

MICHIGAN EMPLOYEE BENEFIT SERVICES, INC. PRIVACY NOTICE

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.

USE AND DISCLOSURE OF HEALTH INFORMATION

Michigan Employee Benefit Services, Inc., a Third Party Administrator and Business Associate (“MEBS”) may use health information that is protected by the Privacy Rule promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) for purposes of making or obtaining payment for your care and conducting health care operations. MEBS has established a policy to guard against unnecessary disclosure of your health information that is maintained on behalf of your Employer (“Group Health Plan”). Please be advised that Blue Cross Blue Shield of Michigan has issued a separate Notice regarding disclosure of health information that is maintained on your Group Health Plan’s behalf by BCBSM. In addition, your Group Health Plan may have also issued a Notice regarding disclosure of health information.

THE FOLLOWING IS A SUMMARY OF THE CIRCUMSTANCES UNDER WHICH AND PURPOSES FOR WHICH YOUR HEALTH INFORMATION MAY BE USED AND DISCLOSED:

To Make or Obtain Payment. MEBS may use or disclose your health information to make payment to or collect payment from third parties, such as other health plans or providers, for the care you receive. For example, MEBS may provide information regarding your coverage or health care treatment to other health plans to coordinate payment of benefits.

To Conduct Health Care Operations. MEBS may use or disclose health information for its own operations to facilitate the administration of MEBS and as necessary to provide coverage and services to all of MEBS’ participants. Health care operations includes such activities as:

- Quality assessment and improvement activities.
- Activities designed to improve health or reduce health care costs.
- Clinical guideline and protocol development, case management and care coordination.
- Contacting health care providers and participants with information about treatment alternatives and other related functions.
- Health care professional competence or qualifications review and performance evaluation.
- Accreditation, certification, licensing or credentialing activities.
- Underwriting, premium rating or related functions to create, renew or replace health insurance or health benefits.
- Review and auditing, including compliance reviews, medical reviews, legal services and compliance programs
- Business planning and development including cost management and planning related analyses and formulary development.
- Business management and general administrative activities of MEBS, including customer service and resolution of internal grievances.

For example, MEBS may use your health information to conduct case management, quality improvement and utilization review, and provider credentialing activities or to engage in customer service and grievance resolution activities.

For Treatment Alternatives. MEBS may use and disclose your health information to tell you about or recommend possible treatment options or alternatives that may be of interest to you.

For Distribution of Health-Related Benefits and Services. MEBS may use or disclose your health information to provide to you information on health-related benefits and services that may be of interest to you.

For Disclosure to the Plan Sponsor. MEBS may provide information to your Group Health Plan so that the Group Health Plan may administer, modify or amend the plan. MEBS also may disclose to the Group Health Plan information on whether you are participating in the plan.

When Legally Required. MEBS will disclose your health information when it is required to do so by any federal, state or local law.

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To Conduct Health Oversight Activities. MEBS may disclose your health information to a health oversight agency for authorized activities including audits, civil administrative or criminal investigations, inspections, licensure or disciplinary action. MEBS, however, may not disclose your health information if you are the subject of an investigation and the investigation does not arise out of or is not directly related to your receipt of health care of public benefits.

In Connection With Judicial and Administrative Proceedings. As permitted or required by state law, MEBS may disclose your health information in the course of any judicial or administrative proceeding in response to an order of a court or administrative tribunal as expressly authorized by such order or in response to a subpoena, discovery request or other lawful process, but only when MEBS makes reasonable efforts to either notify you about the request or to obtain an order protecting your health information.

For Law Enforcement Purposes. As permitted or required by state law, MEBS may disclose your health information to a law enforcement official for certain law enforcement purposes, including, but not limited to, if MEBS has a suspicion that your death was the result of criminal conduct or in an emergency to report a crime.

In the Event of a Serious Threat to Health or Safety. MEBS may, consistent with applicable law and ethical standards of conduct, disclose your health information if MEBS, in good faith, believes that such disclosure is necessary to prevent or lessen a serious and imminent threat to your health or safety or to the health and safety of the public.

For Specified Government Functions. In certain circumstances, federal regulations require MEBS to use or disclose your health information to facilitate specified government functions related to the military and veterans, national security and intelligence activities, protective services for the president and others, and correctional institutions and inmates.

For Worker's Compensation. MEBS may release your health information to the extent necessary to comply with laws related to worker's compensation or similar programs.

For Other Purposes. MEBS may use or disclose your health information for other purposes for which the MEBS is permitted to do so pursuant to the Privacy Rule without your written authorization or consent.

AUTHORIZATION TO USE OR DISCLOSE HEALTH INFORMATION

Other than as stated above, MEBS will not disclose your health information other than with your written authorization. If you authorize MEBS to use or disclose your health information, you may revoke that authorization in writing at any time.

YOUR RIGHTS WITH RESPECT TO YOUR HEALTH INFORMATION

You have the following rights regarding your health information that MEBS maintains:

Right to Request Restrictions. You may request restrictions on certain uses and disclosures of your health information. You have the right to request a limit on MEBS' disclosure of your health information to someone involved in the payment of your care. However, MEBS is not required to agree to your request. If you wish to make a request for restrictions, you must notify MEBS, in writing, of the restrictions. For your convenience, a form has been placed on MEBS' website (www.mebs.com) to fulfill this requirement.

Right to Receive Confidential Communications. You have the right to request that MEBS communicate with you in a certain way if you feel the disclosure of your health information could endanger you. For example, you may ask that MEBS only communicate with you at a certain telephone number or by email. If you wish to receive confidential communications, please make your request, including a statement that the restriction is necessary to prevent a disclosure that could endanger you, in writing to:

Compliance
MEBS, Inc.
3809 Lake Eastbrook Blvd.
Grand Rapids, Michigan 49546
Facsimile Number: (616) 458-3495

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For your convenience, a form has been placed on MEBS' website (www.mebs.com) to fulfill this requirement. MEBS will attempt to honor your reasonable requests for confidential communications.

Right to Inspect and Copy Your Health Information. You have the right to inspect and copy your health information. A request to inspect and copy records containing your health information must be made in writing to:

Compliance
MEBS, Inc.
3809 Lake Eastbrook Blvd.
Grand Rapids, Michigan 49546
Facsimile Number: (616) 458-3495

For your convenience, a form has been placed on MEBS' website (www.mebs.com) to fulfill this requirement. If you request a copy of your health information, MEBS may charge a reasonable fee for copying, assembling costs and postage, if applicable, associated with your request.

Right to Amend Your Health Information. If you believe that your health information records are inaccurate or incomplete, you may request that MEBS amend the records. That request may be made as long as the information is maintained by MEBS. A request for an amendment of records must be made in writing to:

Compliance
MEBS, Inc.
3809 Lake Eastbrook Blvd.
Grand Rapids, Michigan 49546
Facsimile Number: (616) 458-3495

For your convenience, a form has been placed on MEBS' website (www.mebs.com) to fulfill this requirement. MEBS may deny the request if it does not include a reason to support the amendment. The request also may be denied if your health information records were not created by MEBS, if the health information you are requesting to amend is not part of MEBS' records, if the record may not legally be changed (such as information compiled in anticipation of a civil, criminal or administrative proceeding), the health information you wish to amend falls within an exception to the health information you are permitted to inspect and copy, or if MEBS determines the records containing your health information are accurate and complete.

Right to an Accounting. You have the right to request a list of certain disclosures of your health information that MEBS is required to keep a record of under the Privacy Rule, such as disclosures that are not in accordance with the Plan's privacy policies and applicable law. The request must be made in writing to:

Compliance
MEBS, Inc.
3809 Lake Eastbrook Blvd.
Grand Rapids, Michigan 49546
Facsimile Number: (616) 458-3495

The request should specify the time period for which you are requesting the information, but may not start earlier than April 14, 2003. Accounting requests may not be made for periods of time going back more than six (6) years. MEBS will provide the first accounting you request during any 12-month period without charge. Subsequent accounting requests may be subject to a reasonable cost-based fee. MEBS will inform you in advance of the fee, if applicable.

Right to a Paper Copy of this Notice. You have a right to request and receive a paper copy of this Notice at any time, even if you have received this Notice previously or agreed to receive the Notice electronically. To obtain a paper copy, please contact Privacy/Security Officer at (800) 968-9682. You may also obtain a copy of the current version of MEBS' Notice at its Web site, www.mebs.com.

DUTIES OF MEBS

MEBS is required by law to maintain the privacy of your health information as set forth in this Notice and to provide you this Notice of its duties and privacy practices. MEBS is required to abide by the terms of this Notice, which may be amended from time to time. MEBS reserves the right to change the terms of this

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Notice and to make the new Notice provisions effective for all health information that it maintains. If MEBS changes its policies and procedures, MEBS will revise the Notice and will provide a copy of the revised Notice to you within 60 days of the change. You have the right to express complaints to MEBS and to the Secretary of the Department of Health and Human Services if you believe that your privacy rights have been violated. Any complaints to MEBS should be made in writing to:

Privacy/Security Officer
MEBS, Inc.
3809 Lake Eastbrook Blvd.
Grand Rapids, Michigan 49546

MEBS encourages you to express any concerns you may have regarding the privacy of your information. You will not be retaliated against in any way for filing a complaint.

CONTACT PERSON

MEBS has designated the Privacy/Security Officer as its contact person for all issues regarding patient privacy and your privacy rights. You may contact this person at:

MEBS, Inc.
3809 Lake Eastbrook Blvd.
Grand Rapids, Michigan 49546
(800) 968-9682

CONCLUSION

Use and disclosure of health information by MEBS is regulated by a federal law know as HIPAA ("Health Insurance Portability and Accountability Act"). You may find these rules at 45 Code of Federal Regulations Parts 160 and 164. This Notice attempts to summarize the regulations. The regulations will supercede any discrepancy between the information in this Notice and the regulations.

EFFECTIVE DATE

This Notice is effective April 14, 2003.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT THE PRIVACY/SECURITY OFFICER AT (800) 968-9682.