



Notice of Privacy Practices

Effective Date April 14, 2003

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.

At WellChoice, we respect the confidentiality of your medical information and will protect that information in a responsible manner. We have a comprehensive privacy program in place that meets the requirements of the Health Insurance Portability and Accountability Act (HIPAA) Privacy Regulations, the government legislation that sets standards for the privacy of medical information.

WellChoice follows all state privacy laws to which we are subject that do not conflict with the HIPAA Privacy Regulations. However, if a state privacy law conflicts with the HIPAA Privacy Regulations yet provides greater privacy rights or protections than the HIPAA Privacy Regulations, we will follow that state law.

We must follow the privacy practices that are described in this notice while it is in effect. We reserve the right to change our privacy practices and the terms of this notice at any time, as long as the changes are permitted by law. Before we make a significant change to our privacy practices, we will change this notice and send the new one to our current subscribers. This new notice will be effective for all medical information that we maintain, including medical information we created or received before the changes were made.

Additionally, please know that WellChoice is required by law to maintain the privacy of your medical information and to give you this notice regarding your rights, our privacy practices and legal duties concerning your medical information.

Definition of Medical Information

When WellChoice refers to medical information in this notice, we mean information that is individually identifiable health information. This includes demographic information collected from you or created or received by a health care provider, a health plan, your employer or a health care clearinghouse.

This information relates to: (1) your past, present or future physical or mental health or condition; (2) the provision of health care to you; or (3) past, present or future payments for the provision of health care to you.

Uses and Disclosures of Medical Information

This section provides you with a general description and examples of the ways your medical information is used and disclosed. WellChoice's uses and disclosures are not limited to these examples.

Treatment: Your medical information may be used or disclosed to a physician or other health care provider in order for them to provide you with treatment.

Payment: Your medical information may be used or disclosed

- for billing, claims management and collections activities.
- to pay claims from physicians, hospitals and other providers for services delivered to you that are covered by your health plan.
- to determine your eligibility for benefits.
- to conduct risk adjustment activities.
- to coordinate benefits.
- to determine medical necessity.
- to conduct utilization review activities.
- to obtain premiums.
- to issue explanations of benefits to the person who subscribes to the health plan in which you participate.
- to a health care provider or entity so they can obtain payment or engage in payment activities.

Health Care Operations: Your medical information may be used and disclosed in connection with our health care operations, including

- underwriting, premium rating and other activities relating to the creation, renewal or replacement of benefit coverage.
- case management and care coordination.
- contacting health care providers and patients with information about treatment alternatives, disease management or wellness programs and related functions that do not include treatment.
- population-based activities relating to improving health or reducing health care costs.
- quality assessment and improvement activities and protocol development.
- reviewing the competence or qualifications of health care professionals, evaluating practitioner and provider performance, conducting training programs, accreditation, certification, licensing or credentialing activities.
- conducting or arranging for medical review, legal services, auditing and fraud and abuse detection and compliance programs.
- business planning and development, such as formulary development and administration.
- business management and general administrative activities, including management activities relating to privacy, customer service and resolution of internal grievances.

Additional Disclosures: Your medical information may be disclosed

- to another entity that has a relationship with you for their health care operations relating to quality assessment and improvement activities, reviewing the competence or qualifications of health care professionals, or detecting or preventing health care fraud and abuse.
- to other persons or entities that assist us in conducting our payment, health care operations and business activities. We will not disclose your medical information to those persons or entities unless they agree to keep it protected.

Health-Related Services: Your medical information may be used to send you appointment reminders or to communicate with you to encourage you to purchase or use a health-related product or service (or payment for such product or service), that is provided by, or included in, a WellChoice health plan.

This includes communications about: the entities participating in a health care provider network or health plan network; replacement of, or enhancements to, a health plan; and health-related products or services available only to a health plan enrollee that add value to, but are not part of, a benefit plan, for purposes of treatment, case management or care coordination, or to direct or recommend alternative treatments, therapies, health care providers or settings of care.

To Your Family and Friends: Your medical information may be disclosed to a family member, friend or other person to the extent necessary to help with your health care or with payment for your health care.

Your name, location and general condition or death may be used or disclosed to notify or assist in the notification of (including identifying or locating) a person involved in your care.

We will provide you with an opportunity to object to such uses or disclosures, unless, based on professional judgment, we may reasonably infer from the circumstances that you do not object to such uses and disclosures.

If you are not present, or in the event of your incapacity or an emergency, we will use our professional judgment in deciding whether disclosing your medical information would be in your best interest.

If You Are a Member of a Group Health Plan: Your medical information, and the medical information of others enrolled in your group health plan, may be disclosed to your employer or the organization that sponsors your group health plan (the "plan sponsor") in order to permit the plan sponsor to perform plan administration functions. Please see your plan documents for an explanation of these limited uses and disclosures.

Summary information about the enrollees in your group health plan may also be disclosed to the plan sponsor so they may obtain premium bids for health insurance coverage or in order to decide whether to modify, amend or terminate your group health plan. The information we may disclose summarizes claims history and expenses or types of claims experienced by the enrollees in your group health plan. This summary information will be stripped of demographic information but the plan sponsor may still be able to identify you or other enrollees.

Disaster Relief: We may use or disclose your medical information to a public or private entity authorized by its charter or by law to assist in disaster relief efforts.

For the Public Benefit: Your medical information may be used or disclosed as authorized by law for the following purposes:

- as required by law
- for public health activities, including disease and vital statistic reporting, child abuse reporting, FDA oversight and to employers regarding work-related illness or injury
- to report adult abuse, neglect or domestic violence
- to health oversight agencies
- in response to court and administrative orders and other lawful processes
- to law enforcement officials pursuant to subpoenas and other lawful processes concerning crime victims, suspicious deaths, crimes on our premises, reporting crimes in emergencies and for purposes of identifying or locating a suspect or other person
- to coroners, medical examiners and funeral directors

- to organ procurement organizations
- to avert a serious threat to health or safety
- in connection with certain research activities
- to the military and to federal officials for lawful intelligence, counterintelligence and national security activities
- to correctional institutions regarding inmates as authorized by state workers' compensation law

Marketing: Your medical information may be used or disclosed to encourage you to purchase or use a product or service by face-to-face communication by us or for us to provide you with promotional gifts of nominal value.

Fundraising: Your demographic information and the dates of health care services provided to you may be used in order to contact you for fundraising. We may disclose information to a business associate or foundation to assist us in our fundraising activities. We will provide you with fundraising materials and a description of how you may opt out of receiving future fundraising communications.

Your Written Authorization Is Required: Other uses and disclosures of your medical information that are not described above will only be made with your written authorization. You may give us written authorization to use or to disclose your medical information to anyone for any purpose.

You may revoke your authorization at any time. However, your revocation will not affect any use or disclosure that you permitted prior to your revocation.

Your Individual Rights

Access to Your Information: You have the right to inspect or obtain a copy of the medical information about you that is contained in a "designated record set" except for psychotherapy notes and certain other information. A "designated record set" generally contains medical and billing records as well as other records that are maintained by or for us, or used by or for us to make decisions about you.

We may ask you to submit your request in writing and to provide us with the specific information we need in order to fulfill your request. We reserve the right to charge a reasonable fee for the cost of producing and mailing the copies to you. In certain situations, we may deny your request to inspect or obtain a copy of the requested information. If we deny your request, we will notify you in writing and may provide you with an opportunity to have the denial reviewed.

Accounting of Disclosures: You have the right to receive a list of instances in which we or our business associates disclosed your medical information for purposes other than treatment, payment, health care operations or those authorized by you as well as for certain other activities that occurred up to six years before the date of your request. However, you will not be able to obtain a list of disclosure instances that occurred prior to April 14, 2003; the date this notice is effective. Any list we send you will include the date(s) of the disclosure, to whom it was made, their address, if known, a brief description of the information disclosed and the purpose of the disclosure. If you request this accounting list more than once in a 12-month period, we may charge you a reasonable administration fee for these additional requests.

Restrictions on Use or Disclosure: You have the right to request that we restrict the use or disclosure of your medical information in connection with treatment, payment and health care operations. You also have the right to request that we restrict disclosures to persons involved in your health care or payment for your health care. We may ask you to submit your request in writing. We will review your request, but we are not required to comply with it.

Confidential Communication: You have the right to request that we communicate with you about your medical information by a different means or location. You must make your request in writing and state that the information could endanger you if it is not communicated by a different means or location. We must accommodate your request if it is reasonable and specifies the new means or location of contact. It must also allow us to collect premiums and pay claims. This includes issuing explanations of benefits to the subscriber of the health plan in which you participate.

An explanation of benefits issued to the subscriber about the subscriber or others covered by the health plan in which you participate, may contain sufficient information to reveal that you obtained health care for which we paid, even though

we communicated with you in the confidential manner you requested. Once your request for confidential communications is in effect, all of your medical information will be communicated in accordance with your instructions.

Amending Your Medical Information: If you believe that the medical information contained in your "designated record set" is not correct or complete, you have the right to request that we amend it. We may require your request be in writing and that it explains why the information should be changed. If we make the amendment, we will notify you. In addition, if we make the change, we will make reasonable efforts to inform others, including people you name, of the amendment and to include the changes in any future disclosures of that information.

If your request is denied, you will be notified in writing of the reason for the denial and the letter will explain how to file a written statement of disagreement. WellChoice has the option to rebut your statement. You have the right to ask that your original request, our denial and your statement of disagreement be included with any future disclosures of your information.

Additional Copies, Questions or Complaints

Requests for Additional Copies and Questions Regarding Privacy and Individual Rights:

- You may request a copy of our notice at any time.
- If you view this notice on our website or receive it by e-mail, you are also entitled to receive it in written form.
- You may request more detailed information about your rights and privacy protections or learn how to exercise those individual rights as described in this notice.

Please contact Member Services at the phone number listed on the back of your member identification card or write to us at WellChoice, 120 Wood Avenue South, Suite 300, Iselin, NJ 08830.

Complaints: If you believe that WellChoice has violated your privacy rights, write to our Privacy Office at WellChoice, 120 Wood Avenue South, Suite 300, Iselin, NJ 08830 or call Member Services at the phone number listed on the back of your member identification card.

You also may file a complaint with the Secretary of the U.S. Department of Health and Human Services. Complaints filed directly with the Secretary must: (1) be in writing; (2) contain the name of the entity against which the complaint is lodged; (3) describe the relevant problems; and (4) be filed within 180 days of the time you became or should have become aware of the problem. We will provide you with this address upon request. 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. We support your right to the privacy of your medical information.