

Benefit Terminology	Definitions	Additional Information & Examples
Medical		
Deductible	An amount you could owe during a coverage period for covered health care services before your plan begins to pay. After the deductible is met, you pay for covered services as a copay or coinsurance.	PetSmart medical plan deductibles run January 1 st through December 31 st each year.
Out-of-pocket Limit	The most you could pay during a coverage period for your share of the costs of covered services. After you meet this limit, the plan will usually pay 100% of the allowed amount. This limit helps you plan for health care costs. This limit never includes your premium, balance-billed charges or health care your plan doesn't cover.	Out-of-pocket limits vary for Individual vs. Family plans as well as for in-network vs. out-of-network expenses.
Copay	A fixed amount you pay for a covered health care service, usually when you receive the service. The amount can vary by the type of covered health care service.	Examples include office visits or urgent care.
Coinsurance	Your share of the costs of a covered health care service, calculated as a percentage of the allowed amount for the service. You generally pay coinsurance plus any deductibles you owe.	Example: The health insurance or plan's allowed amount for an office visit is \$100 and you've met your deductible, your coinsurance payment of 20% would be \$20. The health insurance or plan pays the rest of the allowed amount.
Usual, Customary and Reasonable (UCR)	The amount paid for a medical service in a geographic area based on what providers in the area usually charge for the same or similar medical service.	The UCR amount is sometimes used to determine the allowed amount.
In-Network Providers	Providers who contract with your health insurance or plan.	Your out-of-pocket costs will generally be lower by going in-network because the providers charge discounted rates.
Out-of-Network Providers	Providers who do not have a contract with your plan to provide services.	You will usually pay more to see an out-of-network provider.

<p>High Deductible Health Plan (HDHP)</p>	<p>A plan with a higher deductible than a traditional insurance plan. The monthly premium is usually lower, but you pay more health care costs yourself before the insurance company starts to pay its share. The deductible applies to both medical services and prescriptions.</p> <p>A high deductible plan can be combined with a health savings account (HSA), for you to pay for certain medical expenses with money you set aside in your tax-free HSA. This is why it's more commonly called an HSA-eligible plan.</p>	<p>Preventive services and prescriptions do not have to meet the deductible, and some may be covered at 100%. Examples of preventive care include well-child & prenatal care, immunizations, cancer screenings (such as colonoscopies and mammograms); prescriptions include anticoagulants, diabetes drugs, gastrointestinal agents, antivirals.</p>
<p>Health Savings Account (HSA)</p>	<p>A type of savings account that lets you set aside money on a pre-tax basis to pay for qualified medical expenses. By using untaxed dollars in an HSA to pay for deductibles, copayments, coinsurance, and some other expenses, you may be able to lower your out-of-pocket health care costs. HSA funds generally may not be used to pay premiums.</p> <p>While you can use the funds in an HSA at any time to pay for qualified medical expenses, you may contribute to an HSA only if you have an HSA-eligible plan (HDHP). An HSA may earn interest or other earnings, which are not taxable.</p>	<p>The IRS sets contribution limits annually (including catch-up limits for those 55+). If you do not use all the funds in your HSA during the calendar year, the balance remaining in your HSA will roll over. If your employment terminates for any reason, the funds in your HSA will continue to be owned and controlled by you.</p>
<p>Health Care Flexible Spending Account (FSA)</p>	<p>A Health Care FSA can help you pay out-of-pocket expenses that insurance doesn't cover, such as copays, deductibles and coinsurance for medical, prescription, dental and vision services. You can also use this account to pay for health care services not covered by PetSmart's health plans, such as LASIK surgery. Contributions are deducted on a pre-tax basis.</p>	<p>The IRS sets contribution limits annually. If you do not use all the funds in your FSA during the calendar year, an IRS regulated balance may be eligible for roll over.</p>
<p>Limited Purpose Flexible Spending Account (LPFSA)</p>	<p>A LPFSA is a special type of flexible spending account available if you are enrolled in an HSA.</p>	<p>You can use an LPFSA to pay for vision and dental expenses (e.g. dental cleanings,</p>

		fillings, vision exams, glasses) and is funded with pre-tax dollars. Dollars may be carried over annually up to IRS limits.
Urgent Care or Convenience Care Clinics	Urgent Care/Convenience Care Clinics offer treatment for non-life-threatening injuries or illnesses and are staffed by qualified doctors, nurse practitioners or physician assistants.	Reasons to visit: Sprains, minor broken bones (e.g. finger), minor infections, minor burns, common infections (e.g. strep throat), minor skin conditions, flu shots, minor cuts, earaches.
Emergency Room (ER)	The ER is for the treatment of life-threatening or very serious conditions that require immediate medical attention. ER visits are subject to the deductible before expenses are paid by the plan.	Reasons to visit the ER: Heavy bleeding, large open wounds, sudden change in vision, chest pain, sudden weakness or trouble talking, major burns, spinal injuries, severe head injury, difficulty breathing, major broken bones.
Virtual Visit	Virtual visits allow you to access care online at any time from your mobile device or computer.	Most visits take about 10-15 minutes and they're part of your health benefits. Virtual visits also include access to mental health providers.
Prescription		
Maintenance Drug	Prescriptions commonly used to treat conditions that are considered chronic or long-term. These conditions usually require regular, daily use of medicines.	Examples: Drugs used to treat high blood pressure, heart disease, asthma, and diabetes.
Formulary	A list of drugs your plan covers. A formulary may include how much your share of the cost is for each drug. Your plan may put drugs in different cost sharing levels or tiers.	Example: A formulary may include generic drug and brand name drug tiers and different cost sharing amounts will apply to each tier.
Specialty Drug	A type of prescription drug that, in general, requires special handling or ongoing monitoring and assessment by a health care professional, or is relatively difficult to dispense.	Specialty drugs are generally the most expensive drugs on a formulary.
Life & Disability		
Guaranteed Issue	The amount of insurance associates will automatically be accepted for coverage, if eligible.	Life insurance guaranteed amounts in PetSmart policy are as follows:

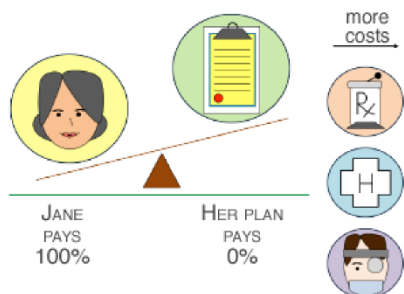
		<p>Basic Life – 1 times annual compensation (rounded to the next higher \$1,000) up to a maximum of \$1,000,000.</p> <p>Supplemental Life</p> <ul style="list-style-type: none"> • New Hires/Newly Eligible: The lesser of 3-times annual compensation or \$1,000,000 (when combined with the Basic Life amount). • During Qualified Life Events and/or Open Enrollment: 1 level increase (for example currently enrolled in 2-times, may increase to 3-times).
Evidence of Insurability (EOI)	<p>EOI is an application process through which you provide information on the condition of your health or your dependent's health in order to be considered for certain types of life or disability coverage.</p> <p>Questions on the application often include medical history (surgeries, chronic conditions, medications currently taken), tobacco and alcohol usage habits, and family medical history.</p>	<p>Supplemental Life</p> <ul style="list-style-type: none"> • New Hires/Newly Eligible: If electing 4- or 5-times annual salary, EOI required. • During Qualified Life Events and/or Open Enrollment: Any requested amount over 1 level increase requires EOI (for example currently enrolled in 2-times, requesting 4- or 5-times). <p>Voluntary Long-Term Disability</p> <ul style="list-style-type: none"> • New Hires/Newly Eligible: Not required. • Open Enrollment: Required
Pended or Pending EOI	The requested amount of life or disability insurance, above the guaranteed issue, pending approval from the carrier.	

How you and Your Insurer Share Medical Costs – Example

January 1st
Beginning of Coverage Period

December 31st
End of Coverage Period

Jane's Plan Deductible: \$1,500



Jane hasn't reached her \$1,500 deductible yet

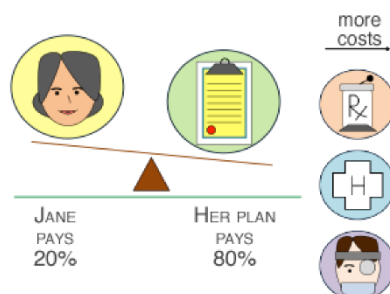
Her plan doesn't pay any of the costs.

Office visit costs: \$125

Jane pays: \$125

Her plan pays: \$0

Coinsurance: 20%



Jane reaches her \$1,500 deductible, coinsurance begins

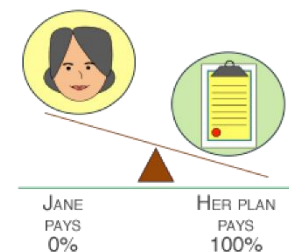
Jane has seen a doctor several times and paid \$1,500 in total, reaching her deductible. So, her plan pays some of the costs for her next visit.

Office visit costs: \$125

Jane pays: 20% of \$125 = \$25

Her plan pays: 80% of \$125 = \$100

Out-of-Pocket Limit: \$5,000



Jane reaches her \$5,000 out-of-pocket limit

Jane has seen the doctor often and paid \$5,000 in total. Her plan pays the full cost of her covered health care services for the rest of the year.

Office visit costs: \$125

Jane pays: \$0

Her plan pays: \$125