

**NOTICE OF PRIVACY PRACTICES OF HORIZON BEHAVIORAL SERVICES, INC.
AND ITS AFFILIATE ENTITY, EMPLOYEE ASSISTANCE PROGRAMS INTERNATIONAL, INC.**

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 describes how Horizon Behavioral Services, Inc. may collect, use and disclose your Protected Health Information, and your rights concerning your Protected Health Information.

“Protected Health Information” (PHI) is information about you, including demographic information collected from you that can reasonably be used to identify you and that relates to your past, present or future physical or mental health condition, the provision of your health care, or the payment for that care.

We are required to maintain the privacy of your PHI and to provide you with this notice about our legal duties and privacy practices. We must follow the privacy practices described in this notice while it is in effect. This notice takes effect April 14, 2003, and will remain in effect until replaced, modified, or amended.

Uses and Disclosures for Payment, Health Care Operations and Treatment: We use and disclose Protected Health Information in a number of different ways in connection with our health care operations, the payment for your health care, and your treatment. The following are only a few examples of the types of uses and disclosures of your Protected Health Information that we are permitted to make without your authorization.

Treatment: We may disclose your Protected Health Information to health care providers for the provision, coordination or management of your healthcare.

Payment: We will use and disclose your Protected Health Information to administer your health benefits policy or contract, which may involve the determination of eligibility; claims payment; utilization review and care management; medical necessity review; coordination of care, benefits and other services; and responding to complaints, appeals and external review requests. We may also share Protected Health Information with another entity to

assist with the adjudication or subrogation of health claims or to another plan to coordinate benefit payments. For some plans, we may also use and disclose Protected Health Information for purposes of premium billing, underwriting, and the determination of premium rates and co-payments, deductibles, co-insurance and other cost sharing amounts.

Health Care Operations: We will use and disclose your Protected Health Information to support other business activities, including the following:

- Quality assessment and improvement activities, such as peer review and credentialing of providers and accreditation by independent organizations such as the National Committee for Quality Assurance (NCQA) and the American Accreditation HealthCare Commission also known as the Utilization Review Accreditation Commission (URAC).
- Performance measurement and outcomes assessment, health claims analysis, and health services research.
- Operation of preventive health services research.
- Operation of preventive health, early detection, care management, and coordination of care programs in plans that offer these programs, including information about treatment alternatives, therapies, health care providers, settings of care or other health-related benefits and services.
- Conducting or arranging for medical review.
- Underwriting, premium determination, and administration of reinsurance.
- Risk management, legal services, auditing, detection and, investigation of fraud and other unlawful conduct.
- Transfer of eligibility and plan information to business associates (for example, other programs as necessary to administer your benefit plan).
- Other general administrative activities, including business planning and development, data and information systems management and customer service.
- In the event of any potential sale, transfer, merger, or consolidation of all or part of Horizon Behavioral Services, Inc. with another covered entity in the course of due diligence related to that activity.

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In connection with payment, health care operations, and treatment, we may collect the following types of information about you:

- Information we receive directly or indirectly from you, your employer, your benefits plan sponsor, or one of its business associates. We may receive this information through applications, surveys, or other forms (e.g., name, address, social security number, date of birth, marital status, dependent information, employment information and medical history).
- Information about other insurance coverage and health care transactions with another entity (e.g., coordination of coverage with other benefit programs, health care claims, eligibility or payment information, and appeal or complaint information).

We may share your Protected Health Information with affiliates and third party “business associates” that perform various activities on our behalf. Whenever such an arrangement involves the use or disclosure of your Protected Health Information, we will have a written contract that contains terms designed to protect the privacy of your Protected Health Information. We may also contact you about treatment alternatives or other health-related benefits and services that may be of interest to you., and may contact you to provide appointment reminders.

Except as set forth below, we will not disclose Protected Health Information to your employer. We will, however, provide minimal protected information necessary to allow your employer to pay the monthly premium billing statement (for example, name, identification number, and family coverage status).

If we obtain Protected Health Information for underwriting purposes and the policy or contract of health insurance or health benefits is not written with us, we will not use or disclose that Protected Health Information for any other purpose, except as required by law.

We do not destroy Protected Health Information when individuals terminate their coverage with us. The information is necessary and used for many of the purposes described above, even after an individual leaves a plan and in many cases is subject to legal retention requirements. However, the policies and procedures that protect that information

against inappropriate use and disclosure apply, regardless of the status of any individual member.

Some of the uses and disclosures described in this notice may be limited, in certain cases, by applicable state laws that are more stringent than the federal standards.

Other Permitted or Required Uses and Disclosures of Protected Health Information

We may use or disclose your Protected Health Information in the following additional situations without your authorization:

Others Involved in Your Healthcare: Unless you request *Restriction or Confidential Communication*, we may disclose to a member of your family, a relative, a close friend or any other person you identify, the Protected Health Information directly relevant to that person’s involvement in your health care or payment for health care. If you present for such a disclosure (whether in person or on a telephone call), we will either seek your verbal agreement to the disclosure or provide you any opportunity to object to it. We may also make such disclosures to the persons described above in situations where you are not present or you are unable to agree or object to the disclosure, if we determine that the disclosure is in your best interest. We may also disclose your Protected Health Information to an authorized public or private entity to assist in disaster relief efforts and to coordinate uses and disclosures to family or other individuals involved in your health care.

Unless we are given an alternative address, we will mail explanation of benefits forms and other mailings containing Protected Health Information to the address we have on record for you as the health benefits plan subscriber. We will not make separate mailings for enrolled dependents of a subscriber, unless Confidential Communications, described on the next page of this notice, are requested. If you would not like us to share any information in any of the foregoing manners with any particular individuals or organizations, please contact the HBS Privacy Office for additional information or instructions.

Required by Law: We may use or disclose your Protected Health Information to the extent that we are required to do so by law.

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Public Health: We may disclose your Protected Health Information to an authorized public health authority for purposes of public health activities. The information may be disclosed for such reasons as controlling disease, injury or disability. In addition, we may make disclosures to a person or company required by the Food and Drug Administration to report adverse events, product defects or problems; to track products to enable product recalls; to make repairs or replacements; or to conduct post marketing surveillance, as required.

Abuse or Neglect: We may make disclosures to government authorities concerning abuse, neglect or domestic violence.

Health Oversight: We may disclose your Protected Health Information to a government agency authorized to oversee the health care system or government programs, or its contractors (e.g., state insurance department, U.S. Department of Labor) for activities authorized by law, such as audits, examinations, investigations, inspections and licensure activity.

Legal Proceedings: We may disclose your Protected Health Information in the course of any legal proceeding, in response to a court order or administrative tribunal and, in certain cases, in response to a subpoena, discovery request or other lawful process.

Law Enforcement: We may disclose your Protected Health Information under limited circumstances to law enforcement officials. For example, disclosures may be made in response to a warrant or subpoena; for the purpose of identifying or locating a suspect, witness or missing persons; to provide information concerning victims of crimes.

Coroners, Funeral Directors and Organ Donation: We may disclose your Protected Health Information in certain instances to coroners, funeral directors, and in connection with organ donation.

Research: We may disclose your Protected Health Information to researchers, provided that certain established measures are taken to protect your privacy.

Threat to Health or Safety: We may disclose your Protected Health Information to the extent necessary

to avert a serious and imminent threat to your health or safety or to the health or safety of others.

Military Activity and National Security: We may disclose your Protected Health Information to Armed Forces personnel, under certain circumstances, and to authorized federal officials for the conduct of national security and intelligence activities.

Correctional Institutions: If you are an inmate in a correctional facility, we may disclose your Protected Health Information to the correctional facility for certain purposes, including the provision of your health care, your health and safety, or the health and safety of others.

Workers' Compensation: We may disclose your Protected Health Information to the extent required by workers' compensation laws.

Uses and Disclosures of Protected Health Information with an Authorization: Other uses and disclosures of Protected Health Information will be made only with your written authorization, unless otherwise permitted or required by law. You may revoke an authorization, at any time, in writing, except to the extent that we have taken an action in reliance on the use or disclosure indicated in the authorization being revoked.

Many members ask us to disclose their Protected Health Information to third parties for reasons not described in this notice. For example, elderly members often ask us to make their records available to caregivers. To authorize us to disclose any of your Protected Health Information to a person or organization for reasons other than those described in this notice, please call the HBS Privacy Office and you will be provided with the appropriate authorization. You should send the completed form to the address provided under "Contact Information for Exercising Member Rights" below. You may revoke the authorization at any time by sending us a letter to the same address. Please include your name, address, member identification and a telephone number where we can reach you.

Your Individual Rights

The following is a brief statement of your additional rights with respect to your Protected Health Information:

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Right to Request Restrictions: You have the right to ask us to place restrictions on the way we use or disclose your Protected Health Information for treatment, payment of healthcare operations, or as described in the section of this notice entitled “*Others Involved in Your Healthcare.*” However, we are not required to agree to these restrictions. If we do agree to a restriction, we may not use or disclose your Protected Health Information in violation of that restriction, unless it is needed for an emergency.

Confidential Communications: We will accommodate reasonable requests to communicate with you about your Protected Health Information by alternative means or at alternative locations. For example, if you are covered under a health plan as an adult dependent (e.g., a spouse or a child attending college) and you want us to send correspondence that contains Protected Health Information to a different address from the subscriber we can accommodate that request. We may ask you to make your confidential communication request in writing.

Access to Protected Health Information: You have the right to receive a copy of Protected Health Information about you that is contained in a “designated record set” with some specified exceptions. A “designated record set,” means a group of records that we use in order to make decisions about you including enrollment, payment, claims adjudication and case or medical management records. We may ask you to request access to copies of your records in writing and to provide us the specific information we need to fulfill your request. We reserve the right to charge a reasonable fee for the cost of producing and mailing the copies. More information on our fee structure is available by contacting us at the address provided below.

Amendment of Protected Health Information: You have the right to ask us to amend any Protected Health Information about you that is contained in a “designated record set” (see above). All requests for amendment must be in writing. In certain cases, we may deny your request. For example, we may deny a request if we did not create the information, as is often the case for medical information in our records. All denials will be made in writing. You may respond by filing a written statement of disagreement with us, and we will have the right to rebut that statement. If you believe someone has received inaccurate Protected Health Information from us, you

should inform us at the time of the request if you want him or her to be informed of the amendment.

Accounting of Certain Disclosures: You have the right to request an accounting of times we have disclosed your Protected Health Information for any purpose other than the following: (i) treatment, payment, or health care operations; (ii) as described in the section of this notice entitled “*Others Involved in Your Healthcare;*” (iii) disclosures that you or your personal representative have authorized; or (iv) certain other disclosures, such as disclosures for national security purposes. All requests for an accounting must be in writing. We will require that you provide us the specific information we need to fulfill your request. This accounting requirement applies for six years from the date of the disclosure, beginning with disclosures occurring after April 14, 2003. If you request this accounting more than once in a 12-month period, we may charge you a reasonable fee. More information is available on our fee structure by contacting us at the address provided below.

Contact Information for Exercising Member Rights: You may exercise any of the rights described above by contacting or by writing the HBS Privacy Office at the address below.

Changes to Privacy Practices

We may change the terms of our notice at any time. The new notice will be effective for all Protected Health Information that we maintain. We will redistribute a new Notice of Privacy Practices whenever we make a material change in the privacy practices described in our notice:

Questions and Complaints

If you have any questions about this notice or would like an additional copy of the notice, please contact the HBS Privacy Office at the address below.

You have the right to complain to the Secretary of Health and Human Services. We will not retaliate against you for filing a complaint. If you have any questions about the complaint process, including the address of the Secretary of Health and Human Services, please call the HBS Privacy Office at the telephone number listed below.

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You may also obtain any new notice by contacting the HBS Privacy Office.

You may contact the HBS Privacy Office by writing to the Privacy Officer at:

Privacy Office
P.O. Box 953878
Lake Mary, Florida 32795-3878

Or by calling: 1-800-563-0765

Or by sending an email to:
privacy@horc.com