

# ALLEGHENY COUNTY SCHOOLS HEALTH INSURANCE CONSORTIUM

## 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.**

**Effective Date Of Notice: April 14, 2003**

The Allegheny County Schools Health Insurance Consortium ("Consortium") is providing you with this outline of its Privacy Policy. The privacy of your health information has always been important to the Consortium. The Consortium does not sell information to telemarketers, lenders, or financial institutions, and your health information is not made available to your Employer. However, due to new federal privacy rules that are part of the Health Insurance Portability and Accountability Act ("HIPAA"), the Consortium now operates under very strict and detailed legal requirements affecting how health insurers, benefit plans and health care providers handle medical information.

The Consortium contracts with several health service entities for administrative services, such as Highmark Blue Cross Blue Shield, Keystone Health Plan West, Inc., Penn Dental, Clarity Vision, Vision Benefits of America, Family Services of Western Pennsylvania, and others, and these associated entities will be your initial contact on matters involving the processing of medical claims. The Consortium urges you to contact those entities directly with your questions concerning the status of claims. (The Consortium's only initial involvement with claims processing is with regard to questions of eligibility.)

For purposes of the Privacy Policy, entities or individuals who perform functions on behalf of the Consortium involving the handling of individually identifiable health information are called "Business Associates". Business Associates also include lawyers, auditors, consultants, third party administrators, physicians and health care clearinghouses.

The Consortium has taken steps to ensure that those associated entities are in compliance with the new federal privacy rules. Some of these entities may confirm their compliance with the new federal privacy rules by sending you privacy notices similar to this notice. If you have not already received Notices Of Privacy Practices from these entities, you may receive their notices in the near future. These associated entities and the Consortium are governed by the same federal regulations which require issuance of this type of Notice Of Privacy Practices. The federal regulations which protect your right to privacy became effective April 14, 2003. Through this notice, the Consortium hereby acknowledges the adoption of new privacy policies in compliance with the federal regulations.

The Consortium is required by law to take reasonable steps to ensure the privacy of any health information which personally identifies you and is contained in its records. This information is called "Protected Health Information" or "PHI" and is now protected under very strict and complex regulations. Therefore, in the future, all communications with the Consortium involving PHI will be handled in a very different manner.

Since the Consortium now faces legal restrictions concerning whom it can communicate with, you should not ask your Employer or your Local Union representative to contact the Consortium to learn the status of your claim.

If the Consortium were to respond to requests of this nature, it would be in violation of the new federal regulations. By responding to such requests, the Consortium would be engaging in an unauthorized disclosure of PHI.

The federal regulations contain strict requirements, and some of the Consortium's Business Associates may handle communications more strictly than others. For instance, in the past, a husband, wife or companion might have called to check on a claim regarding his/her spouse or companion, and the requested information would have been provided. However, now insurers and benefit plans can only discuss PHI with specifically authorized individuals (or a parent or guardian). If you want your spouse or companion to check on your claim, you may be asked to name that individual as your "Personal Representative" on a form which will be provided by the Consortium or one of its Business Associates.

The purpose of this notice is to inform you about:

- the Consortium's uses and disclosures of PHI;
- your privacy rights with respect to your PHI;
- the Consortium's duties with respect to your PHI;
- your right to file a complaint with the Consortium and with the Secretary of the U.S. Department of Health and Human Services; and
- the person or office to contact for further information about the Consortium's privacy practices.

The term "Protected Health Information" includes all individually identifiable health information transmitted or maintained by the Consortium or its Business Associates, regardless of form (oral, written, or electronic).

#### **SECTION 1. NOTICE OF PHI USES AND DISCLOSURES FOR TREATMENT, PAYMENT AND HEALTH CARE OPERATIONS.**

The Consortium and its Business Associates will continue to use PHI without asking you to sign consent and authorization forms, but such use of PHI will be solely for purposes of treatment, payment and health care operations. The Board of Trustees of the Consortium agreed by Addendum to the Consortium's governing document to protect your PHI as required by federal law.

*Treatment* is the provision, coordination or management of health care and related services. It also includes but is not limited to consultations and referrals between one or more of your providers.

For example, the Consortium may disclose to a treating orthodontist the name of your treating dentist so that the orthodontist may ask for your dental X-rays from the treating dentist.

*Payment* includes but is not limited to actions to make coverage determinations and payment (including billing, claims management, subrogation, plan reimbursement, reviews for medical necessity and appropriateness of care, and utilization review and preauthorizations).

For example, the Consortium may tell a doctor whether you are eligible for coverage, or what percentage of the bill will be paid by the Consortium.

*Health Care Operations* include but are not limited to quality assessment and improvement, reviewing competence or qualifications of health care professionals, underwriting, premium rating and other insurance activities relating to creating or renewing insurance contracts. It also includes disease management, case

management, conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse compliance programs, business planning and development, business management, and general administrative activities.

For example, the Consortium may use information about your claims to refer you to a disease management program, project future benefit costs, or audit the accuracy of its claims processing functions.

*Uses And Disclosures For Which Consent, Authorization Or Opportunity To Object Is Not Required*

Use and disclosure of your PHI is allowed without your consent, authorization or request under the following circumstances:

- (1) When required by law;
- (2) When permitted for purposes of public health activities, including when necessary to report product defects, to permit product recalls, and to conduct post-marketing surveillance. PHI may also be used or disclosed if you have been exposed to a communicable disease or are at risk of spreading a disease or condition, if authorized by law;
- (3) When authorized by law to report information about abuse, neglect or domestic violence to public authorities if there exists a reasonable belief that you may be a victim of abuse, neglect or domestic violence. In such case, the Consortium will promptly inform you that such a disclosure has been or will be made unless that notice would cause a risk of serious harm. For the purpose of reporting child abuse or neglect, it is not necessary to inform a minor that such a disclosure has been or will be made. Disclosure may generally be made to the minor's parents or other representatives although there may be circumstances under federal or state law when the parents or other representatives may not be given access to the minor's PHI;
- (4) The Consortium may disclose your PHI to a public health oversight agency for oversight activities authorized by law. This includes uses or disclosures in civil, administrative or criminal investigations; inspections; licensure or disciplinary actions (for example, to investigate complaints against providers), and other activities necessary for appropriate oversight of government benefit programs (for example, to investigate Medicare or Medicaid fraud);
- (5) The Consortium may disclose your PHI when required for judicial or administrative proceedings. For example, your PHI may be disclosed in response to a subpoena or discovery request provided certain conditions are met. One of those conditions is that satisfactory assurances must be given to the Consortium that the requesting party has made a good faith attempt to provide written notice to you, and the notice provided sufficient information about the proceeding to permit you to raise an objection, and no objections were raised or were resolved in favor of disclosure by the court or tribunal;
- (6) When required for law enforcement purposes (for example, to report certain types of wounds);
- (7) For law enforcement purposes, including for the purpose of identifying or locating a suspect, fugitive, material witness or missing person. Also, when disclosing information about an individual who is, or is suspected to be, a victim of a crime, but only if the individual agrees to the disclosure or the Consortium is unable to obtain the individual's agreement because of emergency circumstances. Furthermore, the law enforcement official must represent that the information is not intended to be used against the individual, the immediate law enforcement activity would be materially and adversely affected by writing to obtain the individual's

agreement, and disclosure is in the best interest of the individual, as determined by the exercise of the Consortium's Board of Trustees' best judgment;

(8) When required to be given to a coroner or medical examiner for the purpose of identifying a deceased person, determining a cause of death, or other duties as authorized by law. Also, disclosure is permitted to funeral directors, consistent with applicable law, as necessary to carry out their duties with respect to the decedent;

(9) The Consortium may use or disclose PHI for research, subject to certain conditions;

(10) When consistent with applicable law and standards of ethical conduct if the Consortium's Board of Trustees, in good faith, believes the use or disclosure is necessary to prevent or lessen a serious and imminent threat to the health or safety of a person or the public, and the disclosure is to a person reasonably able to prevent or lessen the threat, including the target of the threat; and

(11) When authorized by and to the extent necessary to comply with workers' compensation or other similar programs established by law.

Except as otherwise indicated in this Notice, uses and disclosures of PHI will be made only with your written authorization subject to your right to revoke such authorization.

## SECTION 2. RIGHTS OF INDIVIDUALS.

### *Uses And Disclosures That Require Your Written Authorization*

Your written authorization generally will be obtained before the Consortium 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 a counseling session. They do not include summary information about your mental health treatment. The Consortium may use and disclose such notes when needed by the Consortium to defend against litigation filed by you.

### *Uses And Disclosures That Require That You Be Given An Opportunity To Agree Or Disagree Prior To The Use Or Release*

Disclosure of your PHI to family members and other relatives or companion may be allowed if:

- the information is directly relevant to the family's or companion's involvement with your care or payment for that care; and
- you have either agreed to the disclosure or have been given an opportunity to object and have not objected.

In light of the fact that the Consortium contracts with a number of organizations which are involved in the processing of information, it is likely that some may impose limitations which you do not want to be imposed. For instance, some may insist that all communications must be had with only the person receiving medical services and, therefore, refuse to communicate with your spouse, family or companion. Generally, the Consortium will assume that a spouse or parent is authorized to request an individual's PHI. However, if you are asked to provide a written authorization, federal regulation is the reason for the request. Some participants may

want to prohibit the Consortium from disclosing PHI to a spouse or other individuals. If this is the case, the Consortium will honor such a written request.

#### *Right To Request Restrictions On PHI Uses And Disclosures*

You may request the Consortium 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 for your care. The Consortium will attempt to honor your request; however, if the request cannot be honored, please note that the Consortium is under no legal obligation to do so.

The Consortium will attempt to accommodate reasonable requests to receive communications of PHI by alternative means or at alternative locations.

You or your personal representative will be required to complete a form to request restrictions on uses and disclosures of your PHI.

#### *Right To Inspect And Copy PHI*

You have the right to inspect and obtain a copy of your PHI contained in a "designated record set" for as long as the Consortium maintains the PHI.

"Designated Record Set" includes the medical records and billing records about individuals maintained by or for a covered health care provider; enrollment, payment, billing, claims adjudication, and case or medical management record systems maintained by or for a health plan; or other information used in whole or in part by or for the covered entity to make decisions about individuals. Information used for quality control or peer review analyses, and not used to make decisions about individuals, is not in the designated record set.

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 Consortium is unable to comply with the deadline.

You or your personal representative will be required to complete a form to request access to the PHI in your designated record set.

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 those 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 PHI*

You have the right to request the Consortium to amend your PHI, or a record about you in a designated record set, for as long as the PHI is maintained in the designated record set.

The Consortium has 60 days after the request is made to act on the request. A single 30-day extension is allowed if the Consortium is unable to comply with the deadline. If the request is denied in whole or in part, the Consortium must 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.

You or your personal representative will be required to complete a form to request amendment of the PHI in your designated record set. The form will ask you to provide a reason to support a requested amendment.

#### *Right To Receive An Accounting Of PHI Disclosures*

At your request, the Consortium will also provide you with an accounting of disclosures by the Consortium of your PHI during the six years prior to the date of your request. However, such accounting need not include PHI disclosures made: (1) to carry out treatment, payment or health care operations; (2) to individuals about their own PHI; or (3) prior to April 14, 2003.

If the accounting cannot be provided within 60 days, an additional 30 days is allowed if the individual is given a written statement of the reasons for the delay and the date by which the accounting will be provided.

If you request more than one accounting within a 12-month period, the Consortium may charge a reasonable, cost-based fee for each subsequent accounting.

#### *A Note About Personal Representatives*

You may exercise your rights through a personal representative. Your personal representative will be required to produce evidence of his/her authority to act on your behalf before that person will be given access to your PHI or allowed to take any action for you. Proof of such authority may take one of the following forms:

- a power of attorney for health care purposes, notarized by a notary public;
- a court order of appointment of the person as the conservator or guardian of the individual; or
- an individual who is the parent of a minor child.

The Consortium retains the discretion to deny access to your PHI to a personal representative to provide protection to those vulnerable people who depend on others to exercise their rights under these rules and who may be subject to abuse or neglect. This also applies to personal representatives of minors.

### **SECTION 3. THE CONSORTIUM'S DUTIES.**

The Consortium is required by law to maintain the privacy of PHI and to provide individuals (participants and beneficiaries) with notice of its legal duties and privacy practices.

The Consortium reserves the right to change its privacy practices and to apply the changes to any PHI received or maintained by the Consortium prior to that date. If a privacy practice is changed, a revised version of this notice will be provided.

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 Consortium, or other privacy practices stated in this notice.

#### *Minimum Necessary Standard*

When using or disclosing PHI, or when requesting PHI from another covered entity, the Consortium will make reasonable efforts not to use, disclosure or request more than the minimum amount of PHI necessary to accomplish the intended purpose of the use, disclosure or request, taking into consideration practical and technological limitations.

However, the minimum necessary standard will not apply in the following situations:

- disclosures to or requests by a health care provider for treatment;
- uses or disclosures made to the individual;
- 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 Consortium's compliance with legal regulations.

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, and is not individually identifiable health information.

In addition, the Consortium may use or disclosure "summary health information" to the Board of Trustees for obtaining premium bids or modifying, amending or terminating the group health plans, which summarizes the claims history, claims expenses or type of claims experienced by individuals for whom the Consortium has provided health benefits under a group health plan and from which identifying information has been deleted in accordance with HIPAA.

**SECTION 4. COMPLAINT PROCEDURE.**

If you believe that your privacy rights have been violated, you may complain to the Consortium in care of the following representative who has been designated as the Consortium's Privacy Officer:

**Consortium Privacy Officer**  
**Allegheny County Schools Health Insurance Consortium**  
**c/o Aon Consulting, Inc.**  
**625 Liberty Avenue**  
**10<sup>th</sup> Floor**  
**Pittsburgh, Pennsylvania 15222-3110**

Alternatively, you may file a complaint with the Secretary of the U.S. Department of Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue S.W., Washington, D.C. 20201.

The Consortium will not retaliate against you for filing a complaint.

**SECTION 5. ADDITIONAL INFORMATION.**

If you have any questions regarding this notice, any of the forms mentioned, or the subjects addressed in it, you may contact the Consortium's Privacy Officer identified in Section 4.

**SECTION 6. CONCLUSION.**

PHI use and disclosure by the Consortium has recently come under strict handling obligations mandated by a federal law known as the Health Insurance Portability and Accountability Act. This notice acknowledges that the Consortium is complying with the law. You may find the federal regulations 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.

**BOARD OF TRUSTEES  
 OF THE  
 ALLEGHENY COUNTY SCHOOLS HEALTH INSURANCE CONSORTIUM**

# ALLEGHENY COUNTY SCHOOLS HEALTH INSURANCE CONSORTIUM

## PRIVACY POLICY

As Of April 14, 2003

### THE USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION

#### A. Use And Disclosure Of Protected Health Information (PHI).

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and federal regulations, effective April 14, 2003, require that all employee benefit plans adopt strict protective measures to ensure the privacy of certain health information. Such information is used in the day-to-day processing of benefits and other necessary uses; however, in compliance with the law, strict handling policies have been developed. The Allegheny County Schools Health Insurance Consortium ("Consortium") will use Protected Health Information ("PHI") to the extent of, and in accordance with, the uses and disclosures permitted by HIPAA. Primarily, the Consortium will use and disclose PHI for purposes related to health care treatment, payment for health care, and health care operations, and will only exchange such information to the minimum extent necessary to Business Associates who have agreed in writing to comply with this Privacy Policy and the principles of privacy mandated by HIPAA.

The Consortium contracts with several health service organizations for administrative services and/or the purchase of health and medical insurance for employees of the Participating School Entities. You are a current or former employee of a Participating School Entity. Each of these contractors have legal and/or contractual obligations to comply with the regulations entitled "Standards For Privacy Of Individually Identifiable Health Information", as promulgated by the U.S. Department of Health and Human Services, Office of Civil Rights (45 C.F.R. Parts 160 and 164). For purposes of these regulations, the Consortium's Board of Trustees is considered the "Plan Sponsor" of the Consortium.

The Consortium does not sell any personal information about participants for marketing purposes. The Consortium restricts access to your non-public personal information to those employees, agents, consultants and health care providers who need to know that information to provide health products or services. The Consortium maintains physical, electronic, and procedural safeguards that comply with state and federal regulations to guard non-public protected health information from unauthorized access, use and disclosure.

A detailed disclosure of how the Consortium will use PHI for purposes related to health care treatment, payment for health care, and health care operations, is set forth below.

**Payment** includes activities undertaken by the Consortium to obtain premiums or determine or fulfill its responsibility for coverage and provision of plan benefits that relate to an individual to whom health care is provided. These activities include, but are not limited to, the following:

- determination of eligibility, coverage and cost sharing amounts (for example, cost of a benefit, plan maximums, and co-payments as determined for an individual's claim);

- coordination of benefits;
- adjudication of health benefit claims (including appeals and other payment disputes);
- subrogation of health benefit claims;
- establishing employee contributions;
- risk adjusting amounts due based on enrollee health status and demographic characteristics;
- billing, collection activities, and related health care data processing;
- claims management and related health care data processing, including auditing, payments, investigating and resolving payment disputes, and responding to participant inquiries about payments;
- obtaining payment under a contract for reinsurance (including stop-loss and excess-of-loss insurance);
- medical necessity reviews or reviews of appropriateness of care or justification of charges;
- utilization review, including precertification, preauthorization, concurrent review and retrospective review;
- disclosure to consumer reporting agencies related to the collection of premiums or reimbursement (the following PHI may be disclosed for payment purposes: name and address, date of birth, Social Security number, payment history, account number, and name and address of the provider and/or health plan); and
- reimbursement to the Consortium.

***Health Care Operations*** include, but are not limited to, the following activities:

- quality assessment;
- population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, disease management, and contacting health care providers and patients with information about treatment alternatives and related functions;
- rating provider and plan performance, including accreditation, certification, licensing or credentialing activities;
- underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and securing or placing a contract for reinsurance of risk relating to health care claims (including stop-loss insurance and excess-of-loss insurance);
- conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse detection and compliance programs;
- business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the Consortium, including formulary development and administration, and development or improvement of payment methods or coverage policies;
- business management and general administrative activities of the Consortium,

