

**HEALTH FLEXIBLE SPENDING ACCOUNT PLAN (#79912)
FOR UAH REGULAR FULL-TIME EMPLOYEES
(DIVISION 07F)
Administered by Blue Cross Blue Shield of Alabama**

NOTICE OF PRIVACY PRACTICES

Effective Date of Notice: January 1, 2007

THIS NOTICE APPLIES TO THE HEALTH FLEXIBLE SPENDING ACCOUNT AND DOES NOT APPLY TO ANY OTHER BENEFITS, SUCH AS DEPENDENT CARE, PROVIDED UNDER THE FLEXIBLE SPENDING ACCOUNT PLAN. IT DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED BY THE HEALTH FLEXIBLE SPENDING ACCOUNT AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

Who Will Follow This Notice

THIS NOTICE GIVES YOU INFORMATION REQUIRED BY THE HIPAA PRIVACY RULE about the duties and privacy practices of The University of Alabama in Huntsville self-funded Health Flexible Spending Account, specifically Division 07F of BCBS Group #79912, which covers UAH employees enrolled in the health flexible spending account plan (the "Plan"), to protect the privacy of your protected health information (PHI). PHI includes a combination of medical information and individually identifiable information, such as your home address, phone number and social security number.

This Health Flexible Spending Account is sponsored by The University of Alabama in Huntsville (the "Plan Sponsor"). The University of Alabama in Huntsville is a hybrid covered entity, and this Notice applies only to Division 07F of BCBS Group #79912 (the Health Flexible Spending Account) and administrative departments at the University of Alabama in Huntsville or within the University of Alabama System that may provide legal, billing, auditing, technology support, or other administrative support for this Plan, including but not limited to The University of Alabama System Office of Counsel, The University of Alabama System Office of Internal Audit, The University of Alabama in Huntsville's Privacy Officer, UA and UAH Human Resources and their Privacy Officers, and UAH, UA and UAS Risk Management. For purposes of this Notice, the Health Flexible Spending Account and its affiliated administrative support departments, when providing administrative support for Division 07F of BCBS Group #79912, will be referred to as "the Plan."

The Plan provides flexible health reimbursement benefits to you as described in your Blue Cross Blue Shield of Alabama Flexible Spending Account Summary Plan Description. The Plan receives and maintains your PHI in the course of providing medical reimbursement benefits to you. The Plan hires business associates, such as Blue Cross Blue Shield of Alabama, to help it provide these

benefits to you. These business associates also receive and maintain your PHI in the course of assisting the Plan.

Our Pledge Regarding Medical Information

The Plan understands that medical information about you and your health is personal. The Plan is committed to protecting protected health information (PHI) about you. This Notice will tell you about the ways in which the Plan (or its business associates, such as BCBS of Alabama) may use and disclose PHI about you. This Notice also describes your rights and certain obligations the Plan has regarding the use and disclosure of PHI. The Plan is required by law to:

- make sure that PHI that identifies you is kept private;
- give you this notice of the Plan's legal duties and privacy practices with respect to PHI about you;
- follow the terms of the notice that is currently in effect.

Changes To This Notice

The Plan is required to follow the terms of this notice until it is replaced. The Plan reserves the right to change the terms of this notice at any time. If the Plan makes material changes to this notice, the Plan will, within 60 days of making those material revisions, provide a new notice to all subscribers then covered by the Plan. The Plan reserves the right to make the new changes apply to all your medical information maintained by the Plan before and after the effective date of the new notice.

PHI Safeguards

The Plan is committed to maintaining the security and confidentiality of information received from you relating to the Health Flexible Spending Account. Physical, electronic, and procedural safeguards will be maintained that comply with federal and state laws to protect information against unauthorized access and use.

The Plan's Privacy Officer has the overall responsibility of implementing and enforcing policies and procedures to safeguard your PHI against inappropriate access, use, and disclosure. Information on how to contact the Privacy Officer is included at the end of this Notice.

Disclosures to Family Members

Your PHI will be shared with your family members or authorized representatives in one of two ways:

- You are present, either in person or on the telephone, and give us permission to talk to the other person, or
- You sign an authorization form allowing the Plan to discuss any information about you or claims filed under your account with the Plan.

Purposes for which the Plan May Use or Disclose Your Medical Information Without Your Consent or Authorization

The following categories describe different purposes for which the Plan may use and/or disclose your PHI/medical information. Not every use or disclosure in a category will be listed. However, all of the ways the Plan is permitted to use and/or disclose information will fall within one of the categories.

- Health Care Providers' Treatment Purposes. While the Plan generally does not use or disclose your PHI to health care providers for treatment, the Plan is permitted to do so if necessary.
- Payment. The Plan may use or disclose your PHI to administer the Plan, which includes reimbursing you for eligible health care expenses for you and your dependents that are not reimbursed by insurance. The Plan may use your information to determine your eligibility for enrollment and for reimbursement and other services, including responding to complaints, appeals and external review requests.
- Health Plan Operations. For example, the Plan may use or disclose your PHI to perform its functions as a health flexible spending account plan. This may include: (i) conducting quality assessment and improvement activities, (ii) underwriting, premium rating, or other activities relating to the creation, renewal or replacement of a contract of health insurance, (iii) authorizing business associates to perform data aggregation services, (iv) engaging in care coordination or case management, and (v) managing, planning or developing the Plan's business, including conducting or arranging for legal, billing, auditing, compliance and other administrative support functions and/or services.
- Health Services. The Plan may use your PHI to contact you to provide you information about other flexible spending account benefits and services that may be of interest to you. The Plan may disclose your PHI to its business associates to assist the Plan in these activities.
- As required by law. The Plan will disclose PHI when required to do so by federal, state or local law. For example, the Plan must allow the U.S. Department of Health and Human Services to audit Plan records. The Plan may also disclose your PHI as authorized by and to the extent necessary to comply with workers' compensation or other similar laws.
- To Business Associates. The Plan may disclose your PHI to business associates the Plan hires to assist the Plan. Each business associate of the Plan must agree in writing to ensure the continuing confidentiality and security of your medical information. For example, Blue Cross Blue Shield of Alabama is the Third Party Administrator for the Plan, and is required to sign a Business Associate Agreement agreeing to comply with the HIPAA Privacy and Security Regulations and to provide appropriate safeguards to protect the privacy of your medical information.
- To Plan Sponsor. The Plan may disclose to the Plan Sponsor, in summary form, reimbursement history and other similar information. Such summary information does not disclose your name or other distinguishing characteristics. The Plan may also disclose to the Plan Sponsor the fact that you are enrolled in, or disenrolled from the Plan. The Plan may disclose your medical information to Designated Plan Sponsor Employees to perform customer service functions on your behalf and/or to perform Plan administrative functions. These Designated Employees must agree to comply with the HIPAA Privacy and Security Regulations and they may be subject to sanctions for non-compliance. The Plan Sponsor and its Designated Employees must also agree not to use or disclose your medical information for employment-related activities or for any other benefit or benefit plans of the Plan Sponsor, except as otherwise permitted by HIPAA.

The Plan may also use and disclose your medical information as follows:

- To comply with legal proceedings, such as a court or administrative order or subpoena.

- To law enforcement officials for limited law enforcement purposes.
- To a family member, friend or other person, for the purpose of helping you with payment for your flexible spending account, if you are in a situation such as a medical emergency and you cannot give your agreement to the Plan to do this.
- To your personal representatives appointed by you or designated by applicable law.
- For research purposes in limited circumstances.
- To a coroner, medical examiner, or funeral director about a deceased person.
- To an organ procurement organization in limited circumstances.
- To avert a serious threat to your health or safety or the health or safety of others.
- To a governmental agency authorized to oversee the health care system or government programs.
- To federal officials for lawful intelligence, counterintelligence and other national security purposes.
- To public health authorities for public health purposes.
- To appropriate military authorities, if you are a member of the armed forces.

Uses and Disclosures with Your Permission

The Plan will not use or disclose your medical information for any other purposes unless you give the Plan your written authorization to do so. If you give the Plan written authorization to use or disclose your medical information for a purpose that is not described in this notice, then, in most cases, you may revoke it in writing at any time. Your revocation will be effective for all your medical information the Plan maintains, unless the Plan has taken action in reliance on your authorization.

Your Rights

You may make a written request to the Plan to do one or more of the following concerning your medical information that the Plan maintains:

1. **Request Restrictions:** To put additional restrictions on the Plan's use and disclosure of your medical information. The Plan does not have to agree to your request; however, if the Plan agrees to comply, it will comply unless the information is needed to provide emergency treatment.
2. **Request Confidential Communications:** To communicate with you in confidence about your medical information by a different means or at a different location than the Plan is currently doing. The Plan does not have to agree to your request unless such confidential communications are necessary to avoid endangering you and your request continues to allow the Plan to reimburse claims. Your request must specify the alternative means or location to communicate with you in confidence.
3. **Inspect and Copy:** To see and get copies of your medical information maintained by the Plan for the purpose of reimbursement of claims and other decisions. In limited cases, the Plan does not have to agree to your request.
4. **Amend:** To request correction of PHI maintained in the Plan's records, if that information is in error. In some cases, the Plan does not have to agree to your request.
5. **Accounting:** To receive a list of disclosures of your medical information that the Plan and its business associates made for certain purposes for the last 6 years (but not for disclosures before April 14, 2004).
6. **Paper Copy of Notice:** To send you a paper copy of this notice if you received this notice by e-mail or on the internet. (Please send request to UAH Contact Office).

If you want to exercise the first five rights listed above, please contact Blue Cross Blue Shield of Alabama Customer Service at the number you currently use to obtain Flexible Spending Account Plan benefits assistance/information, and

which should be located on the back of your BCBS ID card. You will be provided the necessary information and forms for you to complete and return, and Blue Cross/Blue Shield of Alabama will advise the Plan of your request. In some cases, the Plan (or BCBS as its Third Party Administrator) may charge you a nominal, cost-based fee to comply with your request.

Complaints

If you believe your privacy rights have been violated by the Plan, you have the right to complain to the Plan or to the Secretary of the U.S. Department of Health and Human Services. All complaints must be submitted in writing. You may file a complaint with the Plan by sending it to the UAH Privacy Officer at our UAH Contact Office (below). We will not retaliate against you if you choose to file a complaint with the Plan or with the U.S. Department of Health and Human Services.

UAH Contact Office

To request additional copies of this notice or to receive more information about our privacy practices or your rights, please contact us at the following Contact Office:

UAH Privacy Officer: Sandra Parton

Telephone: (256) 824-6640 Fax: (256) 824-6908

E-mail: partons@email.uah.edu

Address: Room 102 Shelbie King Hall, Huntsville, AL 35899