

Notice of Privacy Practices

This notice describes how medical and financial information about you may be used and disclosed and how you can get access to this information. Please review it carefully. The privacy of your medical and financial information is important to us.

Maryland Health Insurance Plan (MHIP) tries hard to keep your medical and financial information private. One of the ways MHIP does this is by creating a notice to tell you about your privacy rights.

This Notice of Privacy Practices tells how MHIP uses your medical and financial information (oral, written or electronic) as well as the protected health information of others on your insurance policy as needed for payment or health care operations. It also explains MHIP's duties and your rights.

Please read this document carefully. Keep it in a safe place so you can refer to it in the future.

Uses & disclosures of medical information

Our legal duty

This notice describes our privacy practices, which include how we may use, disclose (share or give out), collect, handle and protect our members' protected health information. We are required by certain federal and state laws to maintain the privacy of your protected health information. We also are required to give you this notice about our privacy practices, our legal duties and your rights concerning your protected health information. We must follow the privacy practices that are described in this notice while it is in effect. This notice takes effect April 14, 2003, and is not intended to amend any prior notice of MHIP privacy practices.

We reserve the right to change our privacy practices and the terms of this notice at any time, as long as law permits the changes. We reserve the right to make the changes in our privacy practices and the new terms of our notice effective for all protected health information that we maintain, including protected health information we created or received before we made the changes. If we make a significant change in our privacy practices, we will change this notice and send the new notice to our health plan subscribers within 60 days of the effective date of the change.

You may request a copy of our notice at any time. For more information about our privacy practices, or for additional copies of this notice, please contact us using the information listed at the end of this notice.

Primary uses and disclosures of protected health information.

We use and disclose protected health information about you for payment and health care operations. The federal health care Privacy Regulations generally do not "preempt" (or take precedence over) state privacy or other applicable laws that provide individuals greater privacy protections. As a result, to the extent state law applies, the privacy laws of a particular state, or other federal laws, rather than the HIPAA Privacy Regulations, might impose a privacy standard under which we will be required to operate. For example, where such laws have been enacted, we will follow more stringent state privacy laws that relate to uses and disclosures of the protected health information concerning HIV or AIDS, mental health, substance abuse/chemical dependency, genetic testing and reproductive rights. In addition to these state law requirements, we also may use or disclose protected health information in the following situations:

■ **Payment:** We may use and disclose your protected health information for all activities that are included within the definition of "payment" as written in the federal Privacy Regulations. For example, we might use and disclose your protected health information to pay claims for services provided to you by doctors, hospitals, pharmacies and others that are covered by your health plan. We also may use your information to determine your eligibility for benefits, coordinate benefits, examine medical necessity, obtain premiums and issue explanations of benefits to the person who subscribes to the health plan in which you participate.

■ **Health care operations:** We may use and disclose your protected health information for all activities that are included within the definition of "health care operations" as defined in the federal Privacy Regulations. For example, we may use and disclose your protected health information to determine our premiums for your health plan, conduct quality assessment and improvement activities, engage in care coordination or case management, and manage our business.

■ **Business associates:** In connection with our payment and health care operations activities, we contract with individuals and entities (called "business associates") to perform various functions on our behalf or to provide certain types of services (such as member service support, utilization management, subrogation or pharmacy benefit management). To perform these functions or to provide the

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services, our business associates will receive, create, maintain, use or disclose protected health information, but only after we require the business associates to agree in writing to contract terms designed to appropriately safeguard your information.

■ **Other covered entities:** We may use or disclose your protected health information to assist health care providers in connection with their treatment or payment activities, or to assist other covered entities in connection with certain of their health care operations. For example, we may disclose your protected health information to a health care provider when needed by the provider to render treatment to you, and we might disclose protected health information to another covered entity to conduct health care operations in the areas of quality assurance and improvement activities, or accreditation, certification, licensing or credentialing.

Other possible uses and disclosures of protected health information. The following is a description of other possible ways in which we may (and are permitted to) use and/or disclose your protected health information:

■ **To you or with your authorization:** We must disclose your protected health information to you, as described in the Individual Rights section of this notice. You may give us written authorization to use your protected health information or to disclose it to anyone for any purpose not listed in this notice. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any use or disclosures that we made as permitted by your authorization while it was in effect. Without your written authorization, we may not use or disclose your protected health information for any reason except those described in this notice.

■ **Disclosures to the Secretary of the U.S. Department of Health and Human Services:** We are required to disclose your protected health information to the Secretary of the U.S. Department of Health and Human Services (DHHS) when the Secretary is investigating or determining our compliance with the federal Privacy Regulations.

■ **To plan sponsors:** Where permitted by law, we may disclose your protected health information to the plan sponsor of your group health plan to permit the plan sponsor to perform plan administration functions. For example, a plan sponsor may contact us seeking information to evaluate future changes to your benefit plan. We also may disclose summary health information (this type of information is defined in the federal Privacy Regulations) about the enrollees in your group health plan to the plan sponsor to obtain premium bids for the health insurance coverage offered through your group health plan or to decide whether to modify, amend or terminate your group health plan.

■ **To family and friends:** If you agree (or if you are unavailable to agree), such as in a medical emergency situation, we may disclose your protected health information to a family member, friend or other person to the extent necessary to help with your health care or with payment of your health care.

■ **Underwriting:** We might receive your protected health information

for underwriting, premium rating or other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits. We will not use or further disclose this protected health information received under these circumstances for any other purpose, except as required by law, unless and until you enter into a contract of health insurance or health benefits with us.

■ **Health oversight activities:** We might disclose your protected health information to a health oversight agency for activities authorized by law, such as: audits, investigations, inspections, licensure or disciplinary actions, or civil, administrative or criminal proceedings or actions. Oversight agencies seeking this information include government agencies that oversee: (i) the health care system, (ii) government benefit programs, (iii) other government regulatory programs and (iv) compliance with civil rights laws.

■ **Abuse or neglect:** We may disclose your protected health information to appropriate authorities if we reasonably believe that you might be a possible victim of abuse, neglect, domestic violence or other crimes.

■ **To prevent a serious threat to health or safety:** Consistent with certain federal and state laws, we may disclose your protected health information if we believe that the disclosure is necessary to prevent or lessen a serious and imminent threat to the health or safety of a person or the public.

■ **Coroners, medical examiners, funeral directors and organ donation:** We may disclose protected health information to a coroner or medical examiner for purposes of identifying you after you die, determining your cause of death, or for the coroner or medical examiner to perform other duties authorized by law. We also might disclose, as authorized by law, information to funeral directors so that they may carry out their duties on your behalf. Further, we might disclose protected health information to organizations that handle organ, eye or tissue donation and transplantation.

■ **Research:** We may disclose your protected health information to researchers when an institutional review board or privacy board has: (1) reviewed the research proposal and established protocols to ensure the privacy of the information and (2) approved the research.

■ **Inmates:** If you are an inmate of a correctional institution, we may disclose your protected health information to the correctional institution or to a law enforcement official for: (1) the institution to provide health care to you, (2) your health and safety and the health and safety of others or (3) the safety and security of the correctional institution.

■ **Workers' compensation:** We may disclose your protected health information to comply with workers' compensation laws and other similar programs that provide benefits for work-related injuries or illnesses.

■ **Public health and safety:** We may disclose your protected health information to the extent necessary to avert a serious and imminent threat to your health or safety or the health or safety of others.

■ **Required by law:** We may use or disclose your protected health information when we are required to do so by law. For example,

we must disclose your protected health information to DHHS upon their request for purposes of determining whether we are in compliance with federal privacy laws.

■ **Legal process and proceedings:** We may disclose your protected health information in response to a court or administrative order, subpoena, discovery request or other lawful process, under certain circumstances. Under limited circumstances, such as a court order, warrant or grand jury subpoena, we may disclose your protected health information to law enforcement officials.

■ **Law enforcement:** We may disclose to a law enforcement official limited protected health information of a suspect, fugitive, material witness, crime victim or missing person. We might disclose protected health information where necessary to assist law enforcement officials to capture an individual who has admitted to participation in a crime or has escaped from lawful custody.

■ **Military and national security:** We may disclose to military authorities the protected health information of Armed Forces personnel under certain circumstances. We might disclose to federal officials protected health information required for lawful counterintelligence, intelligence and other national security activities.

■ **Other uses and disclosures of your protected health information:** Other uses and disclosures of your protected health information that are not described above will be made only with your written authorization. If you provide us with such an authorization, you may revoke the authorization in writing, and this revocation will be effective for future uses and disclosures of protected health information. However, the revocation will not be effective for information that we already have used or disclosed in reliance on your authorization.

Individual rights

■ **Access:** You have the right to look at or get copies of the protected health information contained in a designated record set, with limited exceptions. You may request that we provide copies in a format other than photocopies. We will use the format you request unless we cannot reasonably do so. You must make a request in writing to obtain access to your protected health information. You also may request access by sending a letter to the address at the end of this notice. If you request copies, we might charge you a reasonable fee for each page and postage if you want the copies mailed to you. If you request an alternative format, we might charge a cost-based fee for providing your protected health information in that format. If you prefer, we will prepare a summary or an explanation of your protected health information, but we might charge a fee to do so.

We may deny your request to inspect and copy your protected health information in certain limited circumstances. Under certain conditions, our denial will not be reviewable. If this event occurs, we will inform you in our denial that the decision is not reviewable. If you are denied access to your information and the denial is subject to review, you may request that the denial be reviewed. A licensed health care professional chosen by us will review your request and

the denial. The person performing this review will not be the same person who denied your initial request.

■ **Disclosure accounting:** You have the right to receive a list of instances in which we or our business associates disclosed your protected health information for purposes other than treatment, payment, health care operations and certain other activities, after April 14, 2003. We will provide you with the date on which we made the disclosure, the name of the person or entity to which we disclosed your protected health information, a description of the protected health information we disclosed, the reason for the disclosure and certain other information. If you request this list more than once in a 12-month period, we may charge you a reasonable, cost-based fee for responding to these additional requests.

You may request an accounting by submitting your request in writing using the information listed at the end of this notice. Your request may be for disclosures made up to six years before the date of your request, but in no event for disclosures made before April 14, 2003.

■ **Restriction requests:** You have the right to request that we place additional restrictions on our use or disclosure of your protected health information. We are not required to agree to these additional restrictions, but if we do, we will abide by our agreement (except in an emergency). Any agreement that we might make to a request for additional restrictions must be in writing and signed by a person authorized to make such an agreement on our behalf. We will not be liable for uses and disclosures made outside of the requested restriction unless our agreement to restrict is in writing. We are permitted to end our agreement to the requested restriction by notifying you in writing.

You may request a restriction by writing to us using the information listed at the end of this notice. In your request tell us: (1) the information of which you want to limit our use and disclosure and (2) how you want to limit our use and/or disclosure of the information.

■ **Confidential communication:** If you believe that a disclosure of all or part of your protected health information may endanger you, you have the right to request that we communicate with you in confidence about your protected health information. This means that you may request that we send you information by alternative means, or to an alternate location. We may accommodate your request if it is reasonable, specifies the alternative means or alternate location, and specifies how payment issues (premiums and claims) will be handled. You may request a confidential communication by writing to us using the information listed at the end of this notice.

■ **Amendment:** You have the right to request that we amend your protected health information. Your request must be in writing, and it must explain why the information should be amended. We may deny your request if we did not create the information you want amended or for certain other reasons. If we deny your request, we will provide you with a written explanation. You may respond with a statement of disagreement to be appended to the information you wanted amended. If we accept your request to amend the

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information, we will make reasonable efforts to inform others, including people you name, of the amendment and to include the changes in any future disclosures of that information.

■ **Electronic notice:** Even if you agree to receive this notice on our Web site or by electronic mail (e-mail), you are entitled to receive a paper copy as well. Please contact us using the information listed at the end of this notice to obtain this notice in written form. If the e-mail transmission has failed, and MHIP is aware of the failure, then we will provide a paper copy of the notice to you.

Uses and disclosures of financial information

Collection of Personal Financial Information

We may collect personal financial information about you from many sources, including:

- Information you provide on enrollment applications or other forms, such as your name, address, social security number, salary, age and gender.
- Information about your relationship with MHIP, our affiliates and others, such as your policy coverage, premiums and claims payment history.
- Information as described above that we obtain from any of our affiliates.
- Information we receive about you from other sources such as your employer, your provider, your broker and other third parties.
- Information we receive about you when you log on to our Web site. We have the capability through the use of “cookies” to track certain information, such as finding out if members have previously visited the MHIP Web site or to track the amount of time visitors spend on the Web site. These cookies do not collect personally identifiable information and we do not combine information collected through cookies with other personal financial information to determine the identity of visitors to its Web site. We will not disclose cookies to third parties.

How your information is used

We use the information we collect about you in connection with underwriting or administration of an insurance policy or claim or for other purposes allowed by law. At no time do we disclose your financial information to anyone outside of MHIP unless we have proper authorization from you or we are permitted or required to do so by law. We maintain physical, electronic and procedural safeguards in accordance with federal and state standards that protect your information.

In addition, we limit access to your financial information to those MHIP employees, business partners, providers, benefit plan administrators, brokers, consultants and agents who need to know this information to conduct MHIP business or to provide products or services to you.

Disclosure of your financial information

In order to protect your privacy, third parties that are either affiliated or nonaffiliated with MHIP are also subject to strict privacy laws. Affiliated entities are companies that are part of the MHIP corporate family and include health maintenance organizations (HMOs), third party administrators, health insurers, long term care insurers and insurance agencies. In some situations related to our insurance transactions involving you, we will disclose your personal financial information to a non-affiliated third party that helps us to provide services to or for you. When we disclose information to these third parties, we require them to agree to protect your financial information and to use it only for its intended purpose, and to comply with all relevant laws.

Changes in our privacy policy

MHIP periodically reviews its policies and reserves the right to change them. If we change the substance of our privacy policy, we will continue our commitment to keep your financial information secure — it is our highest priority. Even if you are no longer a MHIP customer, our privacy policy will continue to apply to your records.

Questions and complaints

Information on CareFirst privacy practices. You may request a copy of our notices at any time. If you want more information about our privacy practices, if you would like additional copies of this notice, or have questions or concerns, please call the Member Services number on your ID card or contact the MHIP Privacy Office using the information below.

Filing a complaint. If you are concerned that we might have violated your privacy rights, or you disagree with a decision we made about your individual rights, you may use the contact information listed at the end of this notice to complain to us. You also may submit a written complaint to DHHS. We will provide you with the contact information for DHHS upon request.

We support your right to protect the privacy of your protected health and financial information. We will not retaliate in any way if you choose to file a complaint with us or with DHHS.

CareFirst Contact Information

Contact Office: CareFirst BlueCross BlueShield

HIPAA Compliance and Privacy Office

Telephone: 800-853-9236

Fax: 410-505-6692

E-mail: privacy.office@carefirst.com

Address: 10455 Mill Run Circle,

Attn: Privacy Office

Owings Mills, MD 21117