



Effective Date: April 14, 2003

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.*

ValueOptions of California, Inc. considers personal health information to be confidential. We protect the privacy of that information in accordance with federal and state privacy laws, as well as our internal policies.

Under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), your personal health information is referred to as "protected health information" (PHI), and includes information about you that we create or receive relating to your past, present, or future health care and payment for these services. For example, PHI includes your medical records (such as medical history, claims data and diagnoses) and other personal information such as your name, address, social security number and telephone number. HIPAA and California law require us to take steps to protect the confidentiality of PHI and to provide you with this Notice. This Notice describes how we may use or share your PHI with others in arranging for your treatment or care and in operating our behavioral health plan.

We are required to follow the practices described in this Notice, but **we may change our privacy practices and this Notice at any time**, in which case the new privacy practices will be effective for all PHI that we currently maintain and any PHI that we receive or create in the future. This Notice is posted on our website: <http://www.valueoptions.com>. In the event of any change to our privacy practices, we will post a new Notice on our website.

If you have any questions about our privacy practices, or you wish to receive a paper copy of this Notice please contact our customer service department at the telephone number listed in your Member materials.

How We Use and Disclose Your Personal Health Information

We may collect PHI directly from you. We may also receive PHI from your plan sponsor, your group health plan or their affiliates, your other health insurance providers, your attending physicians and other providers, and databases. We may use and disclose your PHI to operate our health plan, to arrange for payment for health care services, and to coordinate your care. Here are examples of how we may use and disclose PHI.

Health care operations: We may use and share PHI to operate our health plan, employee assistance programs, and other related programs. For example, we may use your PHI in deciding whether you are eligible for specific services. We may also combine and analyze your PHI to enable those that provide services to you to receive information about products and services in order to better coordinate your care. Unless you provide us with different directions, we may send appointment reminders and other similar information to your home, along with information about treatment alternatives and health-related benefits. We may use PHI in studying the quality of the health care services that are provided to our Members. We may share PHI with certain insurance administrators, our accountants, our attorneys and other third parties to enable them to assist us in the operation of our health plan, but they must agree to maintain the confidentiality of any PHI that they receive. If we are providing health benefits under an employer-sponsored group health plan, we may disclose PHI to the sponsor of the plan but only to the extent that state and federal law permits such disclosure, and only in compliance with privacy safeguards imposed by applicable law. We will not release any information to an employer that would indicate to the employer that you or a family member are receiving or have received services from a health care provider covered by the plan unless you authorize us to do so, except for purposes related to detecting and preventing insurance fraud.

Payment: We may use and share PHI to pay claims that are submitted to us by health care professionals, insurance administrators or insurance companies. We may also use and share PHI with insurance administrators and with health insurers to obtain payment for our services. For example, we may release portions of your PHI to a state Medicaid agency or to an insurance company that provides coverage for you in order to enable us to arrange for the provision of payment for the services that you receive.

Treatment: We may disclose PHI to providers and caregivers who are involved in providing health care or employee assistance program services to our Members. For example, we may share your PHI with the health professionals that provide treatment to you, in order to enable them to better manage and coordinate your care.

Additional Reasons for Disclosure

When required by law: We may share PHI when we are required or permitted to do so under federal, state or local law. For example, we may share PHI when a law requires or permits us to report information about suspected abuse or neglect, domestic violence, or other suspected criminal activity.

Public health activities: We may share PHI with public health authorities when we are required or permitted to collect information about disease or injury, or to report vital statistics. We may also share PHI with a public health authority that is authorized to receive reports of child abuse or neglect. We may share PHI in connection with drug safety testing conducted by the U.S. Food and Drug Administration.

Health oversight activities: We may share PHI with a government agency responsible for monitoring the health care system. These monitoring activities may include, for example, audits, investigations, inspections, licensure, and other activities that are necessary to the appropriate oversight of the health care system.

Judicial and administrative proceedings: We may disclose PHI in response to a court or an administrative order. We may also disclose PHI in response to a subpoena, discovery request or other lawful request where a court order has not been issued, but we will do so only if efforts have been made to notify the Member that is the subject of the request (which may include written notice) or obtain an order protecting the information requested. If we are providing health benefits to a Member as a result of employment-related health care services conducted at the specific prior written request and expense of the employer, we may disclose that portion of the PHI that is relevant to a lawsuit in which the employer and the Member are parties.

Law enforcement: We may release PHI under the following circumstances:

- In response to a court order, subpoena, warrant, summons or similar process;
- To identify or locate a suspect, fugitive, material witness, or missing person;
- About the victim of a crime if, under certain limited circumstances, we are unable to obtain the person's agreement;
- About a death we believe may be the result of criminal conduct;
- About criminal conduct at a hospital; and
- In emergency circumstances to report a crime, the location of the crime or crime victims, or the identity, description or location of the person who committed the crime.

Decedents and organ donors: We may share PHI relating to an individual's death with coroners, medical examiners or funeral directors. We may also share PHI with organ procurement organizations relating to organ, eye, or tissue donation or transplant services.

Research: In certain circumstances, under the supervision of a privacy board, we may share PHI in order to assist medical or psychiatric research.

Threats to health or safety: In order to avoid a serious threat to health or safety, we may share PHI with law enforcement or other persons who might prevent or reduce the threat of harm.

Specialized government functions: We may share the PHI of military personnel and veterans with government agencies in certain situations. We may also sometimes share PHI with correctional facilities, or with government agencies for eligibility, enrollment or national security reasons.

Workers' compensation: We may provide PHI as authorized by and to the extent necessary to comply with laws relating to workers' compensation or other similar programs.

Disclosure to a Friend or Family Member Who is Involved in Your Care

We may disclose your PHI to a family member, friend or any other person you identify who is involved in your medical care, if you give us permission to communicate with that person. We may also disclose your PHI to a person who is responsible for payment for your care. If you are a minor, your parent or guardian may generally obtain your PHI. However, if a minor's consent is the only consent required to authorize the health care services, the minor's parent or guardian generally may not obtain medical records and certain other information relating to the services unless the minor agrees. This applies to certain services related to mental health, chemical dependency, pregnancy, communicable diseases and sexual assaults.

Uses and Disclosures That Require Your Written Permission

By law we must have your written permission (an "authorization") to use or give out your PHI for any purpose that is not set out in this Notice. You may change your mind and revoke your permission at any time, but you must do so by notifying us in writing, in which case we will follow your written directions except to the extent that we have already disclosed personal information based on your authorization. Any use or disclosure of PHI beyond the provisions of the law is prohibited.

Your Legal Rights

Under HIPAA, you have the right to make certain requests regarding your PHI. You may ask us to:

- Limit how we use or share your PHI. We will consider your request, but we are not required to agree to it. We cannot agree to limit the uses or sharing of information that are required by law.
- Communicate with you in a certain way or at a certain location. For example, you can ask that we contact you only at work or by mail. You must make this request in writing, and we will agree to it if it is reasonable for us to do so.
- Obtain a copy of your PHI that is in a “designated record set.” A designated record set is a group of records that we use to make decisions about individuals, such as decisions about health care and decisions about whether an insurance claim will be paid. In certain situations, we may deny access to some parts of your PHI and you cannot appeal that decision, but if we do so we will inform you in writing of the reasons for denial. For example, we may deny your request for access to psychotherapy notes, information we collect for legal actions, or lab test information that is protected by law, and you can’t appeal those decisions. A charge for copying may be required depending on your circumstances.
- Correct or amend your PHI that is in a designated record set. Your request must be in writing and describe the reasons supporting your request. In certain cases we may deny your request, but if we do so we will inform you in writing of the reasons for denial. For example, we may deny your request if we determine that we did not create the PHI and the person that did create it is available to act on your request, or that the PHI is accurate and complete.
- Obtain a listing of the disclosures of your PHI. Upon request we will provide you with information including the date of the disclosure, the person to whom the PHI was disclosed and the purpose for the disclosure. We are not required to include disclosures for treatment, payment or health care operations. We are also not required to include disclosures that we made to you or disclosures that you authorized. We are not required to include disclosures to national security or intelligence authorities, disclosures that law enforcement or health authorities have asked us not to list, and disclosures that occurred prior to April 14, 2003. We will not charge you for one listing each year.
- You have a right to receive a paper copy of this Notice or an electronic copy by email upon request.

How to Complain About our Privacy Practices

If you think we may have violated your privacy rights, you may file a complaint by contacting us at the telephone number listed in your Member materials or by writing to us at: *ValueOptions of California, Inc.* Attn: Grievance Department, P.O. Box 6065 Cypress, CA 90630.

You may also file a written complaint with the Secretary of the U.S. Department of Health and Human Services. We will not discriminate against you in any way because you file a complaint.

Who Will Follow This Notice

This notice applies to *ValueOptions of California, Inc.*