

HIPAA NOTICE OF PRIVACY PRACTICES
HEALTH CARE SERVICE CORPORATION HEALTH PLAN (“Health Plan”)
&
HEALTH CARE SERVICE CORPORATION MASTER FLEXIBLE BENEFIT PLAN (“Flex Plan”)

EFFECTIVE APRIL 14, 2003

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

The Health Plan and the Flex Plan (collectively, the “Plans”) are required by law to maintain the privacy of your Protected Health Information (“PHI”). PHI is information about you, regardless of form, including demographic information, that may identify you and that relates to your past, present, or future physical or mental health or condition and related health care services. This notice does not apply to information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information could be used to identify an individual.

The Plans are also required to give you this notice of the Plan’s legal duties, privacy practices and your rights concerning PHI. The Plans must follow the privacy practices that are described in this notice while it is in effect. This notice is effective April 14, 2003 and will remain in effect until the Plans replace it. The Plans reserve the right to change their privacy practices and the terms of this notice at any time effective for all PHI that the Plans maintain, including PHI that the Plans created or obtained before changes are made to the Plans’ privacy practices. You will receive a revised notice within 60 days of a material revision through corporate communication channels including but not limited to electronic mail, the intranet site FYIBlue, by distribution at your worksite, and/or by mail. You may obtain a paper copy of this notice upon request.

USES AND DISCLOSURES OF PHI

TO YOU OR ON YOUR BEHALF

Upon Your Request: Upon your request, the Plans are required to give you access to certain PHI so you may inspect and copy it.

To Family, Relatives, and Others: The Plans may disclose to a family member, relative, close personal friend or other person identified by you PHI that is directly relevant to such person’s involvement with your care and payment for such care. The Plans may also assist in notification by identifying or locating a family member, personal representative, or another

person responsible for your care and disclosing to such person your location, your general condition, or death.

Personal Representatives: The Plans will disclose your PHI to your personal representative when the personal representative has been properly designated by you and the existence of your personal representative is documented to us in writing through a written authorization.

On Your Authorization: You may give us written authorization to use your PHI or to disclose it to another person and for the purpose you designate. If you give us an authorization, you may withdraw it in writing at any time. Your withdrawal will not affect any use or disclosures permitted by your authorization while it was in effect. Unless you provide a written authorization, the Plans cannot use or disclose your PHI for any reason except those described in this notice.

FOR PLAN ADMINISTRATION

Without your authorization, the Plans may disclose PHI to the Plan Sponsor, any Health Insurance Issuer or any Business Associate (a person or entity who performs or assists the Plans with an activity involving the use or disclosure of PHI) to carry out administrative functions under the Plans. The Plans may use or disclose “summary health information” to the Plan Sponsor for obtaining premium bids or modifying, amending, or terminating the Plans, which summarizes the claims history, claims experience, or type of claims experienced by individuals for whom the Plans have provided a benefit and for which identifying information has been deleted. The Plan Sponsor is prohibited from using PHI for the purposes of employment-related actions or in connection with any other benefit or employee benefit plan of the Plan Sponsor. The Plans may use and disclose your PHI for treatment, payment, and health care operations. Following are examples of the types of uses and disclosures that the Plans are permitted to make.

Treatment: The Plans may use or disclose your PHI to a physician or other health care provider providing treatment to you. The Plans may use or disclose your PHI to a physician or other health care provider so that prior authorization decisions can be made under the Health Plan.

Payment: The Plans may use or disclose your PHI in connection with determinations of eligibility for coverage, to make benefit payments, and other related health care data processing.

Health Care Operations: The Plans may use or disclose your PHI in connection with its health operations including customer service, responding to complaints and appeals for members, and other activities related to the creation, renewal, or replacement of health insurance contracts or health benefits.

Health Related Services: The Plans may use your PHI to contact you with information about health-related benefits and services or about treatment alternatives that may be of interest to you. The Plans may disclose your PHI to a Business Associate to assist us in these activities. The Plans may use or disclose your PHI to encourage you to purchase or use a product or service by face-to-face communication or to provide you with promotional gifts.

AS MAY OTHERWISE BE REQUIRED

Secretary of the Department of Health and Human Services: Use and disclosure of your PHI may be required by the Secretary of the Department of Health and Human Services to investigate or determine the Plans' compliance with the privacy regulations.

Disaster Relief: The Plans may use or disclose your PHI to a public or private entity authorized by law or by its charter to assist in disaster relief efforts.

Public Benefit: The Plans may use or disclose your PHI as authorized by law for the following purposes deemed to be in the public interest or benefit:

- as required by law;
- for public health activities, including disease and vital statistic reporting, child abuse reporting, certain Food and Drug Administration (FDA) oversight purposes with respect to an FDA-regulated product or activity, and to employers regarding work-related illness or injury required under the Occupational Safety and Health Act (OSHA) or other similar laws;
- to report adult abuse, neglect, or domestic violence;
- to health oversight agencies;
- in response to court and administrative orders and other lawful processes;
- to law enforcement officials pursuant to subpoenas and other lawful processes, concerning crime victims, suspicious deaths, crimes on our premises, reporting crimes in emergencies, and for purposes of identifying or locating a suspect or other person;

- to avert a serious threat to health or safety;
- to the military and to federal officials for lawful intelligence, counterintelligence, and national security activities;
- to correctional institutions regarding inmates; and
- as authorized by and to the extent necessary to comply with state worker's compensation laws.

We will make disclosures for the following public interest purposes, only if you provide us with a written authorization or when disclosure is required by law:

- to coroners, medical examiners and funeral directors;
- to an organ procurement organization; and
- in connection with certain research activities.

Use and Disclosure of Certain Types of Medical Information: The Plans' ability to use and disclose certain types of medical information will be restricted to the extent that applicable state laws may impose more stringent requirements upon the Plans than those imposed under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

RIGHTS OF INDIVIDUALS

You may contact us using the information at the end of this notice to obtain the forms described here, explanations on how to submit a request, or other additional information.

Access: You have the right, with limited exceptions, to look at or get copies of your PHI contained in the Plans' designated record set. The Plan's "designated record set" may contain records the Plans maintain such as enrollment, claims processing, and case management records. You may request that the Plans provide copies in a format other than photocopies. The Plans will use the format you request unless the Plans cannot practicably do so. You must make a request in writing to obtain access to your PHI and may obtain a request form from the Plans. If a Plan denies your request, the Plan will provide you a written explanation and will tell you if the reasons for the denial can be reviewed and how to ask for such a review or if the denial cannot be reviewed.

Disclosure Accounting: You have the right to receive a list of instances since April 14, 2003 in which the Plans or our Business Associates disclosed your PHI for purposes, other than treatment, payment, health care operations, or as authorized by you, and for certain other activities. If you request this accounting more than once in a 12-month period, the Plans may charge you a reasonable, cost-based fee for responding to these additional requests. The

Plans will provide you with more information on our fee structure at your request.

Restriction: You have the right to request that the Plans place additional restrictions on our use or disclosure of your PHI. The Plans are not required to agree to these additional restrictions, but if they do, the Plans will abide by our agreement (except in an emergency). Any agreement the Plans may make to a request for additional restrictions must be in writing signed by a person authorized to make such an agreement on the Plans' behalf. The Plans will not be bound unless the agreement is in writing.

Confidential Communication: You have the right to request that the Plans communicate with you about your PHI by alternative means or to alternative locations. You must make your request in writing. This right only applies if the information could endanger you if it is not communicated by the alternative means or to the alternative location you want. You do not have to explain the basis for your request, but you must state that the information could endanger you if the communication means or location is not changed. The Plans must accommodate your request if it is reasonable, specify the alternative means or location, and provide satisfactory explanation how payments will be handled under the alternative means or location you request.

Amendment: You have the right, with limited exceptions, to request that the Plans amend your PHI. Your request must be in writing, and it must explain why the information should be amended. The Plans may deny your request if they did not create the information you want amended and the originator remains available or for certain other reasons. If the Plans deny your request, the Plans will provide you a written explanation. You may respond with a statement of disagreement to be attached to the information you wanted amended. If the Plans accept your request to amend the information, the Plans will make reasonable efforts to inform others, including people you name, of the amendment and to include the changes in any future disclosures of that information.

QUESTIONS AND COMPLAINTS

If you want more information about our privacy practices or have questions or concerns, please contact us using the information listed at the end of this notice.

If you are concerned that the Plans may have violated your privacy rights, you may complain to us using the contact information listed at the end of this notice. You also may submit a written complaint to

the U.S. Department of Health and Human Services; see information at its website: www.hhs.gov. If you request, the Plans will provide you with the address to file your complaint with the U.S. Department of Health and Human Services.

The Plans support your right to the privacy of your PHI and will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services.

HOW TO OBTAIN FURTHER INFORMATION

Right to Receive a Copy of the Notice: You may request a copy of this notice at any time by contacting the office described below. If you receive this notice by electronic mail (e-mail), you are also entitled to request a paper copy of the notice.

Since the Plans may maintain PHI in very limited circumstances, the Plans have delegated certain duties and responsibilities described herein to their Business Associates that do maintain PHI.

Your contacts for Access, Restrictions, Amendments and Confidential Communications of your PHI are:

For the Health Plan:

**Director, Privacy Office
Health Care Service Corporation
P.O. Box 804836
Chicago, Illinois 60680-4110
(800) 607-7418**

For the Flex Plan:

**Privacy Official
FlexBen
2250 Butterfield Drive, Suite 100
Troy, Michigan 48084
248-822-2000**

You may also contact

**Privacy Official
Health Care Service Corporation
Human Resources Business Group
300 East Randolph Street
Chicago, Illinois 60601
312-653-6396**

PHI use and disclosure by the Plans is regulated by a federal law know as HIPAA. You may find these rules at 45 Code of Federal Regulations Parts 160 and 164.