FIELD UNDERWRITING
AND ENROLLMENT GUIDELINES

INDIVIDUAL & FAMILY PLANS
Health coverage made easy.

Effective January 1, 2006

Health Net®
A Better Decision

CONTENTS

INTRODUCTION

The following Field Underwriting and Enrollment Guidelines were developed to assist you and your clients with questions that might arise when writing with Health Net of California and/or Health Net Life Insurance Company's (hereinafter referred to as Health Net) Individual & Family Plans.

These Guidelines are a brief overview of Health Net's underwriting practices. **Only Health Net's Underwriting Department may make a final decision to accept or decline an individual and determine the rate level or an effective date. An insurance Agent/Broker cannot guarantee coverage, change terms or waive requirements.** The guidelines are not definitive and are subject to change without notice at Health Net's sole discretion. Health Net will endeavor to keep brokers informed of changes in a timely manner.

Please advise all Applicants to maintain their prior coverage until notified by Health Net of their approval.

The Evidence of Coverage (EOC) issued by Health Net to HMO members represents the contract for coverage between Health Net and its HMO members. In the event of any conflicts or inconsistencies between this document and the EOC, the EOC shall govern.

A Policy is issued to individuals who elect PPO coverage. The PPO plans are administered and underwritten by Health Net Life Insurance Company. The Policy issued by Health Net Life Insurance Company to insureds represents the contract for coverage. In the event of any conflicts or inconsistencies between this document and the Policy, the Policy shall govern.

GUIDELINES TO SUBMITTING YOUR CLIENT'S INDIVIDUAL & FAMILY PLAN APPLICATION

BROKER SITE

Go to **the broker tab**, the online sales tool that will revolutionize the way you do business. Health Net has designed the entire site to help increase and manage your book of business for Individual & Family Plans.

Site features

- Quote the right plan
- Compare plans to see what plan is appropriate for your client
- Application process is automated with acceptance of electronic signatures (All online applications must be completed by the applicant)
- Check application status online and download the results of your activity. This will reduce time spent on the phone
- Print out customized physician directories
- Eliminate the cost of postage on applications and brochures
- Personalized co-branded Website for contracted Brokers
  - Web Generator gives you the ability to quote and enroll your customers online through your personalized co-branded site.
  - App Generator gives you a URL to add to your Website to allow your customer to apply online.

Go to **www.healthnet.com** and to the **Broker** tab to discover a new way of doing business.

If you are a contracted broker and you have not registered on the Broker site we ask that you request your PIN with us via FAX. This way we may verify our records and ensure that your confidential information is protected. The Pin Registration form is available on the Broker site by clicking on the "contracted broker" link. Fax the form back to **Broker Relations at (818) 676-7977**.

Health Net's Broker Relations will confirm to you via e-mail that your personal PIN and User ID account has been activated. If you have any questions you can call Broker Relations at (800) 448-4411, option 4.

If you are not a contracted broker you can register through our Broker site by completing the online registration page. Make sure you provide the name, phone number and e-mail address of the person we may contact in the event we have any questions about your firm.

When you have completed the form, click the "Register" button at the bottom of the page. After agreeing to your "Brokerage Firm and Individual Broker Responsibilities," you will be given a username to use with your PIN for future visits to the site.

ELIGIBILITY CONDITIONS

All Applicants applying for Health Net's Individual & Family Plans must meet the following requirements:

- Must be a permanent legal resident of California
- Must provide proof of legal residency if the Applicant is not a citizen of the United States (refer to United States residency requirements on page 5)
- Must be under the age of 65
- Is not eligible for Medicare Part A or Part B
- Must be at least one year old unless the child is applying with a parent or legal guardian (no dependent coverage on Subscriber Only plans)
- May be required to provide marriage certificate/Domestic Partner Affidavit or legal guardianship document.
- Underage Applicants
  - Applicants under the age of 18: The application must be signed by the Applicant's parent or legal guardian. In such event, the parent or legal guardian does hereby agree to be legally responsible for the accuracy of information in the Application and for payments of premiums. If such responsible party is not the natural parent of the Applicant, copies of the court papers authorizing guardianship must be submitted with the application.

- Family coverage (no family coverage on Subscriber Only plans)
  - Spouse: Subscriber's legally married spouse
  - Domestic Partners: A registered domestic partnership is established in California when both persons file a Declaration Domestic Partnership with the Secretary of State and at the time of the filing all of the following are true:
    - Both persons have a common residence
    - Neither persons are married to someone else, or is a member of another domestic partnership that has not been terminated, dissolved, or adjudged a nullity
    - The two persons are not related by blood in a way that would prevent them from being married in California
    - Both persons are at least 18 years old
    - Both persons are members of the same sex, or opposite sex couples if one or both persons is over age 62 and is eligible for old age insurance benefits under the Social Security Act
    - Both persons are capable of consenting to the domestic partnership
      - Common Residence means that both domestic partners share the same residence. It is not necessary that the legal right to possess the common residence be in both of their names. Two people have a common residence even if one or both have additional residences. Domestic partners do not cease to have a common residence if one leaves the common residence but intends to return.
      - Dependent child(ren): Claimed as a dependent on the Subscriber's federal income tax return consistent with requirements of the United States Internal Revenue Service; is enrolled in an accredited school as a full-time student as defined by rules of such school; and who has not yet reached 24; or over 19 and incapable of earning his or her own living by reason of mental retardation or physical handicap incurred prior to the limiting age and who is chiefly dependent upon the Subscriber or Subscriber's spouse for support and who was insured under the Policy on the date just prior to the day his or her insurance would have ended due to age. Includes stepchild, a legally adopted child from the moment of placement in Subscriber's home, and any other child who is entirely supported by subscriber or subscriber's spouse, permanently resides in Subscriber's household and for whom Subscriber or Subscriber's spouse is court appointed guardian.
- Resides continuously in Health Net's service area
- Meet Health Net's Underwriting requirements for coverage

UNITED STATES RESIDENCY

- Must provide proof that he or she has been a legal resident of the United States for the six consecutive months immediately prior to applying for Health Net coverage
- Health Net reserves the right to request proof of United States residency at any time
- The following are acceptable as proof of United States residency:
  - Verification of employment in the United States for the past six months
  - Rent or mortgage receipts in the United States for the past six months
  - Utility bill receipts in the United States for the past six months (the bills must be in the Applicant's name)
  - Medical records documenting treatment or residency in the United States for the past six months

THINGS TO REMEMBER WHEN SUBMITTING APPLICATIONS

- Coverage is not guaranteed (except for guaranteed issue HIPAA coverage; see page 7 for HIPAA requirements). Only Health Net underwriters may make a final decision to accept or decline an application.
- Retroactive effective dates are not available.
- Effective dates of either the 1st or the 15th are available. The 15th of the month is only available for our PPO plans.
- In order for an application to receive the 1st or the 15th of the month effective date, applications must be received at the Health Net office by the cut-off date. The cut-off date is five days prior to the requested effective date.
- Applications must be completed and signed by the Applicant in blue or black ink.
- Applications completed or signed by a broker will not be accepted.
- If the application is being faxed, the application must be completed in black ink. If the applicant authorizes Health Net and/or Heath Net Life Insurance Company to debit their account based on the facsimile copy of their premium check they can do so by completing and signing the "Check-By-Fax" form. This form can be faxed with the application for processing. Corporate checks, third-party checks, credit card checks, cashier's checks, money orders, traveler's checks, official checks and government checks cannot be accepted. Once the premium check is faxed, **DO NOT MAIL** the original application or check. A photocopy or facsimile of this application and authorization is considered as valid as the original. Health Net recommends that Brokers keep the application or a copy on file as well as the copy of the Check by Fax form for no less than seven (7) years.
- All Applicants, except newborns, require a Social Security number/Matricular Consula ID (Mexican Consulate ID). Matricular Consula ID can be accepted in place of social security numbers.
- The application must be received by Health Net within 30 days from the signature date. A new application will be required if the signature date is more than 60 days old from the effective date.
- Explanation for any "yes" answers on the application must include the question number, Applicant name, dates of service, date of diagnosis, physician's name, address, and phone number, names of specific conditions treated, any tests, any surgery, and any medications currently being taken or previously taken. This information must be complete to avoid processing delays.
  - A HIPAA Authorization form will be required to be completed by the applicant if medical records are required. This form authorizes the release of medical information to Health Net. If this form is not completed and signed this can delay the processing of the application.
- All Applicants must list all prescription medications currently being taken as well as taken within the previous 12 months, including sample medications provided by a physician, regardless of plan requested.
- A check must accompany the application when submitted to Health Net. The check will not be processed unless the application is approved by Health Net's Underwriting Department. The original check, submitted by the Applicant, will be returned if the application is declined. If a member of a contract (Subscriber & Spouse/Domestic Partner, Subscriber & Child, Subscriber & Children, Family) is declined, Health Net will deposit the check at the request of the Primary Applicant. Cashing the Applicant's check does not mean the application has been accepted.
- If the premium check is insufficient or not included with the application, the application will not be processed. All applications must include the first month's premium. The application must be filled out accurately and completely. Any information regarding an Applicant's medical history that is communicated to a broker, either verbally or in writing, must be included on the application form.
- Even if an application is approved, any misstatements or omissions may result in future claims being denied and the plan being rescinded from the initial effective date.
- If all questions on the individual application are not answered in full, the application will be returned, which will result in a delay in processing and may result in a change in the effective date of the policy. Failure to provide information will result in a declination.

- For additional information or explanations to be submitted with the application, attach extra sheets of paper if necessary. All attachments must be signed and dated by the Applicant.
- Applicants are required to list the last physician seen regardless of the date or reason, even if the responses to all health questions are "no." Lack of physician information for any family member on the application will delay processing. Health Net must have this information regardless of the time that has elapsed since the last physicians visit occurred.

PAYMENT OPTIONS

- **Preferred Payment Option**
  Automatic Bank Draft (ABD) – (no administrative fee) One month's premium and the Simple Pay Option Form. The premiums withdrawn from the account will be for future billing periods plus any past due balances. The first month's withdrawal may be for multiple bill periods, if the Applicant did not submit a binder check or due to the timing of the ABD set-up. The premium will be withdrawn from the Applicant's bank account approximately 10 days in advance of the due date.
- Credit card billing (no administrative fee) – Monthly premium will be charged directly to the Applicant's credit card account. The premiums charged to the account will be for the future bill period plus any past due balances. The premium will be charged to the Applicant's credit card about ten days in advance of the due date.
- Monthly billing ($5 administrative fee) – one month's premium must be remitted with the application.

RETURN OF APPLICATIONS

Applications will be returned for the following reasons:

- A missing signature of the Applicant, spouse, domestic partner, guardian and dependents age 18 or older
- Undated applications
- Applications received in Health Net's office more than 30 days from the signature date
- Applications requesting an effective date more than 60 days from the signature date
- Applications completed in pencil
- Incomplete applications

MOST COMMON REASONS FOR DELAY IN PROCESSING APPLICATIONS

- First month's premium not remitted with the application
- Plan type is not selected
- Social Security numbers are omitted
- Medical information is incomplete
- Height/weight and/or date of birth is missing
- Incomplete address information
- Last menstrual period missing
- Broker ID is missing
- Missing occupation
- Provider ID for the HMO plan is missing

APPLICANTS AGE 55 OR OLDER

Applicants who have not been examined by a physician during the previous two years will be required to submit the results of a current physical examination. The examination must include the Applicant's height and weight and blood pressure readings, results of a resting EKG, and results of a blood chemistry profile and urinalysis. For male Applicants, the blood chemistry profile must include the results of a PSA and lipids. For female Applicants, the results of a cervical cancer screening (e.g., Pap smear) will be required. The Applicant will be responsible for expenses related to that examination.

GUARANTEED ISSUE COVERAGE/HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is comprehensive federal legislation providing, among other things, guaranteed issuance of individual coverage to certain eligible individuals. In response, Health Net of California, Inc. offers the HMO 15 and HMO 40 plans, and Health Net Life Insurance Company, Inc. offers the PPO Value 30 and PPO Value Basic 500 coverage options, to eligible individuals at the Guaranteed Issue Rates.

WHO IS ELIGIBLE FOR HIPAA?

Applicants who meet the following requirements are eligible to enroll in Health Net's Guaranteed Issue HMOs and PPOs, without underwriting. Specific Guaranteed Issue rates apply. Only eligible individuals qualify for guaranteed issuance.

To be considered an eligible individual:

- The most recent coverage must have been under a group health plan. A group health plan includes COBRA and Cal-COBRA coverage, a federal government plan for federal employees, a governmental plan, or church plan as defined in the federal Employee Retirement Income Security Act (ERISA).
- The Applicant must have a total of 18 months of coverage (including COBRA or Cal-COBRA, if applicable) without a significant break (excluding any employer-imposed waiting periods) in coverage of more than 63 days.
- If COBRA or Cal-COBRA coverage was available, it must have been elected and such coverage must have been exhausted.
- The Applicant must not be eligible for coverage under any group health plan, Medicare or Medicaid, and must not have other health insurance coverage.
- The individual's most recent coverage could not have been terminated due to fraud or non-payment of premiums.

POST-MRMIP GRADUATE PRODUCT

The Health Net Post-MRMIP Graduate Product, ELECT Open Access (ELECT) is available to individuals who:

- Have completed 36 consecutive months of coverage under the MRMIP plan
- Have been issued a "Certificate of Program Completion" by MRMIP
- Have submitted this "Certificate of Program Completion" to Health Net, along with their application for coverage
- Apply for coverage under this Health Net ELECT plan within 63 days of the termination date of coverage under MRMIP
- Live in the Health Net Individual HMO Service Area. Our Health Net Individual HMO provider listings define where in California our coverage is available

In addition, individuals may apply for enrollment in this Plan if they:

- Had previously been enrolled in a Post-MRMIP Graduate Product and moved to an area within the state that is not in the service area of the health care service plan or health insurer previously chosen for coverage, and apply within 63 days of termination from the previous coverage, or
- Had been enrolled in a Post-MRMIP Graduate Product that is no longer available where he or she resides, and apply for coverage within 63 days of termination from the previous coverage.

Persons who are eligible for Medicare Part A and Part B benefits at the time of application and who are not on Medicare solely because of end-stage renal disease are not eligible to enroll under this ELECT plan.

MEDICAL UNDERWRITING GUIDELINES

INSURABILITY

Because of the potential additional risk associated with certain medical conditions, some Applicants will be declined for all coverages. However, based on underwriting evaluation, certain Health Net Individual PPO plans may be offered at a 20 percent or 50 percent additional premium. Health Net's Individual HMO plans are not available for other than preferred premiums.

HEIGHT AND WEIGHT TABLES

The height and weight tables included with these guidelines will be used to evaluate an Applicant's insurability. Certain conditions, such as high blood pressure, as well as individuals who smoke, will be taken into consideration during the application process.

FEMALES, AGES 18–64

	Preferred				Age 35 & Younger
	Minimum	Maximum	+20%	+50%	+50%
4'8"	76	129	138	152	161
4'9"	79	134	143	157	166
4'10"	81	139	148	163	172
4'11"	84	144	153	168	178
5'0"	87	148	159	174	184
5'1"	90	153	164	180	191
5'2"	93	159	169	186	197
5'3"	96	164	175	192	203
5'4"	99	169	181	198	210
5'5"	102	174	186	204	216
5'6"	105	180	192	211	223
5'7"	109	185	198	217	230
5'8"	112	191	204	224	237
5'9"	115	196	210	230	244
5'10"	118	202	216	237	251
5'11"	122	208	222	244	258
6'0"	125	214	229	251	265
6'1"	129	220	235	258	273
6'2"	132	226	241	265	280
6'3"	136	232	248	272	288

MALES, AGES 18–64

	Preferred				Age 35 & Younger
	Minimum	Maximum	+20%	+50%	+50%
5'0"	92	154	164	179	189
5'1"	95	159	169	185	196
5'2"	98	164	175	191	202
5'3"	102	169	181	198	209
5'4"	105	175	186	204	216
5'5"	108	180	192	210	222
5'6"	112	186	198	217	229
5'7"	115	192	204	223	236
5'8"	118	197	210	230	243
5'9"	122	203	217	237	251
5'10"	125	209	223	244	258
5'11"	129	215	229	251	265
6'0"	133	221	236	258	273
6'1"	136	227	243	265	280
6'2"	140	234	249	273	288
6'3"	144	240	256	280	296
6'4"	148	246	263	288	304
6'5"	152	253	270	295	312
6'6"	156	260	277	303	320

INELIGIBLE OCCUPATIONS

- Asbestos/toxic chemical workers
- Athletes – Semi-pro and Professional
- Explosives workers
- Deep-sea fisherman
- Off-shore oil workers
- Flight instructors
- Crop dusters
- Stunt or test pilots
- Underground miners
- Salvage and rescue underwater divers
- Stunt person
- Pyrotechnician
- Rodeo performers
- Ski patrol
- Riggers
- Jockeys
- Loggers or lumber industry

PRESCRIPTION MEDICATIONS

During the underwriting process, the cost of an Applicant's medications in relation to the monthly premium will be evaluated. Based on this evaluation, coverage may be offered with a 20 percent or 50 percent additional premium, or coverage may be declined, or a higher premium plan may be offered. The prescriptions below may result in an application being declined or rated with an additional 20 percent or 50 percent of premium, depending on the plan selected, cost of the prescription, age and contract size.

PRESCRIPTION	CONDITIONS
Accutane	Skin disorders
Aciphex	Gastrointestinal/gastroesophageal
Advair	Asthma
Allegra	Allergy
Azmacort	Asthma
Celebrex	Anti-inflammatory
Celexa	Antidepressant
Concerta	ADHD
Depakote	Anticonvulsant
Effexor	Antidepressant
Famvir	Herpes
Flovent	Asthma
Imdur	Antihypertensive
Imitrex	Headache/migraines
Intal	Asthma
Lamisil	Anti-fungal
Lipitor	Cholesterol and triglyceride reduction
Lopid	Cholesterol and triglyceride reduction
Maxalt	Headache/Migraines
Mevacor	Cholesterol and triglyceride reduction
Nexium	Gastrointestinal/gastroesophageal
Parlodel	Menstrual disorders
Paxil	Antidepressant
Pravachol	Cholesterol and triglyceride reduction
Prevacid	Gastrointestinal/gastroesophageal
Prilosec	Gastrointestinal/gastroesophageal
Proscar	Benign prostatic hyperplasia
Protonix	Gastrointestinal/gastroesophageal
Prozac	Antidepressant
Pulmicort	Asthma
Relafen	Anti-inflammatory
Renova	Skin disorders
Retin A	Skin disorders
Ritalin	ADHD (children only)
Serevent	Asthma
Serzone	Antidepressant
Singulair	Asthma
Tagamet	Gastrointestinal/gastroesophageal
Tambocor	Antihypertensive
Tapazole	Hyperthyroid
Temovate	Skin disorders
Tolectin	Anti-inflammatory
Topamax	Anticonvulsant
Valtrex	Herpes
Vioxx	Anti-inflammatory
Wellbutrin	Antidepressant
Xanax	Antidepressant
Zantac	Gastrointestinal/gastroesophageal
Zocor	Cholesterol and triglyceride reduction
Zoloft	Antidepressant
Zomig	Headache/migraines
Zovirax	Herpes
Zyrtec	Allergy

The prescription list is intended to serve as a guide only; other prescriptions may result in an application being declined or rated with an additional 20 percent or 50 percent of premium.

SUBSTANDARD GUIDELINES

Following is a list of commonly encountered medical impairments that may result in an additional 20 percent or 50 percent premium or declination of an application. This guide is for more common impairments and is not intended as a definitive representation of Health Net's underwriting guidelines. All underwriting decisions are subject to consideration of the facts related to an Applicant's specific medical history. The absence of any impairment from this list does not imply insurability.

CONDITION	EVALUATION CRITERIA	RATE ACTION
Acne	Superficial, treated with antibiotics or topical medications only.	Preferred
	Requiring Accutane or intralesional steroid treatment within past 12 months.	Decline
Allergies	No smoking and no prescription medication within past 12 months.	Preferred
	No smoking within 12 months, requires prescription medication.	+20%
	Has smoked within past 12 months, no prescription medication during past 12 months.	+50%
	Potential surgical candidate or requiring long term systemic steroid use, or desensitization injections within past 12 months, or has smoked and required prescription medication during past 12 months.	Decline
Anal Fissure	Single episode, no immune disorder symptoms, sign, symptom, treatment free for at least 2 years, or surgically corrected, sign symptom, treatment free for 12 months.	Preferred
	No more than 2 episodes in 12 months, not a surgical candidate, sign, symptom, treatment free for 12 months.	+20%
	Above criteria not met.	Decline
Anorexia Nervosa	Sign, symptom, treatment free for 10 years, normal current exam and lab results.	Preferred
	As above, sign symptom, treatment free for 5–10 years.	+50%
	Above criteria not met.	Decline
Aortic Valve Disease	Sign, symptom treatment free for at least 5 years, current exam with normal cardiac function, using prophylactic antibiotics only, no cardiac medications, no other cardiac conditions, normal kidney function studies, no smoking within previous 5 years.	+20%
	As above, smoking with previous 5 years.	+50%
	Above criteria not met.	Decline

CONDITION	EVALUATION CRITERIA	RATE ACTION
Asthma	No emergency room visit or hospital stay within 2 years, no smoking for previous 2 years, intermittent use of single inhalant steroid or bronchodilator, regular prescription medications required.	+20%
	Requires daily inhalant steroid or bronchodilator, or child between one and twelve years old, maintained on home nebulizer treatment, not asthma-related ER or hospital visits within past two years.	+50%
	Above criteria not met.	Decline
Anxiety	See "Depression."	
Autism	Over age 10 years, never institutionalized, no seizures, self-destructive behavior, or speech therapy, controlled with Ritalin or Mellaril for more than two years.	+50%
	Above criteria not met.	Decline
Back pain	No herniated or bulging discs, not a surgical candidate, intermittent over-the-counter medications only, sign, symptom, treatment free within previous 6 months.	Preferred
	As above, but chiropractic treatment or anti-inflammatory medication within previous 6–12 months.	+20%
	As above, but physical therapy within past 12 months.	Decline
	Above criteria not met.	Decline
Basal Cell Carcinoma	Single lesion in-situ, surgically excised, sign, symptom, treatment free for previous 12 months.	Preferred
	As above, but sign, symptom, treatment free for previous 3–12 months.	+20%
	Above criteria not met.	Decline
Breast Implants	Surgery greater than 6 months and less than 5 years prior to application date.	+20%
	Surgery greater than five years and less than 8 years prior to application.	+50%
	History of painful capsular contractures, firmness or hardness, or any other complications, surgery less than one year or greater than 8 years prior to Application date.	Decline
	Silicone implants.	Decline
Bunions	Surgically excised, sign, symptom, treatment free for at least 3 months.	Preferred
	Not surgically excised, not a surgical candidate and sign, symptom, treatment free for at least 12 months.	+20%
	Above criteria not met.	Decline
Cataract	Surgical correction completed for one or both eyes, sign, symptom, treatment free for at least 12 months.	Preferred
	As above, sign, symptom, treatment free for 6–12 months.	+20%
	As above, sign, symptom, treatment free for 3–6 months.	+50%
	Above criteria not met.	Decline

CONDITION	EVALUATION CRITERIA	RATE ACTION
Cellulitis	During the previous two years, no more than 2 episodes lasting more than 3 weeks, no immune disorder symptoms, sign, symptom, treatment free for at least 6 months.	Preferred
	More than 2 episodes during the previous two years, normal blood test results, no immune disorder symptoms, sign, symptom, treatment free for at least 3 months.	+50%
	Above criteria not met.	Decline
Cerebral Palsy	Over age 20, self-supporting, requires no support care.	+20%
	Over age 10, minimal spasticity, capable of independent living, all surgical corrections completed, treatment-free for 2 years.	+50%
	Above criteria not met.	Decline
Chiropractic Treatment	Maintenance treatment only, no more than once monthly, no diagnosis or symptoms of back disorder, treatment within past 6 months.	+20%
	As above, maintenance treatment no more than twice monthly.	+50%
	Above criteria not met.	Decline
Cleft Palate	Surgically repaired, all cosmetic repairs completed, no hearing or speech impairment, sign, symptom, treatment free for at least 2 years.	Preferred
	As above, sign, symptom, treatment free 12 to 24 months.	+50%
	Above criteria not met (including ongoing speech therapy).	Decline
Crohn's Disease	Sign, symptom, treatment free for at least 10 years after intestinal resection of the affected area, no immune disorder symptoms, no use of prescription medication to treat intestinal disorder, any ostomy repaired.	+20%
	As above, but sign, symptom, treatment free from 5-10 years.	+50%
	Above criteria not met.	Decline
Cystitis	Up to two acute episodes in 2 years, sign, symptom, treatment free for at least 2 months.	Preferred
	As above, 3–4 episodes in 2 years, sign, symptom, treatment free for at least 6 months.	+20%
	As above, more than 4 episodes in 2 years, sign, symptom, treatment free for at least 3 months.	+50%
	Above criteria not met.	Decline
Depression/Anxiety	Sign, symptom, treatment free for at least 2 years.	Preferred
	Sign, symptom, treatment free for 12–24 months or one single acute incident during previous 24 months. No more than one medication prescribed at any one time. (Medical records will be required).	+20%
	Current treatment or treatment within previous 12 months. Single medication only, no more than 4 physician or counseling visits within previous 12 months. No other physical symptoms. (Medical records will be required).	+50%
	Above criteria not met.	Decline
Diverticulitis	Post surgical resection of affected area, sign, symptom, treatment free for at least 5 years.	Preferred
	As above, but sign, symptom, treatment free 3–5 years.	+50%
	Above criteria not met.	Decline

CONDITION	EVALUATION CRITERIA	RATE ACTION
Diverticulosis	Incidental finding and sign, symptom, treatment free for at least 3 years.	Preferred
	Incidental finding and sign, symptom, treatment free for less than 3 years.	+20%
	Above criteria not met.	Decline
Eczema	Acute episode lasting no more than 3 weeks, no immune disorder symptoms, sign, symptom, treatment free for at least 3 months.	Preferred
	As above, but chronic condition, controlled by antihistamines and/or topical steroids PRN or single 10-day course of oral steroids in any 12 month period.	+20%
	Above criteria not met.	Decline
Endometriosis	Post-menopausal or treated with Lupron, or Laparoscopic ablation/fulguration of endometrium, sign, symptom, treatment free for at least 3 years, or ovaries removed, sign, symptom, treatment free for at least 6 months.	Preferred
	As above, sign, symptom, treatment free for 2–3 years.	+20%
	Above criteria not met.	Decline
Epilepsy	No hospitalization or emergency room visit within 2 years, controlled on medication for at least 1 year.	Preferred
	No hospitalization or emergency room visit within 2 years, seizure-free on medication for at least 6 months.	+20%
	Above criteria not met.	Decline
Ganglion	Surgically excised and sign, symptom, treatment free for at least 3 months.	Preferred
	Not surgically excised and sign, symptom, treatment free for at least 12 months.	+20%
	Above criteria not met.	Decline
Gastroenteritis	Fully recovered from incident lasting no more than 7 days, no immune disorder system, sign, symptom treatment free for at least 2 months since incident.	Preferred
	Above criteria not met.	Decline
Gastroesophageal Reflux Disease (GERD)	All testing completed, maintained for 12 months with over the counter medications.	+20%
	Above criteria not met.	Decline
Glaucoma	Maintained on non-steroidal topical drops for at least 2 years and not a surgical candidate, or surgically repaired and sign, symptom, treatment free for at least 12 months.	+20%
	Maintained on non-steroidal topical drops for 1–2 years and not a surgical candidate, or sign, symptom, treatment free for at least 6 months.	+50%
	Above criteria not met.	Decline
Gout	Never hospitalized, no significant deformity, no steroid treatment, sign, symptom, treatment free for at least 2 years.	Preferred
	As above, but maintained on NSAID medication within past 12 months.	+20%
	As above, but intermittent steroid treatment only, no more than 2 10-day course in 24 months.	+50%
	Above criteria not met.	Decline

CONDITION	EVALUATION CRITERIA	RATE ACTION
Hemorrhoids	Sign, symptom, treatment free for at least 6 months and either surgically corrected or not a surgical candidate.	Preferred
	As above, but sign, symptom, treatment free for 3–6 months prior to application.	+20%
	Above criteria not met.	Decline
Herpes Genitalis	Genital, non-anal, no other STD in 10 years, no immune disorder symptoms, sign, symptom, treatment free for at least 2 years.	Preferred
	As above, but sign, symptom, treatment free for at least one year.	+20%
	As above, but sign symptom, treatment free for at least 6 months or requiring prophylactic medications.	+50%
	Above criteria not met.	Decline
Hepatitis A	Single episode, normal liver function tests, sign, symptom, treatment free for 12 months.	Preferred
	As above, sign, symptom, treatment free for 6–12 months.	+20%
	Above criteria not met.	Decline
Hodgkin's Disease	Stage 1 or 2, at least 10 years after treatment completed, current normal CBC sign, symptom, treatment free, or Stage 3 or 4, at least 15 years after treatment completed, current normal CBC & chest x-ray, sign, symptom, treatment free.	+20%
	Above criteria not met.	Decline
Hypercholesterolemia/ high cholesterol or high triglycerides	Within preferred weight for minimum 12 months, no smoking for minimum 12 months, cholesterol or triglycerides controlled without medication for at least 12 months, no other cardiac risk.	Preferred
	As above, but controlled with one medication for at least 12 months.	+20%
	As above, but controlled with one medication for 6–12 months.	+50%
	Above criteria not met.	Decline
Hypertension	Within preferred weight for at least 12 months, no smoking for at least 12 months, blood pressure controlled at 140/90 or less for at least 12 months no more than one medication plus diuretic, normal lipid profile and kidney function studies, no other cardiac risk.	Preferred
	As above, no more than two medications plus diuretic or currently smoking and no other health issues.	+50%
	Any of above criteria not met.	Decline
Hyperthyroidism	Surgically corrected or treated with radioactive medication or antithyroid agents and sign, symptom, treatment free for at least 1 year.	Preferred
	As above, but sign, symptom, treatment free for 6–12 months.	+20%
	Above criteria not met.	Decline
Hypothyroidism	Taking thyroid replacement only and stable and under treatment for at least 6 months.	Preferred
	As above, but stable and under treatment for 3–6 months.	+20%
	Above criteria not met.	Decline

CONDITION	EVALUATION CRITERIA	RATE ACTION
Irritable Bowel Syndrome	Sign, symptom, treatment free for at least 2 years.	Preferred
	Sign, symptom, treatment free for at least 12–24 months.	+20%
	Above criteria not met.	Decline
Kidney Stone	Single episode, normal kidney function studies, sign, symptom, treatment free for at least 24 months.	Preferred
	As above, but 12–24 months since episode.	+20%
	Above criteria not met.	Decline
Leukemia	No immune disorder symptoms, normal current blood tests, sign, symptom, treatment free for at least 10 years.	+20%
	Above criteria not met.	Decline
Lyme Disease	Sign, symptom, treatment free (with no residuals) for at least 5 years.	Preferred
	Sign, symptom, treatment free (with no residuals) for 3–5 years.	+20%
	Sign, symptom, treatment free (with no residuals) for 2–3 years.	+50%
	Above criteria not met.	Decline
Malignant Melanoma	Surgically excised, in-situ depth of less than 0.76 mm, sign, symptom, treatment free for at least 10 years.	Preferred
	As above, sign, symptom, treatment free from 5–10 years.	+50%
	Above criteria not met.	Decline
Meniere's Disease	Single episode, full recovery, no hearing loss, sign, symptom, treatment free for at least 6 months.	Preferred
	3 episodes in 2 years, sign, symptom, treatment free for at least 6 months.	+20%
	As above, but sign, symptom, treatment free for 3–6 months.	+50%
	Above criteria not met.	Decline
Migraine Headache	No emergency room visits for at least 2 years, no prescription medication for at least 12 months.	Preferred
	As above, but use of prescription medication within past 12 months (subject to cost).	+20%
	As above, but 1 emergency room visit within 1–2 years.	+50%
	Above criteria not met.	Decline
Mononucleosis	Single episode with recovery time of no more than 8 weeks, no immune disorder symptoms, normal liver function studies, sign, symptom, treatment free for at least 12 months.	Preferred
	As above, but sign, symptom, treatment free for 6–12 months.	+20%
	Above criteria not met.	Decline
Osteoarthritis	No deformities requiring reconstructive surgery, taking infrequent non-steroid anti-inflammatory medications, no history of hospitalization.	Preferred
	As above, but requiring maintenance non-steroid anti-inflammatory medications.	+20%
	As above, but with single incidence of steroid treatment within past 12 months, treatment free for at least 6 months.	+50%
	Above criteria not met.	Decline

CONDITION	EVALUATION CRITERIA	RATE ACTION
Otitis Media	No more than 3 infections in 12 months, no hearing loss, not a candidate for tubes, sign, symptom, treatment free for at least 3 months.	Preferred
	As above, but more than 3 infections in 12 months, or tubes in place. Must be sign, symptom, treatment free for at least 3 months.	+20%
	Above criteria not met.	Decline
Ovarian Cyst	Cyst removed or resolved (as indicated by ultrasound), sign, symptom, treatment free for at least 24 months.	Preferred
	As above, but sign, symptom, treatment free for 1–2 years	+50%
	-or-	
	Ovary removed, sign, symptom, treatment free for at least 6 months.	Preferred
	Above criteria not met.	Decline
Pancreatitis	Single, acute episode, fully recovered, sign, symptom, treatment free for at least 5 years (must be non-alcohol related).	Preferred
	As above, but sign, symptom, treatment free for 3–5 years.	+50%
	Above criteria not met.	Decline
Panic Attacks	Last treatment or medications more than 5 years ago.	Preferred
	Last treatment or medication within past 3–5 years.	+20%
	Treatment or medication within previous 3 years.	Decline
PAP Smear, abnormal	Two subsequent normal PAP smears & return to normal annual PAP schedule.	Preferred
	Above criteria not met.	Decline
Prostatitis	Single episode, not related to STDs, no in-patient hospitalization, no urinary retention problems, normal kidney function studies and PSA, sign, symptom, treatment free for at least 6 months.	Preferred
	As above, but with 2 acute episodes in two years.	+20%
	Above criteria not met.	Decline
Psoriasis	Stable for at least 2 years, using topical ointments only, no immune system disorder or other systemic condition, no oral medications within past 2 years.	Preferred
	As above but no more than 2 courses of oral medications within past 12–24 months.	+50%
	UV therapy or oral medication within past 12 months.	Decline
Pyelonephritis	Single episode, normal kidney function studies, sign, symptom, treatment free for at least 12 months.	Preferred
	2 episodes in 3 years, normal kidney function studies, sign, symptom, treatment free for at least 12 months.	+20%
	Above criteria not met.	Decline
Raynaud's Disease	Normal blood studies (ANA, RA, SLE, & thyroid), no smoking and sign, symptom, treatment free for at least 2 years.	Preferred
	As above, but smoking within 24 months.	+50%

CONDITION	EVALUATION CRITERIA	RATE ACTION
Rhinitis (chronic)	No smoking and no prescription medication within past 12 months.	Preferred
	No smoking within 12 months, requires prescription medication.	+20%
	Has smoked within past 12 months, no prescription medication during past 12 months.	+50%
	Potential surgical candidate or requiring long term systemic steroid use, or desensitization injections within past 12 months, or has smoked and required prescription medication during past 12 months.	Decline
Strabismus	All surgical corrections or patching complete and cosmetically acceptable, sign, symptom, treatment free for at least 6 months.	Preferred
	As above, but sign, symptom, treatment free for 3–6 months.	+20%
	Above criteria not met.	Decline
Syphilis	No other STD within 10 years, no immune disorder symptoms, sign, symptom, treatment free for at least 12 months.	Preferred
	As above, but sign, symptom, treatment free for at least 6 months.	+20%
	Above criteria not met.	Decline
Tuberculosis (positive skin test and negative chest x-ray)	(Complete medical records required) Positive skin test, negative chest x-ray, INH therapy not required per physician -or- (Complete medical records required) Positive skin test, negative chest x-ray, prophylactic INH therapy required, sign, symptom, treatment free for at least 6 months following completion of INH treatment.	Preferred
	As above, but less than 6 months since completion of INH treatment.	+20%
Tuberculosis (primary pulmonary)	Treated with prophylactic INH or oral antibiotics only, no hospitalization required, no immune system disorders or symptoms, negative chest x-ray within previous 12 months, sign, symptom, treatment free for at least 12 months.	Preferred
	As above, but required hospitalization, sign, symptom, treatment free for at least 2 years, no immune disorder symptoms.	+20%
	As above, sign, symptom, treatment free for 12–24 months.	+50%
	Above criteria not met.	Decline
Ulcer	(If due to H-Pylori infection) No bleeding for at least 5 years, no in-patient hospitalization within previous 5 years, treated with antibiotics, no smoking for previous 2 years, sign, symptom, treatment free for at least 3 months.	Preferred
	(If due to reason other than H-Pylori infection) No bleeding for at least 5 years, no in-patient hospitalization within previous 5 years, no smoking for previous 2 years, sign, symptom, treatment free for at least 2 years.	Preferred
	Above criteria not met.	Decline
Ulcerative Colitis	Post surgical proctocolectomy, no immune disorder symptoms, sign, symptom, treatment free for at least 10 years.	+20%
	As above, sign, symptom, treatment free for 5–10 years.	+50%
	Above criteria not met.	Decline
Uterine Fibroids	Surgically corrected by hysterectomy or myomectomy, treatment free for at least 3 months.	Preferred
	Above criteria not met.	Decline

DECLINABLE CONDITIONS

Applicants with the following conditions will generally be considered uninsurable. This list is intended to serve as a guide only; decisions regarding an Applicant are subject to underwriting consideration of the facts related to a specific medical history. The absence of any impairment from this list does not imply insurability.

Any Applicant currently disabled, receiving disability payments or benefits, being treated for a work-related disorder, or receiving workers compensation benefits will be considered uninsurable. Any Applicant who is experiencing or who has experienced symptoms during the previous 12 months for which a physician has not been consulted or which has yet to be diagnosed will be considered uninsurable. Coverage will not be issued to **any Applicant who has had diagnostic tests recommended which have yet to be completed**.

- Abnormal cervical cancer screening (e.g., Pap smear)
  - Must have two normal subsequent cervical cancer screenings; annual follow-up to be considered
- Abnormal or unintended weight loss
- AIDS
- Airway obstruction – chronic
- Alcoholic cardiomyopathy
- Alcohol/substance abuse – within 5 years
- Arrhythmia – on medication
- Alzheimer's disease
- Angina pectoris
- Angioplasty – no time limit
- Ankylosing spondylosis/litis
- Asbestosis
- Asthma – treatment in emergency room or hospital within 2 years and/or smoking within 12 months or long-term steroid use
- Attention deficit disorder (ADD or ADHD) – if single juvenile applicant
- Bi-polar disorder
- Black lung disease
- Brain disorder
- Breast cancer – 10 years
- Bronchitis – chronic
- Blood dyscrasias
- Bulimia
- Cancer – basal cell carcinoma, treatment within 3 months
- Cancer – internal; treatment within 10 years
- Cerebral vascular disease (stroke or TIA)
- Cardiomyopathy
- Connective tissue disease
- CREST syndrome
- Chronic obstructive pulmonary disease (COPD)
- Cystic fibrosis
- Diabetes – once diagnosed, all treatments
- Down's syndrome
- Eating disorders
- Emphysema
- Endometriosis – treatment or medication within two years
- Esophageal reflux
- Eye disorders – requiring ongoing treatment
- Fatigue disorders
- Fibromyalgia
- Fibromuscular hyperplasia
- GERD (Gastroesophageal reflux)
- Gastrointestinal bypass
- Heart disease or bypass surgery – no time limit
- Hepatitis B, C, E, F, G, non-A, non-B – no time limit
- Hip replacement

- Hydrocephalus
- Hyperhydrosis
- Hypertension/high blood pressure – any treatment when combined with history of diabetes, ratable height & weight, or treated with three or more medications or untreated or uncontrolled
- Immune disorders
- Infertility – any history in premenopausal women. The spouse will be uninsurable as well
- Joint replacement
- Liver disease
- Lupus
- Lymphoma
- Manic depression
- Mitral valve prolapse – on medication
- Multiple sclerosis
- Myasthenia gravis
- Myocardial infarction (heart attack) – no time limit
- Obsessive-compulsive disorders (OCD)
- Organ transplant
- Osteoporosis
- Paralysis – will consider for cause and requirement for wheelchair
- Parkinson's disease
- Polycystic kidneys
- Polycystic ovary disease
- Pregnancy – current; includes male applicants expecting a child with someone
- Premature birth – within 6 months
- Psoriatic arthritis
- Psychiatric disorders – if hospitalized within 2 years
- Renal disease – chronic; includes dialysis
- Renal failure
- Rheumatoid arthritis
- Rhinitis – chronic, smoking within 12 months or long-term steroid use
- Reiter's syndrome
- Sickle cell anemia
- Seizure disorders – uncontrolled or seizure within 1 year
- Transposition of the great arteries
- Thalassemias
- Thromboangitis obliterans – Buerger's disease
- TMJ – (Temporomandibular joint pain/dysfunction)
- Weight loss – participation within the last 12 months in a program using prescription medication
- Wolf-Parkinson-White syndrome – WPW

CONDITIONS REQUIRING MEDICAL RECORDS[1]

The following is a list of some of the more common conditions that will require underwriting review of the Applicant's medical records. The underwriting decision will be based on the history of each Applicant and the underwriting outcome cannot be predicted. This is only a partial list; the need for review of medical records will be determined on an individual basis by Underwriting.

Ear infections:

- to age 6: 1 or 2 occurrences within the last 12 months
- ages 6–10: 1 or more within the last 6 months
- over age 10: no Attending Physician Statement

Anxiety or depression

Hypercholesteremia or hyperlipidemia

Hypertension

Kidney stones – within 5 years or multiple attacks

Migraine headaches within 3 years

[1]Kaiser Permanente patients experience greater success in obtaining a copy of their medical records on a timely basis and at a more reasonable fee than what is achievable by Health Net. When a copy of an applicant's medical records is required from Kaiser Permanente in order to assess insurability, Health Net will request that the applicant obtain that information directly. Health Net will reimburse the applicant up to $25 for fees related to obtaining these records.

SHORT-TERM PLANS – QUICK NET DAILY AND QUICK NET MONTHLY

Health Net short-term products, Quick Net Daily and Quick Net Monthly, offer coverage from 30 days to 185 days, or one to six months. These plans have been specially designed to accommodate your clients who are transitioning between jobs, entering the job market, or just need coverage for a short period of time. They can enroll in Health Net's Quick Net Daily or Quick Net Monthly plan and have the comfort and peace of mind that comes with knowing they're insured. Applying is easy! The Quick Net application features fewer medical questions than standard individual health applications, and the approval process is immediate.

If the application you submit does not have a "yes" answer to any medical question, and each applicant's height and weight are within Health Net's underwriting parameters, your client's application will be approved immediately. (Please be aware that, if the applicant has been enrolled in the past in any Health Net medical coverage, information included in claims history may be used to establish insurability.) The effective date will not precede the postmark date of the application. If the application is faxed, the effective date can be the day the application is received.

IMPORTANT THINGS TO REMEMBER

Quick Net Daily

Your clients must select their effective date and coverage period, from 30 days to 185 days. There are no changes or refunds once the policy is in force.[1]

The premium check must be for the full amount owed for the policy benefit period.[2]

Quick Net Monthly

Your clients must select their effective date.

They will be billed monthly for a maximum of six months it is in force.[1]

The first month's premium must accompany the application.[2]

[1]There are no changes allowed beyond the 10-day free look period. No exceptions will be made.

[2]The premium check will be held in trust while the application is reviewed by Health Net Life. Applications submitted without payment or partial payment will be pended until payment is received. If payment is not received within two weeks of the application signature date, the application will be withdrawn.

IS THIS PLAN RENEWABLE?

Health Net's Quick Net Products are non-renewable. However, if there is a need to continue beyond the benefit period, your clients may re-apply under the following circumstances:

- No claims have been incurred under the previous Quick Net plan
- There is no significant change in health
- The total days of coverage for all Quick Net plans does not exceed 365 days
- A re-application fee of $10 will be charged

IMPORTANT INFORMATION

To be eligible for a Guarantee Issue plan under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), in addition to other requirements an individual must have been recently covered under an employer plan. A short-term plan is **not** an employer plan and therefore, acceptance of a short-term policy will impact eligibility for individual guaranteed issue health insurance under HIPAA.

COMMON TERMS/DEFINITIONS

Attending Physician Statement (APS)

Attending physician statement is a document written by the Applicant's physician summarizing their health history or specific medical conditions. If an APS is requested, it must summarize the applicant's past history and current (within the past six months) prognosis. Certain conditions may require that the APS be as recent as within the last month. Health Net will reimburse a physician's office or an applicant (if the applicant received the medical records) up to $25 for a copy of medical records. The $25 reimbursement only applies to brokered applicants.

Accident Deductible Waiver

For PPO Value Plans and Quick Net Plans only, the Calendar Year/Benefit Period deductible will be waived for an accidental injury. Accidental Injury is physical harm or disability, which is the result of a specific, unexpected or unintentional incident caused by an outside force. The

physical harm or disability must have occurred at an identifiable time and place. Accidental Injury does not include illness and must be treated in an Emergency Room (ER) or Urgent Care facility. The Calendar Year/Benefit Period deductible will be waived only for that day's treatment in the ER or Urgent Care, the ER or Urgent Care copay will still apply; follow up treatment will be subject to the Calendar Year/Benefit Period deductible. A completed Accident Waiver Form must be submitted within 60 days of the accident and is required in order for the claim to be reviewed. Once approved the Calendar Year/Benefit Period deductible will be waived. The Member will continue to pay any charges billed in excess of Covered Expenses.

Confidentiality of Medical Information
In compliance with State and Federal regulations that protect the confidentiality of medical information, Health Net staff will not disclose or discuss an Applicant's medical history to anyone other than the Applicant without the Applicant's written authorization. Any such authorization must specify the medical information that may be discussed or disclosed and the specific person(s) with whom it may be discussed or disclosed.

Coordination of Benefits (COB)
There are no Coordination of Benefit provisions for individual plans in the state of California.

Creditable Coverage
Any individual or group policy, contract or program, that is written or administered by a disability insurance company, healthcare service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, coverage for onsite medical clinics, disability income, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

Dates
It is important to include all dates relating to the condition (such as date diagnosed, treated, treatment discontinued, etc.). Also be sure to include dates that medication was prescribed, as well as the date it was discontinued, if applicable (many prescriptions run beyond the date treatment ended). If a treatment or prescription has not ended, it is important to indicate that.

Effective Dates
Health Net offers the 1st or 15th of the month effective dates. Insurance brokers have no authority to bind coverage or assign effective dates. Applications must be received by the published cut-off date (refer to Policy Dating, below) of the prior month in order to receive review for a 1st or 15th of the month effective date. Effective dates for applications will not be backdated. The 15th of the month is only available for Health Net's Individual & Family PPO plans.

Odd effective dates are only available for the Quick Net products only.

Modified Issue
Modified Issue helps certain applicants who might normally not be able to obtain coverage, attain it for a higher premium. It is available for PPO plans only. Modified Issue premiums are calculated by multiplying preferred premium[1] shown in the rate guide by the rate adjustement factor (RAF) of 1.20 or 1.50.

Policy Dating
In order to receive a first of the month effective date, an application must be received by Health Net by the 25th of the preceding month and must be approved by Health Net's underwriting department by the 10th of the month. Individual HMO policies can only be dated the first of the month.

PPO polices can be dated the 15th of the month. In order to receive a 15th of the month effective date, an application must be received by Health Net by the 10th of the month and must be approved by Health Net's underwriting department by the 25th of the month.

Pre-existing Condition
An illness, injury or condition which existed during the six-month period immediately prior to the member's effective date. An illness, injury, or condition is considered

[1]Dental and Vision premium will also be adjusted to include the RAF if you are approved for a PPO Plus plan.

to have existed when the member: (1) sought or received professional advice for that illness, injury, or condition; or (2) received medical care or treatment for that illness, injury or condition.

Probable Action
The action that the underwriter will take based upon the information provided. Multiple conditions can be a key factor in the final decision, and the final decision may deviate from the printed guideline when that is the case. In addition, the guidelines are not inclusive of all possibilities and conditions, and therefore underwriter discretion will always be used.

Rate Guarantee
Health Net Individual & Family Plan's rates are guaranteed for six months from the time of the member's original effective date. If a member's age changes during the six-month period, the original premium will be guaranteed for the remainder of the guaranteed period.

If a member is approved for a permanent plan after their Quick Net policy expires and there is no lapse in coverage, the rate guarantee period begins on the original effective date of the Quick Net policy. For example, if the Quick Net plan's effective date is 4/1/04 and there is no lapse in coverage and the permanent plan is effective 6/1/04, the rate expiration of the permanent plan is effective 10/1/04.

Rescission
Subsequent to enrollment in an Individual & Family Plan product, Health Net reviews all claims submitted to identify medical conditions which may have not been accurately disclosed at the time of application. All such claims are referred to Health Net's underwriting department for further investigation. While an investigation is being conducted, the original claim and all subsequent claim from all providers will be pended until the underwriting investigation is completed. If it is determined that an Applicant materially misrepresented medical history when the application was completed, the policy will be rescinded as of the original effective date and premiums will be refunded, net of any unrecoverable expenses.

Broker commission is adversely affected by any retroactive cancellations. Any commissions paid on a policy that is rescinded will be charged back and collected from the broker.

Treatment
For the purposes of these guidelines, doctor or medical provider visits and examinations, tests and lab work, bloodwork, surgical procedures, medications, radiological exams, therapy, physician follow-up, and consultations are considered treatment.

Underwriting Discretion
While the underwriting practices will adhere to the printed guidelines as closely as possible, there may be occasions when the Underwriter will have to deviate from the guidelines.

Individual Term Life Insurance
Individual Term Life Insurance is only available for the **Primary Applicant** in the following amounts:

- $15,000
- $30,000
- $50,000

To purchase Individual Term Life, an individual must apply for and enroll in an Individual & Family HMO or PPO Plan. However, the individual is not required to purchase Individual Term Life Insurance in order to enroll in an HMO or PPO plan. Any insured must be at least 19 years old in order to purchase Individual Term Life Insurance. Individual Term Life Insurance is underwritten by Health Net Life Insurance Company.

Evidence of insurability is required for all Individual Term Life Insurance amounts. Coverage will not become effective until approved in writing by Health Net Life Insurance Company.

Life insurance is not available for Applicants applying for HIPAA guarantee issue coverage, those being offered modified issue plans or Quick Net plans.

LEGAL REQUIREMENTS

APPLICANT/CLIENT RESPONSIBILITY

Health Net requires all Applicants age 18 and over to read, complete and assume accountability for Part IX, the "Conditions of Enrollment," by signing and dating the application. The Applicant and the Applicant's spouse must complete the application, and it must be signed with blue or black ink.

Applicants under the age of 18 years old, the parent or legal guardian is legally responsible for the accuracy of information in the Application and for payments of premiums. If such responsible party is not the natural parent of the Applicant copies of the court papers authorizing guardianship must be submitted with the Application.

BROKER RESPONSIBILITY

It is important that during the enrollment process you protect yourself. You want to be sure you are not at fault for any errors or omissions in information on behalf of your clients. You need to advise your client that they must provide complete and accurate information even if the information does not seem important to you or your client. ALL APPLICATIONS, ONLINE AND PAPER, MUST BE COMPLETED BY THE APPLICANT.

In order to become a Health Net contracted broker, you or your brokerage firm must: (a) have an active California Life Agent license; (b) sign and complete the Health Net Agent/Broker Agreement; (c) sell a group with Health Net or sell an Individual & Family Plan; and (d) have E&O insurance. You or your brokerage firm must become a contracted Health Net broker in order to receive commissions.

NON-ENGLISH SPEAKING APPLICANTS (TRANSLATION)

If you are a broker who is translating the application for your client, you are required to complete the Statement of Accountability in Part VII of the Individual & Family Plans application. All qualified translators must translate all questions in the application, check the appropriate boxes and provide detailed information if necessary.

MEMBER INFORMATION

CHANGING BENEFITS / CHANGING PLAN DESIGNS

If a member enrolled in a Health Net Individual & Family Plan wishes to change plans a completed new application and underwriting approval will be required with the following exceptions:

1. The member is enrolled in an Individual HMO plan that is actively being marketed and wishes to enroll in an Individual HMO plan[1] with a lower benefit level.
2. The member is enrolled in an Individual PPO plan that is actively being marketed and wishes to enroll in an Individual PPO plan[1] with a lower benefit level.

Those individuals who are enrolled in any of Health Net's HIPAA plans are ineligible to change their benefits or plan designs.

When submitting an application for a plan change, the member MUST keep premiums paid to current. The effective date of the plan change will only be the first of the month following underwriting approval. If medical records are requested, the member will be responsible for any fees related to obtaining those records.

Should an individual transfer from one PPO plan to another PPO plan the deductible paid prior to the transfer will rollover to the deductible in the new plan as long as there is no lapse in coverage and it is within the calendar year.

ADDING DENTAL AND VISION OPTION

There is no waiting period to add the dental and vision option to the client's HMO or PPO plan, however, if they remove the dental and vision option from their plan there is a 12 month waiting period to add the dental and vision option to the client's existing plan.

REINSTATEMENT OF COVERAGE

- Reinstatement request must be received at Health Net within 30 days of the cancellation notice.
- The reinstatement request must be accompanied by a check that includes all past due premiums plus current month and prepaid premium (if billing has been

[1]Certain plans are not available.

generated). For example, Member terminated November 1st, requests reinstatement on December 12th, they must remit November, December and January premiums to be reinstated.

- All payments must be received within 65 days from the effective date of termination.
- To ensure payment is received, credit card (Visa/MasterCard) will be accepted.
- A reinstatement fee of $15 will be charged.

There will be no more than two reinstatements in a given 12-month period and upon the second reinstatement the member must pay by automatic bank draft.

NONSUFFICIENT FUND FEE

A nonsufficient fund (NSF) fee of $25 will be charged to a member's account if there is a check/credit card returned for NSF.

RE-APPLICATION

Members / Insureds who have terminated individual health coverage due to non-payment of premium with Health Net can reapply after three months. A member who has terminated coverage voluntarily can re-apply at any time.

DISCRIMINATION

Health Net strives to provide coverage to all Applicants who either meet Health Net's underwriting guidelines or qualify for HIPAA guaranteed coverage. Health Net does not discriminate among Applicants by race, religion, gender, color, national origin, ancestry, marital status or sexual orientation or other conditions or criteria that are unrelated to the Applicant's health status.

AUTOMATIC BANK DRAFT (ABD)

If there are two non-sufficient fund transactions related to ABD they will be set up on the standard billing options for one year.

FREQUENTLY ASKED BILLING QUESTIONS

When does Health Net send out billing statements?
Bills are mailed out on approximately the 9th for HMO plans, the 10th for PPO plans, and the 13th if your payment option is quarterly.

When are payments due?
Payments are due on the first of every month.

Where would an IFP billing payment be mailed?
Health Net
File number 55849
Los Angeles, CA 90074-5849

If a member is late paying their bill, how long do they have to pay before their plan is cancelled?
There is a 30-day grace period from the day the bill is due.

Are late notices sent out?
Late notices are sent approximately the 15th of the month.

What is the draft date if the billing option selected is by credit card or Automatic Bank Draft (ABD)?
Premiums are deducted on the 20th of every month, unless that day falls on a Sunday, then it will be on the following Monday.

How long does it take to set up the credit card monthly billing option?
It takes approximately 10 days to set up the credit card monthly option and approximately 30 days to be deducted from a bank account.

How much notice needs to be provided to Health Net if the member needs to stop their credit card from being charged or having premiums taken out of their bank account?
It takes approximately 30 days to stop a credit card from being charged or premiums to be deducted from a bank account.

If I send in a check, how long will it take for my check to post?
It takes approximately four to seven business days for a check to post.

CERTIFICATION REQUIREMENTS

Some of the Covered Expenses under the PPO plans are subject to a requirement of Certification, or treatment review, before services are received, in order for full benefits to be available.

Certification and any further Certifications are performed by Health Net Life Insurance (HNL) or an authorized designee. The telephone number which Members can use to obtain Certification is listed on the Health Net PPO Identification Card issued by HNL.

Certification is NOT a determination of benefits. Some of these services or supplies may not be covered under the Plan. Even if a service or supply is certified, eligibility rules, and benefit limitations will still apply.

SERVICES REQUIRING PRIOR CERTIFICATION

1. Inpatient admissions

Any type of facility, including but not limited to:

- Hospital
- Skilled Nursing Facility
- Mental health facility
- Chemical dependency facility
- Acute rehabilitation center
- Hospice

2. Ambulance

- Air Ambulance
- Non-emergent transport

3. Ambulatory services

- Durable Medical Equipment
- Home Health Care Agency Services including nursing, physical therapy, occupational therapy, speech therapy, home I.V. therapy, Hospice Care, tocolytic services (intravenous drugs used to decrease or stop uterine contractions in premature labor) and home uterine monitoring.
- Prosthesis for major limbs

4. Experimental services, new technology and evolutionary changes in proven technology.

5. Orthognatic procedures (surgery performed to correct or straighten jaw and/or other facial bone misalignments to improve function.)

6. Outpatient Diagnostic Imaging:

- CT Scans
- MRA (Magnetic Resonance Angiography)
- MRI (Magnetic Resonance Imaging)
- MUGA Cardiac Scan (Multiple Gated Acquisition)
- PET (Positron Emission Tomography)
- SPECT (Single Photon Emission Computed Tomography)

7. Surgical procedures including:

- Abdominal, ventral, umbilical, incisional hernia repair
- Blepharoplasty
- Breast reductions and augmentations
- Mastectomy for gynecomastia
- Rhinoplasty
- Sclerotherapy
- Uvulopalatopharyngoplasty (UPPP) and laser assisted UPPP

8. Temporomandibular Joint (TMJ) Disorder treatment

9. Transplant-related services including pre-evaluation and pre-treatment services, and the transplant procedure.

HNL will consider the Medical Necessity for the proposed treatment, the proposed level of care (Inpatient or Outpatient) and the duration of the proposed treatment. In the event of an admission to a Hospital, a concurrent review of the hospitalization will be performed. Confinement in excess of the number of days initially approved may be authorized by HNL. Additional services not indicated in the above list may require Certification. Please consult the “Schedule of Benefits” section in the Policy to see additional services that may require Certification.

EXCEPTIONS

HNL does not require certification for dialysis services or maternity care. However, please notify HNL upon initiation of dialysis services or at the time of the first prenatal visit. Certification is not needed for the first 48 hours of inpatient Hospital Services following a vaginal delivery, nor the first 96 hours following a cesarean section. However, HNL should be notified within 24 hours following birth. Certification must be obtained for a scheduled cesarean section or if the Physician determines that a longer Hospital stay is Medically Necessary either prior to or following the birth. Certification is not required for the length of a hospital stay for reconstructive surgery incident to a mastectomy.

IMPORTANT BROKER INFORMATION

APPLICATION MAILING ADDRESS

Individual & Family Enrollment

Health Net
Post Office Box 1150
Rancho Cordova, CA 95741-1150

FORMS & BROCHURES

All materials to enroll your client are available on our Broker site. You have the ability to order, email or download the forms you need.

Log on to www.healthnet.com, click the *Broker* tab, select *Get Things Done* and choose *Forms and Brochures*.

Forms and Brochures available:

- Individual & Family Plans Benefit Brochures
- Individual & Family Plans Rate Guide
- Individual & Family Plans Overview Brochure
- Quick Net Brochure
- Quick Net Application
- Individual & Family Plans Application
- Underwriting/Application Guidelines
- Accident Waiver Request Form

Supplemental Medical Questionnaires

- Acne
- Arthritis
- Asthma
- Breast Augmentation
- Broken Bones
- Cataract
- Chiropractic Care
- Ear Infection
- Female
- Fibroid
- Generic Supplemental
- Headache
- Height and Weight
- Herpes
- Kidney Stone
- Mental Health
- Ovarian Cyst
- Psoriasis
- Seizure Disorder
- Sinus Disorder
- Skin Cancer
- Thyroid Disorder
- TMJ
- Ulcer

HMO & PPO Provider directories are also available. However, you can also create your own personalized directory. Go to www.healthnet.com and click on the *Quote the Right Plan* tab and click on *Doctor Search*.

For more information, please contact:

Health Net
Post Office Box 1150
Rancho Cordova, California 95741-1150

Individual & Family Plans:
1-800-909-3447

1-800-331-1777 (Spanish)
1-877-891-9053 (Mandarin)
1-877-891-9050 (Cantonese)
1-877-339-8596 (Korean)
1-877-891-9051 (Tagalog)
1-877-339-8621 (Vietnamese)

Telecommunications Device
for the Hearing and Speech Impaired:
1-800-995-0852

www.healthnet.com

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