

IMPORTANT - 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 this notice carefully.

If you have any questions about this notice, please contact our privacy officer. This person can be contacted by phone during normal working hours at: (563) 387-0789.

Protected Health Information (PHI) is defined as information that would include demographic information, that may identify you and that relates to health care services provided to you, the payment of health care services provided to you, or your physical or mental health or condition, in the past, present or future. This Notice of Privacy Practices describes how we may use and disclose your PHI. It also describes your rights to access and control your PHI.

As a group health plan we are required by Federal law to maintain the privacy of PHI and to provide you with this notice of our legal duties and privacy practices.

We are required to abide by the terms of this Notice of Privacy Practices. We also reserve the right to change this Notice at any time. If a change is made to this Notice, a copy of the revised Notice will be sent to all individuals covered under the plan at that time. Any change to this Notice will apply to all PHI that we are maintaining at that time.

PERMITTED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

Treatment, Payment and Health Care Operations

Federal law allows a group health plan to use and disclose PHI, for the purpose of treatment, payment and health care operations, without your consent or authorization. Examples of the uses and disclosures that we, as a group health plan, may make under each section are listed below:

Treatment. Treatment refers to the provision and coordination of health care by a doctor, hospital or other health care provider. As a group health plan we do not provide treatment.

Payment. Payment refers to when a group health plan collects premiums and pays claims under the plan for health care services you receive. Examples of uses and disclosures under this section include providing PHI in the billing, collection and payment of all premiums and fees to business associates of the plan such as PPO Networks, UR Companies, Prescription Drug Card Companies and Reinsurance Carriers; the sending of PHI to a medical review company to determine the medical necessity or experimental status of a treatment or procedure; sharing PHI with other insurance carriers or claims payors to determine coordination of benefits or to settle any subrogation claims; providing PHI to the plan's UR Company for precertification or case management services; and sending PHI to a reinsurance carrier to obtain reimbursement of claims paid under the plan.

Health Care Operations. Health Care Operations refer to the basic functions necessary to operate a group health plan. Examples of uses and disclosures under this section include the disclosure of PHI to underwriters for the purpose of determining premium rates and to provide reinsurance quotes to

the plan; disclosure of PHI to plan consultants who provide legal, actuarial and auditing services to the plan; the use of PHI to determine the cost impact of benefit design changes; doing a quality assessment study of the performance of the plan or the performance of one of the plan's vendors; the disclosure of PHI to stop-loss or reinsurance carriers to obtain claim reimbursements to the plan; and use of PHI in general data analysis used in the long term management and planning for the plan and company.

Other Uses and Disclosures Allowed Without Authorization

Federal law allows a group health plan to use and disclose PHI, without your consent or authorization, in the following ways:

- To you, the covered individual.
- To a personal representative designated by you to receive PHI or a personal representative designated by law such as the parent or legal guardian of child, or the surviving family members or representative of the estate of a deceased individual.
- To the Secretary of Health and Human Services (HHS) or any employee of HHS as part of an investigation to determine our compliance with the HIPAA Privacy Rules.
- To a Business Associate as part of a contracted agreement to perform services for the group health plan.
- To a health oversight agency, such as the Department of Labor (DOL), the Internal Revenue Service (IRS) and the Insurance Commissioner's office, to respond to inquiries or investigations of the plan, requests to audit the plan, or to obtain necessary licenses.
- In response to a court order, subpoena, discovery request or other lawful judicial or administrative proceeding.
- As required for law enforcement purposes. For example to notify authorities of a criminal act.
- As required to comply with Workers' Compensation or other similar programs established by law.
- To the Plan Sponsor, as necessary to carry out administrative functions of the plan such as evaluating renewal quotes for reinsurance of the plan, funding check registers, reviewing claim appeals, approving subrogation settlements and evaluating the performance of the plan.
- In providing you with information about treatment alternatives and health services that may be of interest to you as a result of a specific condition that the plan is case managing.

The examples of permitted uses and disclosures listed above are not provided as an all-inclusive list of the ways in which PHI may be used. They are provided to describe in general the types of uses and disclosures that may be made.

OTHER USES AND DISCLOSURES

Other uses and disclosures of your PHI will only be made upon receiving your written authorization. You may revoke an authorization at any time by providing written notice to us that you wish to revoke an authorization. We will honor a request to revoke as of the day it is received

and to the extent that we have not already used or disclosed your PHI in good faith with the authorization.

YOUR RIGHTS IN RELATION TO PROTECTED HEALTH INFORMATION

Right to Request Restrictions on Uses and Disclosures

You have the right to request that the plan limit its uses and disclosures of PHI in relation to treatment, payment and health care operations or not use or disclose your PHI for these reasons at all. You also have the right to request the plan restrict the use or disclosure of your PHI to family members or personal representatives. Any such request must be made in writing to the Privacy Contact listed in this Notice and must state the specific restriction requested and to whom that restriction would apply.

The plan is not required to agree to a restriction that you request. However, if the plan does agree to the requested restriction, it may not violate that restriction except as necessary to allow the provision of emergency medical care to you.

Right to Receive Confidential Communications

You have the right to request confidential communications. This means you may ask that we communicate with you by alternative means or at alternative locations. We will accommodate such a request if it is reasonable and if you state, in writing, that disclosure of the information in the ordinary manner could endanger you. You must make such a request in writing to the Privacy Contact listed in this Notice.

Right to Access to Your Protected Health Information

You have the right to inspect and to obtain a copy of your own PHI in a designated record set. A designated record set might include information related to enrollment, payment, claims adjudication, and case or medical management. Federal law does prohibit you from having access to the following records: psychotherapy notes; information compiled in reasonable anticipation of, or for use in a civil, criminal or administrative action or proceeding; and PHI that is subject to a law that prohibits access to that information. If your request for access is denied, you may have a right to have that decision reviewed. Requests for access to your PHI should be directed to the Privacy Contact listed in this notice.

Right to Amend Protected Health Information

You have the right to request that the plan change or correct PHI that the plan maintains about you. The plan may deny your request for amendment if it determines that the PHI was not created by the plan, is not part of a designated record set, is not information that is available for inspection, or that the PHI is accurate and complete. If your request for amendment is declined, you have the right to have a statement of disagreement included with the PHI and the plan has a right to include a rebuttal to your statement, a copy of which will be provided to you. Requests for amendment of your PHI should be directed to the Privacy Contact listed in this Notice.

Right to Receive an Accounting of Disclosures

You have the right to receive an accounting of all disclosures of your PHI that the plan has made, if any, for reasons other than disclosures for treatment, payment and health care operations, as described above, and disclosures made to you or your personal representative. Your right to an accounting of disclosures applies only to PHI created by the plan after April 14, 2003 and cannot exceed a period of six years prior to the date of your request. Requests for an accounting of disclosures of your PHI should be directed to the Privacy Contact listed in this Notice.

Right to Receive a Paper Copy of this Notice

You have the right to request additional copies of this Notice, upon request, regardless of whether you have already received one electronically or in hard copy. Requests for a paper copy of this Notice should be directed to the Privacy Contact listed in this Notice.

COMPLAINTS

If you believe your privacy rights have been violated, you may file a complaint with the plan or the Secretary of Health and Human Services. Complaints should be filed in writing with the Privacy Contact listed in this Notice. The plan will not retaliate against you for filing a complaint.

PRIVACY CONTACT

You can contact the Privacy Contact through BENEFITS, INC. at (563) 387-0789. Ask for the Privacy Officer and if he is not available, please leave a voice mail message and he will return the call as soon as possible. You can mail your requests to:

BENEFITS, INC.
Privacy Officer
P.O. Box 485
Decorah, IA 52101

EFFECTIVE DATE OF THIS NOTICE

This Notice becomes effective on April 15, 2006.