



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 of Privacy Practices (Notice) applies to American Employers Benefit Trust (Trust), Employers Resource Management Company (ERM), and Employers Resource of America, Inc. (ERA). Wherever the term “we” or “us” or “our” appears in this Notice, the term means the Trust and/or ERM and/or ERA as the context may require.

Federal and state governments have adopted regulations designed to protect the privacy of your protected health information. As part of these requirements, we are required to send you this Notice describing our responsibilities and your rights under these regulations. Please review this Notice carefully.

Your privacy and the protection of your protected health information have always been important to us. We consider protected health information to be confidential and we protect the privacy of that information in accordance with federal and state privacy laws, as well as our own company privacy policies. We take those responsibilities seriously and remain dedicated to protecting your protected health information.

DEFINITION OF PROTECTED HEALTH INFORMATION (PHI)

This Notice describes how we may use and disclose your “protected health information” (PHI). PHI is any information created or received by a health care provider, health plan, employer, or health care clearinghouse that relates to your past, present, or future physical or mental health or condition, or provision of or payment for health care. PHI is information that identifies the individual or may reasonably be used to identify the individual. The term PHI includes all individually-identifiable health information transmitted or maintained by the group health plan regardless of whether it is in oral, written, or electronic form.

HOW WE USE AND DISCLOSE PHI

In order to provide you with coverage, we need PHI about you and we may obtain that information from many different sources—particularly your employer or benefits plan sponsor, other insurers, HMOs, third-party administrators, and health care providers. In administering your benefits, we are permitted by law to use and disclose your PHI for certain purposes without your written authorization. This Notice does not list every permitted use or disclosure we may make. However, all the ways we are permitted to use or disclose PHI will fall within one of the categories below.

1. **Treatment Purposes:** We may disclose PHI to a health care provider for the health care provider’s treatment purposes, although it is more likely a health care provider would receive your PHI from another health care provider than from us. For example, if your primary care physician or your treating medical provider refers you to a specialist for treatment, we can disclose your PHI to the specialist to whom you have been referred so (s)he can become familiar with your medical condition, prior diagnoses, treatment, and prognosis. Treatment refers to the provision, coordination, or management of health care and related services. It also includes, but is not limited to, consultations and referrals between one or more of your providers.
2. **Payment Purposes:** We may use your PHI to evaluate and process any requests for coverage and claims for benefits you make and we may review PHI included with claims to reimburse providers for treatment and services rendered. Additionally, we may disclose PHI to another group health plan or to a health care provider for payment purposes. For example, we can disclose your PHI to another health plan or payer for purposes of coordinating payment of benefits. Payment refers to actions to make coverage determinations



Notice of Privacy Practices

and payments, including billing, claims management, subrogation, plan reimbursement, reviews for medical necessity and appropriateness of care, utilization review, and preauthorizations.

3. **Health Care Operations Purposes:** We may use PHI for our own health care operations and may disclose PHI to another group health plan, a health care provider, a medical group, or a hospital for the health care operations purposes of our health plans, or for certain health care operations purposes of the other entities. Examples of our “health care operations” include: administration of reinsurance and stop loss, underwriting, premium rating, and other activities related to plan coverage; administration of pharmaceutical programs and payments; conducting quality assessment and improvement activities; submitting claims for stop-loss coverage; conducting or arranging for medical review, legal services, audit services, disease management, case management, and fraud and abuse detection programs; transfer of policies or contracts from and to other health plans; facilitation of a sale, transfer, merger, or consolidation of all or part of the Trust/AEBT/ERM with another entity, including due diligence related to such activity; business planning, management, and general administration, including data and information systems management and customer service.
4. **Health Plan Sponsor (Trust) Purposes:** The Trust may disclose PHI to ERM or ERA only if the company has amended its plan documents as required by the HIPAA Privacy Rule, certified to the Trust that it will maintain confidentiality as required by the Privacy Rule, and has established certain safeguards and firewalls to restrict the classes of employees who will have access to PHI and to restrict the use of PHI to plan purposes and deter non-permissible purposes such as employment-related purposes.

Any disclosures to the Trust must be for purposes of payment or administering the Trust. Examples include: for claims appeals to the Trust’s Administrator, for case management purposes, or to Human Resources representatives of ERM or ERA who are assisting participants in getting their claims resolved.

The Trust may also disclose enrollment/disenrollment information to ERM or ERA, for enrollment or disenrollment purposes only, and may disclose “summary PHI” (as defined under HIPAA medical privacy regulations) to ERM or ERA to obtain premium bids or modify or terminate the Trust.

5. **Other Covered Entities Purposes:** We may disclose PHI to other covered entities, or business associates of those entities for treatment, payment, and certain health care operations purposes. For example, in order to have certain expenses reimbursed, we may disclose PHI to other health plans maintained by your employer if it has been arranged for us to do so.

ADDITIONAL REASONS FOR DISCLOSURE

We may use or disclose PHI about you when providing you with treatment alternatives, treatment reminders, or other health-related benefits and services. We also may disclose such information in support of:

- **Plan Administration**—to your employer, only after we have been informed that appropriate language has been included in your employer’s plan documents, or when summary data is disclosed to assist in bidding or amending a group health plan.
- **Research**—to researchers, provided measures are taken to protect your privacy.
- **Business Associates**—to persons who provide related services to us and also assure us they will protect the information. A Business Associate is an entity that performs a function on our behalf and uses PHI in doing so or provides services to us such as legal, actuarial, accounting, consulting, or administrative services. Examples of Business Associates are third-party administrators and brokers.



Notice of Privacy Practices

- **Industry Regulation**—to state insurance departments, boards of pharmacy, U.S. Food and Drug Administration, U.S. Department of Labor, and other government agencies that may regulate us. This includes: inspections; licensure or disciplinary actions (for example, to investigate complaints against providers); and other activities necessary for oversight of government benefit programs, such as to investigate Medicare or Medicaid fraud.
- **Law Enforcement or Specific Government Functions**—to federal, state, and local law enforcement personnel for purposes such as identifying or locating a suspect, fugitive, material witness, or missing person; providing information to the police about the victim of a crime.
- **Judicial and Administrative Proceedings**—as required by law or when requested as part of a regulatory or legal proceeding. For example, we may disclose PHI when required by a court order in a litigation proceeding, or pursuant to a subpoena or other lawful process not accompanied by a subpoena, or to comply with workers' compensation laws.
- **Public Welfare**—to public health authorities for purposes such as: reporting abuse or neglect; reporting domestic violence; preventing or controlling diseases, injury or disability; reporting threats to public health and safety and national security; reporting to the Food and Drug Administration on products and reactions to medications; and reporting disease or infection exposure.

USES AND DISCLOSURES REQUIRING YOUR WRITTEN AUTHORIZATION

In all situations other than those described above, we will ask for your written authorization, or that of your legal representative, before using or disclosing PHI about you. If you have given us an authorization, you may revoke it at any time so long as we have not already acted on the authorization.

In particular, your written authorization will be obtained before we use or disclose psychotherapy notes about you. Psychotherapy notes are separately filed notes about your conversations with your mental health professional during a counseling session. They do not include summary information about your mental health treatment. We may use and disclose such notes when needed by us to defend against litigation that you file.

YOUR LEGAL RIGHTS

Federal privacy regulations give you the right to make certain requests regarding PHI about yourself. You may ask us to:

- **Communicate** with you in a certain way or at a certain location if you believe it would enhance your privacy. For example, if you are covered as an adult dependent, you might want us to send your PHI to an address different from your participant. We will accommodate all reasonable requests.
- **Restrict** the way we use or disclose your PHI in connection with health care operations, payment, and treatment. You also have the right to ask us to restrict disclosures to persons involved in your health care. We will consider your request but we are not required to accommodate your request.
- **Inspect and obtain** a copy of information that is contained in your medical records and other records maintained and used in making enrollment, payment, claims adjudication, medical management, and other decisions. We may deny the request and we may charge a reasonable fee for producing and mailing the copies. Requested information will be available/provided within 30 days if the information is maintained on site or within 60 days if the information is maintained offsite. A single 30-day extension may be taken if we are unable to comply with the initial deadline. If we deny your request, you will be provided a written denial stating the basis for the denial and describing how you may exercise review rights.



Notice of Privacy Practices

- **Amend** information that you feel is incorrect. In your written request, please include the reason for the request. We will consider your request but we are not required to agree with your request. We have 60 days after the request is made to act on your request. A single 30- day extension is allowed if we cannot comply with the initial deadline. If the request is denied, we will provide you with a written denial explaining why. You may submit a written disagreement and have that statement included with any future disclosures of your PHI.
- **Provide an accounting** of certain disclosures we have made of your PHI. In your written request, please specify the time period for which you want an accounting and the format in which you wish to receive it (e.g., paper or electronic). We will provide one accounting of disclosures free of charge once every 12 months. A reasonable fee will be charged for more frequent requests. We are not required to, and we will not, account for disclosures made for treatment, payment, or health care operations, or to government agencies or law enforcement personnel, pursuant to your authorization, or to you. Nor will we account for disclosures made more than six years prior to your request, nor for disclosures made before HIPAA privacy compliance was required on April 14, 2003. If the accounting cannot be provided within 60 days, an additional 30 days is allowed if we provide a written statement of the reasons for the delay and the date by which the accounting will be provided.
- **Provide a paper copy** of this Notice upon request, even if you have previously agreed to receive this Notice electronically.

You must make the requests described above in writing using the “Contact Information” provided below.

- **You also have the right to submit a complaint** if you think your privacy rights have been violated. To do so, please see the subsequent section entitled “Grievance Procedures.” A personal representative may exercise your rights, in which case the personal representative will have to provide evidence of his/her authority to act on your behalf before (s)he will be given access to your PHI or allowed to take any action for you. Proof of authority includes: a health power of attorney authorized by a notary public; a court order of appointment of the person as your conservator or guardian; or, parental status.

GRIEVANCE PROCEDURES

If you believe your PHI has been impermissibly used or disclosed, or that your privacy rights have been violated in any way, you may submit a complaint to us (or carriers of specific coverages that are insured) in writing using the “Contact Information” provided below. We will promptly investigate the matter and reply. You will not be retaliated against for submitting a complaint nor will you be asked to waive your rights in order to receive treatment or coverage.

THIS NOTICE IS SUBJECT TO CHANGE

We may change the terms of this Notice and our privacy policies at any time. If we do, the new terms and policies will be effective for all of the information that we already have about you, as well as any information that we may receive or hold in the future. If we make a material revision to this Notice, the revision will be posted through the www.employersresource.com website within 60 days of the revision being made.

CONTACT INFORMATION

This Notice of Privacy Practices is also available on the www.employersresource.com website. If you have questions regarding this Notice, want more information about our privacy practices or want to submit a complaint, please contact the Privacy Official by mail at AEBT/ERM/ERA, 1301 South Vista Avenue, Suite 250, Boise, Idaho 83705; by phone at 866-214-9506; by fax at 888-201-6365; or by e-mail at inquiries@employersresource.com.



Notice of Privacy Practices

EFFECTIVE DATE OF THIS NOTICE

This Notice is effective as of April 14, 2003.

**This notice is for Employers Resource and
American Employers Benefit Trust Co-Employers and Co-Employees**