

CITY OF HICKORY HEALTH PLAN NOTICE OF PRIVACY PRACTICES

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. THIS NOTICE IS EFFECTIVE APRIL 14, 2004, AND UPDATED TO REFLECT THE 2013 HIPAA OMNIBUS FINAL RULE, EFFECTIVE MARCH 26, 2013.

Introduction

This notice of privacy practices is provided in compliance with the Health Insurance Portability and Accountability Act (HIPAA). It describes the practices of the City of Hickory Health Plan and any third party that assists with Plan administration with respect to your Protected Health Information (PHI). PHI includes individually identifiable information which relates to your past, present, or future health, health care, or payments for health care services. We are required to take reasonable steps to ensure the privacy of your individually identifiable health information and to provide this Notice to inform you about:

- how we may use and disclose your PHI to carry out Treatment, Payment, Health Care Operations and for other purposes that are permitted or required by law;
- your rights to access and control your PHI;
- our duties with respect to your PHI;
- your right to file a complaint with us and with the Secretary of the U.S. Department of Health and Human Services; and
- the person or office to contact for further information about our privacy practices.

How We May Use and Disclose Your PHI

The following categories describe different ways that we, along with any third party that assists us in administering the Plan, use and disclose your PHI. Not every use or disclosure in a category will be listed, but all of the ways we are permitted to use and disclose information will fall within one of the categories.

For Treatment: We may disclose your PHI to providers, including doctors, nurses, or other hospital personnel who are involved in taking care of you. For example, we may disclose to a treating orthodontist the name of your treating dentist so that the orthodontist may ask for your dental x-rays from the dentist. We may not disclose your personal psychotherapy notes without your written authorization.

For Payment: We may use and disclose your PHI to determine your eligibility for Plan benefits, to facilitate payment for the treatment and services you receive from health care providers, to determine benefit responsibility under the Plan, or to coordinate coverage. For example, we may tell a doctor whether you are eligible for coverage or what percentage of the bill may be paid by the Plan, or we may provide your doctor with information about your medical history to determine whether a particular treatment is experimental, investigational or medically necessary. We may also disclose PHI to another health care provider or to a company or health plan required to comply with the HIPAA Privacy Rule for the payment activities of that health care provider, company, or health plan. For example, we may allow a health insurance company to review PHI to determine the insurance benefits to be paid for your care.

For Health Care Operations: Health Care Operations include, but are not limited to quality assessment and improvement; reviewing competence or qualifications of health care professionals; underwriting, premium rating and other activities relating to creating or renewing insurance contracts; disease management and case management; conducting or arranging for medical review, legal services and auditing functions including fraud and abuse compliance programs; business planning, development, and management; and general administrative activities. We may use and disclose your PHI for any of these

Plan operations. For example, we may use information about your claims to refer you to a disease management program, to project future benefit costs, to respond to a customer service inquiry from you, or to audit the accuracy of claims processing functions.

To Business Associates. We may contract with individuals or companies known as Business Associates to perform various functions, activities, and services for the Plan. In their performance of these functions, activities and services, our Business Associates may receive, create, maintain, use or disclose PHI, but only after agreeing in writing to contract terms designed to appropriately safeguard the information. All of our business associates are obligated to protect the privacy of your information and are not allowed to use or disclose any information other than as specified in our contract. This includes any unauthorized sale or marketing use of your PHI by our Business Associates.

To the Plan Sponsor. Your PHI may be disclosed to another health plan maintained by City of Hickory for purposes of facilitating claims payment under that plan. In addition, your PHI may be disclosed to City of Hickory personnel for purposes of Plan administrative functions or pursuant to an authorization signed by you. The City of Hickory may not use this information to retaliate against you in any way which violates the Health Insurance Portability and Accountability Act.

Where Required By Law or for Public Health Activities: We will disclose your PHI when required to do so by federal, state or local law. Examples of such mandatory disclosures include notifying state or local health authorities regarding particular communicable diseases or providing PHI to a governmental agency or regulator with health care oversight responsibilities. We may also release PHI to a coroner or medical examiner to assist in identifying a deceased individual or to determine the cause of death

Legal Proceedings: We may disclose your PHI as required for judicial and administrative proceedings, in response to an order of a court or administrative tribunal, and in response to a subpoena, a discovery request or other lawful process. For example, if you are involved in a lawsuit or dispute, the Plan may disclose your PHI in response to a court or administrative order.

Law Enforcement Purposes or Specific Government Functions: We may disclose your PHI if requested by a law enforcement official in response to a court order, subpoena, warrant, summons or similar process. We may also disclose PHI to federal officials for intelligence, counter-intelligence, or other national security activities authorized by law.

To Avert a Serious Threat to Health or Safety: We may use or disclose your PHI when consistent with applicable law and standards of ethical conduct, if we believe, in good faith, it is necessary to prevent or lessen a serious and immediate threat to your health or safety or the health and safety of the general public.

Required Disclosures of Your PHI: We are required to disclose most of your PHI to you upon your request. We are also required, upon your request, to provide an accounting of certain disclosures of your PHI. Your rights to request this information and the Plan's related duties are described in the section below entitled "Your Rights With Respect to Your PHI". We are also required to disclose your PHI to the Department of Health and Human Services when the Secretary is investigating or determining our compliance with the Privacy Rule.

Incidental Disclosures. We may use or disclose PHI incident to a use or disclosure permitted by the HIPAA Privacy Rule where the Plan has reasonably safeguarded against such incidental uses and disclosures and limited them to the minimum necessary information.

Limited Data Set Disclosures. We may use or disclose a limited data set (PHI that has certain identifying information removed) for the purposes of research, public health, or Health Care Operations provided we have entered into a Data Use Agreement with the recipient of the information obligating the recipient to protect the information.

Uses and Disclosures that Require You Be Given an Opportunity to Agree or Disagree Prior to Use or Disclosure. Unless you object, we may disclose your PHI to family members, other relatives, your close personal friends or other persons identified by you if the information is directly relevant to that

person's involvement with your care or payment for that care and you have either agreed to the disclosure, have been given an opportunity to object and have not objected, or in certain other cases of incapacity or emergency.

Other Uses and Disclosures of PHI. The following uses and disclosures of your PHI will be made only with your written authorization: 1) Uses and disclosures of PHI for marketing purposes; and 2) Disclosures that constitute a sale of your PHI.

Other uses and disclosures of PHI not covered by the Notice or permitted by HIPAA or the laws that apply to the Plan will be made only with your written authorization. If you provide authorization for us to use or disclose your PHI, you may revoke that authorization, in writing, at any time. If you revoke your authorization, we will no longer use or disclose your PHI for the reasons covered by your written authorization. We are unable to take back any disclosures already made pursuant to your authorization, and we are required to retain records of the care provided to you.

Your Rights With Respect to Your PHI

Right to Request Restrictions on Uses and Disclosures of Your PHI. You have the right to ask us to restrict or limit the PHI we use or disclose about you for Treatment, Payment or Health Care Operations. You may also ask us to restrict the PHI we disclose to family members, relatives, friends, or other persons identified by you who are involved in your care or payment for your care. However, we are not required to agree to your request unless you are asking us to restrict the use and disclosure of your Protected Health Information to a health plan for payment or health care operation purposes and such information you wish to restrict pertains solely to a health care item or service for which you have paid us "out-of-pocket", in full. To request a restriction, you must make your request in writing to City of Hickory Administrative Services Director, P.O. Box 398, Hickory, NC 28603. The request must include (1) what information you want to limit; (2) whether you want to limit the Plan's use, disclosure, or both; and (3) to whom you want the limits to apply, for example, to disclosures to your spouse.

Right to Inspect and Copy Your PHI. You have a right to inspect and obtain a copy of your PHI that may be used to make decisions about your plan benefits. To inspect and/or copy your PHI, submit your request in writing to City of Hickory Administrative Services Director, P.O. Box 398, Hickory, NC 28603. If you request a copy of the information, the Plan may charge a reasonable fee for the costs of copying, mailing or other supplies associated with your request. We may deny your request to inspect and copy in certain very limited circumstances. If you are denied access, you may request that the denial be reviewed.

Right to an Electronic Copy of Electronic Medical Records. If your Protected Health Information is maintained in an electronic format (known as an electronic medical record or an electronic health record), you have the right to request that an electronic copy of your record be given to you or transmitted to another individual or entity. We will make every effort to provide access to your Protected Health Information in the form or format you request, if it is readily producible in such form or format. We may charge you a reasonable, cost-based fee for the labor associated with transmitting the electronic medical record.

Right to Get Notice of a Breach. You have the right to be notified upon a breach of any of your unsecured Protected Health Information.

Right to Amend Your PHI. If you feel that the PHI the Plan has about you is incorrect or incomplete, you may ask us to amend your PHI or a record about you for as long as the PHI is maintained by or for the Plan. To request an amendment, your request must be submitted in writing to City of Hickory Administrative Services Director, P.O. Box 398, Hickory, NC 28603, and your request must contain a reason to support the request. We may deny your request for an amendment if it is not in writing or it does not include a supporting reason. We may also deny your request if you ask us to amend information that is not part of the medical information kept by or for the Plan; was not created by us (unless the person who created the information is no longer available to make the amendment); is not part of the information you would be permitted to inspect and copy; or is accurate and complete. If your

request is denied in whole or in part, we will provide you with a written denial that explains the basis for the denial. You may then submit a written statement disagreeing with the denial and have that statement included with any future disclosures of your PHI.

Right to Receive an Accounting of Disclosures. At your request, we will provide you with an accounting of disclosures by the Plan of your PHI during the six years prior to the date of your request. However, such accounting need not include disclosures of your PHI made: (i) to carry out Treatment, Payment or Health Care Operations; (ii) to you about your own PHI; (iii) prior to the compliance date; or (iv) based on your written authorization. You must submit your request for an accounting in writing to the City of Hickory Administrative Services Director, P.O. Box 398, Hickory, NC 28603. Your request must state a time period which may not be longer than 6 years and may not include dates before April 14, 2004. Your request should indicate in what form you want the list (for example, paper or electronic). The first list you request within a 12-month period will be free. For additional requests, we will charge a reasonable cost-based fee. 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. The accounting will include the date(s) of the disclosure, to whom the disclosure was made, a brief description of the information disclosed, and the purpose of the disclosure.

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 may request that we only contact you at work or by mail. We will not ask the reason for your request, and we will accommodate all reasonable requests. Your request must be made in writing to the City of Hickory Administrative Services Director, P.O. Box 398, Hickory, NC 28603.

Right to Paper Copy of the Notice. You have the right to a paper copy of this Notice. You may ask us to give you a copy of the Notice at any time, even if you have agreed to receive this Notice electronically. To obtain a paper copy of the Notice, contact the City of Hickory Administrative Services Director. You may also obtain a copy of this notice at our website, www.hickorygov.com.

Note on Personal Representatives. You may exercise your rights through a personal representative. Your personal representative must produce evidence of his or her authority to act on your behalf before that person will be given access to your PHI or allowed to take any action for you. Proof of such authority may be a valid power of attorney for health care purposes; court order of appointment of the person as the conservator or guardian of the individual; or a person who is the custodial parent of a minor child. We retain the discretion to deny access to your PHI to a personal representative if we reasonably believe that (i) you have been, or may be, subject to domestic violence, abuse or neglect by such person; (ii) treating such person as your personal representative could endanger you, or (iii) we determine that it is not in your best interest to treat the person as your personal representative.

Our Duties

We are required by law to maintain the privacy of your PHI and to provide you with a copy of this Notice. We reserve the right to change this Notice and to make the revised or changed Notice effective for PHI we already have about you as well as any information we receive in the future. If a privacy practice is changed, a revised version of the Notice will be provided to all past and present beneficiaries for whom the Plan still maintains PHI. The revised Notice will be posted on our website (www.hickorygov.com) and will be distributed to all participants within 60 days of the effective date of the revision.

Minimum Necessary Standard. When using or disclosing your PHI or when requesting your PHI from another covered entity, we will make reasonable efforts not to use, disclose or request more than the minimum amount of PHI necessary to accomplish the intended purpose of the use, disclosure or request, taking into consideration practical and technological limitations. However, the minimum necessary standard will not apply in the following situations:

- disclosures to or requests by a health care provider for treatment;
- uses or disclosures made to you;
- disclosures made to the Secretary of the U.S. Department of Health and Human Services;

- uses or disclosures that are required by law; or
- uses or disclosures that are required for the Plan's compliance with legal regulations.

The Notice does not apply to information that has been de-identified. De-identified information is information that does not identify you as an individual.

Complaints

If you believe that your privacy rights have been violated, you may file a complaint with the City of Hickory Administrative Services Director, P.O. Box 398, Hickory, NC 28603, telephone 828-323-7421.

You may also file a complaint with the Secretary of the U.S. Department of Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue S.W., Washington, DC 20201.

All complaints must be submitted in writing and there will be no retaliation against you for filing a complaint.