

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.

**Notice of Privacy Practices
Effective April 14, 2003**

Your group health plan takes the privacy of your health information seriously. In many cases, your Plan cannot disclose your health information without your authorization. However, there are circumstances when your Plan may use or disclose your health information without your authorization. This Notice of Privacy Practices tells you about those circumstances and explains your rights with respect to your health information.

It is important that you understand your rights and the obligations your Plan has with respect to your health information. Your Plan is required by law to maintain the privacy of your health information and to give you notice of the Plan's privacy policies. Your Plan is required to abide by the terms of the Notice of Privacy Practices currently in effect.

When this Notice refers to your "health information", "health information" means nonpublic information received from a variety of sources such as your healthcare providers, your employer, or insurers to enable Allegiance Benefit Plan Management, your group health plan's contract claims payer, to administer your health benefits. This information identifies you and relates to healthcare you may have received or amounts paid for that care.

HOW YOUR PLAN MAY USE OR DISCLOSE YOUR HEALTH INFORMATION

In order to administer your health benefits, your Plan may use or disclose your health information in various ways without your authorization, including:

Healthcare Operations: Your Plan may use or disclose your health information during the course of managing its health business. This includes but is not limited to, operational activities such as quality assessment and improvement, outcomes measurement, preventive health activities, case management and care coordination, contacting providers and patients with treatment alternatives, reviewing qualifications of healthcare providers, compliance programs, responding to appeals, complaints, external reviews or internal grievances, arranging for medical reviews and auditing, customer service activities and activities related to renewing or changing insurance contracts. The health information your Plan uses for these operational activities is limited to the minimum reasonably necessary to complete these tasks.

Payment Activities: To help pay for the healthcare services you received, your Plan may use or disclose your health information for various payment related activities, such as determining eligibility or coverage, coordination of benefits, adjudicating or subrogating claims, claims management and collection activities, review of health care services for medical necessity, and utilization review activities like preauthorization for services. Your Plan may also use or disclose your health information to determine premium costs, or for underwriting and rate setting purposes.

Plan Administration Functions: Once your employer assures the Plan it will protect the confidentiality of your health information and not use for employment purposes, your Plan may disclose your information to your employer, for plan administration. Plan administration functions include activities listed above under Healthcare Operations and Payment Activities. Your Plan may also disclose summarized claims information, which does not identify you, to help your employer make changes to your plan coverage. Your Plan may also disclose certain limited information to your employer for enrollment and disenrollment activities.

Marketing: Your Plan may use or disclose your health information for limited marketing activities, such as a directory of providers participating in a network or a communication describing benefits provided by your Plan. For example, your Plan may send you a communication describing case management activities, including different options for treatment, providers, therapy, or an alternative setting for care. This might include information for example, on a prescription drug program. As another example, your Plan might send you information on options for your covered dependents when they age out of your family coverage. These marketing communications may come directly from organizations affiliated with Allegiance, such as Star Point, which provides case management

services.

Disclosures to Business Associates: Your Plan may disclose your health information to those organizations that provide services to your Plan, once these organizations assure your Plan they will protect the confidentiality of your health information. For example, your Plan may disclose your health information to other organizations for pharmacy benefits or utilization review.

Industry Regulation: Your Plan may disclose your health information as required by law for purposes of governmental oversight and regulation and certain licensing activities. For example, this might include disclosures to the Department of Health and Human Services or the Office of Civil Rights for compliance related activities, such as audits or investigations.

To Avert a Serious Threat to Health or Safety: Your Plan may use or disclose your health information when necessary to prevent or lessen a serious threat to your health or safety or to that of another person. Disclosures of your health information under these circumstances would be to someone able to help prevent or lessen the threat.

Law Enforcement Requests: Your Plan may disclose your health information to law enforcement personnel if your Plan receives a court order, subpoena, warrant or similar process for the disclosure of your health information. Your Plan may also disclose your health information to help law enforcement identify or locate a suspect, material witness or missing person or in emergency circumstances, to locate a crime or identify victims. Your Plan may also disclose your health information if law enforcement requests such information for purposes of investigating criminal conduct with your Plan.

Legal Proceedings: If you are involved in a legal dispute, your Plan may disclose your health information in response to a court order, subpoena, discovery request or other similar process. If your Plan receives a discovery request or subpoena without a court order, your Plan will make a good faith effort to determine whether you were first notified by the requesting party, before disclosing your health information.

Public Health and Welfare: Your Plan may disclose your health information to address matters of public interest as required or permitted by law. For example, this may include disclosures for child abuse or neglect, domestic violence or to prevent or control disease, injury or disability.

Coroners, Medical Examiners, Funeral Directors, and Organ Donation: Your Plan may disclose your health information in certain circumstances, to a coroner or medical examiner for their investigations, or to a funeral director to carry out their duties. Your health information may also be disclosed to certain organization to facilitate to donation of organs for transplant.

Research: Your Plan may use or disclose your health information for research purposes, provided that specific procedural steps have been met to ensure the confidentiality of your health information.

Military Activities and National Security: If you are a member of the armed forces, your Plan may disclose your health information as required by military command authorities. Your Plan may also disclose your health information to authorized federal officials for national security or intelligence activities.

Workers Compensation: Your Plan may use or disclose your health information as required by law to provide benefits for work-related injuries or illnesses.

Correctional Institutions: If you are an inmate of a jail or other related correctional institution, your Plan may disclose your health information to the authorities of that institution to help provide or pay for your health care or to ensure the safety of yourself or others.

DISCLOSURE IF OTHERS ARE INVOLVED WITH YOUR CARE

Unless you ask your Plan to restrict disclosure in some manner, your Plan may disclose your health information to a relative, friend, family member, the person who is the named subscriber for your Plan coverage or any other person you identify – provided that person is directly involved in your healthcare or the payment for that care. For

example, if the named subscriber for your Plan coverage calls your Plan with prior knowledge of a claim, your Plan may confirm whether or not a claim has been paid, when, and for how much.

If you are a minor, in certain circumstances, you may be permitted by law to restrict disclosure of your health information to your parents. You may contact your Plan Administrator, if you believe you may have this right.

YOUR RIGHTS

Right to Inspect and Copy: You have the right to inspect and copy your health information. Usually this includes a group of records used to administer your health benefits, including enrollment, claims management or case management records. To exercise this right, you must submit your request in writing to the Privacy and Compliance Officer at the address at the end of this Notice. Or if you prefer, the Plan will prepare a summary of your health information for you. The Plan may charge you a reasonable fee for the costs of copying, mailing or compiling the summarized information.

In limited circumstances, your Plan may deny your request. If your request is denied, you may ask for a review of that denial. Another healthcare professional affiliated with the Plan, who did not make the initial decision to deny your request, may review your request.

Right to Amend: If you believe the health information the Plan has for you is inaccurate or incomplete, you may ask the Plan to amend it.

Your request must be in writing and sent to the Privacy and Compliance Officer's address at the end of this Notice. You must also include a reason that supports your request.

Your Plan may deny your request if not in writing or does not include a reason supporting the request. Your Plan may also deny your request if it did not create the health information, unless the person or entity creating the health information is no longer available. Your request may also be denied if the health information is not kept by or for your Plan or is not information you would be permitted to inspect or copy. Your Plan may also deny your request if it determines that your information is accurate and complete.

If your Plan accepts your request for amendment, it will make a good faith effort to inform others, including people you identify, of the amendment and to include the amendment with future disclosures of your health information.

If your request is denied, your Plan will notify you in writing. You may respond in writing if you disagree, but your Plan has a right to respond to your statement of disagreement.

Right to Accounting: You have a right to request a listing of certain disclosures your Plan has made of your health information. Your request for this listing must be in writing and submitted to the Privacy and Compliance Officer at the address at the end of this Notice. Your request must state a time period and should not include any dates prior to April 14, 2003. Your request should state how you want the listing to appear – paper copy or electronic form. The first listing per year will be free. If you request more than one listing per year, your Plan may charge you a reasonable fee. Your Plan will notify you of the costs involved and give you a chance to withdraw your request before costs are incurred.

Right to Request Restrictions: You have the right to request restrictions upon how your Plan uses or discloses your health information. You also have the right to request a limit upon the health information your Plan discloses to others involved in your care or payment of that care.

All such requests for restrictions must be in writing to the Privacy and Compliance Officer at the address at the end of this Notice. Your request must include: 1) what information you want to limit; 2) whether you want to limit use, disclosure or both; and 3) to whom you want the limits to apply. For example, you may want to limit disclosure to your spouse.

Your Plan need not agree to your request. However, if your Plan does agree, your Plan will comply, unless your health information is needed for emergency treatment.

Right to Request Confidential Communications: You have the right to request that your Plan communicate with you in a certain way or at a certain location. For example, you may ask that your Plan only communicate with you at your place of work or by mail.

Your request must be in writing. You do not need to include a reason for your request, but you should indicate how you wish to be contacted. Your Plan will accommodate all reasonable requests.

Right to Request a Paper Copy: If you received this Notice from Allegiance's website, you may request a paper copy from your group health plan's Plan Administrator.

CHANGES TO THIS NOTICE

Your Plan reserves the right to change this Notice. Your Plan may also make the revised Notice effective for health information it already has for you, as well as any health information it receives in the future. The most recent Notice will be posted in a prominent location to which you have access. This Notice is also available on Allegiance's website and in paper copy, upon request.

COMPLAINTS

You have a right to file a complaint if you believe your Plan may have violated your privacy rights. Complaints may be submitted to:

Privacy and Compliance Officer
Allegiance Benefit Plan Management, Inc.
P.O. Box 3018
Missoula, MT 59806
1-800-877-1122

Region VIII - CO, MT, ND, SD, UT, WY
Office for Civil Rights
U.S. Department of Health & Human Services
1961 Stout Street - Room 1426
Denver, CO 80294
(303) 844-2024; (303) 844-3439 (TDD)
(303) 844-2025 FAX

<http://www.hhs.gov/ocr/hipaa>