

Important Information Regarding HIPAA Changes HIPAA INFORMATION LETTER

Dear Group Administrator:

Outlined below you will find information regarding the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the passage of Senate Bill 1682 by the 1997 Florida legislature, and actions of Blue Cross Blue Shield of Florida, Inc. ("BCBSF") and Health Options, Inc. ("HOI") to comply with the various sections of HIPAA and Senate Bill 1682, which became effective July 1, 1997.

Certification of Creditable Coverage for Individuals Leaving your Employment

Individuals may prove periods of prior health coverage by presenting a certification of creditable coverage. Both employers and health insurance issuers (including HMO's) are required to automatically issue certifications of creditable coverage to individuals who lose their coverage under an employer group health plan. In addition, both employers and their health insurance issuers are required to issue certifications of creditable coverage on request to any person who is currently covered by the plan or whose coverage terminated within the past 24 months.

BCBSF/HOI will automatically issue certifications of creditable coverage to persons whose coverage in your group health plan terminates. These certifications are being sent, via mail, to the individual's last known address. In addition, BCBSF/HOI will issue a certification of creditable coverage to an individual on request for up to 24 months following the end of his/her group health coverage.

Satisfaction of the Pre-existing Condition Exclusion Period

Effective July 1, 1997, both HIPAA and Florida Statutes §627.6561 and §641.31071, Pre-existing Conditions, require that all health insurance coverage (including HMO) offered, sold, issued, renewed, or in effect on or after July 1, 1997 comply with the following:

- You, the Group Administrator, must inform the employee if your group health coverage has a pre-existing condition exclusion and you can only exclude coverage for a pre-existing condition after you have notified such employee. You must also notify the employee of his/her right to show that he/she had prior creditable coverage to reduce the pre-existing condition exclusion period.
- Definition of pre-existing condition has been revised. Under HIPAA and Florida Statutes §627.6561 & §641.31071, a "pre-existing condition" is a condition, physical or mental, for which medical advice, diagnosis, care or treatment was recommended or received within the six month period ending on the enrollment date in any new health plan. The term "manifested" has been eliminated from the pre-existing condition exclusion definition.
- Pregnancy will no longer be considered a pre-existing condition, regardless of whether the woman had previous coverage.
- Additionally, Senate Bill 530 created Florida Statutes §627.64172, §627.66122, and §641.31096, which limit the application of pre-existing condition exclusion to women who have had breast cancer. These statutes provide that if during routine follow up care to determine whether breast cancer has recurred in a person who has been previously determined to be free of breast cancer and there is no evidence of breast cancer found during or as a result of the follow up care, this information does not constitute medical advice, diagnosis, care or treatment for purposes of determining pre-existing conditions. However, if there is evidence of breast cancer found during or as a result of the follow up care, this could be considered medical advice, diagnosis, care or treatment and be considered a pre-existing condition, if this follow up care was received during the six (6) month look back period.
- The pre-existing condition exclusion period will be restricted to a maximum of 12 months (24 months for group size one (1) with no prior coverage). For employees and their dependents who enroll in your group health plan during their initial eligibility period (within 30 days after satisfaction of their waiting period), the pre-existing condition exclusion period of 12 months begins as of the date of hire, not on the effective date of coverage. Thus, the pre-existing condition exclusion period runs concurrently with any waiting period which may apply. This also means that the six (6) month look back period to determine if a condition was pre-existing will be the six (6) month period immediately prior to the date of hire for initial enrollees. For special and annual enrollees, the pre-existing condition exclusion period will begin as of the effective date of the person's group health coverage.
- During initial, special, or annual open enrollment, a new employee must furnish you with his/her certification of creditable coverage, indicating a previous creditable coverage. At that time you, the Group Administrator, must inform the employee as to the amount of time that the pre-existing condition exclusion period will apply. To assist you in determining the applicable pre-existing condition exclusion period, BCBSF/HOI has developed the enclosed Determination of the Applicable Pre-existing Condition Exclusion Period (PCEP) form. If the person presents a certification of creditable indicating that he/she has had continuous coverage for more than 12 months, with no more than a 63-day break in coverage excluding your "waiting period" there will be no pre-existing condition exclusion period applicable for that person. When submitting the Universal Individual Enrollment Application for a new enrollee to BCBSF/HOI please include a copy of the person's certification of creditable coverage and the Determination of the Applicable Pre-existing Condition Exclusion form. If the individual refuses to sign the Determination of the Applicable Pre-existing Condition Exclusion form, the Group Administrator should indicate the refusal to sign and retain a copy of the form.



BlueCross BlueShield of Florida

Health Options®

Health Options and Its Parent, BlueCross and Blue Shield of Florida, are Independent Licensees of the Blue Cross and Blue Shield Association.



Blue Cross and Blue Shield of Florida, Inc.
Health Options, Inc.
Unum Life Insurance Company of America .

THIS NOTICE DESCRIBES HOW HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

Si usted desea una copia de esta notificación en español, por favor comuníquese con un representante de servicio al cliente utilizando el número telefónico indicado en su tarjeta de asegurado.

Health Insurance Portability And Accountability Act Administrative Simplification (HIPAA-AS) Notice of Privacy Practices

Our Legal Duty

As your health plan, we are required by applicable federal and state laws to maintain the privacy of your protected health information (PHI). This notice describes our privacy practices, our legal duties, and your rights concerning your PHI. We will follow the privacy practices that are described in this notice while it is in effect. This notice took effect **April 14, 2003**, and will remain in effect until a revised notice is issued.

We reserve the right to change our privacy practices and the terms of this notice at any time and to make the terms of our notice effective for all PHI that we maintain.

Before we make a significant change in our privacy practices, we will change this notice and send the new notice to you.

How we can use or disclose PHI without a specific authorization

To You: We must disclose your PHI to you, as described in the Individual Rights section of this notice.

For Treatment: For example, we may disclose PHI in an electronic health record we create from claims information, to a doctor or hospital at their request, in order for them to provide treatment to you.

Additionally we may disclose PHI to a doctor, dentist or a hospital at their request for their treatment purposes.

For Payment: For example, we may use and disclose PHI to pay claims for services provided to you by doctors, dentists or hospitals. We may also disclose your PHI to a health care provider or another health plan so that the provider or plan may obtain payment of a claim or engage in other payment activities.

For Health Care Operations: For example, we may use or disclose PHI to conduct quality assessment and improvement activities, to conduct fraud and abuse investigations, to engage in care coordination or case management, or to communicate with you about health related benefits and services or treatment alternatives that may be of interest to you. We may also disclose PHI to a health care provider or another health plan subject to federal privacy laws, as long as the provider or plan has or had a relationship with you and the PHI is disclosed only for certain health care operations of that provider or plan. We may also disclose PHI to other entities with which we have contracted to perform or provide certain services on our behalf (i.e. business associates).

For Public Health and Safety: We may use or disclose PHI to the extent necessary to avert a serious and imminent threat to the health or safety of you or others. We may also disclose PHI for public health and government health care oversight activities and to report suspected abuse, neglect or domestic violence to government authorities.

As Required by Law: We may use or disclose PHI when we are required to do so by law.

For Process and Proceedings: We may disclose PHI in response to a court or administrative order, subpoena, discovery request, or other lawful process.

For Law Enforcement: We may disclose PHI to a law enforcement official with regard to crime victims and criminal activities.

Special Government Functions: We may disclose the PHI of military personnel or inmates or other persons in lawful custody under certain circumstances. We may disclose PHI to authorized federal officials for lawful national security activities.

To Plan Sponsors, if applicable (including employers who act as Plan Sponsors):

We may disclose enrollment and disenrollment information to the plan sponsor of your group health plan. We may also disclose certain PHI to the plan sponsor to perform plan administration functions. We may disclose summary health information to the plan sponsor so that the plan sponsor may either:

- Obtain premium bids; or
- Decide whether to amend, modify or terminate your group health plan

For Research, Death, and Organ Donation: We may use or disclose PHI in certain circumstances related to research, death or organ donation.

For Workers' Compensation: We may disclose PHI as permitted by workers' compensation and similar laws.

Uses and disclosures of PHI permitted only after authorization is received

Authorization: You may give us written authorization to use your PHI or disclose it to anyone for any purpose not otherwise permitted or required by law. If you give us an authorization, you may revoke it in writing at any time. Your revocation will not affect any use or disclosure permitted by your authorization while it was in effect.

To Family and Friends: While the law permits us in certain circumstances to disclose your PHI to family, friends and others, we will do so only with your authorization. In the event you are unable to authorize such disclosure, but emergency or similar circumstances indicate that disclosure would be in your best interest, we may disclose your PHI to family, friends or others to the extent necessary to help with your health care coverage arrangements.

Individual Rights

To exercise any of these rights, please call the customer service number on your ID card.

Access: With limited exceptions, you have the right to review in person, or obtain copies of, your PHI. We may charge you a reasonable fee as allowed by law.

Amendment: With limited exceptions, you have the right to request that we amend your PHI.

Disclosure Accounting: You have the right to request and receive a list of certain disclosures made of your PHI. If you request this list more than once in a 12-month period, we may charge you a reasonable fee as allowed by law to respond to any additional request.

Use/Disclosure Restriction: You have the right to request that we restrict our use or disclosure of your PHI for certain purposes. We are not required to agree to a requested restriction. We will agree to restrict use or disclosure of your PHI provided the law allows and we determine the restriction does not impact our ability to administer your benefits.

Even when we agree to a restriction request, we may still disclose your PHI in a medical emergency and use or disclose your PHI for public health and safety and other similar public benefit purposes permitted or required by law.

Confidential Communication: You have the right to request that we communicate with you in confidence about your PHI at an alternative address. When you call the customer service number on your ID card to request confidential communications at an alternative address, please ask for a PHI address.

Note: If you choose to have confidential communications sent to you at a PHI address, we will only respond to inquiries from you. If you receive services from any health care providers, you are responsible for notifying those providers directly if you would like a PHI address from them.

Privacy Notice: You have the right to request and receive a copy of this notice at any time. For more information or if you have questions about this notice, please contact us using the information listed at the end of this notice.

Organizations Covered by this Notice

This Notice applies to the privacy practices of the organizations listed below:

- Blue Cross and Blue Shield of Florida, Inc.
- Health Options, Inc.
- Unum Life Insurance Company of America

Complaints

If you are concerned that we may have violated your privacy rights, you may complain to us using the contact information listed at the end of this notice. You may also submit a written complaint to the U.S. Department of Health and Human Services. We will provide you with the address for the U.S. Department of Health and Human Services upon request.

We support your right to protect the privacy of your PHI. We will not retaliate in any way if you choose to file a complaint with us or with the U.S. Department of Health and Human Services.

Contact Office: BCBSF Corporate Compliance Office
Telephone: 888-574-2583
Address: P.O. Box 44283, Jacksonville, FL 32203-4283