



Important notice

Health plans are undergoing many changes due to the passage of the Patient Protection and Affordable Care Act. At Kaiser Permanente, we want to help you keep informed about how the federal health reform law affects your individual and family coverage.

We are currently working to implement the new federal health reform law in accordance with the schedule outlined by Congress. While many key aspects of the legislation will phase in over the next several years, some provisions will impact your benefits effective October 1, 2010. Among these provisions are: an expanded list of preventive care services, covered in network with no cost sharing; no lifetime maximums for designated essential health benefits; and the continuation of insurance coverage for dependent children up to age 26.

The information in this notice changes some of the information in the enclosed enrollment kit, which outlines our Kaiser Permanente for Individuals and Families coverage effective October 1, 2010, through December 31, 2011. There may be additional benefit and eligibility revisions based on further clarification from our federal regulators. If so, we will keep you informed of these changes.

If you have questions, please call **1-800-494-5314**, 8 a.m. to 8 p.m., Monday through Friday, and 9 a.m. to 5 p.m., Saturday, or call your broker.

Thank you for your interest in Kaiser Permanente.

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CHOOSE A PLAN

BALANCE PLANS

What Balance plans offer
and how they work



IN THIS BROCHURE

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Choose your perfect **Balance.**

With health care coverage, one size doesn't fit all. Our special selection of Balance HMO and Balance HMO with HSA Option plans is tailored to the needs of active individuals who want to better manage their health and health care costs.

With Balance, you can choose from two types of coverage—HMO plans or an HMO plan with a health savings account (HSA) option. Most benefits are very similar to what we offer with our other plans. The main difference is that Balance plans are designed for individual coverage only. That means you won't have to pay for benefits (such as maternity coverage) you may not need.

Who might be interested in Balance plans?

Balance plans are ideal for people who are interested in coverage just for themselves. Students not covered by their parents' plan. New college grads. Freelancers and the self-employed. In short, if you're active and without group coverage, you should take a look.

Balance your benefits with your budget.

We believe you shouldn't have to give up all your benefits to make health care affordable. With Balance plans, you'll enjoy the coverage you've come to expect from Kaiser Permanente, including doctor's office visits, hospital stays, prescription drugs, and preventive care.

You're covered for preventive care.

You'll also be covered for the things you need to help you stay healthy, like annual exams and screenings. In fact, there's no charge.¹ Compare these benefits to what you get with similarly priced plans from other health insurers!

¹ Office visit copay may apply.

Balance HMO plans

Want low premiums and predictable out-of-pocket costs? Look at our Balance HMO plans. From the first day of coverage, you'll only pay a copay for services like primary and specialty care visits, after-hours urgent care, and Emergency Room visits. The only differences among the plans are the annual deductible and, in some cases, the out-of-pocket maximum (OOPM).

Meet Chelsea Swinson

Chelsea is a single 27-year-old freelance designer—and a devoted triathlete.¹ To stay in shape for her triathlons, Chelsea works out, eats right, and takes good care of herself. She rarely sees her doctor except for checkups or training injuries. Chelsea enrolls in the Balance HMO 10000 plan.



- **Preventive care:** Chelsea has her annual preventive care exam. Because the exam is preventive care, it is not subject to the deductible. Chelsea only pays a \$40 office visit copay for her exam.
- **Doctor's office visits:** Chelsea sees an orthopedist for pain in her leg. Doctor's office visits are not subject to the deductible, so Chelsea pays a \$50 copay for the specialist visit.
- **Radiology services:** Her doctor orders some X-rays. Because diagnostic X-rays are subject to the deductible and Chelsea has not met her deductible, she pays full charge.

- **Prescription drugs:** The orthopedist prescribes a generic medication. The pharmacy deductible applies only to brand drugs, so Chelsea pays a \$20 copay at the Kaiser Permanente pharmacy.

Chelsea also likes Kaiser Permanente's Healthy Living features, such as the yoga classes offered at her local Kaiser Permanente medical center.² With her new plan, Chelsea gets the coverage she needs and many extras—without paying an arm and a leg.

¹This example is for illustrative purposes only. Individual situations will vary depending on the specifics of the health plan.

²Classes vary by location. Some classes may require a fee.

Benefit highlights

	Balance 2000	Balance 3000	Balance 5000
Features			
Annual deductible	\$2,000	\$3,000	\$5,000
Annual out-of-pocket maximum	\$5,000	\$6,000	\$10,000
Lifetime benefit maximum	\$3 million		
Benefits			
		Benefits with copays not subject to deductible Benefits with coinsurance subject to deductible	
Preventive care (not subject to deductible—office visit copay may apply)			
Immunizations	No charge		
Well-child visit (to age 2)	No charge		
Certain preventive screenings	No charge		
Mammogram	No charge		
Outpatient services (per visit or procedure)			
Primary care/Specialist office visit	\$40 copay/\$50 copay		
Most X-rays and lab tests	30% coinsurance		
MRI, CT, and PET	30% coinsurance		
Outpatient surgery	30% coinsurance		
Inpatient hospital care			
Room and board, surgery, anesthesia, X-rays, lab tests, and medication	30% coinsurance		
Maternity			
Obstetrician/Midwife	Not covered		
Hospital delivery	Not covered		
Emergency and urgent care			
Emergency Room visit (waived if admitted)	\$150 copay		
Urgent care visit	\$60 copay		
Ambulance service	\$150 copay		
Prescription drugs			
Pharmacy deductible (brand drugs only)	\$500		
Generic drugs (Kaiser Permanente pharmacy/ network pharmacy)	\$20 copay/\$30 copay		
Brand drugs (Kaiser Permanente pharmacy/ network pharmacy)	\$40 copay/\$50 copay (after pharmacy deductible)		

This plan summary is intended to only highlight some of the principal provisions of our plans. Please refer to your *Evidence of Coverage* for more details of your plan or for specific limitations and exclusions. Certain underwriting guidelines apply. Applicants are subject to medical review.

	Balance 10000
Features	
Annual deductible	\$10,000
Annual out-of-pocket maximum	\$10,000
Lifetime benefit maximum	\$3 million
Benefits	
	Benefits with copays not subject to deductible Benefits with coinsurance subject to deductible
Preventive care (not subject to deductible—office visit copay may apply)	
Immunizations	No charge
Well-child visit (to age 2)	No charge
Certain preventive screenings	No charge
Mammogram	No charge
Outpatient services (per visit or procedure)	
Primary care/Specialist office visit	\$40 copay/\$50 copay
Most X-rays and lab tests	30% coinsurance
MRI, CT, and PET	30% coinsurance
Outpatient surgery	30% coinsurance
Inpatient hospital care	
Room and board, surgery, anesthesia, X-rays, lab tests, and medication	30% coinsurance
Maternity	
Obstetrician/Midwife	Not covered
Hospital delivery	Not covered
Emergency and urgent care	
Emergency Room visit (waived if admitted)	\$150 copay
Urgent care visit	\$60 copay
Ambulance service	\$150 copay
Prescription drugs	
Pharmacy deductible (brand drugs only)	\$500
Generic drugs (Kaiser Permanente pharmacy/ network pharmacy)	\$20 copay/\$30 copay
Brand drugs (Kaiser Permanente pharmacy/ network pharmacy)	\$40 copay/\$50 copay (after pharmacy deductible)

Get a faster response when you apply online. Ask your broker how!

Balance with HSA Option plan

Save for future expenses with an HSA-qualified deductible plan

You may be looking for a plan that not only saves you money, but also allows you to save for health care expenses today and in the future. Our Balance with HSA Option plan may be right for you. When you enroll in this plan and choose to open a health savings account (HSA), you can use tax-free savings to pay for qualified medical expenses, such as deductibles, copays, and coinsurance.¹

How our Balance with HSA Option plan works

With our Balance with HSA Option plan, all covered services except preventive care are subject to the deductible. You pay full charges until you reach your deductible, and then you pay coinsurance, if applicable, for covered services. But you can save money because you can pay for qualified medical expenses with tax-deductible dollars.

All you have to do is:

- Enroll in a qualified health plan.
- If you qualify, open a health savings account.
- Contribute tax-deductible dollars to this account.
- Use those tax-free funds to pay for qualified health care expenses.

What you don't use rolls over to the next year and continues earning interest.²

An HSA offers triple tax advantages

- Tax-deductible contributions to your account
- Tax-free investment earnings
- Tax-free withdrawals when funds are used for qualified medical expenses

What are qualified medical expenses?

You can use an HSA to pay for deductibles, coinsurance, copays, and many supplies and services not covered by your health plan. Generally, these are expenses that would qualify for the medical and dental expense deduction on your income tax.

Here are just a few examples of HSA-qualified expenses:

- Certain over-the-counter medications
- Eyeglasses and LASIK surgery
- Dental and orthodonture care
- Acupuncture
- Chiropractic services
- Hearing aids

For a complete list, see *Publication 502, Medical and Dental Expenses* at www.irs.gov.

Who's eligible for an HSA?

To be eligible for an HSA, you need to meet the following requirements:

- You can't be enrolled in Medicare.
- You can't be eligible to be claimed as a dependent on someone else's tax return.
- You can't have additional health coverage that is not a qualified deductible plan (with certain exceptions).
- You can't have received benefits from the Department of Veterans Affairs in the past three months.

¹ Tax references relate to federal income tax only. The tax treatment of health savings account contributions and distributions under state income tax laws differs from the federal tax treatment. Consult with your financial or tax adviser for more information.

² Earnings vary depending on the type of investment plan you opt for and/or the HSA provider you choose. Amount earned is based on the investment plan and market value, and in some instances, the account may actually lose money.

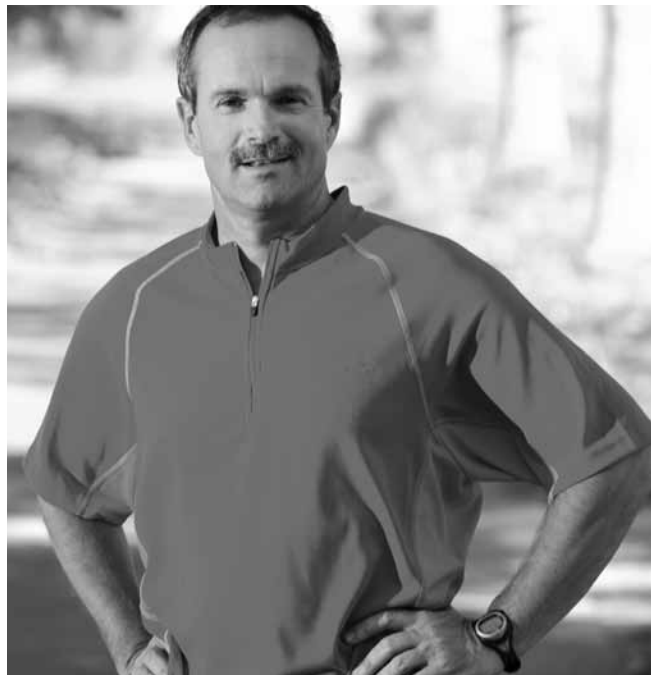
Benefit highlights

	Balance HSA 1200
Features	
Annual deductible	\$1,200
Annual out-of-pocket maximum	\$1,200
Lifetime benefit maximum	\$3 million
Benefits	
Preventive care (not subject to deductible)	
Preventive care visit	\$15 office visit copay
Preventive care services	No charge (office visit copay may apply)
All other covered services	
Coinsurance	No charge (after deductible)

This plan summary is intended to only highlight some of the principal provisions of our plan. Please refer to your *Evidence of Coverage* for more details of your plan or for specific limitations and exclusions. Certain underwriting guidelines apply. Applicants are subject to medical review.

Meet Doug Barkley

Doug, 45, is newly single, and he wants a new health plan.¹ Doug wants a plan that won't cut into his budget but also won't leave him exposed to huge medical bills if he becomes seriously ill. He'd also like to save a little money—tax free.² He enrolls in the Balance HSA 1200 plan.



- **Health savings account (HSA):** Doug opens a health savings account and deposits the 2010 federal maximum of \$3,050.³
- **Qualified medical expenses:** Doug withdraws funds tax free from his HSA to help pay for the LASIK surgery and orthodontics he's always wanted.
- **Preventive care:** Since preventive care is not subject to his deductible, Doug gets his annual physical exam and preventive screenings for no charge except for a \$15 office visit copayment.

¹This example is for illustrative purposes only. Individual situations will vary depending on the specifics of the health plan.

²Tax references relate to federal income tax only.

³For 2010, the federally established maximum contribution for an eligible individual with self-only coverage is \$3,050, and the maximum contribution in a calendar year for an eligible individual with family coverage is \$6,150. This maximum is indexed annually for inflation. For more information, please consult your financial or tax adviser.

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