possible recovery will be realized only over time, if at all, a LEC that seeks recovery of only 84.8 percent of its incremental SFAS-106 costs is employing an extremely conservative convention. Although BellSouth concurs with Bell Atlantic that future wage growth does not meet the test for exogenous treatment, BellSouth employed a convention of conservatism and requested exogenous treatment for only 84.8 percent of the retiree portion of its TBO.

7. Miscellaneous Supporting Information.

Paragraph 29 Response: See Attachment 14 for BellSouth's average total compensation per employee and the amount of this total compensation represented by OPEBs. Attachment 15 presents similar data for the economy as a whole.

Paragraph 30 Response: BellSouth has requested exogenous treatment for the retiree portion of its TBO only. The TBO is being amortized over a fifteen year period. Because of the extreme conservatism employed by BellSouth in estimating its exogenous costs and the lengthy period over which these costs are being recovered, BellSouth has made no provision to return to ratepayers any possible over accrual or to make a PCI reduction at the end of the accrual period. BellSouth would not object to a requirement by the Commission that BellSouth reverse the exogenous adjustment at the end of the amortization period if it is still subject to price cap regulation at that time.

Paragraph 31 Response: BellSouth has provided the Commission with copies of its current Summary Plan Descriptions for its OPEB benefits as Attachments 4, 5, and 6 to this Direct Case. BellSouth will provide the Commission with new Summary Plan Descriptions should there be any material change in the plans as a result of current collective bargaining as soon as they are available.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

By its Attorney:

M. Robert Sutherland
4300 Southern Bell Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375
(404) 529-3854

August 14, 1995

ATTACHMENTS DIRECT CASE

ATTACHMENT 1	-	Letter dated November 30, 1992, from Maurice P. Talbot, Jr., Director - Federal Regulatory to Kenneth P. Moran, Chief, Accounting and Audits Division, notifying the Bureau of its plans to adopt SFAS 106 effective January 1, 1993.
ATTACHMENT 2	-	Excerpts from BellSouth's 1991 Annual Report on Postretirement Benefits Other Than Pensions, and Other Matters, Accounting Pronouncements.
ATTACHMENT 3	-	Note H - Employee Benefit Plans, Notes to Consolidated Financial Statements, Pages 48 and 49.
ATTACHMENT 4	-	Summary Plan Description, The BellSouth Medical Assistance Plan, Revised January 1, 1993.
ATTACHMENT 5	-	Summary Plan Description, The BellSouth Dental Assistance Plan, Revised January 1, 1993.
ATTACHMENT 6	-	Summary Plan Description, The BellSouth Group Life Insurance Plan, Revised January 1, 1993.
ATTACHMENT 7	-	Development of BellSouth Total Company TBO Retiree Only Workpaper (Including Telephone and Non-Telephone Operations.)
ATTACHMENT 8	-	Development of BellSouth Total Company TBO Retiree Only Workpaper (Telephone Operations Only.)
ATTACHMENT 9	-	Pages A-11, A-12 and A-13 from The BellSouth Telecommunications, Inc., Transmittal No. 105, 1993 Annual Price Cap Tariff Filing, April 2, 1993.
ATTACHMENT 10	-	SFAS-106 TBO Part 32 Accounts and Allocated Amounts.
ATTACHMENT 11	-	Development of TBO Interstate Costs Workpaper Telephone Operations Only (Separated on the Basis of 1992.)

ATTACHMENT 12	-	Assumed Rate of Retirement on Service Pension Chart by Age and Rate.
ATTACHMENT 13	-	Appendix B BellSouth Direct Case, July 27, 1993, Exhibits 1, 2, and 3.
ATTACHMENT 14	-	BellSouth Compensation Per Employee
ATTACHMENT 15	-	U. S. Economy Compensation Per Employee

ATTACHMENT 1

BELLSOUTH

Maurice P. Talbot, Jr.
Director-Federal Regulatory

Suite 900
1133-21st Street, N.W.
Washington, D.C. 20036
202 463-4113

November 30, 1992

Kenneth P. Moran
Chief, Accounting and Audits Division
Room 812
2000 L Street
Washington, D. C. 20554

As required in Responsible Accounting Officers (RAO) Letter 20, BellSouth is hereby notifying the Bureau of its plans to adopt SFAS 106 effective January 1, 1993. Attached is the interstate revenue requirement impact for the current year as well as the projections for the next three years that RAO 20 requires. The following should be noted about the SFAS 106 amounts used in calculating the attached revenue requirement impacts:

1. The amounts used in the attachment for 1993 are estimates. BellSouth will not have its final SFAS 106 valuation completed until January 31. The final amounts are not expected to be materially different from those used in the attachment. However, if the final valuation results in a material difference, updated revenue requirements will be submitted.

2 The amounts are different from those included in BellSouth's direct case in CC Docket No. 92-101 filed June 1, 1992. The major differences are as follows:

   o The amortization period for the TBO included in the attachment is 15 years. The amortization period for the TBO included in the direct case is 20 years.

   o The amounts (SFAS 106, trust contributions as well as pay-as-you-go) used in the attachment have been updated to reflect amendments to the benefit plans that resulted from BellSouth's 1992 bargaining process.

If you require further information or have any questions, please contact me.

Sincerely,

Maurice P. Talbot, Jr.
Director - Federal Regulatory

Attachment

cc: Ken Ackerman
    Cliff Rand

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POSTRETIREMENT BENEFITS OTHER THAN PENSIONS
INTERSTATE REVENUE REQUIREMENT STUDY
ANNUAL INCREMENTAL IMPACT OF SFAS 106
(in Millions)

	1993	1994	1995	1996
1. Total SFAS No. 106 Accrual (1)	43	43	43	42
2. Pay-As-You-Go	9	9	9	8
3. Existing Trust Contributions	32	32	33	33
4. Total Current Accounting (1)	41	41	42	41
5. Incremental Expense	2	2	1	1
6. Incremental Rate Base Impact	0	(1)	(1)	(1)
7. Incremental Revenue Requirements	2	1	0	0

(1) Includes depreciation expense for amounts capitalized.

ATTACHMENT 2

EXCERPTS FROM BELLSOUTH'S 1991 ANNUAL REPORT

Postretirement Benefits Other Than Pensions. BellSouth also provides certain health care and life insurance benefits to substantially all employees that retire from BellSouth eligible for a service or disability pension benefit. The cost of providing health care and life insurance benefits for both active and retired employees was $550.6, $503.0 and $483.8 in 1991, 1990 and 1989, respectively. Included in these costs were $165.3, $153.2 and $84.8 in 1991, 1990 and 1989, respectively, for postretirement health care benefits other than those provided on a pay-as-you-go basis. At December 31, 1991, there were approximately 39,500 retirees and 96,100 active employees eligible to receive these benefits.

During 1989, the costs of providing postretirement health care benefits were accrued and funded over the working lives of active employees. Certain retiree benefits, however, were recognized on a pay-as-you-go basis. Beginning in 1990, BellSouth began to accrue and fund for both active and retired employees represented under the collective bargaining agreement into a separate tax advantaged trust. These contributions are funded over the working lives of active employees and the remaining lives of the retirees. Costs for nonrepresented employees continue to be accrued and funded as in 1989. Postretirement life insurance benefit costs are accrued and funded over the working lives of active employees based on that group's historical claims experience.

In December 1990, the Financial Accounting Standards Board ("the Board") issued SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which BellSouth is required to adopt by 1993. The statement requires employers, among other things, to accrue the cost of providing postretirement benefits other than pensions during the period employees are expected to earn the benefit.

Currently, BellSouth plans to adopt SFAS 106, effective January 1993. Because BellSouth's other postretirement benefit plans are subject to bargaining in 1992 and certain application methods have not been determined, a final estimate of the effect of implementing SFAS 106 on the statement of position and operations is not available. However, BellSouth anticipates that the transition benefit obligation will be between $1.4 and $2.0 billion, while the postretirement expense is expected to be less than two times the projected 1993 expense under the current accounting method. Since BellSouth is primarily regulated, the effect on the financial statements will depend on the ratemaking treatment authorized.

OTHER MATTERS

Accounting Pronouncements. In December 1990, the Financial Accounting Standards Board issued SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which BellSouth is required to adopt by 1993. The statement requires employers, among other things, to accrue the cost of providing postretirement benefits other than pensions during the period employees are expected to earn the benefit. Upon adoption, SFAS 106 permits employers the option of recognizing the unfunded and unrecognized accumulated postretirement benefit obligation (transition obligation) immediately or over the average remaining service period of active plan participants. The employer may elect a 20-year amortization period if the average remaining service period is shorter.

Currently, BellSouth plans to adopt SFAS 106 effective January 1993. Because BellSouth's other postretirement benefit plans are subject to bargaining in 1992 and certain application methods have not been determined, a final estimate of the effect of implementing SFAS 106 on the statement of position and operations is not available. However, BellSouth anticipates that the transition benefit obligation will be between $1.4 and $2.0 billion, while the postretirement expense is expected to be less than two times the projected 1993 expense under the current accounting method. Since BellSouth is primarily regulated, the effect on income will depend on the ratemaking treatment authorized.

ATTACHMENT 3

(Dollars in Millions, Except Per Share Amounts)

Note H — EMPLOYEE BENEFIT PLANS (Continued)

accepting the present value of their pension benefits as a lump-sum payment instead of an annuity. Electing employees were eligible to receive certain benefits, including a special payment equivalent to five percent of their base pay times full years of service (not to exceed 100% of base pay), net of certain offsets. The retirement options were accounted for in accordance with SFAS 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits." Accordingly, BellSouth recognized expense of $68.6 in 1991 and $14.6 in 1990 related to these offers.

Defined Contribution Plans. BellSouth maintains contributory savings plans which cover substantially all employees. Effective in 1990, a leveraged ESOP feature was incorporated into both the BellSouth Management Savings and Employee Stock Ownership Plan and the BellSouth Savings and Security Plan (collectively, the "Plans"). The shares that were purchased by the Trusts with proceeds from the ESOP notes (see Note F) are allocated to participants' accounts throughout the thirteen-year debt repayment period of the leveraged ESOP program as described below.

BellSouth matches participants' eligible contributions to the respective Plans based on defined percentages determined annually by the Board of Directors. The match consists of BellSouth common shares that were purchased by the Trusts with proceeds from the ESOP notes, which shares are released for allocation as loan payments are made in accordance with ESOP guidelines, and that are purchased by the Trusts on the open market from time to time as required. BellSouth contributes an amount which, in addition to ESOP dividends, is sufficient to service the ESOP loan payments and to purchase any additional shares required to meet the match obligation.

Effective with the incorporation of the ESOP feature into the Plans in 1990, BellSouth began recognizing expense attributable to the leveraged ESOPs based on the cost of the shares allocated for the period plus interest incurred, reduced by the dividends used to service the ESOP debt (Shares Allocated Method).

BellSouth recognized savings plan expense in 1992, 1991 and 1990 as follows:

	1992	1991	1990
Compensation expense	$71.8	$77.1	$78.9
Interest expense	$40.5	$40.5	$33.1
Actual interest on ESOP notes	$72.4	$74.8	$60.5
Cash contributions, excluding dividends paid to the Trusts	$84.3	$90.7	$90.4
Dividends paid to the Trusts, used for debt service	$43.7	$43.5	$23.1

Postretirement Benefits Other Than Pensions. BellSouth also provides certain health care and life insurance benefits to substantially all employees that retire from BellSouth eligible for a service or disability pension benefit. The cost of providing health care and life insurance benefits for both active and retired employees was $574.6, $550.6 and $503.0 in 1992, 1991 and 1990, respectively. Included in these costs were $172.3, $165.3 and $153.2 in 1992, 1991 and 1990, respectively, for postretirement health care benefits other than those provided on a pay-as-you-go basis. At December 31, 1992, there were approximately 39,000 retirees and 97,000 active employees eligible to receive these benefits.

The costs of providing nonrepresented employees postretirement health care benefits are being accrued and funded over the working lives of active employees. Certain nonrepresented retiree benefits, however, are recognized on a pay-as-you-go basis. Postretirement health care benefit costs for both active and retired employees represented under the collective bargaining agreement are being

(Dollars in Millions, Except Per Share Amounts)

Note H — EMPLOYEE BENEFIT PLANS (Continued)

accrued and funded into a separate tax advantaged trust. These contributions are funded over the working lives of active employees and the remaining lives of the retirees. Postretirement life insurance benefit costs are accrued and funded over the working lives of active employees based on that group's historical claims experience.

In December 1990, the Financial Accounting Standards Board (the "Board") issued SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which BellSouth adopted January 1, 1993. The statement requires employers to accrue the cost of providing postretirement benefits other than pensions during the period employees are expected to earn the benefit.

BellSouth's estimated transition benefit obligation of $1.5 billion will be amortized over the average remaining service period of active plan participants, which is 15 years. Based on this transition method, the 1993 expense is projected to be about $271.0, which is approximately 15% higher than the projected 1993 postretirement expense determined under the former accounting method. The effect on net income, therefore, is not expected to be material. However, since the majority of BellSouth's operations are regulated, the ultimate effect on the financial statements will depend on the ratemaking treatment authorized.

Note I — LEASES

BellSouth has entered into operating leases for facilities and equipment used in operations. Rental expenses under operating leases were $328.9, $288.8 and $282.0 for 1992, 1991 and 1990, respectively. Capital leases currently in effect are not significant.

The following table summarizes the approximate future minimum rentals under non-cancelable operating leases in effect at December 31, 1992:

	1993	1994	1995	1996	1997	Thereafter	Total
Minimum rentals	$156.5	$130.1	$107.3	$85.3	$71.1	$440.1	$990.4

Note J — INCOME TAXES

The provision for income taxes is summarized as follows:

	1992	1991	1990
Federal:			
Current	$ 918.3	$ 953.6	$ 928.1
Deferred, net	(85.9)	(242.0)	(169.2)
Investment tax credits, net	(87.9)	(108.8)	(128.4)
	744.5	602.8	630.5
State:			
Current	163.6	171.9	144.7
Deferred, net	25.4	(21.3)	2.5
	189.0	150.6	147.2
Total provision for income taxes	$ 933.5	$ 753.4	$ 777.7
Amortization of investment tax credits	$ 88.2	$ 105.3	$ 126.5

ATTACHMENT 4

THE BELLSOUTH
MEDICAL ASSISTANCE PLAN

SUMMARY PLAN DESCRIPTION

REVISED JANUARY 1, 1993

BellSouth Medical Assistance Plan

Table of Contents

The BellSouth Medical Assistance Plan

Introduction

The Medical Assistance Plan (MAP) is designed to help protect you against financial hardship if you or a covered family member requires medical attention by helping pay for medically necessary care or treatment. MAP was revised effective Jan. 1, 1993.

MAP has special features which require you and your covered dependents to make certain choices about how and where to seek medical care. These features include the Quality Care Program (QCP) and the BellSouth Preferred Provider Organization (PPO) network of hospitals, physicians, and pharmacies. By using these special features, you can receive maximum plan benefits. Read this booklet carefully and keep it for future reference. **As you read this booklet, keep in mind that <u>you and your physician</u> must make all decisions regarding appropriate medical treatment for you or your covered dependents.**

This booklet provides the Summary Plan Description (SPD) of the Medical Assistance Plan (referred to in this booklet as "MAP" or the "plan"). The appendix at the end of this booklet lists definitions of words and phrases used in this summary that may not be familiar to you. This summary is intended to explain only the major provisions of the plan as of Jan. 1, 1993. **If there is a conflict between this booklet and the contracts and documents which control the plan, the contracts and documents will govern in all cases.**

Eligibility for, or participation in, the plan does not constitute a contract of employment and should not be considered as such.

BellSouth currently intends to continue MAP as described in this booklet but reserves the right, at its discretion, to amend, reduce, or terminate the plan and coverage at any time for active, retired, or former employees and all dependents, subject to applicable collective bargaining agreements.

BellSouth will update this booklet periodically to describe changes in the plan, but there may be a delay between the effective date of a change and the date you receive the information. You should contact Blue Cross and Blue Shield of Alabama if you have any questions regarding coverage before you incur expenses for any non-emergency treatment.

Benefits at a Glance

This is only a summary of MAP benefits in effect as of January 1, 1993. Refer to the specific sections of this booklet for more details on MAP's limitations, exclusions, and provisions.

Abbreviations

BC/BS	Blue Cross and Blue Shield of Alabama
COB	Coordination of Benefits
Detox	Detoxification
PA	Payment Allowance
PPO	Preferred Provider Organization
QCP	Quality Care Program
R&C	Reasonable and Customary
Rehab	Rehabilitation

Chart Definitions

1. Payment Allowance (PA) limits are established for non-PPO payments in each PPO area which are based on the negotiated fees charged to BellSouth by PPO providers within that area. Any amount above the payment allowance does not count toward the deductible or the maximum out-of-pocket limit.

2. Reasonable and Customary (R&C) limits are established by Blue Cross and Blue Shield of Alabama and are based on the amounts usually charged to most patients for physician fees and certain services and supplies within the same locality.

3. Covered Charges are charges associated with a medically necessary service, supply, or procedure provided to a participant for a non-occupational illness or injury that are eligible for consideration based on the R & C limits, payment allowance limits, or negotiated fees established under the medical plan and that are not excluded by any other provisions of the plan.

4. Facility Fees are all charges for services provided in and billed by facilities such as hospitals or ambulatory surgical facilities. Services billed by physicians will not be considered facility charges.

1 Accidental Bodily Injury & Sudden/ Serious Illness (Outpatient Services)

EMERGENCY (e.g., patient being hospitalized, bone fractures, abrasions, lacerations, poisoning, or rape).
- Covered charges incurred within 72 hours of injury or illness.
- Deductible not required.
- Ambulatory surgical facility/hospital outpatient department emergency room fee at 100% of covered charges.
- PPO physician/surgeon at 90% of covered charges.
- Non-PPO physician/surgeon at 90% of R&C.

NON-EMERGENCY
Facility charges
- Emergency room (facility) fee not covered.
- Deductible required.
- PPO hospital at 100% of covered charges after a $25 copayment.
- If you live in a PPO area, non-PPO hospital at 90% of PA, after a $50 copayment.
- If you do not live in a PPO area, non-PPO hospital located outside of PPO area at 90% of covered charges after a $25 copayment.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO hospital to obtain maximum benefits.

Physician/surgeon
- PPO physician at 90% of covered charges, no deductible.
- If you live in a PPO area, non-PPO physician at 80% of PA, deductible required.
- If you do not live in a PPO area, non-PPO physician located outside of PPO area at 90% of R&C, deductible required.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO physician to obtain maximum benefits.

2 Adoption Coverage

Following an adoption, MAP covers up to $1,000 of eligible medical expenses incurred per child between time of placement in home and the court assigning a case number for adoption. Adopted child must be enrolled in MAP before receiving this benefit.
- Pre-existing condition provision does not apply.
- PPO provisions apply.

3 Alternate Benefits

QCP certification required, otherwise no coverage (includes Medicare primary participants, except for physical therapy)

- Deductible required
- 100% of covered charges for:
  - Birthing centers/nurse midwives.
  - Hospice care.
  - Extended care/skilled nursing facilities.
  - Home health care.
  - Partial hospitalization for substance rehab program.
  - Special arrangements or treatments when medically appropriate.
- 90% of covered charges for:
  - Private-duty nursing.
  - Physical therapy (includes all therapies, i.e., speech, occupational).

4 Ambulatory Surgical Facility/ Hospital Outpatient Dept. (Facility fee)

- Deductible required.
- PPO hospital at 100% of covered charges.
- If you live in a PPO area, non-PPO hospital at 90% of PA.
- If you do not live in a PPO area, non-PPO hospital located outside of PPO area at 90% of covered charges.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO hospital to obtain maximum benefits.

5 Anesthesia Administration (Physician fee)

- PPO physician at 90% of covered charges, no deductible.
- If you live in a PPO area, non-PPO physician at 80% of PA, deductible required.
- If you do not live in a PPO area, non-PPO physician located outside of PPO area at 90% of R&C, deductible required.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO physician to obtain maximum benefits.

6 Chiropractic Services

- Deductible required.
- 90% of R&C up to $100 for first lifetime covered visit.
- 90% of R&C up to $50 for subsequent visits.

Limited to 2 visits per calendar week, up to 20 visits per calendar year.

7 Deductible

Applies to covered charges each calendar year.
Does not count toward $1,100 OOP limit.

Individual:	$180
Family:	$425 (all covered charges applied toward individual deductibles) or two individual deductibles, whichever occurs first.

8 Inpatient Detox for Alcohol and Drug Abuse

No benefit unless certified by QCP, including Medicare eligible participants. Benefits begin prospectively from the date QCP is contacted and certifies medical necessity.

- Deductible required.
- PPO hospital at 100% of covered charges.
- If you live in a PPO area, non-PPO hospital at 90% of PA.
- If you do not live in a PPO area, non-PPO hospital at 100% of covered charges.
- Must use a PPO facility to obtain maximum benefits if receiving treatment within a PPO area, regardless of where you live.

Limits

- 2 detox confinements per 5 years.
- Up to 30 days each detox.
- Admissions must be separated by 180 days to be considered separate admissions.
- Physician fees must be included in inpatient facility program charge, otherwise not covered.

9 Inpatient Hospitalization for Medical/ Surgical Admission (Facility fee)

- Deductible required.
- PPO hospital at 100% of covered charges.
- If you live in a PPO area, non-PPO hospital at 90% of PA.
- If you do not live in a PPO area, non-PPO hospital located outside of PPO area at 100% of covered charges.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO hospital to obtain maximum benefits.

10 Inpatient/Outpatient Diagnostic X-Ray and Lab Tests (Facility fee)

INPATIENT
- Deductible required.
- PPO hospital at 100% of covered charges.
- If you live in a PPO area, non-PPO hospital at 90% of PA.
- If you do not live in a PPO area, non-PPO hospital located outside of PPO area at 90% of covered charges.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO hospital to obtain maximum benefits.
- If admitted for diagnostic tests only, hospital room and board not covered.

OUTPATIENT
- Deductible required.
- PPO hospital at 100% of covered charges.
- If you live in a PPO area, non-PPO hospital at 90% of PA.
- If you do not live in a PPO area, non-PPO hospital located outside of PPO area at 90% of covered charges.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO hospital to obtain maximum benefits.

11 Inpatient/Outpatient Electroshock, Radiation Therapy and Chemotherapy

MAP covers cost of the agent and its administration but not hospital charges.

AGENT
- 100% of R&C, no deductible.

ADMINISTRATION
- Deductible not required.
- PPO physician at 100% of covered charges.
- If you live in a PPO area, non-PPO physician at 80% of PA.
- If you do not live in a PPO area, non-PPO physician located outside of PPO area at 100% of R&C.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO physician to obtain maximum benefits.

12 Inpatient Rehab for Alcohol & Drug

No benefit unless certified by QCP, including Medicare eligible participants. Benefits begin prospectively from the date QCP is contacted and certifies medical necessity and are subject to the $150,000 maximum.

- Deductible required.
- PPO hospital at 100% of covered charges.
- If you live in a PPO area, non-PPO hospital at 90% of covered charges.
- If you do not live in a PPO area, non-PPO hsopital at 100% of covered charges.
- Must use a PPO facility to obtain maximum benefits if receiving treatment within a PPO area, regardless of where you live.

Limits

- One rehab for up to 30 days per lifetime.
- May substitute a partial hospitalization substance abuse program in place of this confinement.
- Must be separated by 180 days from a partial hospital program to be considered a separate admission.
- Physician fees must be included in inpatient facility program charge.

13 Mammogram Screening (Facility fee)

DIAGNOSED CONDITION

- Deductible required.
- PPO hospital at 100% of covered charges.
- If you live in a PPO area, non-PPO hospital at 90% of PA.
- If you do not live in a PPO area, non-PPO hospital located outside of PPO area at 90% of covered charges.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO hospital to obtain maximum benefits.

ROUTINE

- Prior to age 40, routine exams not covered.
- Limited to one baseline beginning at age 40 (for diagnosed condition or routine screening).
- Limited to one screening every two years for ages 40-49.
- Limited to one screening every year beginning at age 50.
- No deductible required.
- PPO hospital at 100% of covered charges.
- If you live in a PPO area, non-PPO hospital at 90% of PA.
- If you do not live in a PPO area, non-PPO hospital located outside of PPO area at 100% of covered charges.
- If you do not live in a PPO area but come into PPO area for care, you must use a PPO hospital to obtain maximum benefits.