CITY OF NEWTON
NOTICE OF PRIVACY INFORMATION PRACTICES

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. Please read it carefully.

Introduction

A federal regulation, the Health Insurance Portability and Accountability Act of 1996, also known as the HIPAA Privacy Rule, requires the City to provide a detailed notice in writing of its privacy practices. This notice is long because the HIPAA Privacy Rule requires the City to address a number of specific issues in its notice of privacy information practices.

Uses and disclosures of health information

Group Health Plan[1] and Administrative Entity

The City of Newton (hereinafter "City"), which is self-insured, provides Group Health Plans for which it is the Plan Sponsor. The City has entered into a Third-Party Administrator Services Agreement with Blue Cross Blue Shield of NC to administer its Group Health Plans (including health, dental, and vision). The City has also entered into an Agreement with the Counseling Group Inc. to provide an Employee Assistance Program and Unifour Family Health Care to provide Health Office services. These entities, (hereinafter collectively referred to as the "Administrative Entity") and others that will serve in this same capacity in the future receive, use and disclose, on behalf of the Group Health Plan(s), protected health information (hereinafter "PHI") as defined by the Health Insurance Portability and Accountability Act of 1996 (hereinafter "HIPAA"), for the purpose of providing, managing and coordinating your health care and related services including treatment, health care operations and payment. The Administrative Entity may also receive and use PHI to ascertain, on behalf of the Group Health Plan(s), ways to improve the quality of health care and to possibly reduce health care costs. The Administrative Entity may use and disclose PHI for billing, claims management, and collection activities.

The vast majority of the PHI that is received, used, and maintained by the Administrative Entity, on behalf of City's Group Health Plan(s), is never seen by the City in its capacity as Plan Sponsor or in its capacity as Employer. In addition to this notice, you may also receive a separate privacy notice from the Administrative Entity regarding the use and disclosure of PHI. When you receive your notice, please read it carefully. Should you have any questions regarding the notice(s), you may contact the Administrative Entity for the appropriate plan or the City's Human Resources Department.

Below is a general list of the type of uses and disclosures, the Administrative Entity may make, on behalf of the Group Health Plan, in compliance with HIPAA. The Administrative Entity may use and disclose your protected health information:

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[1] For purposes of HIPAA, the term Group Health Plan, as used herein, includes the City's group health plans, the dental plan, and the employee assistance program; however, the term does not include accident or disability income insurance or any combination thereof. Coverage issued as a supplement to liability insurance, liability insurance including general liability insurance and automobile insurance, workers' compensation or similar insurance, automobile medical payment insurance; credit-only insurance; coverage for on-site medical clinics and other similar coverage, specified in the regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.

1. As permitted or required by law;
2. As authorized pursuant to a general consent form obtained during the enrollment process or a separate authorization obtained from you, which may be revoked at any time;
3. For public health activities including public health authorities or to other persons authorized by law to carry out certain activities related to public health including the following activities:
   a. To prevent disease or control disease, injury or disability;
   b .To report disease, injury, birth or death;
   c. To report child abuse or neglect to a public health authority or governmental entity as authorized by law;
4. To a person subject to the jurisdiction of the Food and Drug Administration (FDA)
   a. To report reactions to medications or problems with products or devices regulated by the Food and Drug Administration (FDA) or other activities related to quality, safety or effectiveness of FDA-regulated products or activities;
   b. To locate and notify persons of recalls of products they may be using;
5. To notify a person who may have been exposed to a communicable disease in order to control who may be at risk of contracting or spreading the disease;
6. To a health oversight agency in compliance with any applicable law;
7. To law enforcement or other governmental authorities when required or authorized by law;
8. To any insurance regulatory agency when required or authorized by law;
9. For research purposes under certain limited circumstances providing only limited PHI;
10. To coroners and medical examiners as authorized by law;
11. To organizations that procure, locate and transplant organs and tissue if you are an organ donor;
12. In limited circumstances, to avert a serious threat to health or safety;
13. Under certain conditions for specialized government functions including national security and intelligence activities, for certain military and veteran activities including determination of eligibility for veterans benefits and where deemed necessary by military command authorities.
14. To the Secretary to the United States Department of Health and Human Services for disclosures required by HIPAA.

There are other circumstances, as set forth in HIPAA, in which the Administrative Entity or Group Health Plan(s) may be required or allowed to disclose PHI without your authorization. HIPAA also allows for other permissible uses and disclosures of PHI which the Administrative Entity, on behalf of the Group Health Plan(s), may make to which you may object; however, because there are more stringent state laws, including but not limited to N.C.G.S. Section 160A-168 which may protect this information, said uses and disclosures will not be made without your consent or authorization. For example, HIPAA permits the Administrative Entity or Group Health Plan, under certain circumstances, to disclose PHI to individuals involved in your care; however, because of state law said disclosure will not be made without your consent or authorization.

Each Administrative Entity has established certain reasonable safeguards, procedures and policies to prevent impermissible uses and disclosures of your PHI to the Group Health Plan and others and to limit uses, disclosure and requests for PHI, which are permissible or authorized by law, to that PHI minimally necessary for the intended purpose. Likewise, the City has instituted reasonable certain safeguards, procedures and policies to prevent and prohibit impermissible uses and disclosures of PHI from the Administrative Entity and the Group Health Plan to the City as Plan Sponsor and to limit uses, disclosures and requests for PHI, which are permissible or authorized by law, to that PHI minimally necessary for the intended purpose. Finally, as indicated below, the City has also instituted reasonable safeguards, procedures and policies to make sure any information used, maintained or disclosed to the Administrative Entity, the Group Health Plan or the City as Plan Sponsor is not used by personnel of the City for employment related decisions. Any information obtained by the City for employment related purposes must be provided by the employee or the employee must sign the appropriate form authorizing

the employee's health care provider to release the information to the City for employment related purposes.

Each Administrative Entity has entered into a Business Associate Agreement with the City outlining the uses and disclosures of PHI, the privacy policies, standards and procedures in accordance with HIPAA. The City has also amended its Plan documents to incorporate the Agreement along with the permitted and required uses and disclosures of PHI and other information as required by *45* CFR Section *164.504* (f)(2).

Individual rights regarding PHI

As indicated above, the Administrative Entity will assist the Group Health Plan(s) in meeting its obligations under HIPAA. Pursuant to HIPAA, you have certain rights as listed below. You may exercise these rights by contacting the appropriate Administrative Entity directly or contacting the City's Privacy Official. You have the:

(1) Right to request restrictions regarding PHI: You may request additional restrictions on the Group Health Plan's or the Administrative Entity's use and disclosure of PHI for treatment, payment and health care operations. You may also request additional restrictions on the disclosure of PHI to certain individuals involved in your care that otherwise are permitted by HIPAA. The Group Health Plan(s) or the Administrative Entity is not required to agree to your request. Pursuant to *45* C.F.R. there are certain situations, like disclosures under *45* C.F.R. 164.5 14(j)(1) (i) relating to serious and imminent threats, in which the request may not be honored. If the Group Health Plan(s) or the Administrative Entity agrees to your request, the Group Health Plan and the Administrative Entity will comply with that agreement except where disclosure is required by law. To request restrictions, you must make your request in writing to the appropriate Administrative Entity or the City's Privacy Official. In your request, you must include: (1) the information that you want to restrict; (2) how you want to restrict the information; and (3) to whom you want those restrictions to apply.

(2) Right to Receive Confidential PHI Communications in a certain manner or location: You have the right to request that you receive communications regarding PHI in a certain manner or to a certain location. For example, you may submit a request to receive communication(s) at work rather than home. You must make your request in writing to either the appropriate Administrative Entity or the City's Privacy Official. The Group Health Plan and the Administrative Entity are required to accommodate only reasonable requests.

(3) Right to inspect and copy: You have the right to request the opportunity to inspect and receive a copy of PHI about you in certain maintained records. This includes your medical and billing records but does not include psychotherapy notes or information gathered or prepared for a civil criminal or administrative proceeding. The Group Health Plan or Administrative Entity may deny your request to inspect and copy PHI only in limited circumstances. To inspect and/or copy PHI, please contact the appropriate Administrative Entity or the City's Privacy Official. If you request copies, the Administrative Entity and/or Group Health Plan will charge you a reasonable fee. You should request information about the fee before requesting copies.

(4) Right to Amend: You have the right to amend inaccurate or incomplete PHI about you as long as such information is kept by the Administrative Entity and/or the Group Health Plan. To make this type of request, you must submit your request in writing to the appropriate Administrative Entity or the City's Privacy Official. You must also give the reason for your request. The Administrative Entity or Group Health Plan may deny your request in certain cases including failure to submit a written request or failure to state the reason for the request.

(5) Right to Receive Accounting of Disclosures: You have the right to request an accounting of certain disclosures of PHI about you that were made by the Group Health Plan and/or the Administrative Entity for the six (6) years immediately preceding the date of the Group Health Plan's request. This right to accounting of certain disclosures does not include disclosures made by the Administrative Entity and/or the Group Health Plan(s): (1) for treatment, payment, health care operations; (2) to family members or friends involved in your care; (3) to you directly; (4) pursuant to your or your personal representative's authorization;(5) for certain notification purposes (including national security, intelligence, correctional, and law enforcement purposes; (6) certain incidental disclosures that occur as a result of otherwise permitted disclosures as part of a limited data set of information that does not directly identify you and (7) disclosures made before April 14, 2003. You will be charged a reasonable fee for any costs incurred in accordance with HIPAA.

The City as Plan Sponsor

As Plan Sponsor, the City may receive, from the Administrative Entity/Group Health Plan, enrollment and disenrollment information which is necessary to determine the participating members in each Group Health Plan. The City, as Plan Sponsor, may also receive from the Administrative Entity/Group Health Plan summary health information (hereinafter "SHI") that is "de-identified" which means that the information does not identify the individual or contain information that leads to your identity. To the extent possible, this information is used for the purpose of making payments; however, there are occasions when it may be necessary, as indicated below, for the City, as Plan Sponsor, to receive more detailed information in order to make payment. SHI may also be used for the purpose of obtaining bids from the Administrative Entity or for modifying, amending or terminating the Group Health Plan(s). This information is normally provided to the City's Human Resources Department and the City's Finance Department.

There are instances in which it may be necessary for the City, as Plan Sponsor, to receive and use PHI about you for certain purposes consistent with *45* C.F.R. *164.504, 164.506* and *164.5* 12. To the extent the City, as Plan Sponsor, receives any PHI from the Administrative Entity/Group Health Plan(s), it will receive only that information which is minimally necessary to be used solely for the purpose of making payments, billing the separate entities that participate in the City's Group Health Plans, and for health care operations as defined in HIPAA Privacy Rule, *45* C.F.R. *164.501* and consistent with *164.5* 12. Again, the Administrative Entity or Group Health Plan will only disclose PHI to the Plan Sponsor that PHI which is minimally necessary for the City, as Plan Sponsor, to perform, the aforementioned functions. Additionally, that information will be received and reviewed by personnel limited to the City's Human Resources Department, in particular the Human Resources Director, and the City's Finance Department, in particular the Accounts Payable Specialist, that are assigned the responsibility for payment, billing the separate entities that participate in the City's Group Health Plans, and for health care operations as defined in *45* C.F.R. *164.501.* To the extent the City, as Plan Sponsor, needs to disclose any information to the Affiliated Employers participating in the City's Group Health Plan(s), the City will only disclose enrollment and disenrollment information and summary health information minimally necessary for said Employers to understand the bill submitted by the City to each of them.

You have the same rights as outlined above with respect to any PHI the City, as Plan Sponsor, receives about you. Except as stated above, the City, as Plan Sponsor, will not disclose any PHI about you without your authorization unless required by law or by emergency circumstances as authorized by law. If you choose to sign an authorization to disclose PHI, you can later revoke that authorization to stop any future uses and disclosures. Again, the City considers all PHI confidential and will treat it as such.

Employer-Employee Related Functions

As indicated earlier, the City, in its role as an employer, shall not receive PHI from the Administrative Entity, the Group Health Plan(s) or employees performing the City's role as Plan Sponsor. As an employer, the City may receive from health care providers certain medical information as it carries out its employer-employee related functions which are not directly covered by HIPAA. For example, the City may receive medical information from health care providers pursuant to the Family and Medical Leave Act, the Americans with Disabilities Act, the Workers' Compensation Act, and other functions carried out by the City's Employee Health and Safety Department and pursuant to its various leave policies. There are state laws, such as the Personnel Privacy Act and other federal laws that may apply to the City's receipt, use and disclosure of said information. These laws also address your right to inspect and copy this information. This medical information is considered confidential and will only be viewed by staff involved in administering the program(s) or activity for which the information was requested. In administering these programs and policies, the City will obtain the necessary authorization or consent forms, as required by law, prior to obtaining, using and disclosing this information in accordance with the applicable law.

To the extent the health care provider releasing the medical information to the City, as employer, is covered by HIPAA, the City will make a reasonable effort to make sure the health care provider releases the information in accordance with the applicable law. Again, any information which the City receives in its capacity as employer will be kept separate and apart from any PHI received by the Administrative Entity, the Group Health Plan(s) and the City, as Plan Sponsor.

Changes to the Notice

The Administrative Entity or the City may change its privacy policies at any time. Before either makes a material change, as determined by the Administrative Entity or the City, in its privacy policies, the Administrative Entity and/or the City will change its notice(s) and provide an updated notice(s) to all affected members/employees within sixty (60) days of a material revision. You can also request a copy of the notice(s) at any time. For more information about the privacy practices of the Administrative Entity, or the City, contact the City's Privacy Official listed below.

Complaints under HIPAA

If you are concerned that either the City or the Administrative Entity has violated your privacy rights under HIPAA, or you disagree with a decision made, pursuant to HIPAA, about access to your records, you may contact the Administrative Entity or City's Privacy Official. You may also send a written complaint to the U.S. Department of Health and Human Services. The City's Privacy Official can provide you with the appropriate address upon request. No person shall be retaliated against for filing a complaint or exercising rights provided for under HIPAA or any other applicable law. If you have questions about this Notice, you may contact the City's Privacy Official at the address and telephone number listed below.

Privacy Official Contact Information

Teresa B Laffon, or her designee
City of Newton Privacy Official
City of Newton Human Resources Department
P O Box 550
Newton, N.C. 28658
(828) 695-4260

Our legal duty

We are required by law to protect the privacy of your information, provide this notice about our information practices, and follow the information practices that are described in this notice. In accordance with 45CFR Section *164.520(c)(1)(iii),* this notice is provided to the named insured under the Group Health Plan(s). It is the responsibility of the named insured to share this notice with his/her dependents. This notice was published on April 14, 2003 and becomes effective on April 14, 2003.