

Required Notices



Plan Year
2015

Mark III Brokerage, Inc.

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see page 3 for more details.

Table of Contents

Medicare D Notice	3
Newborns' and Mothers' Health Protection Act	5
Mastectomy Benefits	5
HIPAA.....	6

Important Notice from **Employer** About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with **Employer** and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. **Employer** has determined that the prescription drug coverage offered by **Carrier** is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current **Carrier** coverage may not be affected. **Employer** employees eligible for Medicare Part D can keep prescription drug coverage under **Carrier**. If you elect Part D, then the health plan will coordinate with

Medicare Part D coverage. Once you are age 65 and a retiree, you will not be covered under the **Carrier** plan.

If you do decide to join a Medicare drug plan and drop your current **Carrier** coverage, be aware that you and your dependents may not be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with **Carrier** and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the following person:

Group Contact
Employer
Title
Phone Number
email
Address
City, State, Zip

NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through **Carrier** changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their telephone number) for personalized help call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: [Insert MM/DD/YY]

Newborns’ and Mothers’ Health Protection Act

Under federal law, group health plans and health insurance issuers offering group health insurance coverage generally may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a delivery by cesarean section. However, the plan or issuer may pay for a shorter stay if the attending provider (e.g., your doctor, nurse midwife or physician assistant), after consultation with the mother, discharges the mother or newborn earlier.

Also, under federal law, group health plans and health insurance issuers may not set the level of benefits or out-of-pocket costs so that any later portion of the 48 hour (or 96 hour) stay is treated in a manner less favorable to the mother or newborn than any earlier portion of the stay.

In addition, a plan or issuer may not, under federal law, require that a doctor or other health care provider obtain certification for prescribing a length of stay of up to 48 hours (or 96 hours). However, to use certain providers or facilities, or to reduce your out-of-pocket costs, you may be required to obtain certification.

Mastectomy Benefits

In accordance with the Women’s Health and Cancer Rights Act of 1998, our Health Plan provides for the following services related to mastectomy surgery:

- Reconstruction of the breast on which the mastectomy has been performed
- Surgery and reconstruction of the non-diseased breast to produce a symmetrical appearance without regard to the lapse of time between the mastectomy and the reconstructive surgery
- Prostheses and physical complications of all stages of the mastectomy, including lymphedemas.

The benefits described above are subject to the same co-payment or coinsurance and limitations as applied to other medical and surgical benefits provided by our Health Plan.

Privacy Notice

Health Insurance Portability and Accountability Act (HIPAA)

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.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) imposes numerous requirements on employer health plans concerning the use and disclosure of individual health information. This information, known as protected health information, includes virtually all individually identifiable health information held by a plan – whether received in writing, in an electronic medium, or as an oral communication. This notice describes the privacy practices of the following plans: EAP (Employee Assistance Program), Healthcare FSA (Flexible Spending Account) and the **Employer** Health Plan. The plans covered by this notice may share health information with each other to carry out Treatment, Payment, or Health Care Operations. These Plans are collectively referred to as the Plan in this notice, unless specified otherwise.

The Plan's duties with respect to health information about you

The Plan is required by law to maintain the privacy of your health information and to provide you with this notice of the Plan's legal duties and privacy practices with respect to your health information. If you participate in an insured plan option, you will receive a notice directly from the Insurer. It's important to note that these rules apply to the Plan, not the **Employer** as an employer.

How the Plan may use or disclose your health information

The privacy rules generally allow the use and disclosure of your health information without your permission (known as an authorization) for purposes of health care Treatment, Payment activities, and Health Care Operations. Here are some examples of what that might entail:

- Treatment includes providing, coordinating, or managing health care by one (1) or more health care providers or doctors. Treatment can also include coordination or management of care between a provider and a third party, and consultation and referrals between providers. For example, the Plan may share health information about you with physicians who are treating you.
- Payment includes activities by this Plan, other plans, or providers to obtain premiums, make coverage determinations and provide reimbursement for health care. This can include eligibility determinations, reviewing services for medical necessity or appropriateness, utilization

management activities, claims management, and billing; as well as “behind the scenes” plan functions such as risk adjustment, collection, or reinsurance. For example, the Plan may share information about your coverage or the expenses you have incurred with another health plan in order to coordinate payment of benefits.

- Health care operations include activities by this Plan (and in limited circumstances other plans or providers, such as wellness and risk assessment programs, quality assessment and improvement activities, customer service, and internal grievance resolution). Health care operations also include vendor evaluations, credentialing, training, accreditation activities, underwriting, premium rating, arranging for medical review and audit activities, and business planning and development. For example, the Plan may use information about your claims to review the effectiveness of wellness programs.

The amount of health information used or disclosed will be limited to the “Minimum Necessary” for these purposes, as defined under the HIPAA rules. The Plan may also contact you to provide appointment reminders or information about treatment alternatives or other health-related benefits and services that may be of interest to you.

How the Plan may share your health information with the Employer

The plan, or its health insurer, may disclose “summary health information” to the Employer if requested, for purposes of obtaining premium bids to provide coverage under the Plan, or for modifying, amending, or terminating the Plan. Summary health information is information that summarizes participants’ claims information, but from which names and other identifying information has been removed.

The Plan, or its Insurer, may disclose to the Employer information on whether an individual is participating in the Plan, or has enrolled or de-enrolled in an insurance option offered by the Plan.

In addition, the Plan, or its Insurer, may disclose your health information without your written authorization to the Employer for plan administration purposes, if the Employer adopts Plan amendments describing its administration activities.

The Employer cannot and will not use health information obtained from the Plan for any employment-related actions. However, health information collected by the Employer from other sources, for example under the Family and Medical Leave Act, Americans with Disabilities Act, or workers’ compensation is not protected under HIPAA (although this type of information may be protected under other federal or state laws).

Other allowable uses or disclosures of your health information

In certain cases, your health information can be disclosed without authorization to a family member, close friend, or other person you identify who is involved in your care or payment for your care.

Information describing your location, general condition, or death may be provided to a similar person (or to a public or private entity authorized to assist in disaster relief efforts). You'll generally be given the chance to agree or object to these disclosures (although exceptions may be made, for example, if you're not present or if you're incapacitated). In addition, your health information may be disclosed without authorization to your legal representative. If you die, the Plan may disclose to a family member, close personal friend or someone else that you have identified who was involved with your care or payment for your care prior to your death, protected health information that is relevant to such person's involvement, unless doing so is inconsistent with your prior expressed preference, which is known to the Plan.

The Plan is also allowed to use or disclose your health information without your written authorization for uses and disclosures required by law, for public health activities, and other specific situations, including:

- Disclosures to Workers' Compensation or similar legal programs, as authorized by and necessary to comply with such laws
- Disclosures related to situations involving threats to personal or public health or safety
- Disclosures related to situations involving judicial proceedings or law enforcement activity
- Disclosures to a coroner or medical examiner to identify the deceased or determine cause of death; and to funeral directors to carry out their duties
- Disclosures related to organ, eye or tissue donation, and transplantation after death
- Disclosures subject to approval by institutional or private privacy review boards and subject to certain assurances by researchers regarding necessity of using your health information and treatment of information during research project, or when the individual identifiers have been removed
- Certain disclosures related to health oversight activities, specialized government or military functions and Health and Human Services investigations

Except as described in this notice, other uses and disclosures will be made only with your written authorization. You may revoke your authorization as allowed under the HIPAA rules. However, you can't revoke your authorization if the Plan has taken action relying on it. In other words, you can't revoke your authorization with respect to disclosures the Plan has already made.

When a state law requires the Plan to impose stricter standards to protect your protected health information, the Plan will follow state law rather than HIPAA. For example, where such laws have

been enacted, the Plan will follow more stringent state privacy laws that relate to uses and disclosures of protected health information concerning HIV or AIDS, mental health, substance abuse, chemical dependency, genetic testing or reproductive rights.

The Plan will not use or disclose protected health information that is genetic information for underwriting purposes. Genetic information is generally defined as information about your genetic tests and the genetic tests of your family members, the manifestation of a disease or disorder in your family members or any request for, or receipt of, genetic services, or participation in clinical research which includes genetic services, by you or any of your family members. Underwriting includes the determination of eligibility for, or determination of, benefits under the Plan, the computation of premiums or contribution amounts under the Plan and other activities related to the creation, renewal or replacement of a contract of health insurance or health benefits.

Your individual rights

You have the following rights with respect to your health information the Plan maintains. These rights are subject to certain limitations, as discussed below. This section of the notice describes how you may exercise each individual right. See the information at the end of this notice for instructions on how to submit requests.

Right to request restrictions on certain uses and disclosures of your health information and the Plan's right to refuse

You have the right to ask the Plan to restrict the use and disclosure of your health information for Treatment, Payment, or Health Care Operations, except for uses or disclosures required by law. You have the right to ask the Plan to restrict the use and disclosure of your health information to family members, close friends, or other persons you identify as being involved in your care or payment for your care. You also have the right to ask the Plan to restrict use and disclosure of health information to notify those persons of your location, general condition, or death – or to coordinate those efforts with entities assisting in disaster relief efforts. If you want to exercise this right, your request to the Plan must be in writing.

The Plan generally is not required to agree to a requested restriction. However, the Plan must agree to your request to restrict a disclosure of protected health information to a health plan if the disclosure is for the purpose of carrying out payment or health care operations and is not otherwise required by law and the protected health information pertains solely to a health care item or service for which you, or a person other than the health plan on your behalf, has paid the covered entity in full. If the Plan does agree, a restriction may later be terminated by your written request, by agreement between you and the Plan (including an oral agreement), or unilaterally by the Plan for health information created or received after you're notified that the Plan has removed the restrictions. The Plan may also disclose health information about you if you need emergency treatment, even if the Plan has agreed to a restriction.

Right to receive confidential communications of your health information

If you think that disclosure of your health information by the usual means could endanger you in some way, the Plan will accommodate reasonable requests to receive communications of health information from the Plan by alternative means or at alternative locations.

If you want to exercise this right, your request to the Plan must be in writing and you must include a statement that disclosure of all or part of the information could endanger you. This right may be conditioned on you providing an alternative address or other method of contact and, when appropriate, on you providing information on how payment, if any, will be handled.

Right to inspect and copy your health information

With certain exceptions, you have the right to inspect or copy your health information in a “Designated Record Set.” This may include medical and billing records maintained for a health care provider; enrollment, payment, claims, adjudication, and case or medical management record systems maintained by a plan; or a group of records the Plan uses to make decisions about individuals. However, you do not have a right to inspect or obtain copies of psychotherapy notes or information compiled for civil, criminal, or administrative proceedings. In addition, the Plan may deny your right to access, although in certain circumstances you may request a review of the denial. If you want to exercise this right, your request to the Plan must be in writing.

If the information you request is maintained electronically, and you request an electronic copy, the Plan will provide a copy in the electronic form and format you request, if the information can be readily produced in that form and format. If the information cannot be readily produced in that form and format, the Plan will work with you to come to an agreement on form and format. If agreement cannot be reached on an electronic form and format, the Plan will provide you with a paper copy.

If you request a copy of your protected health information, the Plan may charge a reasonable fee for the costs of copying, mailing or other supplies associated with the request.

If the Plan doesn't maintain the health information but knows where it is maintained, you will be informed of where to direct your request.

Right to amend your health information that is inaccurate or incomplete

With certain exceptions, you have a right to request that the Plan amend your health information in a Designated Record Set. The Plan may deny your request for a number of reasons. For example, your request may be denied if the health information is accurate and complete, was not created by the Plan (unless the person or entity that created the information is no longer available), is not part of the Designated Record Set, or is not available for inspections (e.g., psychotherapy notes or

information compiled for civil, criminal, or administrative proceedings). If your request is denied, you have the right to file a statement of disagreement with the Plan and any future disclosures of the disputed information will include your statement. If you want to exercise this right, your request to the Plan must be in writing, and you must include a statement to support the requested amendment.

Right to receive an accounting of disclosures of your health information

You have the right to a list of certain disclosures the Plan has made of your health information. This is often referred to as an “accounting of disclosures.” You generally may receive an accounting of disclosures if the disclosure is required by law, in connection with public health activities, or in similar situations listed in this notice, unless otherwise indicated below. You may also be entitled to an accounting of disclosures that the Plan should not have made without authorization.

You may receive information on disclosures of your health information going back for six (6) years from the date of your request, but not earlier than April 14, 2003 (the general date that the HIPAA privacy rules are effective). You do not have a right to receive an accounting of any disclosures made:

- For Treatment, Payment, Or Health Care Operations;
- To you about your own health information;
- Incidental to other permitted or required disclosures;
- Where authorization was provided;
- To family members or friends involved in your care (where disclosure is permitted without authorization);
- For national security or intelligence purposes or to correctional institutions or law enforcement officials in certain circumstances; or
- As part of a “limited data set” (health information that excludes certain identifying information).

In addition, your right to an accounting of disclosures to a health oversight agency or law enforcement official may be suspended at the request of the agency or official.

If you want to exercise this right, your request to the Plan must be in writing. You may make one (1) request in any 12-month period at no cost to you, but the Plan may charge a fee for subsequent requests. You’ll be notified of the fee in advance and have the opportunity to change or revoke your request.

Right to obtain a paper copy of this notice from the Plan upon request

You have the right to obtain a paper copy of this Privacy Notice upon request. Even individuals who agreed to receive this notice electronically may request a paper copy at any time by contacting Human Resources.

Right to be notified of a breach

You have the right to be notified in the event that the Town of Smithfield, the Plan or a Business Associate discovers a breach of unsecured protected health information.

Complaints

If you believe your privacy rights have been violated, you may complain to the Plan and to the Secretary of Health and Human Services. To file a complaint with the Plan, please contact:

Contact
Employer
Title
Phone Number
Email
Address
City, State, Zip

You may also file a complaint with the Office of Civil Rights, U.S. Department of Health and Human Services, by emailing your complaint to OCRMail@hhs.gov or by mailing or faxing your complaint to the appropriate Office of Civil Rights regional office, based on where the alleged violation took place. A list of regional offices can be obtained by visiting <http://www.hhs.gov/ocr/office/about/rgn-hqaddresses.html>.

You won't be retaliated against for filing a complaint.

Changes to the information in this notice

The Plan must abide by the terms of the Privacy Notice currently in effect. This notice takes effect **July 1, 2015**. However, the Plan reserves the right to change the terms of its privacy policies as described in this notice at any time, and to make new provisions effective for all health information that the Plan maintains. This includes health information that was previously created or received, not just health information created or received after the policy is changed. If changes are made to the Plan's privacy policies described in this notice, any revised notice will be posted on the Plan's website at [insert web address] by the effective date of the material change, and Town of Smithfield will

provide the revised notice, or information about the material change and how to obtain the revised notice, in the next annual mailing to individuals then covered by the Plan.

Whom to Contact for More Information

If you have any questions regarding this notice or the policies and practices it describes, you may contact the following person: Privacy Officer, [insert telephone number and address of privacy officer].

Conclusion

The Plan's use and disclosure of protected health information is regulated by HIPAA, as amended. This notice attempts to summarize the regulations. The regulations will supersede any discrepancy between the information in this notice and the regulations.

Policy effective: July 1, 2015