

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.

If you have any questions about this Notice, please contact
Privacy Officer/Contact Person
Dexter Community Schools
7714 Ann Arbor Street
Dexter, MI 48130
(734) 424-4100

Effective Date: April 14, 2003

This Notice is being sent to you on behalf of the following Group Health Plans sponsored by Dexter Community Schools:

- Medical Benefits Plan for Dexter Community Schools**
- Self-Funded Dental Plan for Dexter Community Schools**
- Self-Funded Vision Plan for Dexter Community Schools**
- Flexible Benefit/§125 Plan for Dexter Community Schools**

These Plans are subject to the same federal privacy law, and are part of an Organized Health Care Arrangement or "OHCA" that follows the same privacy policies and procedures.

Our purpose in giving you this notice is to tell you how the Plans and the third parties that assist in plan administration will use and disclose health information about you.

This Notice applies to the self-insured portions of the Dexter Community Schools Group Health Plan and the Flexible Benefits/§125 plan. Blue Cross and Blue Shield of Michigan has issued a Notice of Privacy Practices as well, which describes how health information about you may be used and disclosed by Blue Cross and Blue Shield in connection with the coverage it provides for our Group Health Plan.

For ease of reference, this Notice will use the word "Plan" to mean each of the Plans identified above. The description of the uses and disclosures of health information applies to the Plans and to the entities that perform services for the Plans or perform the functions of the Plans. These entities are called "Business Associates," and include the Plans' Third Party Administrator, to which principal responsibility for claims and benefits administration has been delegated.

The protections described in this Notice apply to "Protected Health Information," which means all individually identifiable health information transmitted or maintained by the Plan, whether in oral, written, or electronic form. This notice does not apply to information that has been "de-identified." De-identified information is information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information can be used to identify an individual.

HOW PROTECTED HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED

The following categories describe different ways that the Plan may use and disclose health information. For each category of uses or disclosures the Notice explains what is meant and presents some examples. Not every use or disclosure in a category will be listed. However, all of the ways the Plan is permitted to use and disclose protected health information will fall within one of the categories.

Disclosures Within the Plans and to Plan Sponsor

Enrollment, Disenrollment and Summary Health Information. The Dexter Community Schools is the Sponsor of the Group Health Plans listed in this Notice. Unless you sign an authorization, employees of the Dexter Community Schools who perform Plan administrative functions will have, use and disclose only limited health information, that is, enrollment, disenrollment and summary health

information (health information from which most of the identifying information has been deleted). This limited information may be used and disclosed as described in this Notice.

Use and Disclosure of PHI With Signed Authorization. Plan administration functions have been largely delegated to a Third Party Administrator. No Protected Health Information other than enrollment, disenrollment or summary health information will be used or disclosed by employees of the Dexter Community Schools without your signed authorization. For example, if you request an employee of the Dexter Community Schools, rather than the Third Party Administrator, to assist you with claims or benefits questions or problems, the Dexter Community Schools personnel with Plan administration responsibilities will need your written authorization prior to assisting you with your request.

Disclosure to Plans in the OHCA. Health information may be shared and disclosed among the Group Health Plans sponsored by Dexter Community Schools and their business associates, including the Plans' Third Party Administrator, for purposes of facilitating claims payments and health care operations, including the health care operations of the Organized Health Care Arrangement.

Disclosure to the Plan Sponsor. Unless you have signed an authorization, the Plan and its Business Associates will disclose to the Plan Sponsor only limited health information, specifically, information regarding whether an individual is participating in the Plan; whether a person is enrolled in or has disenrolled from a health insurance insurer or HMO offered by the Plan; and, if for the purpose of obtaining premium bids or modifying, amending or terminating the Plan, summary health information (health information from which most identifying information has been deleted).

Treatment, Payment and Health Care Operations

For Treatment. The Plan or its Third Party Administrator may use or disclose health information about you to facilitate medical treatment or services by providers. The Plan or its Third Party Administrator may disclose health information about you to providers, including doctors, nurses, technicians, medical students, or other hospital personnel who are involved in taking care of you. For example, the Third Party Administrator may disclose to your primary care physician the name of a specialist who is treating you so that they may coordinate your care. If you request Plan personnel, rather than the Third Party Administrator, to assist you with obtaining treatment under the Plan, the Dexter Community Schools personnel with Plan administration responsibilities will need your written authorization prior to assisting you with your request.

For Payment. The Plan or its Third Party Administrator may use and disclose health information about you to determine eligibility for Plan benefits, to facilitate payment for the treatment and services you receive from health care providers, to determine benefit responsibility under the Plan, or to coordinate Plan coverage. For example, the Third Party Administrator may tell your health care provider about your medical history to determine whether a particular treatment is experimental, investigational, or medically necessary or to determine whether the Plan will cover the treatment. The Third Party Administrator may also share health information with a utilization review or precertification service provider. Likewise, the Third Party Administrator may share health information with another entity to assist with the adjudication or subrogation of health claims or to another health plan to coordinate benefit payments.

For Health Care Operations. The Plan or its Third Party Administrator may use and disclose health information about you for other Plan operations. These uses and disclosures are necessary to run the Plan. For example, health information may be used in connection with conducting quality assessment and improvement activities; underwriting, premium rating, and other activities relating to Plan coverage, submitting claims for stop-loss coverage; conducting or arranging for medical review, legal services, audit services, and fraud and abuse detection programs; business planning and development such as cost management; and business management and general Plan administration activities.

Special Situations

As Required By Law. The Plan or its Third Party Administrator will disclose health information about you when required to do so by federal, state or local law. For example, health information may be disclosed when required by a court order in a litigation proceeding such as a malpractice action.

To the Secretary of Health and Human Services. The Plan or its Third Party Administrator may disclose health information to the Secretary of the Department of Health and Human Services to for determining whether the Plan is complying with privacy law.

To Avert a Serious Threat to Health or Safety. The Plan or its Third Party Administrator may use and disclose health information about you when necessary to prevent a serious threat to your health and safety or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat. For example, the Plan and the Third Party Administrator may disclose health information about you in a proceeding regarding the licensure of a physician.

Organ and Tissue Donation. If you are an organ donor, the Plan or its Third Party Administrator may release health information to organizations that handle organ procurement or organ, eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

Military and Veterans. If you are a member of the armed forces, the Plan or its Third Party Administrator may release health information about you as required by military command authorities. The Plan or its Third Party Administrator may also release health information about foreign military personnel to the appropriate foreign military authority.

Workers' Compensation. The Plan or its Third Party Administrator may release health information about you for workers' compensation or similar programs. These programs provide benefits for work-related injuries or illness.

Public Health Risks. The Plan or its Third Party Administrator may disclose health information about you for certain public health activities.

Health Oversight Activities. The Plan or its Third Party Administrator may disclose health information to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.

Lawsuits and Disputes. If you are involved in a lawsuit or a dispute, the Plan or its Third Party Administrator may disclose health information about you in response to a court or administrative order. The Plan or the Third Party Administrator may also disclose health information about you in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.

Law Enforcement. The Plan or its Third Party Administrator may release health information if asked to do so by a law enforcement official:

- in response to a valid court order, subpoena, warrant, summons or similar process;
- to identify or locate a suspect, fugitive, material witness, or missing person;
- about the victim of a crime if, under certain limited circumstances, the person's agreement cannot be obtained;
- about a death that may be the result of criminal conduct;
- about criminal conduct on the premises; and

- in emergency circumstances to report a crime; the location of the crime or victims; or the identity, description or location of the person who committed the crime.

Coroners, Medical Examiners and Funeral Directors. The Plan or its Third Party Administrator may release health information to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. Health information may also be released to funeral directors as necessary to carry out their duties.

National Security and Intelligence Activities. The Plan or its Third Party Administrator may release medical information about you to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

Inmates. If you are an inmate of a correctional institution or under the custody of a law enforcement official, the Plan or its Third Party Administrator may release medical information about you to the correctional institution or law enforcement official. This release would be necessary (1) for the institution to provide you with health care; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.

Uses and Disclosures to Friends and Family Members Involved in Care or Payment for Care

The Plan will disclose relevant health information to family members and close personal friends who are involved in your care or the payment for your care, only if you have agreed to the disclosure in writing, or under circumstances in which the Plan determines in the exercise of professional judgment that the disclosure is in your best interests. The health information disclosed shall be only that which is directly relevant to the friend or family member's involvement in your health care.

The Third Party Administrator may also disclose relevant health information to family members and close personal friends who are involved in your care or the payment for your care without a written authorization, if you have agreed to the disclosure, have been given an opportunity to object and have not objected, or under circumstances in which the Third Party Administrator determines in the exercise of professional judgment that the disclosure is in your best interests. The health information disclosed shall be only that which is directly relevant to the friend or family member's involvement in your health care.

Minimum Necessary Standard

When using or disclosing health information or when requesting health information from another covered entity, reasonable efforts will be taken not to use, disclose or request more than the minimum amount of medical information necessary to accomplish the intended purpose of the use, disclosure or request. The minimum necessary standard does not apply to:

- disclosures pursuant to your written authorization;
- disclosures to or requests by a health care provider for treatment;
- uses or disclosures made to you regarding your health information;
- disclosures made to the Secretary of the U.S. Department of Health and Human Services;
- uses or disclosures that are required by law; and
- uses or disclosures that are required for the Plan's compliance with legal regulations.

Disclosures Requiring Your Written Authorization

Your written authorization will be obtained before the Plan or the Third Party Administrator will disclose health information to Dexter Community Schools if that information will be used in connection with employment-related actions or any benefit plans other than those listed above.

Your written authorization generally will be obtained before the Plan or the Third Party Administrator will use or disclose psychotherapy notes about you from your psychotherapist. Psychotherapy notes are separately filed notes about your conversations with your mental health professional during an individual or group counseling session. They do not include summary information about your mental health treatment. The Plan or its Third Party Administrator may use and disclose such notes when needed to defend against litigation filed by you.

Other uses and disclosures of health information not covered by this Notice or the laws that apply to us will be made only with your written permission. If you provide us permission to use or disclose health information about you, you may revoke that permission, in writing, at any time, and health information about you will no longer be used or disclosed in that manner. You understand, however, that your revocation will not apply to any disclosure that has already been made with your permission.

YOUR RIGHTS REGARDING HEALTH INFORMATION

You have certain rights with respect to your health information. To exercise these rights, you or your personal representative must make your request, **in writing**, directed to the Plan's Contact Person or to the Plan's Third Party Administrator. The Plan's Contact Person will provide you will appropriate contact information and forms.

Right to inspect and copy. You have a right to inspect and obtain a copy of health information that may be used to make decisions about your benefits, for example, information regarding enrollment, eligibility, payment, billing, claims adjudication, appeal determinations, and case or medical management record systems. The requested information will be provided within 30 days if the information is maintained on-site or within 60 days if the information is maintained off-site. A single 30-day extension is allowed if the Plan is unable to comply with the deadline. If access is denied, you or your personal representative will be provided with a written denial setting forth the basis for the denial, a description of how you may exercise review rights and a description of how you may complain to the Secretary of the U.S. Department of Health and Human Services.

Right to amend. If you believe that the information that the Plan has about you is incomplete or incorrect, you may ask that information be amended for so long as the information is kept by the Plan or its Third Party Administrator. The Plan has 60 days to respond to your request, but may have a single 30-day extension if it is unable to comply with the deadline. If the Plan denies the request in whole or in part, it will provide you with a written denial that explains the basis for the denial. You or your personal representative may then submit a written statement disagreeing with the denial and have that statement included with any future disclosures of your PHI.

Right to receive an accounting of PHI disclosures. You have the right to request an accounting of certain health care disclosures made by the Plan or by its Third Party Administrator. However, the accounting need not include disclosures made (1) to carry out treatment, payment or health care operations in accordance with this Notice; (2) to yourself; (3) incident to a permissible use or disclosure; (4) pursuant to your written authorization; (5) for national security or intelligence purposes; (6) to correctional institutions or law enforcement officials; or (7) prior to April 14, 2003. If the accounting cannot be provided within 60 days, the Plan may have an additional 30 days if it provides you with a written statement of the reasons for the delay and the date by which the accounting will be provided.

Right to request restrictions on uses and disclosures. You may request us to restrict uses and disclosures of your PHI to carry out treatment, payment or health care operations, or to restrict uses and disclosures to family members, relatives, friends or other persons identified by you who are involved in your care or payment of your care. However, the Plan is not required to agree to your request.

Right to receive confidential communications of PHI. You may request us to communicate with you regarding health information in a certain way or at a certain location, if

you tell us that the disclosure of all or part of that information could endanger you. The Plan will accommodate reasonable requests that you may make.

Right to Receive a Paper Copy of This Notice Upon Request. You have the right to obtain a paper copy of this Notice, and may do so by contacting the Contact Person listed at the end of this Notice.

Personal Representatives

You may exercise your rights through a personal representative. Your personal representative may be required to produce evidence of authority to act on your behalf, such as a power of attorney or a court order appointing the person as your guardian. The Plan retains the discretion to deny access to your health information to your personal representative if it has a reasonable belief that this person may have committed domestic violence, abuse or neglect against you, or that disclosing your health information could endanger you and the Plan determines in its professional judgment that it would not be in your best interest for the person to function as your personal representative.

THE PLAN'S DUTIES

The Plan is required by law to maintain the privacy of your health information and to provide you with Notice of its legal duties and privacy practices.

This Notice is effective beginning April 14, 2003 and the Plan is required to comply with the terms of this Notice. However, the Plan reserves the right to change its privacy practices and to apply the changes to any PHI received or maintained by the Plan prior to that date. If a privacy practice is changed, a revised version of this Notice will be provided by posting the Notice on the Dexter Community Schools web site, if any, and by U.S. mail and electronic mailings. Any revised version of this Notice will be distributed within 60 days of the effective date of any material change to the uses or disclosures, the individual's rights, the duties of the Plan or other privacy practices stated in this notice.

COMPLAINTS

If you believe that your privacy rights have been violated, you may make a complaint in writing, directed to:

Privacy Officer/Contact Person
Dexter Community Schools
7714 Ann Arbor Street
Dexter, MI 48130
(734) 424-4100

You may also file a complaint directed to:

Office of Civil Rights
Department of Health and Human Services
233 N. Michigan Ave. Suite 240
Chicago, IL 60601
(312) 886-2359
(312) 886-1807 (fax)
OCRComplaint@hhs.gov

You will not be penalized for making a complaint.

WHERE MORE INFORMATION IS AVAILABLE

If you have any questions regarding this notice or the subjects addressed in it, you may contact the Contact Person.

CONCLUSION

Use and disclosure of Protected Health Information by the Plan is regulated by a federal law known as the Health Insurance Portability and Accountability Act. You may find the federal rules adopted pursuant to this Act at 45 *Code of Federal Regulations* Parts 160 and 164. This Notice attempts to summarize the regulations. The regulations will supersede any discrepancy between the information in this notice and the regulations.