

GROUP HEALTH PLANS OF PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY AND ITS AFFILIATED COMPANIES

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 of Privacy Practices is intended to comply with the privacy provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). If you are a participant in any of the following benefits, this Notice applies to you and your benefits:

- Health & Welfare Plan for Employees of Pennsylvania National Mutual Casualty Insurance Company and its Affiliated Companies (Medical, Vision and Dental benefits only)
- Flexible Benefit Plan for Employees of Pennsylvania National Mutual Casualty Insurance Company and its Affiliated Companies
- Pennsylvania National Mutual Casualty Insurance Company and its Affiliated Companies Retiree Medical Plan
- Employee Assistance Plan for Employees of Pennsylvania National Mutual Casualty Insurance Company and its Affiliated Companies

In this Notice, all of these benefits are called "the Plan," and are required by law to take reasonable steps to ensure the privacy of your individual health information ("Protected Health Information"). Although in many cases your protected health information related to the Plan is created or maintained by others, such as a Claims Administrator, we are required to provide you with this notice and abide by the terms of the current notice. The effective date of this notice is noted on each page. The Plan is required to use or disclose the minimum amount of information required to reasonably provide necessary services.

The Plan reserves the right to change this notice at any time and to make the changes apply to all medical information about you maintained by the Plan before and after the effective date of the new notices. The new notice will be sent to all participants covered by the Plan at that time.

You should separately receive a Notice of Privacy Practices from companies, such as Blue Cross Blue Shield of North Carolina, who provide fully insured benefits under the Plan. We have no control over, or responsibility for these entities providing their Notice of Privacy Practices to you, or their compliance with their privacy policies. Any questions concerning their privacy policies or procedures should be directed as explained in their Notice of Privacy Practices.

Understanding Your Protected Health Information

The Plan provides health benefits to you as described in your Benefits Booklets. The Plan receives and maintains health information about you in the course of providing these health benefits to you.

The term “Protected Health Information” (PHI) includes all “Individually Identifiable Health Information” transmitted or maintained by the Plan, regardless of form (oral, written or electronic).

The term “Individually Identifiable Health Information” means information that:

- Is created or received by a health care provider, health plan, employer or health care clearinghouse;
- Relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and
- Identifies the individual, or the information can be used to determine the identity of the individual.

Understanding what PHI is and how it is used will help you make more informed decisions if you are asked to sign an authorization to disclose your PHI to others, as required by the HIPAA regulations.

Health information held by Pennsylvania National Mutual Casualty Insurance Company in your employment records is **not** PHI:

The privacy policy and practices described in this Notice do not apply to health information that the Company or a Company-sponsored employee benefit plan holds in your employment records or in records relating to pre-employment screenings, disability benefits or claims, on-the-job injuries, workers’ compensation claims, medical leave requests, return to work reports, life insurance, retirement benefits, accommodations under the Americans with Disabilities Act, or any records not pertaining to protected health information from the group health plans.

Your Health Information Privacy Rights

Although your medical record is the property of the Plan, the information is about you, and you have legal rights regarding your protected health information, which are described below. In many cases, your protected health information is created or maintained by third parties, known as the Plan’s Business Associates, and you may be asked to contact them directly regarding the exercise of your rights. To exercise any of these rights, a written request with supporting reason, must be submitted to:

Human Resources Department
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361
Harrisburg, PA. 17105-2361

Requests that do not follow these guidelines may be denied.

Your legal rights include:

- **Right to Access.** With some exceptions, you have the right to review and copy your health information. We may charge a fee for the cost of copying, mailing, or other supplies associated with your request. If your health information is maintained in an electronic health record, you also have the right to request that an electronic copy of your health information be sent to you or to another individual entity. The Plan may charge you a reasonable cost based fee limited to the labor costs associated with transmitting the electronic health record.
- **Right to Amend.** You have the right to request an amendment of your health information when it is incorrect or incomplete. This right exists as long as we keep this information.
- **Right to an Accounting of Disclosures.** You have the right to obtain a listing of those to whom we disclosed your health information. This right applies to disclosures other than those made for treatment, payment, health care operations, and those you specifically authorized. You can request an accounting for up to 6 years prior to the date of the request but not prior to April 14, 2004. The first request in a 12-month period is provided at no cost to you. There may be a charge for subsequent requests within the same 12-month period. If your health information is maintained in an electronic health record, and if the Plan has made disclosure of your health information through the electronic health record for treatment, payment and/or health care operations purposes, you have a right to request an accounting of such disclosures that were made during the previous three years.
- **Right to Request Restrictions.** You have the right to request restrictions on the use or disclosing of your health information. We will use our best efforts to comply with all approved requests. We will provide you with a written explanation for denied requests or when we revoke a previously agreed to restriction. Notwithstanding the foregoing, if you paid out-of-pocket for a specific item or service, you have the right to request that health information relating to such item or service not be disclosed to another health plan for purposes of payment or health care operations, and the Plan must honor such a request.
- **Right to Request Alternate Communications.** You have the right to specify that communication with you be conducted in a particular manner or be directed to a certain location. We will attempt to accommodate all reasonable requests.

- **Right to a Paper Copy of this Notice.** You may request a paper copy of this Notice at any time.
- **Right to Require Written Authorization.** Any uses or disclosures of your health information, other than those described below, will be made only with your advance written authorization, which you may grant or revoke at any time.
- **Right to Receive Notice of a Breach.** The Plan is required to notify you by first class mail or by e-mail (if you have indicated a preference to receive information by e-mail), of any breaches of "Unsecured protected health information" as soon as possible, but in no event later than 60 days following the discovery of the breach. "Unsecured protected health information" is health information that is not secured through the use of a technology or methodology identified by the Secretary of the U.S. Department of Health and Human Services to render such health information unusable, unreadable and undecipherable to unauthorized users. If such breach affects 500 or more individuals, the Plan will also notify local media outlets and the Secretary of the Department of Health and Human Services of the breach.

Use and Disclosure of Your Health Information

The following are the different ways the Plan may use and disclose your protected health information without your authorization or consent.

- ***For treatment, payment or health care operations***, by the Plan, its Business Associates, and their agents/subcontractors, to carry out treatment, payment and health care operations:

Treatment is the provision, coordination or management of health care and related services by one or more health care providers. It also includes, but is not limited to, consultations and referrals between one or more of your providers. For example, the Plan may disclose to a treating orthodontist the name of your treating dentist so the orthodontist may ask for your dental X-rays from the treating dentist.

Payment means activities undertaken by the Plan to obtain premiums or to determine or fulfill its responsibility for coverage and provision of benefits under the Plan, or to obtain or provide reimbursement for the provision of the health care. Payment includes, but is not limited to, actions to make eligibility or coverage determinations, billing, claims management, collection activities, subrogation, reviews for medical necessity and appropriateness of care, utilization review and pre-authorization. For example, the Plan may tell a doctor whether you are eligible for coverage or what percentage of the bill might be paid by the Plan. The Plan may also disclose PHI to a close friend or family member who is reasonably believed to be involved in or who helps pay for your health care.

Health care operations means conducting quality assessment and improvement activities, population-based activities relating to improving health or reducing health care costs, contacting health care providers and patients with information about treatment alternatives, reviewing the competence or qualifications of health care

professionals, evaluating health plan performance, underwriting, premium rating and other insurance activities relating to creating, renewing or replacing health insurance contracts or health benefits. It also includes disease management, case management, conducting or arranging for medical review, legal services and auditing functions including fraud and abuse detection and compliance programs, business planning and development, business management and general administrative activities. For example, the Plan 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.

- **Individual Participant Communication.** The Plan may contact you to give you information about treatment alternatives or other health-related benefits and services that may be of interest to you.
- **As Required By Law.** The Plan must allow the U.S. Department of Health and Human Services to audit Plan records. The Plan may also disclose medical information about you as authorized and to the extent necessary to comply with workers' compensation or other similar laws.
- **To a Business Associate.** The Plan may disclose medical information about you to the Plan's business associate, which is a third party providing certain services to the Plan. Each business associate of the Plan must agree in writing to ensure the continuing confidentiality and security of medical information about you. An example of one of our business associates is Capital Blue Cross, which processes claims for the Plan.
- **To Plan Sponsor.** The Plan may disclose to Pennsylvania National Mutual Casualty Insurance Company (the "Plan Sponsor"), in summary form, claims history and other similar information. The Plan may disclose medical information about you to the Plan Sponsor for Plan administration functions that the Plan Sponsor provides to the Plan, such as assisting with claims disputes. These disclosures will be made only to personnel in the following departments who require access to this information in connection with Plan Administration:
 - Employees of the Human Resources Department of Pennsylvania National Mutual Casualty Insurance Company and its wholly owned subsidiaries;
 - Corporate officers and employees of the Legal Department;
 - Individuals designated in writing by the Privacy Officer.
 - Designated Information Technology Department employees

Unless authorized by you in writing, your health information will not be used for any employment-related actions and decisions or in connection with any other employee benefit plan sponsored by Pennsylvania National Mutual Casualty Insurance Company.

Your PHI may also be used and disclosed 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 your personal representatives appointed by you or designated by applicable law.
- 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.
- For specialized government functions (e.g., military and veterans activities, national security and intelligence, federal protective services, medical suitability determinations, correctional institutions and other law enforcement custodial situations).
- To public health authorities for public health purposes.
- We may disclose to one of your family members, to a relative, to a close personal friend, or to any other person identified by you, Protected Health Information that is directly relevant to the person's involvement with your care or payment related to your care.

Filing a Complaint

If you believe that your privacy rights have been violated, you have the right to complain to the Plan. Any complaint must be in writing and mailed to the individual shown below under "Contact Information". Your complaint must be submitted within 180 days of when you believe the violation occurred. You may also file a written complaint with the Secretary of the U.S. Department of Health and Human Services.

Contact Information

If you have questions regarding this Notice or the subjects addressed in it, you may contact the Group Health Plan Privacy Officer or the Plan Administrator designated by the Privacy Officer by telephone at 1-800-388-4764 or in writing to:

Plan Administrator – Human Resources Department
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361
Harrisburg, PA. 17105-2361