

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.

Our commitment to you

Priority Health understands the importance of handling protected health information with care. We are committed to protecting the privacy of our members' health information in every setting. State and federal laws require us to make sure that your health information is kept private.

When you enroll with Priority Health or use services provided by one of the Priority Health plans, your protected health information may be released to Priority Health and by Priority Health. This information is used and disclosed to coordinate and oversee your medical treatment, pay your medical claims and assist in health care operations. The use and disclosure of your health information ends when your coverage ends, except to pay for services received relating to the time that you were covered or for certain

health care operations of Priority Health or our providers.

Federal law requires that we provide you with this Notice of Privacy Practices. This Notice states our legal duties and privacy practices regarding your protected health information. It also states your rights under these laws with respect to the use and disclosure of your health information. Priority Health is required by law to follow the terms of the Notice currently in effect.

Use and release of your health information

The sections below describe the ways Priority Health uses and releases your health information. Your health information is not shared with anyone who does not have a "need to know" to perform one of the tasks below.

Treatment

We may use your health information or disclose it to third parties to coordinate and oversee your medical care. For example, we may use your health information to help you find a doctor or a hospital that can treat your specific health needs.

Payment

We may use your health information or disclose it to third parties to pay for your medical care. For example, we may use your health information when we receive a claim for payment. Your claim tells us what services you received and may include a diagnosis. We may also disclose this information to another insurer if you are covered under more than one health plan.

Health care operations

Priority Health may use your health information and disclose it to third parties in order to assist in Priority Health's everyday

work activities such as looking at the quality of your care, carrying out utilization review, confirming benefit eligibility, employee training and review processes, monitoring and auditing activities, and Priority Health's business management and general administrative duties. For example, your health information may be released to members of Priority Health's staff to review the quality of care and outcomes. Your health information may also be released to doctors or doctor groups involved in your care to improve patient care.

Other permitted or required uses and disclosures

Priority Health may also use or release your health information:

- when required by state or federal law and the use or disclosure complies with and is limited to the requirements of such law.
- when permitted for law enforcement purposes.
- when permitted to be released to government authorities in cases of abuse, neglect or domestic violence (in which case, you will be notified unless the notification would place you at risk of serious harm).
- when permitted for certain public health activities, such as disease control or public health investigations.
- when permitted to be released to public health authorities in child abuse and neglect investigations.
- when permitted to be released for certain FDA investigations and activities, such as investigations of product defects or to permit product recalls, repairs or replacements.
- when permitted to prevent a serious threat to an individual or a community's health and safety.
- when permitted by certain court proceedings (either judicial or administrative).
- when permitted for health oversight activities led by governmental agencies and authorized by law.
- when permitted to be released about an inmate to a correctional facility, or otherwise permitted for release in law enforcement custodial situations.
- when information about a deceased individual is required by a coroner, medical examiner, law enforcement official or funeral director to carry out their legal duties.
- when permitted to be released to cadaveric organ, eye or tissue donation and transplant organizations.
- for research purposes when the research has been approved by an institutional review board that has reviewed proposals and established protocols to ensure the privacy of your health information.
- when authorized by and to the extent necessary to comply with workers' compensation laws.
- when permitted for purposes of providing you with treatment alternatives or other health-related benefits and services.
- when permitted to be released to the Armed Forces for active personnel.
- when permitted to be released to the Veterans Administration for determining if you are eligible for benefits.

- when permitted to be released to Intelligence Agencies for national security.
- when permitted to be released to the Department of State for foreign services reasons (e.g., security clearance).
- when permitted to be released to government agencies for protection of the president.

In order to use or disclose your health information in the above ways, Priority Health may have to follow additional state and federal requirements. Also, in some cases, Priority Health may share your information with one of its “business associates,” a person or company that provides certain services to Priority Health. In those cases, Priority Health will have a contract with the business associate, as needed. This contract will require the business associate to confirm they will keep your health information private.

Disclosures to health plan sponsors

(This section of the Notice of Privacy Practices applies to group plans only).
Priority Health may share information with the sponsor of

your group plan (your employer) about whether you are enrolled or disenrolled in the plan. Priority Health may also share summary health information with the sponsor. Summary health information has most identifying information (such as your name, your age and address except for ZIP code) removed, and provides the sponsor with information about the amount, type and history of claims paid under the sponsor’s group health plan. The sponsor may use this information to obtain premium bids for health insurance coverage or to decide whether to modify, amend or terminate the plan. If the sponsor of your group health plan has agreed to follow federal privacy regulations, Priority Health may also share your protected health information to help the sponsor run the group health plan or to seek available subsidies.

Other uses of health information – by authorization only

Other uses and disclosures of health information not covered by this Notice or the laws that apply to us will be made only with your written authorization. Some common examples of

when Authorization is typically needed for certain releases of information concern mental health issues, substance abuse issues, prenatal and pregnancy related issues, venereal disease or HIV/AIDS and grievance/ appeals. We can provide you with a Sample Authorization Form.

If you provide us with an authorization to use or release health information about you, you may end that authorization at any time by writing to Priority Health’s Compliance department. (See Contact Information section) If you end your authorization, we will no longer use or release health information about you for the reasons covered by your written authorization. You understand that we are unable to take back any disclosures we have already made with your authorization. A parent, legal guardian or properly named patient advocate may represent you and provide us with an authorization (or may end an authorization) to use or release health information about you if you cannot provide an authorization. Court documents may be required to verify this authority.

Potential impact of other applicable laws

HIPAA (the federal privacy law) generally does not preempt or override other laws that give people greater privacy protections. Therefore, if any state or federal privacy law requires us to provide you with more privacy protections, we are obligated to comply with that law in addition to HIPAA.

Confidentiality in all settings

We have policies and procedures in place that protect the privacy of your information.

- Every employee signs a statement when they are hired that they understand they are required to keep member information private. They also learn about the actions the company will take if the privacy policies are not followed.
- Priority Health has strict control of access to electronic and paper information specific to members. Only those users authorized with a password have access to electronic information. Paper information is stored in secure locations. Access is only given to those who need it to manage care for members or for administrative purposes.

Priority Health tells all third parties with whom we share information

about our privacy policies. These third parties must follow our privacy policies unless they have policies of their own equal to ours.

Priority Health reviews our confidentiality policies and procedures every year. Priority Health also reviews how we collect, use, dispose of and disclose your information. Members (or prospective members) and providers have the right to review Priority Health's confidentiality policies and procedures. You may get copies by contacting Priority Health's Compliance department. (See Contact Information section.)

Your rights regarding your health information

You have the following rights:

Right to inspect and copy

You have a right to look at and get a copy of health information that may be used to make decisions about your care. This includes medical and billing records, but does not include psychotherapy notes. There are other limited circumstances in which we may deny your request to inspect and copy under federal and state law. If you are denied access to health information, you may request that the denial be reviewed.

To inspect and copy health information, contact Priority Health's Compliance department in writing. (see Contact Information section.)

If you request a copy of the information, we may charge a fee for the cost of copying, mailing or other supplies associated with your request.

Right to amend

You have the right to request that Priority Health amend any health information (medical or billing) we have about you. However, Priority Health will not amend any record that:

- it did not create (unless there is a reasonable basis to believe that the creator of the information is no longer available to act on the requested amendment).
- is not part of the medical or billing information we have about you.
- is not part of information which you would be permitted to inspect and copy.
- is determined by Priority Health to be accurate and complete.

To request that we amend your health information, you must write

to Priority Health's Compliance department (see Contact Information section) and include a reason to support the change.

Right to know about disclosures

You have the right to know when your health information is disclosed to third parties. You can request a list of disclosures going back six years from the date of your request. This list will not include disclosures:

- to carry out treatment, payment or health care operations.
- that were made to you.
- for national security or intelligence purposes.
- to correctional institutions or law enforcement officials.
- that were incidental to a use or disclosure that was permitted or required.
- that were made with an authorization by the individual.
- of a subset of information called a "limited data set."
- that were prior to April 14, 2003.

To request a list of disclosures, you must send your request

in writing to Priority Health's Compliance department. (See Contact Information section.) Your request must specify the time period desired. There will be no charge for the first list you request within a 12-month period. There may be a small charge for any further requests. We will let you know of the cost involved and you may choose to stop or change your request at that time before any costs occur.

Right to request restrictions

You have the right to request a limit on the health information that we use or disclose about you.

We are not required by law to agree to your request. If we do agree to your request for restriction, we will comply with it unless the information is needed to provide emergency treatment. To request restrictions, you must make your request in writing to Priority Health's Compliance department. (See Contact Information section.) In your request, you must tell us:

- what information you want to limit.
- whether you want to limit our use, disclosure or both.
- to whom you want the limits to apply.

Priority Health will notify you of receiving your request, either in writing or by telephone, of the restrictions Priority Health has put in place.

Right to request confidential communications

Priority Health will agree to any reasonable request asking that you receive information from the health plan by different means or at a different location. For Priority Health to honor this request, you must clearly state that the disclosure of all or part of that information without the change could be a risk to you.

To request confidential communications, you must make your request in writing to Priority Health's Compliance department. (See Contact Information section.)

Right to a paper copy of this notice

You have the right to a paper copy of Priority Health's current Notice upon request. To obtain a paper copy of this Notice, please call our Customer Service department. (See Contact Information section.) Otherwise, you may also print a copy of this Notice from our website at priorityhealth.com.

Changes to this Notice

Priority Health has the right to change the terms of this Notice. We have the right to make these changes apply to health information we already have about you as well as any we receive in the future. We will always post a copy of the current Notice on Priority Health's website. You will also receive materially revised Notices within 60 days of their effective date.

Complaints

If you believe your privacy rights have been violated, you may file a complaint with Priority Health and/or the Office for Civil Rights (OCR) at the U.S. Department of Health and Human Services (HHS). To file a complaint with Priority Health, please call or send a written explanation of the issue to Priority Health's

Compliance department. (See Contact Information section.) You will not be penalized for filing a complaint.

Contact Information

If you have any questions or complaints, please contact Priority Health's Compliance department or Customer Service department as noted above at:

Priority Health

1231 East Beltline NE
Grand Rapids, MI 49525
800 942-0954

If this information is unclear or if you do not understand it, please call Priority Health for assistance at 888 975-8102 (TTY users should call 711).

This Notice is effective:
April 14, 2003.

The term "Priority Health" refers to four corporations: "Priority Health Government Programs, Inc. (a Michigan non-profit corporation), "Priority Health" (a Michigan non-profit corporation), "Priority Health Insurance Company (a Michigan non-profit corporation) and "Priority Health Managed Benefits, Inc." (a Michigan business corporation).

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Priority Health is an Equal Opportunity Employer.



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