

NOTICE OF PRIVACY PRACTICES • EFFECTIVE DATE: 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.

OUR DUTIES RE: YOUR MEDICAL INFORMATION

In administering your health plan, we will receive confidential medical information about you. We understand that medical information about you and your health is personal. We are committed to protecting all personal information about you.

This notice will tell you about the ways in which we may use and disclose personal information about you. We also describe your rights and certain obligations we have regarding the use and disclosure of your personal information. We are required by law to:

- Make sure that personal information that identifies you is kept private.
- Give you this notice of our legal duties and privacy practices with respect to personal information about you; and
- Follow the terms of our notice that is currently in effect.

USE AND DISCLOSURE OF YOUR PERSONAL INFORMATION

The following categories describe different ways that we use and disclose personal information. For each category of uses or disclosures we will explain what we mean and provide some examples. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted to use and disclose information will fall within one of the categories.

For treatment. We may use personal information about you to provide you with medical treatment or services. We may disclose medical information about you to doctors, nurses, technicians, medical students or other hospital personnel who are involved in taking care of you. For example, a doctor prescribing a medication may need to know if you have diabetes or heart disease and what medications you are currently taking, as this might affect what he or she can prescribe. We also may disclose medical information about you to people outside the health plan who may be involved in your medical care, such as family members, clergy or others who provide services that are part of your care.

For payment. We may use and disclose personal information about you to determine eligibility for plan benefits, obtain premiums, facilitate payment for the treatment and services you receive from health care providers, determine plan responsibility for benefits, and to coordinate benefits. For example, payment functions may include reviewing the medical necessity of health care services, determining whether a particular

treatment is experimental or investigational, or determining whether a treatment is covered under your plan.

For health care operations. We may use and disclose personal information about you to carry out necessary insurance-related activities. For example, such activities may include underwriting, premium rating and other activities relating to plan coverage; conducting quality assessment and improvement activities; submitting claims for stop-loss coverage; conducting or arranging for medical review, legal services, and audit services; business planning, management and general administration.

To your plan sponsor. We may disclose personal information about you to your plan sponsor (for example, your employer) if your plan sponsor requests the summary health information to obtain premium bids or for modifying, amending or terminating your group health plan. In the case of this type of disclosure, the information would be de-identified.

To agents. We may use and disclose information about you to MercyCare's licensed agents for customer service purposes. For example, a sales agent may act at the request of an employer to resolve a claims issue for a member.

Appointment reminders. We may use and disclose information to contact you as a reminder that you have an appointment for treatment or medical care.

Treatment alternatives. We may use and disclose medical information to tell you about or recommend possible treatment options or alternatives that may be of interest to you.

Health-related benefits and services. We may use and disclose medical information to tell you about health-related benefits or services that may be of interest to you.

Marketing. We may contact you to give you information about health-related benefits and services that may be of interest to you.

Individuals involved in your care or payment for your care. We may release personal information about you to a friend or family member who is involved in your medical care. We may also give information to someone who helps pay for your care. In addition, we may disclose personal information about you to an entity assisting in a disaster relief effort so that your family can be notified about your condition, status and location.

As required by law. We will disclose personal information about you when required to do so by federal, state or local law.

To avert a serious threat to health or safety.

We may use and disclose medical information about you when necessary to prevent a serious threat to your health and safety or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat.

Organ and tissue donation. If you are an organ donor, we may release medical information to organizations that handle organ procurement or organ eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

Workers' compensation. We may release personal information about you for workers' compensation or similar programs.

Public health risks. As required by law, we may disclose your health information to public health authorities for purposes related to: preventing or controlling disease, injury or disability; reporting child abuse or neglect; reporting domestic violence; reporting to the Food and Drug Administration problems with products and reactions to medications; and reporting disease or infection exposure.

Health oversight activities. We may disclose medical information to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, licensure and disciplinary actions. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.

Lawsuits and disputes. We may disclose your health information in the course of any administrative or judicial proceeding.

Law enforcement. We may disclose your health information to a law enforcement official for purposes such as identifying or locating a suspect, fugitive, material witness or missing person, complying with a court order or subpoena and other law enforcement purposes.

Coroners, medical examiners and funeral directors. We may disclose your health information to coroners, medical examiners and funeral directors. For example, this may be necessary to identify a deceased person or determine the cause of death.

National security and intelligence activities. We may release medical information about you to authorized federal officials, for intelligence, counterintelligence, and other national security activities authorized by law.

Protective services for the President and others.

We may disclose personal information about you to authorized federal officials so they may provide protection to the President, other authorized persons or foreign heads of state to conduct special investigations.

INTERNAL PROTECTION OF PERSONAL HEALTH INFORMATION

MercyCare has several safeguards in place to ensure the protection of your personal information that we handle either orally, electronically or in written format. These safeguards include but are not limited to the following: storage of paper files in locked cabinets; storage of electronic files in password and access controlled computer files and network drives; destruction of discarded paper documents by shredding; a separate and isolated customer service area; secured access to our building; extensive guidelines documented for employees to follow when communicating about members; an appointed Privacy Officer and Confidentiality Committee to enforce internal policies. In addition, MercyCare has guidelines in place to ensure that each employee has access to the minimum amount of personal information necessary to perform his/her job function. If you have questions about our protection methods, please contact our customer service department.

WHEN MERCYCARE MAY NOT USE OR DISCLOSE YOUR PERSONAL INFORMATION

Except as described in this Notice of Privacy Practices, we will not use or disclose your personal information without written authorization from you. If you do authorize us to use or disclose your personal information for another purpose, you may revoke your authorization in writing at any time. If you revoke your authorization, we will no longer be able to use or disclose personal information about you for the reasons covered by your written authorization, though we will be unable to take back any disclosures we have already made with your permission.

YOUR RIGHTS REGARDING PERSONAL INFORMATION ABOUT YOU

You have the following rights regarding medical information we maintain about you:

Right to request restrictions. You have the right to request a restriction or limitation on the medical information we use or disclose about you for treatment, payment or health care operations. You also have the right to request a limit on the personal information we disclose about you to someone who is involved in your care or the payment for your care, like a family member or friend. For example, you could ask that we not use or disclose information about a surgery you had.

We are not required to agree to your request. If we do agree, we will comply with your request

unless the information is needed to provide you emergency treatment.

To request restrictions, you must make your request in writing to the MercyCare Customer Service Department. In your request, you must tell us (1) what information you want to limit; (2) whether you want to limit our use, disclosure or both; and (3) to whom you want the limits to apply, for example, disclosures to your spouse.

Right to Request Confidential Communications.

You have the right to request that we communicate with you about medical matters in a certain way or at a certain location. For example, you can ask that we only contact you at work or by mail.

To request confidential communications, you must make your request in writing to the MercyCare Customer Service Department. We will not ask you the reason for your request. We will accommodate all reasonable requests. Your request must specify how or where you wish to be contacted, and must contain a statement that disclosure of all or part of your medical information that you are requesting to be communicated to you in a certain way or at a certain location could endanger you.

Right to inspect and copy. You have the right to inspect and copy personal information that may be used to make decisions about your care. Usually, this includes medical and billing records, but does not include information compiled in anticipation of a legal proceeding or psychotherapy notes.

To inspect and copy personal information that may be used to make decisions about you, you must submit your request in writing to the MercyCare Customer Service Department. If you request a copy of the information, we may charge a fee for the costs of copying, matting or other supplies associated with your request and will provide you with access and/or copies within 30 days.

We may deny your request to inspect and copy in certain very limited circumstances. If you are denied access to personal information, you may request that the denial be reviewed. Another licensed health care professional chosen by the health plan will review your request and the denial. The person conducting the review will not be the person who denied your request. We will comply with the outcome of the review.

Right to amend. If you feel that personal information we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for the health plan.

To request an amendment, your request must be made in writing and submitted to the MercyCare Customer Service Department. In addition, you must provide a reason that supports your request.

We may deny your request for an amendment if it is not in writing or does not include a reason to

support the request. In addition, we may deny your request if you ask us to amend information that:

- Was not created by us, unless the person or entity that created the information is no longer available to make the amendment;
- Is not part of the personal information kept by or for the health plan;
- Is not part of the information which you would be permitted to inspect and copy;
- Is accurate and complete.

Right to an accounting of disclosures. You have the right to request an "accounting of disclosures." This is a list of the disclosures we made of personal information about you.

To request this list or accounting of disclosures, you must submit your request in writing to the MercyCare Customer Service Department. Your request must state a time period which may not be longer than six years and may not include dates before February 26, 2002. Your request should indicate in what form you want the list (for example, on paper, electronically). The first list you request within a 12 month period will be free. For additional lists, we may charge you for the costs of providing the list. We will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred.

Right to a paper copy of this notice. You have the right to a paper copy of this notice. You may ask us to give you a copy of this notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy of this notice. You may obtain a copy of this notice at our web site, www.mercyhealthsystem.org. To obtain a paper copy of this notice, contact the MercyCare Customer Service Department.

CHANGES TO THIS NOTICE

We reserve the right to change this notice. We reserve the right to make the revised or changed notice effective for personal information we already have about you as well as any information we receive in the future. We will post a copy of the current notice at our office. The notice will contain the effective date on the first page, in the upper right hand corner. We will send you revised notices that have been materially changed from the previous version.

COMPLAINTS

If you believe your privacy rights have been violated, you may file a complaint with MercyCare or with the Secretary of the Department of Health and Human Services. To file a complaint with MercyCare, contact our customer service department at (800) 895-2421, or P.O. Box 2770, Janesville, WI 53547. All complaints should be submitted in writing. You will not be penalized for filing a complaint.

If you have questions about this notice, contact MercyCare's customer service department at (800) 895-2421, or P.O. Box 2770, Janesville, WI 53547.