UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

CITY OF DETROIT'S MOTION SEEKING LEAVE TO FILE DECLARATIONS FROM REPRESENTATIVES OF HAP AND BCBSM IN FURTHER RESPONSE TO THIS COURT'S MAY 29, 2015 ORDER [DE 9901] REGARDING FURTHER PROCEEDINGS ON THE CITY OF DETROIT'S MOTION FOR CERTAIN RELIEF AGAINST THE DPLSA

BACKGROUND

This matter concerns a dispute whether individuals ("retiree spouses") who are retired from the City, but married to an active DPLSA member, are eligible for coverage under the City health care plan. The matter was fully briefed and the Court heard oral argument on May 27, 2015.

At the conclusion of the May 27 hearing, DPLSA's counsel asked the Court to order the City to produce copies of coverage certificates that are referenced at page 36 of the City's 2015 Medical Plan Document. In support of the request, DPLSA's counsel cited the overriding importance of this matter.

This Court's May 29, 2015 Order directed the City to produce to DPLSA the BCBSM and HAP coverage certificates referenced in the City's medical plan document. The Order further directed the parties to provide supplemental filings citing the provisions of the certificates they deemed relevant to the underlying dispute in this case.

The City produced the coverage certificates and DPLSA has filed a supplement to its papers identifying many provisions of the certificates. The City is today filing its supplement consistent with the provisions of the Court's Order.

The Court's May 29, 2015 Order limits the parties' supplements to providing copies of, and identification of, those provisions of the certificates the parties believe are relevant. The City's counsel, having reviewed the certificates and DPLSA's supplement, respectfully seeks leave to file the attached declarations from representatives of HAP and BCBSM (exhibits 6-2 and 6-3).

ARGUMENT

Matters of health care coverage are often complex and involve a language of their own. The City submits that, to readers reasonably familiar with these matters, the coverage certificates unambiguously support the City's position.

Shortly after the City produced the coverage certificates in accordance with this Court's Order, DPLSA's counsel called to ask the City's counsel's help in identifying relevant provisions. The City's counsel responded with an email (exhibit 6-1) citing and explaining the relevant provisions and, shortly thereafter, provided to DPLSA's counsel the declarations appended hereto.

The City's counsel hoped that providing those materials would convince DPLSA that its position is unsound and bring this case to a prompt conclusion. Instead, however, DPLSA's supplemental filing cites a laundry list of provisions that either are irrelevant or reject DPLSA's position.

At the May 27 hearing, DPLSA's counsel made a last minute plea for production of the certificates - after counsel had been unable to cite any support for DPLSA's position in the

parties' collective bargaining agreement. The City was prepared to rest on the record as it then existed.

Fundamental fairness dictates that the City be allowed to provide context to the certificates' provisions. Under ordinary rules of motion practice, DPLSA would have provided the certificates with its brief. Had DPLSA done so, the City would then have had an opportunity, in its reply brief, to provide the attached declarations. The City should not be prejudiced because the Court was persuaded by DPLSA's last minute plea for production of the certificates, based on the "overriding importance of this matter." This case is equally, if not more important, to the City than to DPLSA.

For those reasons, the City respectfully asks that it be allowed to file the attached declarations – exhibit 6-2 is a declaration from a HAP representative and exhibit 6-3 is from a BCBSM representative. The declarations, citing the coverage certificates, make the following central point: HAP and BCBSM do not decide which dependents of active employees are eligible for coverage under City's health plan. The City makes that decision and, in this case, did so in its medical plan document – which in turn implements the provisions of the Plan of Adjustment. Those documents make clear that retiree spouses are not eligible for coverage under the City's health plan. HAP and BCBSM are bound to follow the City's decision on that issue.

The City would certainly have no objection to DPLSA being allowed to respond in writing to these declarations, and/or to the Court scheduling a hearing to address the certificate provisions. The City is extremely grateful for the Court's consideration of this motion. The City sought, but did not obtain, DPLSA's concurrence in the relief requested in this motion.

Respectfully submitted,

By: /s/ Marc N. Swanson
Jonathan S. Green (P33140)
Marc N. Swanson (P71149)
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
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swansonm@millercanfield.com

Charles N. Raimi (P29746)
Deputy Corporation Counsel
City of Detroit Law Department
2 Woodward Avenue, Suite 500
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Detroit, Michigan 48226
Telephone: (313) 237-5037
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raimic@detroitmi.gov

ATTORNEYS FOR THE CITY OF DETROIT

June 23, 2015

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

Exhibit List

Exhibit 1	Proposed Order
Exhibit 2	Notice of Opportunity to Object
Exhibit 3	Brief-None
Exhibit 4	Certificate of Service
Exhibit 5	Affidavits-None
Exhibit 6-1	Email
Exhibit 6-2	HAP Declaration
Exhibit 6-3	BCBSM Declaration

EXHIBIT 1 – PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

ORDER GRANTING CITY OF DETROIT'S MOTION SEEKING LEAVE TO FILE DECLARATIONS FROM REPRESENTATIVES OF HAP AND BCBSM IN FURTHER RESPONSE TO THIS COURT'S MAY 29, 2015 ORDER [DE 9901] REGARDING FURTHER PROCEEDINGS ON THE CITY OF DETROIT'S MOTION FOR CERTAIN RELIEF AGAINST THE DPLSA

This matter, having come before the Court on the City of Detroit's Motion Seeking Leave to File Declarations from Representatives of HAP and BCBSM in Further Reponse to this Court's May 29, 2015 Order [DE 9901] Regarding Further proceedings on the City of Detroit's Motion for Certain Relief Against the DPLSA ("Motion"), upon proper notice and a hearing, the Court being fully advised in the premises, and there being good cause to grant the relief requested,

THE COURT ORDERS THAT

1. The Motion is granted.

2. The City may file with this Court the declarations attached to the Motion as Exhibits 6-2 and 6-3.

EXHIBIT 2 – NOTICE

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Bankruptcy Case No. 13-53846
City of Detroit, Michigan,	Honorable Thomas J. Tucker
Debtor.	Chapter 9

NOTICE OF OPPORTUNITY TO OBJECT TO CITY OF DETROIT'S MOTION SEEKING LEAVE TO FILE DECLARATIONS FROM REPRESENTATIVES OF HAP AND BCBSM IN FURTHER RESPONSE TO THIS COURT'S MAY 29, 2015 ORDER [DE 9901] REGARDING FURTHER PROCEEDINGS ON THE CITY OF DETROIT'S MOTION FOR CERTAIN RELIEF AGAINST THE DPLSA

The City of Detroit has filed papers with the Court seeking leave to file declarations from representatives of HAP and BCBSM in further response to this Court's May 29, 2015 order [DE 9901] regarding further proceedings on the City of Detroit's Motion for Certain Relief Against the DPLSA.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney.

If you do not want the Court to enter an Order granting the *City Of Detroit's Motion Seeking Leave To File Declarations From Representatives Of HAP and BCBSM In Further Response To This Court's May 29, 2015 Order [De 9901] Regarding Further Proceedings On the City Of Detroit's Motion For Certain Relief Against the DPLSA*, within 14 days, you or your attorney must:

1. File with the court a written response or an answer, explaining your position at:[1]

United States Bankruptcy Court
211 W. Fort St., Suite 1900
Detroit, Michigan 48226

If you mail your response to the court for filing, you must mail it early enough so that the court will **receive** it on or before the date stated above. You must also mail a copy to:

Miller, Canfield, Paddock & Stone, PLC
Attn: Marc N. Swanson
150 West Jefferson, Suite 2500
Detroit, Michigan 48226

2. If a response or answer is timely filed and served, the clerk will schedule a hearing on the motion and you will be served with a notice of the date, time, and location of that hearing.

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: /s/ Marc N. Swanson
Marc N. Swanson (P71149)
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
swansonm@millercanfield.com

Dated: June 23, 2015

[1] Response or answer must comply with F. R. Civ. P. 8(b), (c) and (e).

EXHIBIT 3 – NONE

EXHIBIT 4 – CERTIFICATE OF SERVICE

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Honorable Thomas J. Tucker Chapter 9

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 23, 2015, he served a copy of the foregoing ***CITY OF DETROIT'S MOTION SEEKING LEAVE TO FILE DECLARATIONS FROM REPRESENTATIVES OF HAP AND BCBSM IN FURTHER RESPONSE TO THIS COURT'S MAY 29, 2015 ORDER [DE 9901] REGARDING FURTHER PROCEEDINGS ON THE CITY OF DETROIT'S MOTION FOR CERTAIN RELIEF AGAINST THE DPLSA*** via electronic mail and First Class United States Mail upon:

Peter P. Sudnick, Esq.
SUDNICKLAW, P.C.
2555 Crooks Road, Suite 150
Troy, MI 48084
psudnick@sudnicklaw.com

Barbara A. Patek & Julie Beth Teicher
ERMAN, TEICHER, ZUCKER & FREEDMAN, P.C.
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Southfield, MI 48034
jteicher@ermanteicher.com
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By: /s/ Marc N. Swanson
Marc N. Swanson
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Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
swansonm@millercanfield.com

DATED: June 23, 2015

EXHIBIT 5 – NONE

EXHIBIT 6-1

Charles Raimi - DPLSA v COD

Ex. 1

From: Charles Raimi
To: bpatek@ermanteicher.com; barbarapatek@gmail.com; psudnick@sudnicklaw.com
Date: 6/11/2015 2:26 PM
Subject: DPLSA v COD
Cc: swansonm@millercanfield.com

Barb - in our call the other day you asked that I let you know the provisions of the benefit certificates the City believed to be relevant. I have discussed these issues with representatives of the City, HAP and BCBSM and am gathering declarations from HAP and BCBSM. The key point is that the City, by its medical plan, determines whether spouses are eligible for coverage - this is not a decision made by BCBSM or HAP. This is made clear in both certificates:

Page 2 of the HAP Subscriber Contract, section 2 (Eligibility), paragraph 2.2 (Dependents), states:

> "The following persons are eligible for coverage as the Subscriber's Dependents under this Contract **if they meet the eligibility requirements of** HAP and **the Group**:
>
> "a. The Subscriber's legally married spouse." Emphasis added.

Likewise, the first two paragraphs on page 2 of the BCBSM Benefits Certificate states, under the heading "Eligibility," and subheading "Who is Eligible to Receive Benefits:"

> "You, your spouse * * *and your children **listed on your contract** are eligible. You will need to receive an application for coverage.
>
> "BCBSM will review your application for coverage to determine if you, your spouse and your dependents are eligible for coverage. **This determination is based on the terms of your benefit plan,** which include this certificate and any underwriting policies that are in effect at the time of your application." Emphasis added.

* * * * * * * *

Representatives of BCBSM and HAP confirm that the references to "Group requirements" and "your benefit plan" are to the City's medical plan

document that denies coverage for retired city employees who are married to an active employee. Accordingly, such spouses are not included on the active member's contract with HAP or BCBSM.

Chuck Raimi
Deputy Corporation Counsel, City of Detroit
313 237 5037

EXHIBIT 6-2

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

City of Detroit, Michigan,
Chapter 9, Debtor.

Bankruptcy Case No. 13-53846
Honorable Thomas J. Tucker

DECLARATION OF SHEILA POWELL

Sheila Powell states as follows for her declaration:

1. I am employed at Health Alliance Plan of Michigan (HAP) as Senior Account Manager. I am the Account Manager for the City of Detroit account.
2. This declaration is made on my personal knowledge and my review of documents maintained in the ordinary course of business.
3. I am familiar with the Health Alliance Plan HMO Subscriber Contract. Exhibit A attached to this declaration contains the Contract's cover page, pages i – iii (table of contents) and pages 1 – 2 addressing eligibility. This is the subscriber contract used for active City of Detroit employees (a/k/a subscribers) who choose to enroll with HAP under their City sponsored health plan.
4. The City of Detroit is an insured account and the sponsor of its health care plan for its active employees. As plan sponsor, the City determines, subject to certain legal constrictions (for example, the Affordable Care Act), whether spouses and dependents of subscribers are eligible for coverage under the subscriber's contract. The City pays HAP a premium and contracts with HAP for payment of benefits on behalf of the subscribers and eligible spouses and dependents.
5. Accordingly, the City of Detroit, not HAP, is responsible (within certain legal parameters) for determining which spouses and dependents are eligible to receive health

Ex 2

care benefits under a subscriber's contract. This is made clear at page 2 of the Subscriber Contract, section 2 (Eligibility), paragraph 2.2 (Dependents), which states:

> "The following persons are eligible for coverage as the Subscriber's Dependents under this Contract **if they meet the eligibility requirements of** HAP and **the Group**:
>
> "a. The Subscriber's legally married spouse." Emphasis added.

6. The emphasized language confirms that a spouse must meet the eligibility requirements of the Group (the City) to be eligible for coverage.

7. Exhibit B contains the cover page, and page 6, of a document titled 2015 City of Detroit Active Employee Benefits. I recognize exhibit B as excerpts from the Medical Plan for City of Detroit active employees. Page 6 of the Plan makes clear that an individual who has retired from the City cannot be included under a HAP contract as the spouse of an active City employee. Accordingly, such "retiree spouses" are not eligible for coverage under a HAP contract for an active City employee.

I declare under the penalty of perjury the foregoing is true and correct.

Sheila Powell

Dated: June 17, 2015

HMO
Health Maintenance Organization

Health Alliance Plan of Michigan

Subscriber Contract

Health Alliance Plan of Michigan (HAP) hereby certifies that individuals eligible for insurance are insured under the above Contract as determined by the provisions contained in Section 2 of this Contract. The Contract details the benefits and terms of coverage. You are entitled to the benefits described in the Contract in exchange for the Premium paid to HAP.

The benefits available under this Policy will be administered consistent with the requirements of state and federal law, including but not limited to the Affordable Care Act (ACA), as such provisions may be implemented over time in accordance with the legislation. Groups that qualify as grandfathered as that term is defined in ACA may be eligible for a different Schedule of Benefits than non-grandfathered groups. Groups shall self-identify as a grandfathered group, if such status applies

James Connelly
President and CEO, Health Alliance Plan
Executive Vice President, Henry Ford Health System

HEALTH ALLIANCE PLAN

HMO SUBSCRIBER CONTRACT

SECTION 1—INTRODUCTION

1.1 Your Coverage

You and your eligible Dependents are entitled to receive the benefits described in this Contract pursuant to an agreement between your Group and HAP. You may also have Riders and a Schedule of Benefits. Your Riders and Schedule of Benefits change the benefits and Eligibility rules described in this Contract. You should keep this Contract, Riders and Schedule of Benefits with your other important papers so that they are available for your future reference.

1.2 HMO Coverage

This Contract provides coverage through Health Alliance Plan (HAP), a nonprofit corporation licensed by the State of Michigan as a Health Maintenance Organization (HMO). Because HAP is an HMO, the services covered under this Contract must be provided, arranged or authorized in advance by your Personal Care Physician (PCP). Your PCP is an Affiliated Provider that you choose who is primarily responsible for providing or arranging for health care services for you. In some cases, your PCP will also need to have services approved by us. Because your PCP is the key to receiving services under this Contract, make an appointment to see your PCP soon. It is also important to read this Contract carefully before you need services.

1.3 This Contract

This Contract is an agreement between HAP and persons who have enrolled as Members. It contains important information about your coverage. You should read this Contract carefully before you need services. By enrolling in HAP and accepting this Contract, you agree to abide by this Contract and recognize that HAP is responsible for arranging, paying or reimbursing for only those services and benefits that are Covered Services under this Contract, subject to all exclusions and limitations set forth herein.

1.4 Definitions

Throughout this Contract, Health Alliance Plan is referred to as "we", "us", "our" or "HAP". The words "you", "your", "yours" or "Member" refer to the Subscriber and/or any Dependents covered under this Contract. There are other words, phrases, and commonly used definitions of health coverage and medical terminology used in this Contract that have meanings unique to health care. If there is a conflict between the terms of this Contract and commonly used terms, the terms of this Contract will govern. The words and phrases used in this Contract are defined in Section 11.

SECTION 2—ELIGIBILITY

2.1 Subscriber

You are eligible for coverage as a Subscriber under this Contract if:

a. You meet the Eligibility requirements of HAP and your Group; and

b. You live or work in HAP's Service Area.

2.2 Dependents

The following persons are eligible for coverage as the Subscriber's Dependents under this Contract if they meet the Eligibility requirements of HAP and the Group:

a. The Subscriber's legally married spouse.

b. The Subscriber's children, by birth or legal adoption who are under the age of 26.

c. The children of the Subscriber's spouse, by birth or legal adoption who are under the age of 26.

d. A Subscriber's child who is recognized under a Qualified Medical Child Support Order. A copy of the court order or divorce decree is required to enroll the child.

If this Contract is considered a grandfathered plan as defined in the Affordable Care Act (ACA), adult children of the Subscriber or the Subscriber's spouse are not eligible as a Dependent under this Contract if the adult child is eligible to enroll in an eligible employer-sponsored group health plan other than a group health plan of a parent. This restriction only applies to Benefit Periods beginning before January 1, 2014.

2.3 Coverage Period for a Dependent Child

a. A child born to a Subscriber or Subscriber's spouse is automatically eligible to become insured as a Dependent. The Effective Date of Coverage will be the date of birth. Coverage will be to the same extent as provided for other Dependent children. Such coverage includes Covered Services for:

1) Diagnosed Congenital Defects.

2) Birth abnormalities.

3) Prematurity.

4) Routine nursery care.

5) Routine well-baby care while hospitalized.

b. Eligibility for coverage for a child by legal adoption begins on the day of placement for adoption. Placement means the day on which the Subscriber or the Subscriber's spouse assumes and retains the legal obligation for total or partial support of the child in anticipation of adoption of the child.

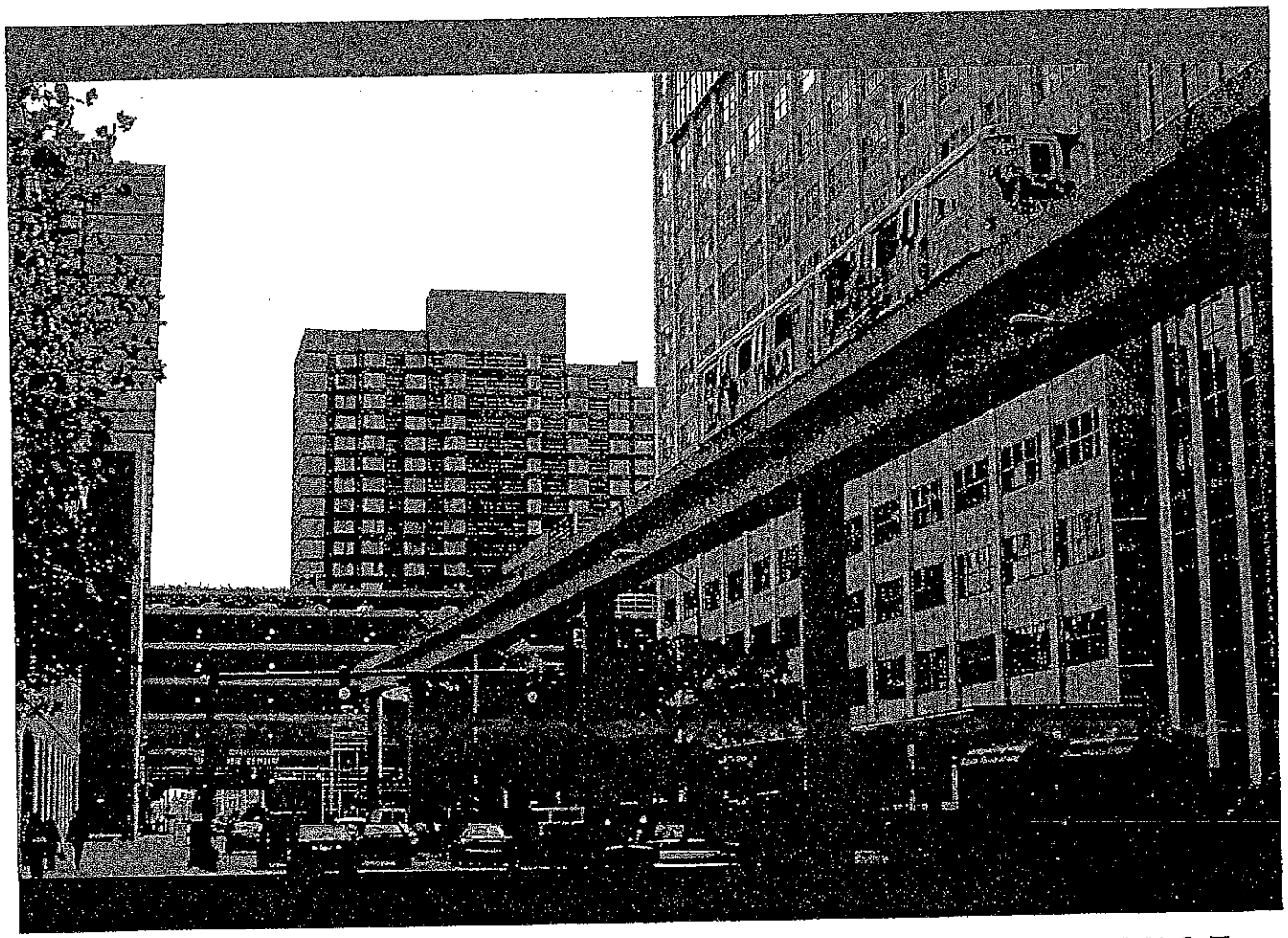
c. Eligibility for coverage for a child who is your Dependent ends on the earliest of the following:

1) The last day of the calendar year in which the child reaches the age of 26, or

2) The date the child becomes eligible for an employer-sponsored group health plan other than a group health plan of a parent. This only applies to Benefit Periods beginning before January 1, 2014.

2015

City of Detroit
Active Employee
Benefits



MEDICAL | DENTAL | VISION | LIFE INSURANCE
FLEXIBLE SPENDING ACCOUNTS

Ex. B

Coordination of Benefits

If you or a covered family member are entitled to benefits from a source other than your City of Detroit's health plan, such as a spouse's health insurance coverage or Medicare, Medicaid, coordination of benefits will take place. You are required to disclose information about any other source of benefits to the Benefits Administration Office.

In order to be eligible for coverage under all City of Detroit's health care plans, employees and covered family members who are eligible for Medicare due to End Stage-Renal Disease (permanent kidney failure) must enroll in Medicare Parts A and B. The medical conditions for required enrollment in Medicare are based on the Center for Medicare and Medicaid Services coordination of benefit rules which determine the conditions under which Medicare will be the primary payer for persons covered by employer group insurance. Such enrollment in Medicare shall not result in any reduction in benefits or additional cost to the employee, in that the employee shall be reimbursed the amount paid for Medicare after submission of required proof of enrollment and monthly payments.

IMPORTANT NOTE – CITY RETIREES MARRIED TO ACTIVE CITY EMPLOYEES: Retirees of the City are only eligible for the City's retiree health care options. An active employee may not enroll his or her City of Detroit retired spouse in his or her active employee health care coverage. All retirees of the City are only eligible for coverage under the City of Detroit's retiree health care program.

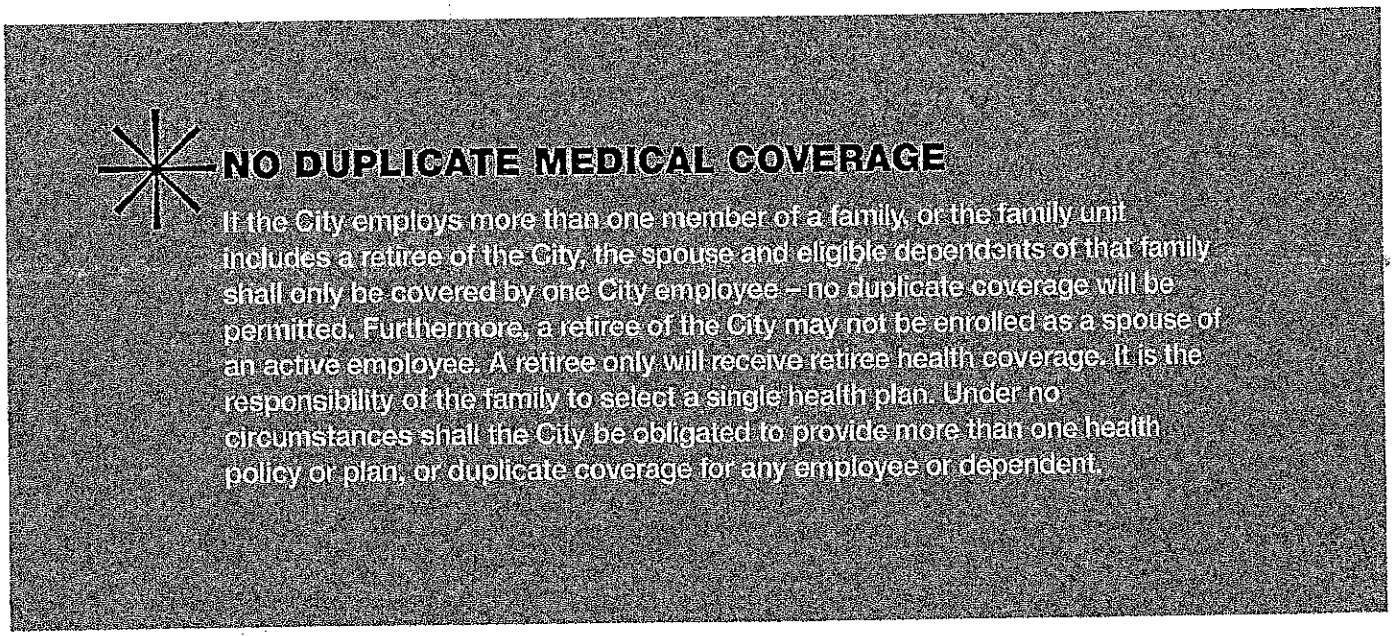


EXHIBIT 6-3

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

City of Detroit, Michigan,
Chapter 9, Debtor.

Bankruptcy Case No. 13-53846
Honorable Thomas J. Tucker

DECLARATION OF VERONIQUE HUGHES

Veronique Hughes states as follows for her declaration:

1. I am employed at Blue Cross Blue Shield of Michigan as Key Account Manager. I am the Account Manager for the City of Detroit account.
2. This declaration is made on my personal knowledge and my review of documents maintained in the ordinary course of business.
3. I am familiar with the "Community Blue Group Benefits Certificate ASC." Exhibit A attached to this declaration contains the cover page, pages i – iv and pages 1 – 2 addressing eligibility. This is the benefits certificate for active City of Detroit employees (a/k/a subscribers) who choose to enroll with BCBSM under their City sponsored health plan.
4. The City of Detroit is named as the sponsor of its health care plan for its active employees in the administrative services contract between the City and BCBSM. The City contracts with BCBSM for payment of benefits on behalf of the subscribers and eligible spouses and dependents. BCBSM defers to the City on whether a spouse and dependents of a subscriber are eligible for coverage.
5. Page 2 of the Benefits Certificate, under the heading "Eligibility," and subheading "Who is Eligible to Receive Benefits" states the following regarding the eligibility of spouses and dependents:

Ex. 3

"You, your spouse * * *and your children **listed on your contract** are eligible. You will need to receive an application for coverage.

"BCBSM will review your application for coverage to determine if you, your spouse and your dependents are eligible for coverage. **This determination is based on the terms of your benefit plan,** which include this certificate and any underwriting policies that are in effect at the time of your application." Emphasis added.

6. Exhibit B contains the cover page, and page 6, of a document titled 2015 City of Detroit Active Employee Benefits. I recognize exhibit B as excerpts from the Medical Plan for City of Detroit active employees. Page 6 of the Plan states the following regarding the eligibility of retiree spouses:

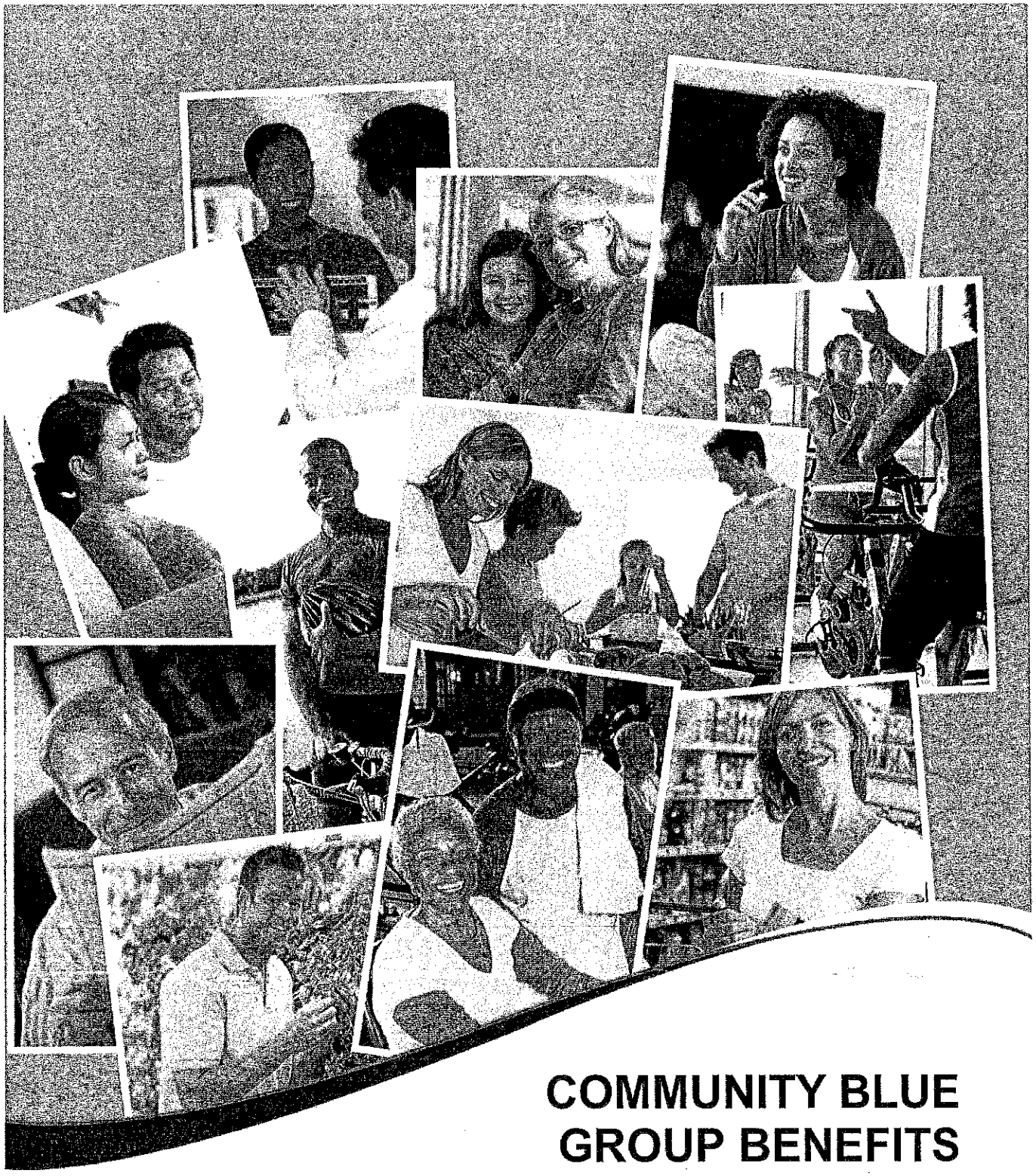
> If the City employs more than one member of a family, or the family unit includes a retiree of the City, the spouse and eligible dependents of that family shall only be covered by one City employee—no duplicate coverage will be permitted. Furthermore, a retiree of the City may not be enrolled as a spouse of an active employee. A retiree only will receive retiree health coverage. It is the responsibility of the family to select a single health plan. Under no circumstances shall the City be obligated to provide more than one health policy or plan, or duplicate coverage for any employee or dependent.

I declare under the penalty of perjury the foregoing is true and correct.

Veronique Hughes

Veronique Hughes

Dated: 6-11-15



COMMUNITY BLUE GROUP BENEFITS CERTIFICATE ASC

(Available to ASC Accounts Only)

A

About Your Certificate

This certificate is arranged to help you locate information easily. You will find:

- A **Table of Contents** — for quick reference
- **Information About Your Contract**
- **What You Must Pay**
- **What BCBSM Pays For**
- **General Services We Do Not Pay For**
- **How Providers Are Paid**
- **General Services We Do Not Pay For**
- **General Conditions of Your Contract**
- **Definitions — explanations of the terms used in your certificate**
- **Other Information You Should Know About Your Coverage**
- **How to Reach Us**
- **Index**

This certificate provides you with the information you need to get the most from your BCBSM health care coverage. Please call us if you have any questions.

Table of Contents

Section 1: Information About Your Contract

This section provides answers to general questions you may have about your contract. Topics include:

- **ELIGIBILITY**
  - Who is Eligible to Receive Benefits
  - End Stage Renal Disease (ESRD)
- **CANCELLATION**
  - How to Cancel Coverage
  - Cancellation
  - Rescission
- **CONTINUATION OF BENEFITS**
  - When You are Totally Disabled
  - Consolidated Omnibus Budget Reconciliation Act (COBRA)
  - Individual Coverage

ELIGIBILITY

Who is Eligible to Receive Benefits

You, your spouse (this does not include a person who marries a member who has coverage as a surviving spouse) and your children listed on your contract are eligible. You will need to complete an application for coverage.

BCBSM will review your application for coverage to determine if you, your spouse and your dependents are eligible for coverage. This determination is based upon the terms of your benefit plan, which include this certificate and any underwriting policies that are in effect at the time of your application.

If you, your group or someone applying for coverage on your behalf commits fraud or makes an intentional misrepresentation of material fact in completing the application, your coverage may be rescinded as described on Page 6, under "Rescission."

Children are covered through the end of the calendar year in which they turn 26 years of age if, and as long as, the subscriber continues to be covered under this certificate and the children are related to you by birth, marriage, legal adoption or legal guardianship.

Your child's spouse and your grandchildren are not covered under this certificate.

Disabled, unmarried children may remain on your contract beyond the end of the calendar year in which they turn age 26 if all of the following apply:

- They are diagnosed as totally and permanently disabled due to a physical disability or developmental disability and are incapable of supporting themselves.
- They are dependent on you for support and maintenance.

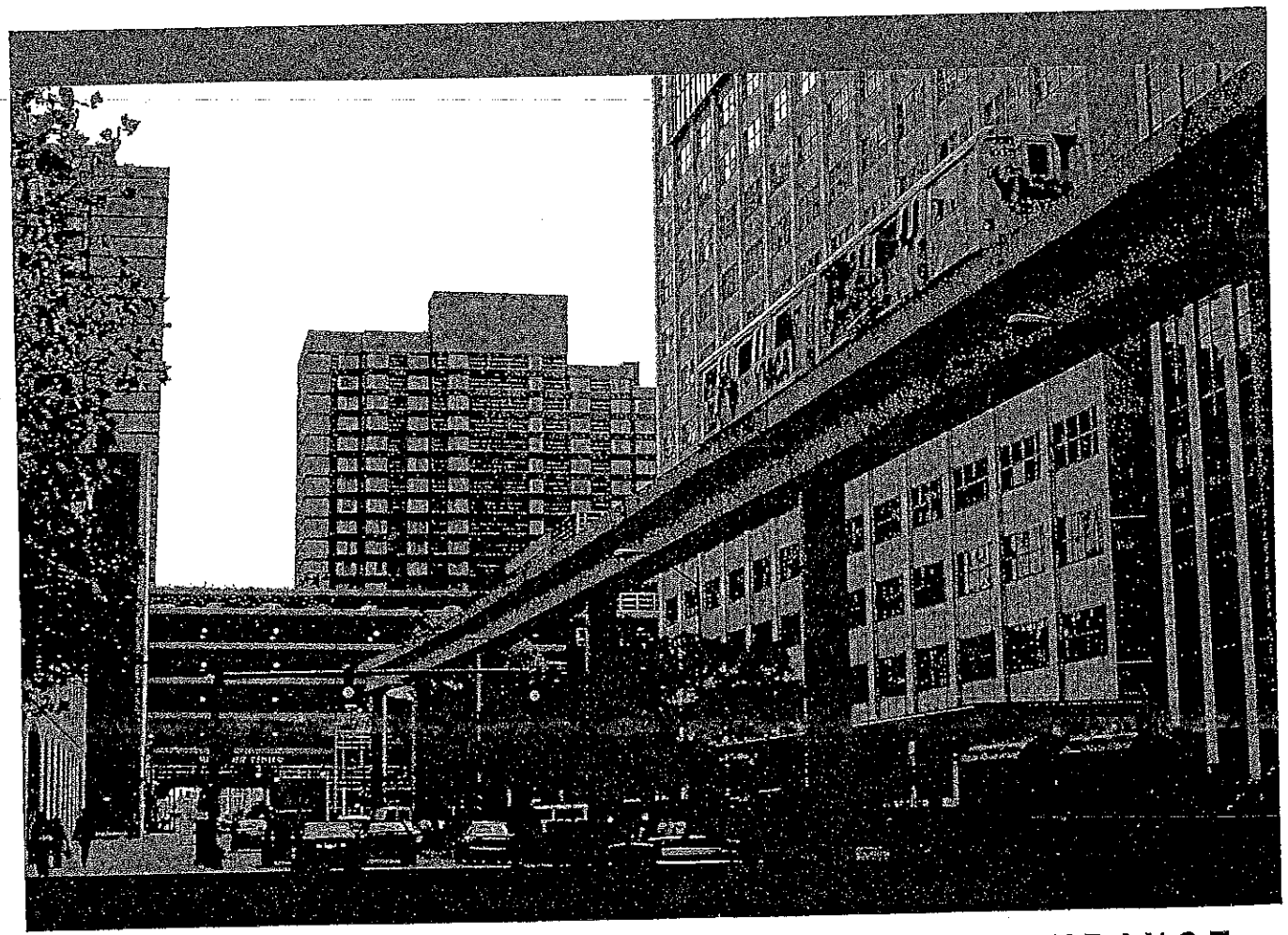
Physician certification, verifying the child's physical disability or developmental disability must be submitted to us no later than 31 days after the end of the calendar year in which the child turns age 26. The information will be evaluated to determine if the dependent meets this definition.

You may also request group coverage for yourself or your dependents within 60 days of the following event:

- Your Medicaid coverage or your dependents' CHIP coverage (Children's Health Insurance Program) is terminated due to loss of eligibility.

2015

City of Detroit
Active Employee
Benefits



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FLEXIBLE SPENDING ACCOUNTS

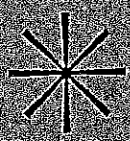
B

Coordination of Benefits

If you or a covered family member are entitled to benefits from a source other than your City of Detroit's health plan, such as a spouse's health insurance coverage or Medicare, Medicaid, coordination of benefits will take place. You are required to disclose information about any other source of benefits to the Benefits Administration Office.

In order to be eligible for coverage under all City of Detroit's health care plans, employees and covered family members who are eligible for Medicare due to End Stage-Renal Disease (permanent kidney failure) must enroll in Medicare Parts A and B. The medical conditions for required enrollment in Medicare are based on the Center for Medicare and Medicaid Services coordination of benefit rules which determine the conditions under which Medicare will be the primary payer for persons covered by employer group insurance. Such enrollment in Medicare shall not result in any reduction in benefits or additional cost to the employee, in that the employee shall be reimbursed the amount paid for Medicare after submission of required proof of enrollment and monthly payments.

IMPORTANT NOTE — CITY RETIREES MARRIED TO ACTIVE CITY EMPLOYEES: Retirees of the City are only eligible for the City's retiree health care options. An active employee may not enroll his or her City of Detroit retired spouse in his or her active employee health care coverage. All retirees of the City are only eligible for coverage under the City of Detroit's retiree health care program.



NO DUPLICATE MEDICAL COVERAGE

If the City employs more than one member of a family, or the family unit includes a retiree of the City, the spouse and eligible dependents of that family shall only be covered by one City employee – no duplicate coverage will be permitted. Furthermore, a retiree of the City may not be enrolled as a spouse of an active employee. A retiree only will receive retiree health coverage. It is the responsibility of the family to select a single health plan. Under no circumstances shall the City be obligated to provide more than one health policy or plan, or duplicate coverage for any employee or dependent.