facility is defined as the following and can include a government hospital:

- Within New York State -- Any facility which is certified by the State of New York Division of Alcoholism and Alcohol Abuse as an alcohol treatment program.
- Outside of New York State -- Any facility which is approved by the Joint Commission on Accreditation of Hospitals as an alcohol treatment program.

THIRD. This Amendment shall be effective on April 1, 1985.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.


Authorized Signature

BLUE CROSS OF NORTHEASTERN
NEW YORK, INC.


Authorized Signature

AMENDMENT NO. 31

to

HOSPITAL SERVICE PLAN GROUP CONTRACT NO. 1

issued to the

STATE OF NEW YORK

by

ASSOCIATED HOSPITAL SERVICE OF CAPITAL DISTRICT
(now Empire Blue Cross and Blue Shield)

THIS AGREEMENT, made as of January 1, 1966,
between the STATE OF NEW YORK, hereinafter referred to as
the "Employer", and EMPIRE BLUE CROSS AND BLUE SHIELD
(formerly Associated Hospital Service of Capital District
and Blue Cross of Northeastern New York, Inc.), hereinafter
referred to as the "Corporation"

WITNESSETH, that whereas the parties hereto entered
into a contract, dated September 10, 1957, for the purpose
of furnishing hospital service to employees of the State of
New York, and of public authorities, public benefit corpora-
tion, and other appropriate agencies of the State of New
York electing to participate therein pursuant to the Civil
Service Law, and the dependents of such employees, herein-
after referred to as the "Contract", which Contract was
amended by Amendment No. 1 thereto, dated March 26, 1958; by
Amendment No. 2 thereto, dated August 28, 1958; by Amendment

APPROVED

No. 3 thereto, dated November 21, 1958; by Amendment No. 4 thereto, dated February 6, 1959; by Amendment No. 5 thereto, dated June 15, 1959; by Amendment No. 6 thereto, dated July 14, 1959; by Amendment No. 7 thereto, dated May 31, 1960; by Amendment No. 8 thereto, dated April 1, 1961; by Amendment No. 9 thereto, dated June 1, 1961; by Amendment No. 10 thereto, dated September 9, 1963; by Amendment No. 11 thereto, dated July 1, 1964; by Amendment No. 12 thereto, dated April 1, 1965; by Amendment No. 13 thereto, dated October 1, 1965; by Amendment No. 14 thereto, dated December 1, 1965; by Amendment No. 15 thereto, dated January 1, 1966; by Amendment No. 16 thereto, dated July 1, 1966; by Amendment No. 17 thereto, dated August 1, 1966; by Amendment No. 18 thereto, dated April 1, 1967; by Amendment No. 19 thereto, dated April 1, 1969; by Amendment No. 20 thereto, dated April 20, 1970; by Amendment No. 21 thereto, dated July 1, 1973; by Amendment No. 22 thereto, dated July 1, 1974; by Amendment No. 23 thereto, dated July 1, 1975; by Amendment No. 24 thereto, dated June 1, 1976; by Amendment No. 25 thereto, dated April 1, 1977; by Amendment No. 26 thereto, dated May 1, 1977; by Amendment No. 27 thereto, dated July 1, 1977; by Amendment No. 28 thereto, dated January 1, 1980; by Amendment No. 29 thereto, dated January 1, 1983; and by Amendment No. 30 thereto, dated April 1, 1985; and

WHEREAS, it is the desire of the parties to the said Contract that it be further modified and amended;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

FIRST. Article V is deleted and the following is substituted therefor:

ARTICLE V
PROVISIONS OF BOOKLET ISSUED
AS CERTIFICATE UNDER THIS CONTRACT


The Corporation will furnish benefits under this Contract, subject to exclusions, limitations and other terms and conditions, as follows:

1. As set forth in pages 1 through 31 of the Booklet, Form NYSEP, used as a Certificate issued to persons covered under this Contract, entitled "The Empire Plan, Health Insurance Coverage for New York State Government Employees and Dependents."

SECOND. This Amendment shall be effective on January 1, 1986, except for Bargaining Unit No. 8, United University Professions, for which it will be effective on June 1, 1986, and for Bargaining Unit No. 47, Division of Military and Naval Affairs, for which it will be effective on May 29, 1986.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

STATE OF NEW YORK


Authorized Signature


EMPIRE BLUE CROSS AND BLUE SHIELD


Authorized Signature