

Privacy NOTICE

Avera Health Plans • 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.

This notice will tell you how Avera Health Plans, Inc. (hereafter referred to as the "Company") may use and disclose protected health information. Protected health information means any health information that identifies you or for which there is a reasonable basis to believe the information can be used to identify you. In this notice, we'll refer to protected health information simply as "medical information."

This notice will describe your rights and the Company's duties with respect to your medical information. In addition, it will describe how to file a complaint if you believe the Company has violated your privacy rights.

The Company May Use and Disclose Your Medical Information For the Following Reasons:

• For Treatment

To coordinate or manage health care and related services by both the Company and health care providers, your medical information may be disclosed to doctors, nurses, hospitals and other health facilities that become involved in your care. In addition, other health care providers may be given your medical information, such as medical consultants or specialists to which you have been referred. If the Company refers you to a physician, it also will contact that physician's office and provide medical information about you so the physician has information needed to provide quality services.

• For Payment

To process your claims for payment. This can include paying your health care providers, transactions with our reinsurance company, business associates that are contracted to perform or assist the Company, third-party payors, or transactions with you. For example, the Company may need to get medical information from your health care provider to pay your bill or reimburse you for amounts you have paid. The Company also may need to provide medical information to a government program, such as Medicare or Medicaid, to determine your eligibility for a program.

• For Health Care Operations

Health care operations are necessary for the Company to maintain quality operations for our Members. For example, medical information about you may be used to offer optional treatments or pharmaceuticals. Medical information about you may be used to train Company staff. The Company may also use medical information to study ways to more efficiently manage our organization.

• How the Company Will Contact You

Unless you inform us otherwise in writing, the Company may contact you by either telephone or by mail at either your home or your office. At either location, the Company may leave messages for you on an answering machine or voice mail. If you want to request that the Company communicate to you in a certain way or at a certain location, see the "Right to Receive Confidential Communications" section of this notice.

• Appointment Reminders

To remind you about your appointments with our case management nurses or other representatives.

• Treatment Alternatives

To contact you about treatment alternatives that may be of interest to you.

• Health-Related Benefits and Services

To contact you about health-related benefits and services that may be of interest to you.

• Individuals Involved in Your Care

The Company may disclose to a family member, other relative, a close personal friend or any other person identified by you, medical information that is directly relevant to that person's involvement with your care or payment related to your care. The Company also may use or disclose medical information to notify, or assist in notifying, those persons of your location, general condition or death. If there is a family member, other relative or close personal friend that you do not want the Company to disclose your medical information to, you must notify the Service Center at 1 (888) 322-2115 prior to any release of information occurring.

• Reports to Your Plan Sponsor

The Company will disclose to your designated plan sponsor representative(s) any of the following information upon request:

- Whether an individual who works for the plan sponsor, or that individual's family member, is currently participating in the plan sponsor's group health plan.
- When an individual who works for the plan sponsor, or that individual's family member, enrolls or dis-enrolls from the plan sponsor's group health plan.
- Summary medical information will only be released upon request from the plan sponsor for the purposes of:
 - Obtaining a premium bid.
 - Modifying, amending or terminating the group health plan.

The only time the Company will disclose medical information to your plan sponsor is after the plan sponsor has contractually agreed to all HIPAA requirements and has its own

HIPAA policies and procedures to protect your medical information.

• Disaster Relief

To disclose medical information about you to a public or private entity authorized by law or by its charter to assist in disaster relief efforts. This will be done to coordinate with those entities in notifying a family member, other relative, close personal friend, or other person identified by you of your location, general condition or death.

• Required by Law

The Company may use or disclose medical information when we are required to do so by law.

• Public Health Activities

The Company may disclose medical information for public health activities and purposes. This includes reporting medical information to a public health authority that is authorized by law to collect or receive the information for purposes of preventing or controlling disease, or one that is authorized to receive reports of child abuse and neglect.

• Victims of Abuse, Neglect or Domestic Violence

To a government authority authorized by law to receive reports of abuse, neglect or domestic violence, if the Company believes you are a victim of abuse, neglect or domestic violence. This will occur to the extent the disclosure is:

- (a) required by law; (b) agreed to by you; or, (c) authorized by law and we believe the disclosure is necessary to prevent serious harm to you or to other potential victims, or, if you are incapacitated and certain other conditions are met, a law enforcement or other public official represents that immediate enforcement activity depends on the disclosure.

• Health Oversight Activities

To a health oversight agency for activities authorized by law, including audits, investigations, inspections, licensure or disciplinary actions. These and similar types of activities are necessary for appropriate oversight of the health care system, government benefit programs and entities subject to various government regulations.

• Judicial and Administrative Proceedings

In response to an order of the court or administrative tribunal. The Company also may disclose medical information in response to a subpoena, discovery request or other legal process, but only if efforts have been made to tell you about the request or to obtain an order protecting the information to be disclosed.

• Disclosures for Law Enforcement Purposes

To law enforcement officials for law enforcement purposes:

- As required by law.
- In response to a court, grand jury or administrative order, warrant or subpoena.
- To identify or locate a suspect, fugitive, material witness or missing person.
- About an actual or suspected victim of a crime and that person agrees to the disclosure. If we are unable to obtain that person's agreement, in limited circumstances, the information may still be disclosed.
- To alert law enforcement officials to a death if we suspect the death may have resulted from criminal conduct.
- About crimes that occur at our facility.
- To report a crime in emergency circumstances.

• Research

Before the Company discloses medical information for research, the research will have been approved through a process that evaluates the needs of the research project with your need for privacy. The Company may, however, disclose medical information about you to a person who is preparing to conduct research, but no medical information will leave the Company during that person's review of the information.

• To Avert Serious Threat to Health or Safety

If the Company believes the use or disclosure is necessary to prevent or lessen a serious or imminent threat to the health or safety of a person or the public. The Company also may release information about you if it believes the disclosure is necessary for law enforcement authorities to identify or apprehend an individual who admitted participation in a violent crime or who is an escapee from a correctional institution or from lawful custody.

• Military

If you are a member of the Armed Forces, the Company may use and disclose your medical information for activities deemed necessary by the appropriate military command authorities to assure the proper execution of the military mission. The Company may also release information about foreign military personnel to the appropriate foreign military authority for the same purposes.

• National Security and Intelligence

To authorized federal officials for the purpose of national security activities or for the protection activities of certain U.S. or foreign federal employees as authorized by law.

• Inmates; Persons in Custody

To a correctional institution or law enforcement official having custody of you. The disclosure will be made if the disclosure is necessary: (a) to provide health care to you; (b) for the health and safety of others; or, (c) the safety, security and good order of the correctional institution.

• Workers' Compensation

To the extent necessary to comply with workers' compensation and similar laws that provide benefits for work-related injuries or illness without regard to fault.

• Other Uses and Disclosures

Other uses and disclosures will be made only with your written authorization. You may revoke such an authorization at any time by writing to: Avera Health Plans, 3816 S Elmwood Avenue, Suite 100, Sioux Falls, SD 57105. However, if you revoke your authorization, it will not have any effect on actions already taken by us.

Your Rights With Respect to Medical Information About You

You have the following rights with respect to medical information that the Company maintains about you:

• Right to Request Restrictions

To request that the Company restrict the uses or disclosures of medical information about you to carry out treatment, payment, or health care operations. You also have the right to request that the Company restrict the uses or disclosures we make to: (a) a family member, other relative, a close personal friend or any other person identified by you; or, (b) to public or private entities for disaster relief efforts. For example, you could ask that we not disclose medical information about you to your brother or sister. To request a restriction, you may do so at the time you complete your consent form or at any other time. If you request a restriction after you have completed the initial consent form, you should do so in writing by mailing the request to: Avera Health Plans, Attn: Restriction Request, 3816 S Elmwood Ave., Suite 100, Sioux Falls, SD 57105 and tell us: (a) what information you want to limit; (b) whether you want to limit use or disclosure or both; and, (c) to whom you want the limits to apply (for example, disclosures to your spouse).

The Company is not required to agree to any requested restriction. However, if the Company does agree, it will follow that restriction unless the information is needed to provide emergency treatment. Even if the Company agrees to a restriction, either you or the Company can later terminate the restriction.

• Right to Receive Confidential Communications

You have the right to request how or where the Company communicates to you. For example, you can ask that the Company only contact you by mail or at work. The Company will not require you to tell us why you are making the request. If you want to make a special request you must do so by sending your request in writing to: Avera Health Plans, Attn: Confidential Communications Request, 3816 S Elmwood Ave, Suite 100, Sioux Falls, SD 57105. Your request must state how or where you can be contacted. The Company will accommodate your request. However, the Company may, when appropriate, require information from you concerning how payment will be handled.

• Right to Inspect and Copy

With a few very limited exceptions, such as psychotherapy notes, you have the right to inspect and obtain a copy of your medical information. For medical information that the Company has obtained from your provider(s), we ask that you make the request directly to the provider. To inspect or copy medical information about you that the Company has created, you must submit your request in writing to: Avera Health Plans, Attn: Inspect/Copy Request, 3816 S Elmwood Ave, Suite 100, Sioux Falls, SD 57105. Your request should state specifically what medical information you want to inspect or copy. If you request a copy of the information, the Company may charge a fee for the costs of copying and, if you ask that it be mailed to you, the cost of mailing. The Company will act on your request within thirty (30) calendar days after it receives your request. If the Company grants your request, in whole or in part, it will inform you of its acceptance and provide access and copying. The Company may deny your request to inspect and copy if the medical information involved is:

- Psychotherapy notes;
- Information compiled in anticipation of, or use in, a civil, criminal or administrative action or proceeding;

If the Company denies your request, it will inform you of the basis for the denial, how you may have our denial reviewed, and how you may file a complaint. If you request a review of our denial, it will be conducted by a licensed health care professional designated by the Company who was not directly involved in the denial. The Company will comply with the outcome of that review.

• Right to Amend

You have the right to ask to have amended the medical information about you in the Company's possession. This right is for as long as the Company maintains the medical information. For information that the Company has obtained from your provider(s) about you, the Company asks that you make the request to them. It is the Company's policy that it does not amend information that it did not originate. To request an amendment, you must submit your request in writing to: Avera Health Plans, 3816 S Elmwood Ave, Suite 100, Sioux Falls, SD 57105. Your request must state the amendment desired and provide a reason in support of that amendment. The Company will act on your request within sixty (60) calendar days after it receives your request. If the Company grants your request, in whole or in part, it will inform you of its acceptance of your request and provide access and copying. If the Company grants the request, in whole or in part, it will seek your identification and agreement to share the amendment with other entities. The Company also will make the appropriate amendment to the medical information by appending or otherwise providing a link to the amendment.

The Company may deny your request to amend medical information about you. The Company may deny your request if it is not in writing and does not provide a reason in support of the amendment. In addition, the Company may deny your request to amend medical information if it determines that the information:

- Was not created by the Company, unless the person or entity that created

the information is no longer available to act on the requested amendment;

- Is not part of the medical information maintained by the Company;
- Would not be available for you to inspect or copy; or,
- Is accurate and complete.

If the Company denies your request, it will inform you of the basis for the denial. You will have the right to submit a statement disagreeing with our denial. Your statement may not exceed two pages. The Company may prepare a rebuttal to that statement. Your request for amendment, the Company's denial of the request, your statement of disagreement, if any, and our rebuttal, if any, will then be appended to the medical information involved or otherwise linked to it. All of that will then be included with any subsequent disclosure of the information, or, at our election, may include a summary of any of that information.

If you do not submit a statement of disagreement, you may ask that the Company include your request for amendment and our denial with any future disclosures of the information.

The Company will include your request for amendment and our denial (or a summary of that information) with any subsequent disclosure of the medical information involved. You also have the right to complain about the Company's denial of your request.

• Right to an Accounting of Disclosures

You have the right to receive an accounting of your medical information disclosures. The accounting may be for up to six (6) years prior to the date on which you request the accounting, but not before April 14, 2003. Certain types of disclosures are not included in such an accounting:

- Disclosures to carry out treatment, payment and health care operations;
- Disclosures of your medical information made to you;
- Disclosures authorized by you;
- Disclosures for national security or intelligence purposes;
- Disclosures to correctional institutions or law enforcement officials;

Under certain circumstances your right to an accounting of disclosures may be suspended for disclosures to a health oversight agency or law enforcement official. To request an accounting of disclosures, you must submit your request in writing to: Avera Health Plans, 3816 S Elmwood Ave, Suite 100, Sioux Falls, SD 57105. Your request must state a time period for the disclosures. It may not be longer than six (6) years from the date we receive your request and may not include dates before April 14, 2003. The Company will act on your request within sixty (60) calendar days after it receives your request. Within that time, the Company will either provide the accounting of disclosures to you or give you a written statement of when the Company will provide the accounting and why the delay is necessary. There is no charge for the first accounting we provide to you in any twelve (12) month period. For additional accountings, the Company may charge you for the cost of providing the list. If there will be a charge, the Company will notify you of the cost involved and give you an opportunity to withdraw or modify your request to avoid or reduce the fee.

• Right to a Copy of this Notice

You have the right to obtain a paper copy of the Company's Notice of Privacy Practices at any time. You may obtain a copy of the Company's Notice of Privacy Practices on the Internet at www.AveraHealthPlans.com. To obtain a paper copy, mail a request to: Avera Health Plans, 3816 S Elmwood Ave, Suite 100, Sioux Falls, SD 57105, or call 1 (888) 322-2115.

The Company's Duties

• Generally

The Company is required by law to maintain the privacy of medical information about you and to provide individuals with notice of our legal duties and privacy practices with respect to medical information. We are required to abide by the terms of our Notice of Privacy Practices in effect at the time.

• Our Right to Change Notice of Privacy Practices

The Company reserves the right to change this Notice of Privacy Practices. The Company reserves the right to make the new notice's provisions effective for all medical information which is created or received by us, prior to the effective date of the new notice.

• Availability of Notice of Privacy Practices

A copy of the Company's current Notice of Privacy Practices will be available at our corporate offices as well as on our web site, www.AveraHealthPlans.com. At any time, you may obtain a copy of the current Notice of Privacy Practices by mail at: Avera Health Plans, 3816 S Elmwood Ave, Suite 100, Sioux Falls, SD 57105, or call 1 (888) 322-2115.

• Complaints

You may complain to the Company and to the United States Secretary of Health and Human Services (HHS), Office of Civil Rights, if you believe your privacy rights have been violated. To file a complaint with the Company, contact: Avera Health Plans, 3816 S Elmwood Ave, Suite 100, Sioux Falls, SD 57105. All complaints should be submitted in writing. To find your HHS regional office, please call the Avera Health Plans Service Center at 1 (888) 322-2115. You will not be retaliated against for filing a complaint.

• Questions and Information

If you have any questions or want more information concerning this Notice of Privacy Practices, please contact by mail: Avera Health Plans, 3816 S Elmwood Ave, Suite 100, Sioux Falls, SD 57105, or call 1 (888) 322-2115.