

SOUTH BAY HOTEL EMPLOYEES, RESTAURANT EMPLOYEES TRUST FUNDS

2815 Second Ave., Suite 300 • P. O. Box 34203 • Seattle, Washington 98124
Phone (206) 441-7574 or (800) 331-6158 • Fax (206) 441-9110

**Administered by
Welfare and Pension Administration Service, Inc.**

April 11, 2003

TO: ALL PLAN PARTICIPANTS AND BENEFICIARIES IN THE HEALTH AND WELFARE TRUST PLAN

The enclosed notice describes your rights and the Fund's obligations under "the Privacy Rule," a new federal law. The Privacy Rule is intended to:

- Control when and how health plans, doctors and hospitals and anyone else directly involved in the providing or paying for health care can disclose information specific to your health; and
- Ensure that when such information is transmitted it is done safely and without risk that it will be accessible to anyone who is not authorized to see it.

The notice describes what information is protected, when (and to whom) the Fund can disclose health information, and your rights under the Privacy Rule.

You are by no means the only people receiving this notice. All large plans must comply with the Privacy Rule by April 14, 2003 (and all small plans by April 2004). Please keep in mind that this is a big change in the way health care information is transmitted and maintained and is likely to cause some confusion as health care providers - doctors, hospitals, etc. - and health care plans adapt. If you have questions about this notice you will find a number to call on the last page.

THE BOARD OF TRUSTEES South Bay Hotel Employees and Restaurant Employees Health and Welfare Trust Plan

Enclosure

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SOUTH BAY HOTEL EMPLOYEES AND RESTAURANT EMPLOYEES HEALTH AND WELFARE TRUST PLAN

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU MAY GAIN ACCESS TO THIS INFORMATION. PLEASE REVIEW THIS CAREFULLY.

USE AND DISCLOSURE OF HEALTH INFORMATION

The South Bay Hotel Employees and Restaurant Employees Health and Welfare Trust Plan ["Health Plan"¹] may use your health information, that is, information that constitutes protected health information as defined in the Privacy Rule of the Administrative Simplification provision of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), for purposes of making or obtaining payment for your care and conducting health care operations. Health Plan has established a policy to guard against unnecessary disclosure of your health information.

THE FOLLOWING IS A SUMMARY OF THE CIRCUMSTANCES UNDER WHICH AND PURPOSES FOR WHICH YOUR HEALTH INFORMATION MAY BE USED AND DISCLOSED:

To Make or Obtain Payment. Health Plan may use or disclose your health information to make payment to or collect payment from third parties, such as other health plans or providers, for the care you receive. For example, Health Plan may provide information regarding your coverage or health care treatment to other health plans to coordinate payment of benefits.

To Conduct Health Care Operations. Health Plan may use or disclose health information for its own operations to facilitate the administration of Health Plan and as necessary to provide coverage and services to all of Health Plan's participants. For example, Health Plan may use your health information to conduct case management, quality improvement and utilization review, and provider credentialing activities or to engage in customer service and grievance resolution activities.

For Treatment. Health Plan does not provide treatment. However, Health Plan may use or disclose your health information to support treatment and the management of your care. For example, Health Plan may disclose that you are eligible for benefits to a health care provider who contacts Health Plan to verify your eligibility.

For Treatment Alternatives. Health Plan may use and disclose you health information to tell you about or recommend possible treatment options or alternatives that may be of interest to you.

For Distribution of Health-Related Benefits and Services. Health Plan may use or disclose your health information to provide to you information on health-related benefits and services that may be of interest to you.

Public Health Risks. Health Plan may disclose medical information about you for public health activities. These activities generally include the following:

- To prevent or control disease, injury or disability;
- To report births and deaths;
- To report child abuse or neglect,

- To report reactions to medications or problems with products;
- To notify people of recalls of products they may be using;
- To notify a person who may have been exposed to a disease or may be at risk for contracting or spreading a disease or condition;
- To notify the appropriate government authority if we believe a patient has been the victim of abuse, neglect or domestic violence. Health Plan will only make this disclosure if you agree or when required, or authorized by law.

For Disclosure to the Plan Sponsor. Health Plan may disclose your health information to the plan sponsor for plan administration functions performed by the plan sponsor on behalf of Health Plan. Health Plan also may provide summary health information to the plan sponsor so that the plan sponsor may solicit premium bids from other health plans or modify, amend or terminate the plan.

When Legally Required. Health Plan will disclose your health information when it is required to do so by any federal, state or local law.

Organ and Tissue Donation. If you are an organ donor, Health Plan may release medical information to organizations that handle organ procurement or organ, eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

To Conduct Health Oversight Activities. Health Plan may disclose your health information to a health oversight agency for authorized activities including audits, civil, administrative or criminal investigations, inspections, licensure or disciplinary action. Health Plan, however, may not disclose your health information if you are the subject of an investigation and the investigation does not arise out of or is not directly related to your receipt of health care or public benefits.

In Connection With Judicial and Administrative Proceedings. As permitted or required by state law, Health Plan may disclose your health information in the course of any judicial or administrative proceeding in response to an order of a court or administrative tribunal as expressly authorized by such order or in response to a subpoena, discovery request or other lawful process, but only when Health Plan makes reasonable efforts to either notify you about the request or to obtain an order protecting your health information.

For Law Enforcement Purposes. As permitted or required by state law Health Plan may disclose your health information to a law enforcement official for certain law enforcement purposes, including, but not limited to, if Health Plan has a suspicion that your death was the result of criminal conduct or in an emergency to report, a crime.

To Coroners Medical Examiners and Funeral Directors. Health Plan may release your health information to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. Health Plan may also release your health information to funeral directors as necessary to carry out their duties.

In the Event of a Serious Threat to Health or Safety. Health Plan may, consistent with applicable law and ethical standards of conduct, disclose your health information if Health Plan, in good faith, believes that such disclosure is necessary to prevent or lessen a serious and imminent threat to your health or safety or to the health and safety of the public. Any disclosure would be to someone able to help prevent the threat.

For Specified Government Functions. In certain circumstances, federal regulations require Health Plan to use or disclose your health information to facilitate specified government functions related to the military and veterans, national security and intelligence activities, protective services for the president and others, and correctional institutions and inmates.

For Workers Compensation. Health Plans may release your health information to the extent necessary to comply with laws related to worker's compensation, or similar programs.

AUTHORIZATION TO USE OR DISCLOSE HEALTH INFORMATION

Other than as stated above, Health Plan will not disclose your health information other than with your written authorization. If you authorize Health Plan to use or disclose your health information, you may revoke that authorization in writing at any time.

YOUR RIGHTS WITH RESPECT TO YOUR HEALTH INFORMATION

You have the following rights regarding your health information that Health Plan maintains:

Right to Request Restrictions. You may request restrictions on certain uses and disclosures of your health information. You have the right to request a limit on Health Plan's disclosure of your health information to someone involved in the payment of your care. However, Health Plan is not required to agree to your request.

Right to Receive Confidential Communications. You have the right to request that Health Plan communicate with you in a certain way if you feel the disclosure of your health information could endanger you. You may be required to provide a statement that disclosure of your health information could endanger you. For example, you may ask that Health Plan only communicate with you at a certain telephone number or by email. If you wish to receive confidential communications, please make your request in writing. Health Plan will attempt to honor your reasonable requests for confidential communications.

Right to Inspect and Copy Your Health Information. You have the right to inspect and copy your health information. A request to inspect and copy records containing your health information must be made in writing. If you request a copy of your health information, Health Plan may charge a reasonable fee for copying, assembling costs and postage, if applicable associated with your request. Health Plan may deny your request in limited situations.

Right to Amend Your Health Information. If you believe that your health information records are inaccurate or incomplete, you may request that Health Plan amend the records. That request may be made as long as Health Plan maintains the information. A request for an amendment of records must be made in writing. Health Plan may deny the request if it does not include a reason to support the amendment. The request also may be denied if your health information records were not created by Health Plan, if the health information you are requesting to amend is not part of Health Plan's records, if the health information you wish to amend falls within, an exception to the health information you are permitted to inspect and copy, or if Health Plan determines the records containing your health information are accurate and complete.

Right to an Accounting. You have the right to request a list of disclosures of your health information made by Health Plan for any reason other than for treatment, payment or health operations. The request must be made in writing. The request should specify the time period for which you are requesting the information, but may not start earlier than April 14, 2003. Accounting requests may not be made for

periods of time going back more than six (6) years. Health Plan will provide the first accounting you request during any 12-month period without charge. Subsequent accounting requests may be subject to a reasonable, cost-based fee. Health Plan will inform you in advance of the fee, if applicable.

Right to a Paper Copy of this Notice. You have a right to request and receive a paper copy of this Notice at any time even if you have received this Notice previously or agreed to receive the Notice electronically. To obtain, a paper copy, please contact the Privacy Official, Gilbert Lynn at Welfare and Pension Administration Service, Inc., P.O. Box 34203, Seattle, WA 98124.

Phone No. (206) 441-7574
Toll Free: (800) 331-6158
Fax No.: (206) 441-7574

You also may obtain a copy of the current version of Health Plan's Notice at its Web site, www.wpas-inc.com.

DUTIES OF HEALTH PLAN

Health Plan is required by law to maintain the privacy of your health information as set forth in this Notice and to provide to you this Notice of its duties and privacy practices. Health Plan is required to abide by the terms of this Notice, which may be amended from time to time. Health Plan reserves the right to change the terms of this Notice and to make the new Notice provisions effective for all health information that it maintains. If Health Plan changes its policies and procedures, Health Plan will revise the Notice and will provide a copy of the revised Notice to you within 60 days of the change. You have the right to express complaints to Health Plan and to the Secretary of the Department of Health and Human Services if you believe that your privacy rights have been violated. Any complaints to Health Plan should be made in writing to the Privacy Official, Gilbert Lynn, Welfare and Pension Administration Service, Inc., P. O. Box 34203, Seattle, WA 98124. Health Plan encourages you to express any concerns you may have regarding the privacy of your information. You will not be retaliated against in any way for filing a complaint,

CONTACT PERSON

Health Plan has designated the Claims Manager as the contact person as its contact person for all issues regarding patient privacy and your privacy rights. You may contact this person at Welfare and Pension Administration Service, Inc., P.O. Box 34203, Seattle, WA 98124.

Phone No.: (206) 441-7574
Fax No.: (206) 441-9110

EFFECTIVE DATE

This Notice is effective **April 14, 2003**.