

ORCAS POWER AND LIGHT COOPERATIVE

OPALCO POLICY 21

SECURITY OF PROTECTED HEALTH INFORMATION

21.1 GOALS AND OBJECTIVES

- 21.1.1 To establish the policy of the cooperative consistent with requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- 21.1.2 To define, for administrative and legal purposes, the cooperative's practices, rights, and responsibilities with regard to protected health information of employees, directors, retirees, and their dependents.

21.2 POLICY

- 21.2.1 The cooperative acknowledges its obligation to maintain the confidentiality of certain health information. Protected health information ("PHI") is individually identifiable health information that is transmitted or maintained electronically or in any other form or medium for the cooperative's Section 125 Flexible Spending Account program. Individually identifiable health information is information that is created or received by the cooperative that relates to the past, present or future physical or mental health or condition of an individual, or the past, present or future payment for the provision of health care to an individual and identifies the individual or creates a reasonable basis to believe that the information would identify the individual.
- 21.2.2 The cooperative's benefit administrator shall serve as the cooperative's "privacy officer" and "contact person" as those officers are defined and to which responsibilities are assigned for compliance under the law. This staff position shall be the sole recipient and custodian of protected health information. Individuals who are the subjects of such information shall be responsible for causing health care providers, insurers, and other sources, to direct the minimum necessary medical information to this staff person for appropriate employer use and safekeeping.
- 21.2.3 The benefit administrator shall maintain appropriate procedures and safeguards for maintenance of protected health information, and shall inform the employee participants about the intended uses of personal information and their opportunity to review and correct such information. No other employee shall have access to the protected health information except to the extent and for the duration of their need to obtain such information to carry out the processes and transactions that are dependent on that information.
- 21.2.4 The cooperative will not use, disclose or request Protected Health Information (PHI) without a valid authorization.

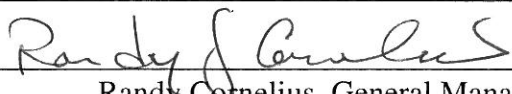
The cooperative will use, disclose, or request only the minimum amount of PHI necessary in all situations.
- 21.2.5 The cooperative may disclose de-identified health information, which is health information that does not, or cannot, identify an individual.

- 21.2.6 The cooperative will not disclose PHI to a business associate and will not allow a business associate to disclose PHI on behalf of the cooperative unless there is a written business associate contract in effect.
- 21.2.7 The cooperative will provide or acquire training for all employees who are authorized and responsible for safeguarding PHI. All employees with access to PHI will be trained on the HIPAA policies and procedures regarding PHI that the cooperative has adopted.
- 21.2.8 The cooperative will keep the following records for six years from the date of creation or when the records were last in effect:
 - 21.2.8.1 privacy policies and procedures;
 - 21.2.8.2 authorizations and revocations;
 - 21.2.8.3 training records;
 - 21.2.8.4 designation of privacy officer;
 - 21.2.8.5 complaints and related investigations and sanctions;
 - 21.2.8.6 requests for restrictions on uses and disclosures;
 - 21.2.8.7 uses and disclosures of PHI subject to an accounting.
- 21.2.9 The cooperative will make every effort to minimize or correct any harm caused by the inadvertent and/or improper use or disclosure of PHI in violation of the policy. The privacy officer is responsible for ensuring that corrective action is taken if such disclosure occurs.
- 21.2.10 All participants in health plans sponsored by the cooperative have the right to obtain and inspect copies of PHI that the cooperative maintains on behalf of each participant. Such information includes information regarding enrollment, payments, claims adjudication, case or medical management records and any other records used in whole or in part by the cooperative and which are used to make decisions about the individual. Requests for information should be specific and made in writing to the privacy officer.
- 21.2.11 Participants in the cooperative-sponsored health plans have the right to request that their PHI, or a designated record set which contains their PHI, be amended in certain circumstances. Requests for an amendment should be specific and made in writing to the privacy officer. The cooperative will generally respond to such requests within thirty (30) days.
- 21.2.12 Participants in the cooperative-sponsored health plans have the right to request a statement of all disclosures of their PHI in the six years prior to the request. Requests should be specific and made in writing to the privacy officer. The cooperative will generally respond to such requests within thirty (30) days.

- 21.2.13 Participants in the cooperative-sponsored health plans have the right to make complaints about the cooperative's compliance with HIPAA policies and procedures. Complaints should be specific and made in writing to the privacy officer or the chief executive officer. The cooperative will generally respond to such complaints within thirty (30) days.
- 21.2.14 An employee of the cooperative who knowingly violates this policy may be subject to termination. If an employee violates the policy accidentally, the employee may receive disciplinary action and may be required to attend HIPAA training designed to specifically avoid said violation in the future.

21.3 RESPONSIBILITY

- 21.3.1 The benefit administrator shall exercise primary staff responsibility for administration of this policy.
- 21.3.2 The general manager shall be responsible for providing the resources and oversight for administrative compliance with the requirements of applicable laws and regulations and for enforcing this policy.



Randy Cornelius, General Manager

Effective Date: June 14, 2004