

AMENDMENT TO PLAN DOCUMENT

NAME OF PLAN:

AMENDMENT NUMBER: 2004-

EFFECTIVE DATE: APRIL 14, 2004

AMENDMENT SUBJECT: Amendment the Plan Document and Summary Plan Description to comply with the Standards for Privacy of Individually Identifiable Health Information (the "Privacy Standards") issued pursuant to The Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA").

The Plan Document and Summary Plan Description (the "Plan Documents") are hereby amended to comply with HIPAA's Privacy Standards, as follows:

1. Disclosure of Summary Health Information to the Plan Sponsor for Premium Bids, amending the Plan or terminating the Plan

In accordance with the Privacy Standards, the Plan may disclose Summary Health Information to the Plan Sponsor, if the Plan Sponsor requests the Summary Health Information for the purpose of (a) obtaining premium bids from health plans for providing health insurance coverage under this Plan or (b) modifying, amending or terminating the Plan.

"Summary Health Information" may be individually identifiable health information and it summarizes the claims history, claims expenses or the type of claims experienced by individuals in the Plan, but it excludes all identifiers that must be removed for the information to be de-identified except that it may contain geographic information to the extent that it is aggregated by five-digit zip code.

2. Disclosure of Protected Health Information ("PHI") to the Plan Sponsor for Plan Administration Purposes

In order that the Plan Sponsor may receive and use PHI for the Plan Administration purposes, the Plan Sponsor agrees to:

- a. Not use or further disclose PHI other than as permitted or required by the Plan Documents or as Required by Law (as defined in the Privacy Standards),
- b. Ensure that any agents, including a subcontractor, to whom the Plan Sponsor provides PHI received from the Plan, agrees to the same restrictions and conditions that apply to the Plan Sponsor with respect to such PHI,
- c. Not use or disclose PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Plan Sponsor,

except pursuant to an authorization, which meets the requirements of the Privacy Standards;

- d. Report to the Plan any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which the Plan Sponsor becomes aware;
- f. Make available PHI in accordance with Section 164.524 of the Privacy Standards (45 CFR 164.524);
- g. Make available PHI for amendment and incorporate any amendments to PHI in accordance with Section 164.526 of the Privacy Standards (45 CFR 164.526);
- h. Make available the information required to provide an accounting of disclosures in accordance with Section 164.528 of the Privacy Standards (45 CFR 164.528);
- i. Make its internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of the US. Department of Health and Human Services ("HHS"), or any other officer or employee of HHS to whom the authority involved has been delegated, for purposes of determining compliance by the Plan with Part 164, Subpart E, of the Privacy Standards (45 CFR 164.500 *et seq*);
- i. *If feasible, return or destroy all PHI received from the Plan that the Plan Sponsor still maintains; in any form and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the PHI infeasible; and*
- j. Ensure that adequate separation between the Plan and the Plan Sponsor, as required in Section 164.504(f)(2)(iii) of the Privacy Standards (45 CFR 164.504(t)(2)(iii)), is established as follows:
 - i. The following employees, *or classes of employees, or other persons under control of the Plan Sponsor, shall be given access to the PHI to be disclosed:*
 - Company Privacy Officer
 - Company Officer In-Charge of the Benefit Plan
 - Company Benefit Plan Coordinator
 - Medical Reviewer(s)/Case Management on behalf of the Plan
 - Legal Counsel on behalf of the Plan
 - Third Party Administrator(s) on behalf of the Plan
 - Actuaries on behalf of the Plan
 - Plan Auditor(s)

- ii. The access to and use of PHI by the individuals described in subsection (i)

above shall be restricted to the Plan Administration functions that the Plan Sponsor performs for the Plan.

- iii. In the event any *of* the individuals described in subsection (i) above do not comply with the provisions *of* the Plan Documents relating to use and disclosure *of* PHI, the Plan Administrator shall impose reasonable sanctions as necessary, in its discretion to ensure that no further non-compliance occurs. Such sanctions shall be imposed *so* that they are commensurate with the severity of the violation.
- iv. The Plan Sponsor may elect to limit the number of individuals to fewer than the above list and may name an individual to fulfill multiple roles. Each of the individuals named as filling one of the above roles will sign a Confidentiality And Security Agreement defining their responsibilities under the Privacy Rule and the sanctions for violation.

The "Plan Administration" activities are limited to activities that would meet the definition of payment or health care operations but do not include functions to modify, amend or terminate the Plan or solicit bids from prospective issuers. The "Plan Administration functions include quality assurance, claims processing, enrollment, auditing, reporting, monitoring and management of benefit plans. It does not include any employment-related functions or functions in connection with any other benefit or benefit plans.

Plan shall disclose PHI to the Plan Sponsor only upon receipt of a certification by the Plan Sponsor that (a) the Plan Documents have been amended to incorporate the above provisions and (b) the Plan Sponsor agrees to comply with such provision.

3. Disclosure of Certain Enrollment Information to the Plan Sponsor

Pursuant to Section 164.504(f)(1)(iii) of the Privacy Standards (45 CFR 164504(f)(1)(iii)), the Plan may disclose to the Plan Sponsor information on whether an individual is participating in the Plan or is enrolled in or has termed from a health insurance issuer or health maintenance organization offered by the Plan to the Plan Sponsor.

4. Disclosure of PHI to Obtain Stop-loss or Excess Loss Coverage

The Plan Sponsor hereby authorizes and directs the Plan through the Plan Administrator, broker, or the Third Party Administrator, to disclose PHI to stop-loss carriers, excess loss carriers, insurance companies, or managing general underwriters (MGUs) for underwriting and other purposes in order to obtain and maintain stop-loss or excess loss coverage or insurance coverage related to benefit claims under the Plan. Such disclosures shall be made in accordance with the Privacy Standards.

With respect to all other uses and disclosures of PID, the Plan shall comply with the Privacy Standards.

This amendment is hereby adopted by the Plan Sponsor as of the effective date set forth above.

PLAN SPONSOR:

Approval Signature: _____

Printed Plan Sponsor Name: _____

Date Signed: _____