

NOTICE OF PRIVACY PRACTICES PEBC Group Health Plans

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.

Effective Date of Notice: This Notice of Privacy Practices becomes effective on April 14, 2003.

The "Plan" as described below refers to all PEBC group health plans, including the EPO Medical Plan, PPO Medical Plan, PEBC Dental Plan, and Health Care Spending Accounts if offered by your Employer. "You" or "yours" refers to individual participants in the Plan. If you are covered by a PEBC medical or dental HMO plan, you will receive a separate notice from that HMO.

Throughout this document are references to the "Plan" and its administration. With regard to health plans offered on a fully insured basis (e.g., medical and dental HMOs), information received from the "Plan" will generally be coming from the insurer on behalf of the Plan. For self-funded plans, "Plan" administration includes your Employer's own internal administration of the Plan, as well as PEBC and other administration activities.

Use and Disclosure of Protected Health Information

The Plan is required by federal law to protect the privacy of your individual health information (referred to in this notice as "Protected Health Information"). The Plan is also required to provide you with this notice regarding policies and procedures regarding your Protected Health Information, and to abide by the terms of this notice, as it may be updated from time to time.

Under applicable law, the Plan is permitted to make certain types of uses and disclosures of your Protected Health Information, without your authorization, for treatment, payment and health care operations purposes.

For *treatment* purposes, routine use and disclosure may include providing, coordinating or managing health care and related services by one or more of your providers, such as when your primary care physician consults with a specialist regarding your condition.

For *payment* purposes, use and disclosure of your information may take place to determine responsibility for coverage and benefits, such as when the Plan checks with other health plans to resolve a coordination of benefits issue. The Plan also may use your Protected Health Information for other payment-related purposes, such as to assist in making plan eligibility and coverage determinations, or for utilization review activities. Payment purposes may also include, but is not limited to, billing, claims management, subrogation, reviews for medical necessity, utilization review and pre-authorizations.

For health care *operations* purposes, use and disclosure may take place in a number of ways involving plan administration, including for quality assessment and improvement, vendor review, and underwriting activities. Your information could be used, for example, to assist in the evaluation of one or more vendors who support the Plan, or our vendors may contact you to provide reminders or information about treatment alternatives or other health-related benefits and services available under the Plan. Health care operations may also include, but are not limited to, disease management, case management, legal reviews, handling appeals and grievances, plan or claims audits, fraud and abuse compliance programs, and other general administrative activities.

The Plans covered by this notice may share PHI with each other as necessary to carry out treatment, payment, or health care operations. For example, your requests for claim payment may automatically be sent from the PEBC EPO or PPO Medical Plan to the Health Care Spending Account Plan, in order to simplify and accelerate claims payment.

The Plan may disclose your Protected Health Information to the Employer that sponsors this Plan and to the PEBC in connection with these activities. If you are covered under an insured health plan, such as a medical or dental HMO, the insurer also may disclose Protected Health Information to the Employer that sponsors the Plan and to the PEBC in connection with payment, treatment or health care operations.

In addition, the Plan may use or disclose your Protected Health Information without your authorization under conditions specified in federal regulations, including:

- As required by law, provided the use or disclosure complies with and is limited to the relevant requirements of such law,
- For public health activities,
- To an appropriate government authority regarding victims of abuse, neglect or domestic violence,
- To a health oversight agency for oversight activities authorized by law,
- In connection with judicial and administrative proceedings,
- To a law enforcement official for law enforcement purposes,
- To a coroner or medical examiner,
- To cadaveric organ, eye or tissue donation programs,
- For research purposes, as long as certain privacy-related standards are satisfied,
- To avert a serious threat to health or safety,
- For specialized government functions (e.g., military and veterans activities, national security and intelligence, federal protective services, medical suitability determinations, correctional institutions and other law enforcement custodial situations), and
- For workers compensation or other similar programs established by law that provide benefits for work-related injuries or illness without regard to fault.

The Plan may disclose to one of your family members, to a relative, to a close personal friend or to any other person identified by you, Protected Health Information that is directly relevant to the person's involvement with your care or payment related to your care. In addition, the Plan may use or disclose the Protected Health Information to notify a member of your family, your personal representative, another person responsible for your care, or certain disaster relief agencies of your location, general condition or death. If you are incapacitated, there is an emergency, or you otherwise do not have the opportunity to agree to or object to this use or disclosure, those involved in Plan administration will do what in our judgment is in your best interest regarding such disclosure and will disclose only the information that is directly relevant to the person's involvement with your health care.

Other uses and disclosures will be made only with your written authorization, and you may revoke your authorization in writing at any time.

You may ask the Plan to restrict uses and disclosures of your Protected Health Information to carry out treatment, payment or health care operations, or to restrict uses and disclosures to family members, relatives, friends or other persons identified by you who are involved in your care or payment for your care. However, the Plan is not required to agree to your request. You may exercise this right by contacting the individual or office identified at the end of this notice. They will provide you with additional information.

You have the right to request the following with respect to your Protected Health Information: (i) inspection and copying; (ii) amendment or correction; (iii) an accounting of certain disclosures of this information by us (you are not entitled to an accounting of disclosures made for payment, treatment or health care operations, or disclosures made pursuant to your written authorization); and (iv) the right to receive a paper copy of this notice upon request, even if you agreed to receive the notice electronically.

You have the right to request in writing that you receive your Protected Health Information by alternative means or at an alternative location if you reasonably believe that disclosure could pose a danger to you.

The Plan reserves the right to change the terms of this notice and to make the new notice provisions effective for all Protected Health Information maintained. If this notice is changed, you will receive a new notice by mail or by a notice posted on the PEBC website, at www.pebcinfo.com.

If you believe that your privacy rights have been violated, you may complain in writing at the location described below under "Contacting the Plan Administrator" or to the Secretary of the Department of Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue SW, Washington, DC 20201. You will not be retaliated against for filing a complaint.

Contacting the Plan Administrator

You may exercise the rights described in this notice by contacting the office identified below. They will provide you with additional information. The contact is:

PEBC
 PO Box 5888
 Arlington, TX 76005-5888
 817/608-2390