

HealthAlliance**MEDICARE**

301 S. Vine St. • Urbana, Illinois 61801

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.

Effective date of this notice: April 14, 2003

Protecting the privacy of information about your medical conditions and health is a responsibility we take very seriously. We understand that medical information about you and your health is personal, and it is important to you that we keep it confidential. We are committed to the practices and procedures we established to protect the confidential nature of information about your health.

This notice describes the way we may use and disclose information about your health to carry out treatment, payment and health care operations and for other purposes as permitted or required by law. It also describes your rights and duties regarding the use and disclosure of medical information.

INFORMATION THAT THIS NOTICE APPLIES TO

This notice applies to any information in our possession that would allow someone to identify you and learn something about your health. It does not apply to information that could only be used to identify you.

We collect such personal information as name, address, telephone number, Social Security number, age, sex and medical diagnosis to coordinate medical care. This information is obtained from member enrollment forms, member surveys and claims.

OUR LEGAL RESPONSIBILITIES

- We are required to maintain the privacy of your medical information.
- We are required to provide this notice of privacy practices and legal duties regarding medical information to anyone who asks for it.
- We are required to abide by the terms of this notice until we officially adopt a new notice.

USES AND DISCLOSURES OF YOUR MEDICAL INFORMATION

The following categories describe different ways that we may use and disclose protected health information without your authorization. For each category, we give some examples of uses and disclosures. Not every use or disclosure in a category is listed. However, all of the ways we are permitted to use and disclose protected health information will fall within one of these categories.

Treatment: We do not provide medical treatment or services. We may disclose information about your health to a physician or health care professional involved in making a decision that could affect your care. For example, we might disclose information about your prior prescriptions to a pharmacist to determine if a pending prescription contradicts prior prescriptions.

Payment: We use and disclose information about your health to determine eligibility for benefits and payment of claims for medical treatment or services. For example, we may disclose information to your health care provider to verify coverage for medical treatment or services. Likewise, we may share medical information with a health care provider to assist in billing or filing claims for payment of treatment and services, including third-party liability claims and coordination of benefits. We may also send you information about claims we pay and claims we do not pay (called an "explanation of benefits") for you and your covered dependents. Under certain circumstances, you may request to receive this information confidentially.

Health Care Operations: We may use and disclose your medical information for activities that are necessary for our HMO and health insurance operations. These uses and disclosures are necessary for our business and to make sure you are receiving quality services. Some examples of how we may use and disclose information about your health include: case management and care coordination conducting quality assessment and improvement activities such as outcomes evaluation and development of clinical guidelines; underwriting, premium rating and other activities relating to coverage; submitting claims for stop-loss or reinsurance coverage; conducting or arranging for medical review; fraud and abuse detection programs; business planning and development such as cost management; and business management and general administrative activities.

We may also disclose information about your health to our business associates to enable them to perform services for us or on our behalf relating to our operations. Some examples of business associates are our lawyers, auditors, accrediting agencies, consultants, pharmacy benefit managers, collection agencies and printing and mail service vendors. Our business associates are required to maintain the same high standards of safeguarding your privacy that we require of our own employees and affiliates.

OTHER PERMITTED AND REQUIRED USES AND DISCLOSURES THAT MAY BE MADE WITHOUT CONSENT, AUTHORIZATION OR OPPORTUNITY TO OBJECT

We may use or disclose your protected health information in the following situations without your authorization or without allowing you to object or agree to the use or disclosure.

Legal Requirements: We may use and disclose your medical information when we are required to do so by law. This includes disclosing your protected health information to a government health oversight agency for activities authorized by law, including audits, investigations, inspections and licensure. For example, we may be required to disclose your medical information, and the information of others, if we are audited by the Illinois Department of Insurance. We will also disclose your medical information when we are required to do so by a court order or other judicial or administrative process.

To Report Abuse: We may disclose your medical information when the information relates to abuse, neglect or domestic violence. We will make this report only in accordance with laws that require or allow such reporting or with your permission.

Law Enforcement: We may disclose your medical information for law enforcement purposes. This includes providing information to help locate a suspect, fugitive, material witness, missing person or in connection with suspected criminal activity. We may disclose protected health information in response to court orders or in emergency circumstances related to a crime. We may also disclose your medical information to a federal agency investigating our compliance with federal privacy regulations.

Family and Friends: Unless you object or law prohibits it, we may disclose your medical information to a member of your family or to someone else who is involved in your medical care or payment for care. This may include telling a family member about the status of a claim or what benefits you are eligible to receive.

To Avert a Serious Threat: We may disclose your medical information if we decide that the disclosure is necessary to prevent serious harm to the public or to an individual. The disclosure will only be made to someone who is able to prevent or reduce the threat.

Health Benefits and Services: We may use your medical information, as necessary, to provide you with information about treatment alternatives or other health-related benefits and services that may be of interest to you.

Workers' Compensation: We may disclose medical information to the extent authorized by and to the extent necessary to comply with laws relating to workers' compensation or other similar programs that provide benefits for work-related injuries and illnesses.

Plan Sponsors: We may disclose medical information about you to your plan sponsor to carry out plan administration functions the plan sponsor performs upon certification by the plan sponsor that the plan documents have been amended.

ORGANIZED HEALTH CARE ARRANGEMENTS

We may share information that we have about you within our organization and with Carle Physician Group, Carle Foundation Hospital and their affiliates; and with Springfield Clinic, Memorial Medical Center and their affiliates for purposes of health care operations under an organized health care arrangement. Sharing information enables us to:

- Determine our financial risk
- Resolve quality of care complaints
- Arrange for medical and clinical peer review
- Improve our methods of payment or coverage policies
- Arrange for legal services
- Perform utilization management services

YOUR RIGHTS

The following describes your rights regarding the protected health information we maintain about you. If you want to exercise your rights, please contact a member of our Medicare Services Department, who will give you the necessary information and forms for you to return to the address listed under "Whom to Contact" at the end of this notice.

Authorization: We may use and disclose your medical information for any purpose that is listed in this notice without your written authorization. We will not use or disclose your medical information for any other reason without your authorization. If you authorize us to use or disclose your medical information, you have the right to revoke the authorization at any time. You may not revoke an authorization for us to use and disclose your medical information to the extent that we have taken action in reliance on the authorization. If the authorization is to permit disclosure of your information to an insurance company, as a condition of obtaining coverage, other laws may allow the insurer to continue to use your information to contest claims or your coverage, even after you have revoked the authorization.

Request Restrictions: You have the right to request that we restrict uses and disclosures of your medical information that we use for treatment, payment and health care operations. You also have the right to request a limit on the information we disclose about your health to someone who is involved in your care or the payment of your care, like a family member. We will consider your request, however, we are not required to agree to a restriction. We cannot agree to restrict disclosures that are required by law.

Receive Confidential Communications: If our normal communication channels could endanger you, you have the right to request that we send communications that contain your medical information by alternative means or to an alternative location. We will ask you the reason for your request, and we will accommodate all reasonable requests to the extent the request specifies an alternative location and allows us to continue to pay claims.

Inspect and Copy: You have the right to inspect the medical information that we maintain about you in our records and to receive a copy of it. This right is limited to information about you that is used to make decisions such as claims, payment and enrollment records. Under state and federal law, this right does not include psychotherapy notes or information about your health compiled in reasonable anticipation of litigation, administrative action or administrative proceedings. To inspect your records or to receive a copy, send your written request to the address listed under "Whom to Contact" at the end of this notice. We may charge a fee for the cost of copying and mailing the records. We will respond to your request within 30 days.

We may deny you access to certain information if it would reasonably endanger the life or physical safety of you or another person. If you are denied access to information about your health, we will explain how you may appeal the decision.

Amend: You have the right to request that we amend your medical information for as long as we maintain such information if you believe that the information is incorrect or incomplete. This right is limited to information about you that is used to make decisions such as claims, payment and medical case management records. Your written request must include the reason or reasons that support your

request. We will respond to your request in writing within 30 days. We may deny your request for an amendment if we determine the record that is the subject of the request was not created by us, is not available for inspection as specified by law or is accurate and complete.

Accounting of Disclosures: You have the right to receive an accounting of certain disclosures of your medical information made by us in the six years prior to the date the accounting is requested (or shorter period as requested). This does not include disclosures made to carry out treatment, payment and health care operations; disclosures made to you; disclosures made with your authorization; communications with family and friends; disclosures made for national security or intelligence purposes; disclosures to correctional institutions or law enforcement officials; or disclosures made prior to April 14, 2003. We will provide the first list of disclosures you request at no charge. A reasonable, cost-based fee may be imposed for each subsequent request. You must tell us the time period you want the list to cover.

Receive a Paper Copy: You have the right to obtain a paper copy of this notice at any time.

Complaints: You have a right to complain about our privacy practices, if you think your privacy has been violated. You may file your complaint with our Medicare Services Department. (See "Whom to Contact" at the end of this notice.) You may also file a complaint directly with the Secretary of the U.S. Department of Health and Human Services. We will not take any retaliation against you if you file a complaint.

Maintaining Confidentiality of Member Information: The security of our members' personal information is very important to us. Member information is never sold to anyone, for any purpose. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your privacy.

All Health Alliance employees are educated on our standards and are required to sign a confidentiality and security agreement annually. Any employee found to be in violation of our privacy practices is subject to disciplinary action. Employees are encouraged to report violations of confidentiality using the Health Alliance compliance hotline.

CHANGES TO THIS NOTICE

We reserve the right to change our privacy practices, as described in this notice, at any time. We reserve the right to apply these changes to any medical information that we already have, as well as to medical information we receive in the future. Before we make any change in the privacy practices described in this notice, we will mail a revised notice to you within 60 days of the effective date.

WHOM TO CONTACT

You may contact a member of our Medicare Services Department at 1-800-965-4022 or TTY/TDD 711 or 1-800-526-0844 (Illinois Relay) for the hearing impaired. Representatives are available from 8 a.m. to 8 p.m. Monday through Friday. You may also write to the address below for the following requests:

- For more information about this notice
- For more information about our privacy policies
- If you want to exercise any of your rights, as described in this notice
- If you want to request a copy of our current notice of privacy practices

Health Alliance Medicare
Medicare Services Department
301 S. Vine St.
Urbana, Illinois 61801

This notice is also available on our website at: www.healthalliance.org