

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

ISSUING ORG. MEDICAL SUPPORT SERVICES DEPARTMENT

SUBJECT VACATION MEDICAL PAYMENT PLAN FOR SAUDI ARAB EMPLOYEES

GI NUMBER 151.003 Approved

ISSUE DATE 08/01/2004 REPLACES 04/16/2001

APPROVAL TQD PAGE NO. 1 OF 8

CONTENT:

This instruction describes policy on Vacation Medical Payment Plan for Saudi Arab Employees and outlines procedures on processing of claims submitted by employees for reimbursement under the plan. The text includes:

1. Objective
2. Eligibility
3. Expenses covered
4. Stop Loss (employee out-of-pocket cost)
5. Expenses not covered
6. Limitations
7. Medical Expenses.(ASC)
8. Claims for reimbursement
9. Area Personnel Office
10. Medical Referral Accounting Unit (MRAU)
11. Medical Referral Committee

1.0 OBJECTIVE:

The purpose of the plan which came into effect August 1, 1981 is to provide reimbursement for certain medical expenses which may be incurred by the employee or his eligible dependents in private medical facilities during any vacation periods ('L' time, weekends on days immediately preceding the vacation period or 'P' time), outside the province where the patient is registered. Claimants may need to be reimbursed for expenses incurred even after their vacation period expires so long as they continue to be under actual medical treatment. Sickness duration does not necessarily cease with the expiration of the vacation period.

2.0 ELIGIBILITY:

All regular Saudi Arab employees and their dependents including the employee's parents, wife/wives, unmarried daughters and sons under age 19. A son over the age 19 but less than 26 must have an annual written authorization for medical care at company operated medical facilities from the Personnel Department, that is, he must be attending school on a full time basis. If the son is disabled and financially dependent to the employee for support, he is covered regardless of age. It is to be noted that dependents are covered by this plan only when they are accompanied by the employee during his vacation or when they are attending school outside of the Kingdom and are not sponsored by any other organization.

3.0 EXPENSES COVERED:

Saudi Aramco will reimburse medical expenses detailed below which are incurred by the employee while he is on vacation or by his dependents accompanying the employee on vacation. Saudi Aramco

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

ISSUING ORG. MEDICAL SUPPORT SERVICES DEPARTMENT

SUBJECT VACATION MEDICAL PAYMENT PLAN FOR SAUDI ARAB EMPLOYEES

GI NUMBER 151.003 Approved

ISSUE DATE 08/01/2004 REPLACES 04/16/2001

APPROVAL TQD PAGE NO. 2 OF 8

will also reimburse these expenses incurred by employee's dependents attending School outside the Kingdom to the extent that such expenses are not covered by the School's Medical Plan or the Saudi Aramco Medical Plan for employees and dependents on out-of-Kingdom assignments, nor are they covered by the sponsorship of any other organization.

3.1 The reimbursement is limited to reasonable charges

- which were actually incurred,
- which the employee or his eligible accompanying dependent paid for, and
- which were obtained upon the recommendation of the attending physician.
- All the above three conditions must be met.

3.2 Saudi Aramco will reimburse 80% of the following in-hospital charges:

- 3.2.1 Room and board (semi-private room accommodation).
- 3.2.2 In-hospital services and supplies (including X-rays, laboratory examinations, operating room, drugs and medicine, physiotherapy, etc.).
- 3.2.3 Charges for emergency transportation by professional ambulance to and from hospital.
- 3.2.4 Charges for anesthetics and their administration.
- 3.2.5 Dentists services for treatment of fractures and dislocations of the jaw.
- 3.2.6 Physicians charges for surgical procedures.
- 3.2.7 Delivery of a baby
- 3.2.8 Pre admission tests
- 3.2.9 Charges for out-patient care within 24 hours of, and in connection with an accident or Surgical operation
- 3.2.10 Charges for ambulatory surgical center services.
- 3.2.11 Second and third surgical opinion.
- 3.3.12 Home Health Care.
- 3.3.13 Hospice.

3.3 Saudi Aramco will reimburse 80% of certain other out-patient medical expenses subject to an annual deductible of SR:745 for each person who incurs medical expenses, but not more than two deductibles will be applied against all expenses incurred by the employee and his eligible family members during any calendar year. Other medical expenses include:

- 3.4.1 Physician's charges for office visits and house calls.
- 3.4.2 Trained nurses services other than those provided by a relative or home nurse.
- 3.4.3 Outpatient expenses incurred for prescription drugs and medicines, medical supplies, laboratory and X-ray examinations, physiotherapy, etc.

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

ISSUING ORG. MEDICAL SUPPORT SERVICES DEPARTMENT

SUBJECT VACATION MEDICAL PAYMENT PLAN FOR SAUDI ARAB EMPLOYEES

GI NUMBER Approved
151.003

ISSUE DATE 08/01/2004 REPLACES 04/16/2001

APPROVAL TQD PAGE NO. 3 OF 8

4.0 STOP LOSS:

Out-of-pocket cost to the employee for the covered expenses will be limited to the following:

Per Person	SR: 7,500	Annual
Family	SR:15,000	Annual

For example a claim for covered medical expenses is submitted totaling US\$10,960 equivalent to SR:41,000. In accordance with the plan, a total of SR:32,404 may be allowed for reimbursement, leaving SR:8,596 as out-of-pocket cost to the employee. The SR:8,596 exceeds the stop-loss limit of SR:7,500 by SR:1,096 which is added to increase total reimbursement to SR:33,500. See details of the example below:

EXAMPLE:

<u>Covered Expenses</u>	<u>Claim submitted</u> SR	<u>Allowed</u> SR
Total of in-hospital expenses (80%)	35,000.00	28,000.00
Pre-Admission tests (100%)	1,000.00	1,000.00
Total of outpatient Expenses	5,000.00	5,000.00
Less deductible		(745.00)
Less 20% of 5000-745 or 4,255		(851.00)
Total	41,000.00	32,404.00
Reimbursable covered expenses	(32,404.00)	
Out-of-pocket for employee	8,596.00	
Stop-loss	7,500.00	
Stop-loss adjustment	1,096.00	1,096.00
Total Reimbursement		33,500.00

5.0 EXPENSES NOT COVERED:

The following expenses are not reimbursed:

- 5.1 Eye glasses and eye refractions.
- 5.2 Hearing Aides and dental prosthetic appliances.
- 5.3 Cosmetic surgery.
- 5.4 Custodial care, in such places as school, nursing homes, rest home or home for the aged.
- 5.5 Any dental care other than certain oral surgery or treatment for accidental injury to natural teeth. (See para 3.2.5 above).
- 5.6 Any illness or injury covered by Workmen's Compensation or caused by war or international armed conflict.
- 5.7 Transportation or living expenses incurred in connection with medical treatment.

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

GI NUMBER Approved

151.003

ISSUING ORG. MEDICAL SUPPORT SERVICES DEPARTMENT

ISSUE DATE
08/01/2004REPLACES
04/16/2001

SUBJECT VACATION MEDICAL PAYMENT PLAN FOR SAUDI ARAB EMPLOYEES

APPROVAL
TQDPAGE NO.
4 OF 8

- 5.8 Fertility treatment including diagnosis, treatment and In vitro fertilization.
- 5.9 Refractive Surgery.
- 5.10 Podiatry, chiropractic treatment.
- 5.11 All forms of alternative medicine including herbal therapy & acupuncture, Spa treatment.
- 5.12 Percutaneous discectomy
- 5.13 Long term referrals to include speech & aural rehabilitation therapy.
- 5.14 Long term disabilities care.
- 5.15 Treatment of obesity including weight loss clinic, gastric banding and non-surgical treatment.
- 5.16 Pain management.

6.0 LIMITATIONS:

- 6.1 Lifetime maximum benefit SR: 1,870,000 per person.
- 6.2 Mental or nervous disorder requiring in-hospital treatment:
 - Annual maximum per person SR: 187,000
 - lifetime maximum per person SR: 374,000
- 6.3 Mental or nervous disorder not requiring hospital confinement:
 - Maximum Benefit per year - Employee SR: 7,500
 - Maximum Benefit per year - Per dependent SR: 3,700

7.0 MEDICAL EXPENSES:

Normally, employees will pay the medical bills themselves, obtain receipts and then submit a claim for these expenses upon return from vacation.

- 7.1 Medical payments may be provided at ASC only to those employees who have genuine true emergency life threatening cases such as accidents, stroke, heart attack, etc. prior to Medical Referral Committee (MRC) review and approval
- 7.2 ASC can pay medical bills for dependent students who are registered in personnel and studying in the USA and charge SAO Suspense account 1800200 on a debit memo (on line through SAP) and notify Medical Referral Accounting unit by cable of the amount advanced to employee. If MRC determined the case is not covered under SAVMPP, the whole medical expenses provided by ASC will be reversed to employee's personal account.
- 7.3 ASC will make sure that there will be no posting charges for any medical expenses against the suspense account 1800200 unless supported with:

A) Detailed invoices

B) Medical reports.

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SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

GI NUMBER Approved
151.003

ISSUING ORG. MEDICAL SUPPORT SERVICES DEPARTMENT

ISSUE DATE 08/01/2004
REPLACES 04/16/2001

SUBJECT VACATION MEDICAL PAYMENT PLAN FOR SAUDI ARAB EMPLOYEES

APPROVAL TQD
PAGE NO. 5 OF 8

At the same time CB & ETA will not transfer any medical charges from the suspense account 1800200 to the medical account 2800002 G.L indicator (4) unless attached with detailed invoices.

8.0 CLAIMS FOR REIMBURSEMENT:

Claim for reimbursement of medical expenses incurred while on vacation will be made by the employee on form SA-8260.

8.1 A separate form SA-8260 will be prepared for each dependent.

8.2 The amount(s) of claim must be clearly stated on the form and each form should be signed by the employee.

8.3 The following documents must be obtained by the employee and attached in original to form SA-8260.

8.3.1 Medical summary in original copy from the attending physician and/or the hospital (as the case may be), specifying:

8.3.1.1 The nature of illness or injury

8.3.1.2 Diagnosis established

8.3.1.3 Description of treatment provided

8.3.1.4 Period of treatment

8.3.1.5 Prognosis for further treatment

8.3.1.6 The summary will be on physician's/hospital's letter head or stationery indicating his name, credentials, and address.

8.3.1.7 Requirement of medical summary may be waived if the claim consists of consultation for minor ailment and prescription drugs, and is approved by MRAU. Receipts for payments made would still be required and drugs purchased must be supported by a physician's prescription.

8.3.2 Physician's prescription of medications.

8.3.3 Bills paid for physicians, hospitals, laboratory/X-ray services, prescription drugs, etc. An itemize separate bill for each service should be provided, or charges for each services should be given if the billing is for a single provider. Each bill should be on

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)
GENERAL INSTRUCTION MANUAL

GI NUMBER **Approved**
151.003

ISSUING ORG. MEDICAL SUPPORT SERVICES DEPARTMENT

ISSUE DATE 08/01/2004 REPLACES 04/16/2001

SUBJECT VACATION MEDICAL PAYMENT PLAN FOR SAUDI ARAB EMPLOYEES

APPROVAL TQD PAGE NO. 6 OF 8

the letter head or business stationery and should include the name and address of person or institution providing service, and the date each expense was incurred.

8.3.4 Receipts for payment made against bills, or bills stamped "PAID" should be attached as evidence of payment made.

8.4 The employee should submit the complete and signed form SA-8260 together with supporting documents and receipts mentioned in paragraph 8.3 to his/her area Personnel. He/She should retain with him a copy of all documents for back-up in case the originals are mislaid or lost.

9.0 AREA PERSONNEL OFFICE:

Area Personnel Offices, on receipt of claims will verify the following:

9.1 Form SA-8260 is complete and has been signed by the employee.

9.2 A separate form is made for each dependent

9.3 The dependent is registered and is eligible in accordance with paragraph 2, above.

9.4 The employee was on vacation during the period of claim.

9.5 The supporting documents attached are complete and are in original copies.

9.6 Passport copy for employee and his/her dependent if medical treatment incurred OOK.

9.7 Any deficiencies in form SA-8260 or its attachments should be discussed and corrected with the employee.

9.8 Sign form SA-8260 for verification and forward to Medical Referral Accounting Unit, Bldg: 2894, Rm 50, Dhahran.

10.0 Medical Referral Accounting Unit: (ARUC)

10.1 MRAU upon receipt of claim will check that:

10.1.1 The claim is in order according to policy and has been verified by Area Personnel.

10.1.2 Reports, documents, and receipts are acceptable.

10.1.3 Expenses claimed are reasonable, in accordance with policy and are supported by acceptable documents and receipts of payments made.

10.2 Medical Referral Accounting Unit has the authority to approve claims up to SR:8000 without referring them to Medical Referral Committee. If the total value of claim exceeds SR:8000, MRAU will submit the claim to Medical Referral Committee for their review to determine that the treatment taken was indicated and beneficial. Outstanding claim supplements for claims

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

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151.003

ISSUING ORG. MEDICAL SUPPORT SERVICES DEPARTMENT

ISSUE DATE 08/01/2004
REPLACES 04/16/2001

SUBJECT VACATION MEDICAL PAYMENT PLAN FOR SAUDI ARAB EMPLOYEES

APPROVAL TQD
PAGE NO. 7 OF 8

originally approved by the Medical Referral Committee are to be approved and paid by the MRAU regardless of their values.

10.3 Upon completion of review by MRAU and MRC as required, MRAU will:

10.3.1 Prepare form SA-8260-1 and determine reimbursable costs in accordance with paragraph 3 above.

10.3.2 Apply deductible and policy limitations as required.

10.3.3 Prepare and approve the reimbursed amount in the name of the employee on either SA-60 or SA-8260-1. Account 742-513 (Cost element 74051/47-54-55) will be charged.

10.3.4 Return the claim to employee through Area Personnel, if the claim has been rejected, giving reasons for rejection or an accompanying memo.

10.4 Saudi Aramco Medical Organization's decision as to reimbursement under this plan is final. Where they feel a charge is unreasonable for the services provided, in the country where it is provided, they will authorize reimbursement of only a reasonable amount.

11.0 MEDICAL REFERRAL COMMITTEE (MRC):

On receipt of claim referred by MRAU, MRC will:

11.1 Determine that treatment taken was indicated and beneficial,

11.2 Meaningful medical reports or summaries are given,

11.3 Expenses claimed are reasonable for the treatment taken,

11.4 Examine the patient, if necessary,

11.5 Evaluate the need for follow-up treatment in registered facility.

11.6 Advise MRAU in writing of decision taken.

Recommended By:

Supervisor, Medical Referral Accounting Unit

Date: _____

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)
GENERAL INSTRUCTION MANUAL

GI NUMBER **Approved**
151.003

ISSUING ORG. MEDICAL SUPPORT SERVICES DEPARTMENT

ISSUE DATE 08/01/2004 REPLACES 04/16/2001

SUBJECT VACATION MEDICAL PAYMENT PLAN FOR SAUDI ARAB EMPLOYEES

APPROVAL TQD PAGE NO. 8 OF 8

Endorsed By:

Director, ERP&P Department.

Date: _____

Concurred By:

Director, Medical referrals.

Date: _____

Concurred By:

Chief of Staff, Clinical Services.

Date: _____

Approved By:

Vice President, Medical Services.

Date: _____

* CHANGE

** ADDITION

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