

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.

TANG GROUP HEALTH PLANS NOTICE OF PRIVACY PRACTICES

Effective Date: September 23, 2013

Tang Group (“Tang”) continues its commitment to maintain the confidentiality of your private medical information. This Notice describes our efforts to safeguard your Protected Health Information (PHI) from improper or unnecessary use or disclosure. ***The policies described in this Notice apply only to PHI created or received by or on behalf of the Health Plans described below.*** We are providing this Notice to you now because privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996, the American Recovery and Reinvestment Act of 2009 and accompanying regulations (the “Privacy Rules”) require us to distribute summaries of the Health Plans’ privacy practices and related legal duties, and your rights in connection with the use and disclosure of your Health Plan information. This summary is subject to the terms of our written privacy policies.

This Notice applies to participants in any of the following Tang “**Health Plans**”:

- **Medical Plan**
- **Dental Plan**
- **Health Care Flexible Spending Account Plan**
- **Employee Assistance Program**

In this Notice, the terms “Health Plans,” “we,” “us,” and “our” refer to the Tang Health Plans, all Tang employees involved in the administration of the Tang Health Plans, and all third parties to the extent they perform administrative services for the Tang Health Plans. However, Tang employees perform only limited Health Plan functions – most Health Plan administrative functions are performed by third parties.

Please note, if you are enrolled in an insured health plan, you should also receive another notice from your health insurance company that describes the insurance company’s use and disclosures of your health information.

What is Protected?

Federal law requires the Health Plans to have a special policy for safeguarding a category of medical information received or created in the course of administering the Tang Health Plans, called “protected health information,” or “PHI”. PHI is health information (including genetic information) that can be used to identify you and that relates to:

- your physical or mental health condition,
- the provision of health care to you, or
- payment for your health care.

Your medical and dental records, your claims for medical and dental benefits, and the explanation of benefits (“EOB’s”) sent in connection with payment of your claims are all examples of PHI.

If Tang obtains your health information in another way – for example, if you are hurt in a work accident or if you provide medical records with your request for Family and Medical Leave Act (FMLA) absence--then Tang will safeguard that information in accordance with other applicable laws, but such information is not subject to this Notice. Similarly, health information obtained by a non-health-related benefits program, such as the long-term

disability program is not protected under this Notice. This Notice does not apply in those types of situations because the health information is not received or created in connection with a Tang Health Plan.

The remainder of this Notice generally describes our rules with respect to your PHI received or created by the Health Plans.

Uses and Disclosures of PHI

To protect the privacy of your PHI, the Health Plans not only guard the physical security of your PHI, but we also limit the way your PHI is used or disclosed to others. We may use or disclose your PHI in certain permissible ways described below. To the extent required by the Privacy Rules, we will limit the use and disclosure of your PHI to the minimum amount necessary to accomplish the intended purpose or task.

- **Treatment.** We may disclose your PHI to facilitate medical treatment or services by providers. We may disclose medical information about you to providers, including doctors, nurses, technicians, medical students, or other hospital personnel who are involved in taking care of you. For example, we might disclose information about your prior prescriptions to a pharmacist to determine if prior prescriptions contraindicate a pending prescription.
- **Payment.** We may use or disclose your PHI for Plan payment purposes, including the collection of premiums or determination of coverage and benefits. For example, we may use your PHI to reimburse you or your doctors or health care providers for covered treatments and services. We may also disclose PHI to another group health plan or health care provider for their payment purposes. For example, we may exchange your PHI with your spouse's health plan for coordination of benefits purposes.
- **Health Care Operations.** We may use and disclose your PHI for Plan operations. These uses and disclosures are necessary to run the Plan. We may use medical information in connection with conducting quality assessment and improvement activities; enrollment, premium rating, and other activities relating to Plan coverage; submitting claims for stop-loss (or excess-loss) coverage; conducting or arranging for medical review, legal services, audit services, and fraud & abuse detection programs; business planning and development such as cost management; and business management and general Plan administrative activities. For example, we may use your claims data to alert you to an available case management program if you become pregnant or are diagnosed with diabetes or liver failure. We may also disclose your PHI to another health plan or health care provider who has a relationship with you for their operations activities if the disclosure is for quality assessment and improvement activities, to review the qualifications of health care professionals who provide care to you, or for fraud and abuse detection and prevention purposes.
- **Family and Friends.** We may disclose PHI to a family member, friend, or other person involved in your health care if you are present and you do not object to the sharing of your PHI, or, if you are not present, in the event of an emergency.
- **As Required by Law.** We will disclose your PHI when required to do so by federal, state or local law. For example, we may disclose your PHI when required by national security laws or public health disclosure laws.
- **Workers' Compensation.** We may release your PHI for workers' compensation or similar programs. These programs provide benefits for work-related injuries or illness.
- **Public Health Reasons.** We may disclose your PHI for public health actions, including (1) to a public health authority for the prevention or control of disease, injury or disability; (2) to a proper government or health authority to report child abuse or neglect; (3) to report reactions to medications or problems with products regulated by the Food and Drug Administration; (4) to notify individuals of recalls of

medication or products they may be using; (5) to notify a person who may have been exposed to a communicable disease or who may be at risk for contracting or spreading a disease or condition; or (6) to report a suspected case of abuse, neglect or domestic violence, as permitted or required by applicable law.

- **Health Oversight Activities.** We may disclose your PHI to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.
- **Government Audits.** We are required to disclose your protected health information to the Secretary of the United States Department of Health and Human Services when the Secretary is investigating or determining our compliance with the Privacy Rules.
- **Lawsuits and Disputes.** If you are involved in a lawsuit or a dispute, we may disclose your PHI in response to a court or administrative order. We may also disclose your PHI in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.
- **Law Enforcement.** We may disclose your PHI if asked to do so by a law enforcement official (1) in response to a court order, subpoena, warrant, summons or similar process; (2) to identify or locate a suspect, fugitive, material witness, or missing person; (3) about the victim of a crime if, under certain limited circumstances, we are unable to obtain the victim's agreement; (4) about a death that we believe may be the result of criminal conduct; and (5) about criminal conduct.
- **Coroners, Medical Examiners and Funeral Directors.** We may release PHI to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. We may also release medical information to funeral directors as necessary to carry out their duties.
- **Military and Veterans.** If you are a member of the armed forces, we may release your PHI as required by military command authorities. We may also release PHI about foreign military personnel to the appropriate foreign military authority.
- **To Plan Sponsor.** For the purpose of administering the Health Plan, we may disclose PHI to certain employees of XYZ. However, those employees will only use or disclose that information as described above, unless you have authorized further disclosures. Your PHI **cannot be used for employment purposes** without your specific authorization.
- **Business Associates.** We may enter into agreements with entities or individuals to provide services (for example, claims processing services) to one or more of the Health Plans. These service providers, called "business associates," may create, receive, have access to, use, and/or disclose (including to other business associates) PHI in conjunction with the services they provide to the Health Plan(s), provided that We have obtained satisfactory written assurances that the business associates will comply with all applicable Privacy Rules with respect to such Health Plan(s).
- **Research Purposes.** We may use or disclose a "limited data set" of your PHI for certain research purposes.

In no event will we use or disclose PHI that is genetic information for underwriting purposes. In addition to rating and pricing a group insurance policy, this means the Health Plans may not use genetic information (including that requested or collected in a health risk assessment or wellness program) for setting deductibles

or other cost sharing mechanisms, determining premiums or other contribution amounts, or applying preexisting condition exclusions.

State law may further limit the permissible ways the Health Plans use or disclose your PHI. If an applicable state law imposes stricter restrictions on the Health Plans, we will comply with that state law.

Other Disclosures

Personal Representatives. We will disclose your PHI to individuals authorized by you, or to an individual designated as your personal representative, attorney-in-fact, etc., so long as you provide us with a written notice/authorization and any supporting documents (i.e., power of attorney). Note: Under the Privacy Rules, we do not have to disclose information to a personal representative if we have a reasonable belief that:

- (1) you have been, or may be, subjected to domestic violence, abuse or neglect by such person; or
- (2) treating such person as your personal representative could endanger you; and
- (3) in the exercise of professional judgment, it is not in your best interest to treat the person as your personal representative.

Spouses and Other Family Members. With only limited exceptions, we will send all mail to the employee. This includes mail relating to the employee's spouse and other family members who are covered under the Plan, and includes mail with information on the use of Plan benefits by the employee's spouse and other family members and information on the denial of any Plan benefits to the employee's spouse and other family members. If a person covered under the Plan has requested Restrictions or Confidential Communications (see below under "Your Rights"), and if we have agreed to the request, we will send mail as provided by the request for Restrictions or Confidential Communications.

Authorizations. Other uses or disclosures of your PHI not described above will only be made with your written authorization. This includes disclosures of PHI containing psychotherapy notes (except as necessary for the Health Plans' treatment, payment and healthcare operating purposes), for many marketing purposes and for any sale of your PHI, each as defined under the Privacy Rules. If you have given an authorization, you may revoke written authorization at any time, so long as the revocation is in writing. Once we receive your written revocation, it will only be effective for future uses and disclosures. It will not be effective for any information that may have been used or disclosed in reliance upon the written authorization and prior to receiving your written revocation.

Your Rights

Federal law provides you with certain rights regarding your PHI. Parents of minor children and other individuals with legal authority to make health decisions for a Health Plan participant may exercise these rights on behalf of the participant, consistent with state law.

Right to request restrictions: You have the right to request a restriction or limitation on the Health Plans' use or disclosure of your PHI. For example, you may ask the Health Plans to limit the scope of your PHI disclosures to a case manager who is assigned to you for purposes of recommending care alternatives for a chronic condition. Because the Health Plans use your PHI only as necessary to pay Health Plan benefits, to administer the Health Plans, and to comply with the law, it may not be possible to agree to your request. The Health Plans are not required to agree to your request for restriction. However, if the Health Plans do agree to

To exercise these rights, contact:*

**Tang Group
ATTN: Health Plan Privacy Officer
1965 Pratt Boulevard
Elk Grove Village, Illinois
60007
(847) 806-7200**

*If you are enrolled in a insured plan, HMO, or DMO, you can exercise your rights with respect to your PHI maintained by the HMO, DMO, or insurer as described in such HMO's, DMO's, or insurer's notice of privacy practices.

your requested restriction or limitation, the restriction will be honored until you agree to terminate the restriction or until the Health Plans notify you that the Health Plans are terminating the restriction on a going-forward basis.

When making such a request, you must specify: (1) the PHI you want to limit, (2) how you want the Health Plans to limit the use, disclosure, or both of that PHI, and (3) to whom you want the restrictions to apply.

Right to receive confidential communications: You have the right to request that the Health Plans communicate with you about your PHI at an alternative address or by alternative means if you believe that communication through normal methods could endanger you. For example, you may request that the Health Plans contact you only at work and not at home.

Your request for confidential communications must be in writing. The Health Plans will accommodate all reasonable requests if you clearly state that you are requesting the confidential communication because you feel that disclosure in another way could endanger your safety. Your request must specify how or where you wish to be contacted.

Right to inspect and copy your PHI: You have the right to inspect and copy your PHI that is contained in records that the Health Plans maintain for enrollment, payment, claims determination, or case or medical management activities, or use to make enrollment, coverage, or payment decisions about you. If PHI is maintained in an electronic health record, you have the right to obtain a copy of such PHI in an electronic format and may direct the Health Plan to transmit such copy directly to an entity or person provided that you clearly and conspicuously communicate your instructions.

However, the Health Plans will not give you access to PHI records created in anticipation of a civil, criminal, or administrative action or proceeding. The Health Plans will also deny your request to inspect and copy your PHI if a licensed health care professional hired by the Health Plans has determined that giving you the requested access is reasonably likely to endanger the life or physical safety of you or another individual, or to cause substantial harm to you or another individual, or that the record makes references to another person (other than a health care provider) and that the requested access would likely cause substantial harm to the other person.

In the unlikely event that your request to inspect or copy your PHI is denied, you may have that decision reviewed. A different licensed health care professional chosen by the Health Plans will review the request and denial, and we will comply with the health care professional's decision.

Your request for access must be in writing. We may charge you a fee to cover the costs of copying, mailing, or other supplies directly associated with your request. You will be notified of any costs before you incur any expenses.

Right to amend your PHI: You have the right to request an amendment of your PHI if you believe the information the Health Plans have about you is incorrect or incomplete. You have this right as long as your PHI is maintained by the Health Plans. The Health Plans will correct any mistakes if we created the PHI or if the person or entity that originally created the PHI is no longer available to make the amendment.

Your request for amendment must be in writing. Be sure to include evidence to support your request because the Health Plans cannot amend PHI that the Health Plans believe to be accurate and complete.

Right to receive an accounting of disclosures of PHI: You have the right to request a list of certain disclosures of your PHI by the Health Plans. The accounting will not include: (1) disclosures necessary for treatment, to determine proper payment of benefits or to operate the Health Plans, (2) disclosures of your own PHI that we make to you, (3) disclosures permitted by your authorization, (4) disclosures to friends or family members made in your presence or because of an emergency, (5) disclosures for national security purposes, or law enforcement or (6) as part of a limited data set.

Your first request for an accounting within a 12-month period will be free. The Health Plans may charge you for costs associated with providing you additional accountings. You will be notified of the costs involved, and you may choose to withdraw or modify your request before you incur any expenses.

When making a request for an accounting of disclosures, you must specify the time period for the accounting, which may not be longer than six (6) years prior to the date of the request, and the form (e.g., electronic, paper) in which you would like the accounting.

Right to receive notification of breaches. The Plan must notify you within 60 days of discovery of a breach. A breach occurs if unsecured PHI is acquired, used or disclosed in a manner that is impermissible under the Privacy Rules, unless there is a low probability that the PHI has been compromised.

Right to file a complaint: If you believe your rights have been violated, you should let the Health Plans know immediately. Steps will be taken to remedy any violations of the Health Plans' privacy policy or of this Notice.

You may file a formal complaint with the Health Plans Privacy Officer at the address listed below, and/or with the United States Department of Health and Human Services at 200 Independence Avenue, S.W., Washington, D.C. 20201.

You should attach any documents or evidence that supports your belief that your privacy rights have been violated. Your complaints are taken very seriously. **Tang prohibits retaliation against any person for filing such a complaint.**

Additional Information About This Notice

Changes to this Notice: We reserve the right to change the Health Plans' privacy practices as described in this Notice. Any change may affect the use and disclosure of your PHI already maintained by the Tang Health Plans, as well as any of your PHI that the Health Plans may receive or create in the future. If there is a material change to the terms of this Notice, you will automatically receive a revised Notice.

How to obtain a copy of this Notice: You may request a paper copy of this Notice at any time by contacting the Health Plans at the address listed below.

No guarantee of employment: This Notice does not create any right to employment for any individual, and does not change Tang's right to discharge any of its employees at any time, with or without cause.

No change to Health Plan benefits: This Notice explains your privacy rights as a current or former Health Plan participant. The Health Plans are bound by the terms of this Notice as they relate to the privacy of your PHI. However, this Notice does not change any other rights or obligations you may have under the Health Plans. You should refer to the official Health Plan documents for additional information regarding your Health Plan benefits.

Other protections: Your personal information is also protected by other Tang privacy and confidentiality policies described in your Employee Handbook.

Contact Information

If you have any questions regarding this Notice, to obtain a paper copy of this Notice, or to file a complaint with the Health Plans, please contact:

Tang Group
ATTN: Health Plan Privacy Officer
1965 Pratt Boulevard
Elk Grove Village, Illinois
60007

Phone: (847) 806-7200

You can also obtain a copy of the current Notice on the internet at: www.nmlp.com