

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.

Midlands Choice, Inc. (“Midlands”) is required by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), to protect the privacy of your Protected Health Information (PHI). PHI is information that identifies you and that relates to your past, present or future health or condition, the health care services you receive, or payment for those services, when the information is created or received in any form by Midlands. In addition, Midlands is required to notify you of:

- Uses and Disclosures of PHI;
- The responsibilities of Midlands concerning your PHI; and
- Your rights relating to your PHI.

This Notice of Privacy Practices provides an explanation of Midlands’ practices in summary form. In case of a discrepancy with the regulations, the regulations will govern. Further, Midlands reserves the right to change the privacy practices for all PHI. In the event of a change, you will receive a revised Notice of Privacy Practices within 60 days.

Except as described in this Notice, Midlands will not use or disclose your PHI without your authorization.

Uses and Disclosures of PHI:

Midlands may have business associates that perform activities on behalf of Midlands involving the use and disclosure of PHI. These business associates have agreed to limit their use and disclosure of PHI to that required or permitted under HIPAA.

Midlands and its business associates are required or permitted to use or disclose your PHI without your authorization for the following purposes:

Treatment. Treatment involves providing, coordinating or managing health care services. Treatment includes, but is not limited to, consultations and referrals.

For example, Midlands may use and disclose information about your health care providers in the event of a medical emergency.

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Payment. Payment involves activities to obtain payment of premiums, determine coverage and provide reimbursement for health care services rendered to Plan participants. Payment includes, but is not limited to, billing, precertification, preauthorization, reviews for medical necessity or appropriateness of care, claims adjudication, coordination of benefits, and subrogation.

For example, Midlands may use and disclose information concerning your eligibility and benefits to a health care provider.

Health Care Operations. Health care operations include, but are not limited to, resolution of appeals, medical review, case management, disease management, insurance underwriting, measuring plan and provider performance including credentialing, audits, legal services, business management and administration, due diligence related to a sale, transfer, consolidation or merger of assets, and transfer of records upon sale, transfer, consolidation or merger of assets.

For example, Midlands may use and disclose information, to the extent minimally necessary, about your claims to a broker or consultant who is securing insurance or reinsurance coverage

Friends and Family. Midlands may use and disclose PHI to family members, friends or any other person identified by you who is involved in your care or the payment for your care provided you have not objected to such disclosure.

Plan Sponsor. Midlands may use and disclose PHI to the Plan Sponsor as allowed by HIPAA.

Workers' Compensation. Midlands may use and disclose PHI to comply with Workers' Compensation laws.

Research. Midlands may use and disclose PHI for research purposes provided that the requirements set forth in HIPAA have been satisfied.

Organ Procurement. Midlands may use and disclose PHI to organizations involved in organ procurement for donation and transplantation.

Deceased Individuals. Midlands may use and disclose PHI to a coroner, medical examiner or funeral director as allowed under the law.

Food and Drug Administration (FDA). Midlands may use and disclose PHI to the FDA concerning adverse events for product recall, repair or replacement purposes.

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Public Health. Midlands may use and disclose your PHI to public health or legal authorities for public health activities including, but not limited to, information concerning communicable diseases as required by law.

Legal Proceedings. Midlands may use and disclose your PHI as expressly required by a court or administrative tribunal order or in compliance with state law in response to subpoenas, discovery requests or other legal process when we receive satisfactory assurances that reasonable efforts have been made to notify you of the request, that you have had an opportunity to object and that you have not objected to the request.

Law Enforcement. Midlands may use and disclose your PHI for law enforcement purposes under certain specific circumstances when the disclosure is:

- About a suspected crime victim if the person agrees or, under limited circumstances, we are unable to obtain the person's agreement because of incapacity or emergency;
- To alert law enforcement of a death that may have been the result of criminal conduct;
- In response to authorized legal process or as required by law;
- To identify or locate a suspect, fugitive, material witness, or missing person;
- About a crime or suspected crime committed on our premises; or
- In response to a medical emergency, if necessary to report a crime.

Abuse, Neglect or Domestic Violence. Midlands may disclose PHI to proper government authorities if we reasonably believe that you have been a victim of domestic violence, abuse or neglect.

Required by Law. Midlands may use and disclose PHI when required to do so by law if the use or disclosure complies with the law and is limited to the requirements of the law.

HIPAA Compliance. Midlands may use and disclose your information as required by the Secretary of the Department of Health and Human Services to evaluate Midlands' compliance with the HIPAA privacy rules.

Health Oversight. Midlands may disclose PHI to a health oversight agency for oversight activities, including, for example, audits, investigations, inspections, and other activities conducted by health oversight agencies to monitor the health care system, government health care programs, and compliance with certain laws.

Threat to Health or Safety. In limited circumstances, Midlands may disclose PHI when we have a good faith belief that the disclosure is necessary to prevent a serious or imminent threat to the health or safety of a person or to the public.

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Responsibilities of Midlands:

Midlands is required to:

- Maintain the privacy of your PHI;
- Provide you with a Notice of Privacy Practices; and
- Comply with the terms of the Notice of Privacy Practices.

Midlands will make reasonable efforts to limit the request for and use and disclosure of PHI to the minimum necessary for the intended purpose. This minimum necessary standard does not apply to: disclosures to health care providers for treatment; disclosures made to you; certain disclosure authorized by you; disclosures to the Secretary of the U.S. Department of Health and Human Services; and uses and disclosures required by law or for compliance with regulations.

Midlands may disclose “summary health information” to the Plan sponsor for obtaining bids or for the purpose of amending or terminating the Plan. “Summary health information” includes claim history, claim expenses and types of claims by individual but without identifying the particular individuals, as provided under HIPAA.

Rights of Individuals:

Right to inspect and copy PHI. You have the right to inspect and copy your PHI maintained by Midlands in a “designated record set”. A “designated record set” includes medical records, billing information, enrollment data, payment records, claim information and case management records or information used to make decisions about an individual, but would not include psychotherapy notes; information gathered or prepared for a civil, criminal or administrative proceeding; or PHI that is subject to laws that prohibit access.

If you request a copy of your PHI, we may charge you a reasonable fee for the copying, postage, labor and supplies used in meeting your request. Your PHI will be provided within 30 days of your request, or within 60 days if the information is maintained in another location. If Midlands is unable to meet this deadline, this period may be extended up to 30 additional days.

Forms requesting the opportunity to inspect and copy your PHI are available from The Midlands Choice Compliance Manager, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

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Right to amend PHI. You have the right to request an amendment to your PHI maintained by Midlands in a “designated record set”.

Midlands will respond to your request within 60 days. If Midlands is unable to meet this deadline, this period may be extended up to 30 additional days.

Midlands may deny your request in certain cases. If your request is denied, you may submit a written statement disagreeing with the denial.

Forms requesting an amendment to your PHI are available from The Midlands Choice Compliance Manager, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

Right to an accounting of PHI disclosures. You have the right to an accounting of disclosures of your PHI made by Midlands during the last six years. This does not apply to disclosures for health care treatment, payment or health care operations in accordance with HIPAA; made to you; to persons involved in your care or for the purpose of notifying your family or friends of your whereabouts; for national security or intelligence purposes; made pursuant to your written authorization; incidental to another permissible use or disclosure; for certain notification purposes (including correctional and law enforcement purposes); or made before April 14, 2003.

Midlands will respond to your request within 60 days. If Midlands is unable to meet this deadline, the period may be extended up to 30 additional days. A reasonable charge may be made for each additional request within a twelve-month period.

Requests for an accounting of your PHI should be submitted to The Midlands Choice Compliance Manager, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

Right to restrict the use or disclosure of PHI. You have the right to request restrictions or limitations on the use and disclosure of your PHI for purposes of health care treatment, payment or health care operations in accordance with HIPAA. While Midlands will consider your request, we are not required to agree to it. If we do agree to your request, we will comply with your request except as required by law or for emergency treatment situations.

Forms requesting restrictions in the use or disclosure of your PHI are available from The Midlands Choice Compliance Manager, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

Right to receive confidential communications. You have the right to request that you receive communications regarding PHI in a certain manner or at a certain location. You

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must make your request in writing specifying how you would like to be contacted. Midlands will cooperate with reasonable requests to receive communications involving your PHI at an alternative location.

Forms requesting the manner or location in which communications are received are available from The Midlands Choice Compliance Manager, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

Right to paper copy of Notice. You have the right to receive a paper copy of this Notice of Privacy Practices. Requests for a paper copy of this Notice should be forwarded to The Midlands Choice Compliance Manager, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

Complaint Procedures:

If you believe your privacy rights have been violated, you have the right to file a complaint with Midlands or the Secretary of the United States, Department of Health and Human Services. Complaints should be addressed to The Midlands Choice Compliance Manager, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

Midlands will not take action or retaliate against you in any way for making a complaint.

For Questions or Additional Information:

If you have questions concerning this Notice or require additional information, please contact The Midlands Choice Compliance Manager, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

Privacy Officer.

You may contact our Privacy Officer as follows:

Midlands Choice Privacy Officer, 8420 West Dodge Road, Suite 210, Omaha, NE 68114, 402-390-1554, compliance@midlandschoice.com

Effective date:

The effective date of this Notice is April 14, 2003.