

December 2014

JOHN DOE
123 MAIN ST
RENTON WA 98058

Dear Mr. Doe:

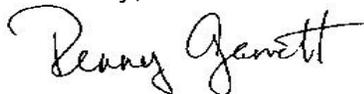
Each year, federal and state laws require us to send certain notices to all of our members. While not all of the notices may be relevant to every member, they do apply to all member contracts. We encourage you to review each notice to understand your rights. These notices include, among other things, your rights regarding privacy practices, the claims appeal process, and information regarding the Women's Health and Cancer Rights Act.

To find out more about your benefits, check your claims, learn about medical conditions, research cost and care options, and even be rewarded for making healthy choices, please log on to **www.regence.com**. With **www.regence.com**, you can find all your health-related resources in one place. Registering is easy and secure - simply go to **www.regence.com** and have your member number handy.

If you have questions regarding the notices in this document, please contact us at 1 (888) 370-6156.

Thank you for being a Regence BlueShield member. We appreciate the opportunity to provide you with the highest quality health care coverage.

Sincerely,



Penny Garrett
Director of Customer Service
Regence BlueShield

Enclosures: Disclosure Notice Document

DISCLOSURE NOTICE

Breast Reconstruction (medical plans only)

Health plans are required by federal law to inform you upon enrollment and annually thereafter about the presence of a breast reconstruction benefit in your plan. This update includes such information, along with information regarding the Act described below.

The Women's Health and Cancer Rights Act of 1998 established federal standards for the coverage of breast reconstruction following a mastectomy. This law requires that health plans that include coverage for mastectomy must also include coverage of the following (in a manner determined in consultation with the attending physician and the member):

- Reconstruction of the breast on which the mastectomy has been performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance
- Prosthesis and treatment of physical complications of all stages of mastectomy, including lymphedemas

Benefits for reconstructive surgery may be subject to annual deductibles, if any, and coinsurance consistent with those established for other benefits. Health plans and employers may not deny a member eligibility to enroll in or to renew coverage solely for the purpose of avoiding coverage of breast reconstruction following a mastectomy. If you would like more information regarding these rights, contact your Plan Administrator.

Newborns' and Mothers' Health Protection Act (medical plans only)

Group health plans and health insurance issuers generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours). State law may permit even longer lengths of stay.

The regular benefits of your contract will be provided for a newborn child for up to 21 days following birth when delivery of the child is covered under your contract. Such benefits will not be subject to enrollment requirements for a newborn as specified in your benefit booklet, or the payment of a separate premium for coverage of the child. Coverage, however, is subject to all provisions, limitations and exclusions of your contract. No benefits will be provided after the 21st day unless the newborn is enrolled according to the enrollment requirements for a newborn. When delivery of a child is not covered under your contract, benefits will be provided for routine care for that newborn

child while hospitalized for up to the first 72 hours following birth, not subject to the enrollment requirements for a newborn specified in your benefit booklet.

Appeal Process

If you or your Representative (any representative authorized by you) has a concern regarding a claim denial or other action by us under the contract and wishes to have it reviewed, you may initiate the member appeal process described in your benefit booklet.

NOTICE OF PRIVACY PRACTICES

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.

We, at Regence, know you value your privacy. That is why we are committed to the confidentiality and security of your personal information. We maintain physical, administrative and technical safeguards to protect against unauthorized access, use, or disclosure of your personal information.

We collect personal information, such as your name, contact information, and health information, from you, your health care providers, and other insurers that provide you coverage. We are required by law to maintain the privacy of this information and to explain our legal duties and privacy practices. We are also required by law to notify affected individuals following a breach of unsecured protected health information. We provide the protections and apply the practices described in this notice to all personal information that we maintain, including to personal information of former members who are no longer covered by us. We hope this notice will clarify our responsibilities to you and give you an understanding of your rights. We are required to abide by the notice that is currently in effect. This notice is in effect as of July 1, 2013.

Your Rights

You may exercise the following rights by calling our Customer Service department or writing our Privacy Official. See "Contacting Us" at the end of this notice.

Inspection and Copies. You have the right to request an inspection or copies of protected health information that we maintain about you in a "designated record set" except psychotherapy notes and information that we compiled in anticipation of, or for use in, a civil, criminal, or administrative proceeding. A "designated record set" is a group of records that is used to administer your health benefits, including enrollment information and claims. We may limit the information that you can inspect or copy if we have reason to believe that is necessary to protect you or another person from harm. If we limit your right to inspect or copy, you can ask for a review of that decision.

Amendment. If you believe that protected health information we maintain about you in a designated record set is inaccurate or incomplete, you have the right to request an

amendment to correct or complete the information. You must submit your request in writing and explain the reason for the amendment. If the amendment is made, we will make reasonable efforts to inform others, including people you identify, that the information has been amended and we will use our best efforts to include the amendment with any future disclosure. We may decline to amend information under certain circumstances. This is likely to occur if we did not create the original record. If we decline to amend the information, you have the right to submit a statement of disagreement. You should know that we are allowed to attach a rebuttal statement in response to your statement of disagreement.

Notice. You have the right to receive a paper copy of this notice upon request.

Accounting. You have the right to request a list of certain disclosures of protected health information. The list will not include disclosures made for treatment, payment, or health care operations. It also will not include disclosures made pursuant to an authorization, made more than six years before the date of the request, incidental disclosures, disclosures made for national security or intelligence, or disclosures made to a correctional facility. The list will include the date of any accountable disclosure, to whom that disclosure was made, a brief description of the information disclosed, and the purpose for that disclosure (provided this information is known to us). We will supply this list free of charge once a year at your request. If you request an accounting more than once in a 12-month period, we may charge a reasonable fee.

Special Handling. You have the right to request restrictions on our use or disclosure of protected health information in addition to the restrictions imposed by law. We are not required to agree to your request and we may be unable to do so. If we do agree, we will comply with your request except in the case of emergency. You also have the right to request that we communicate with you in confidence with respect to communications you believe may endanger you. We will make every effort to accommodate your request if it is reasonable and you provide an alternate means to communicate. You should know that redirecting communication may not prevent others on your policy from discovering that you sought medical care. Accumulated deductibles and co-payment information may reveal that you obtained services. In addition, historic claims reports may include services that were obtained during the time communications were redirected.

Complaints. You have the right to submit a complaint if you believe we have violated your privacy rights. To submit a complaint, write to: Regence, Privacy Office, P.O. Box 1071, Mailstop E14A, Portland, OR 97207 or call our Customer Service department at the phone number provided at the end of this notice. You also have the right to submit a complaint to the Secretary of the U.S. Department of Health & Human Services. Be assured that we will not retaliate against you for submitting a complaint.

Permitted Uses and Disclosures

To administer health benefits, we collect, use and disclose protected health information for a variety of purposes:

Treatment. We may disclose protected health information to a health care provider in order for the provider to treat you. We may also use or disclose protected health information to support a provider's activities to furnish preventive health, early detection, and case management programs.

Payment. We may use or disclose protected health information for payment purposes, including to adjudicate claims, issue Explanation of Benefits, or coordinate benefits with other entities responsible for paying your claims.

Health Care Operations. We may use or disclose protected health information to facilitate operations, including underwriting, customer service, and detection or prevention of fraud or abuse. We may not, however, use or disclose genetic information for underwriting purposes.

Business Associates. Occasionally, we contract with business associates to perform insurance-related functions on our behalf. We may disclose protected health information to these business associates in order to allow them to perform these functions. They also may collect, use or disclose protected health information on our behalf. We contractually obligate our business associates and they are required by law to provide the same privacy protections that we provide.

Employers and Other Plan Sponsors. If you are enrolled in an employer-sponsored group health plan (or a group health plan sponsored by another entity), we may disclose protected health information to the group health plan or plan sponsor to facilitate administration of the plan. For example, we supply enrollment lists to employers so that premiums can be paid appropriately.

As Permitted or Required by Law. We use or disclose protected health information as permitted or required by law. For example, some laws permit or require us to disclose protected health information for workers' compensation programs or to certain government agencies, such as the Food and Drug Administration.

Public Health Activities. We may disclose protected health information to: (a) public health agencies for the prevention and control of disease; (b) coroners or medical examiners as necessary for fulfillment of their duties; (c) agencies that engage in the procurement, banking, or transportation of organs or tissue to facilitate such donation and transplantation services; (d) researchers to conduct medical research or research intended to improve the health care system; and (e) third parties as necessary to avert a serious threat to the health or safety of a person.

Health Oversight. We may disclose protected health information to health oversight agencies. These agencies are authorized by law to conduct audits; perform inspections and investigations; license health care providers, insurers and facilities; to enforce regulatory requirements; and to investigate healthcare fraud. These agencies include: State Commissioner of Insurance, State Board of Medicine, the U.S. Department of Health and Human Services, and the FBI.

Legal Proceedings. We may disclose protected health information in the course of a judicial or administrative proceeding, and in response to a court order, subpoena, discovery request, or other lawful process.

Law Enforcement. We may disclose protected health information to law enforcement officials in response to an administrative subpoena, a warrant, or an administrative request intended to identify or locate a suspect, victim, or witness. We also may disclose protected health information for the purpose of reporting a crime on our premises.

Military and National Security. We may disclose protected health information to armed forces personnel for military activities and to authorized federal officials for national security and intelligence activities.

Correctional Institution. If you are an inmate, we may disclose protected health information to your correctional institution for treatment purposes or to ensure the safety of yourself and others.

You. We may disclose your protected health information to you at your request, to inform you about the status of your claims, or for other purposes. For example, we may use protected health information to provide information about treatment alternatives or other health related benefits or services that may be of interest to you. This may include enhancements to your health plan and health related products or services available only to health plan members that add value to, but are not a part of, your benefit plan.

Others Involved in Your Health Care. We may disclose protected health information to personal representatives such as appointed guardians, executors, conservators, and in many cases parents of minor children, as well as to attorneys in fact when a valid power of attorney exists. In addition, if you give us verbal permission or if your permission can be implied (for example, while you are unconscious during an emergency), we may disclose protected health information to family members or others who call on your behalf. This permission is valid only for a limited time. If you want to authorize on-going disclosures to family members or friends, you must submit written authorization.

Authorizations. You may give us written authorization to use protected health information or disclose protected health information about yourself to anyone for any

purpose. An authorization remains valid for two years unless the authorization states otherwise or you revoke it. You may revoke an authorization at any time by submitting a written revocation (see "Contacting Us," below), but a revocation will not affect any use or disclosure permitted by the authorization while it was in effect. An authorization is required for us to use or disclose your protected health information for purposes other than those described in this notice. In particular, we need your written authorization to use or disclose psychotherapy notes, except in limited circumstances such as when the disclosure is required by law. We also must obtain your written authorization to sell information about you to a third party or when we receive financial compensation to use or disclose your protected health information to send you communications about products and services.

Future Changes

We reserve the right to change our privacy practices and this notice at any time without advance notice. Before we make any material change in our privacy practices, we will change this notice and post the new notice on our website. We will provide a copy of the new notice (or information about the changes to our privacy practices and how to obtain the new notice) in our next annual mailing to members who are then covered by one of our health plans. The new notice will apply to all protected health information in our possession, including any information created or received before the revised notice became effective.

Contacting Us

You may reach us during regular business hours by calling our Customer Service department at a number below:

Idaho and Garfield and Asotin Counties, Washington	1 (888) 232-5763
Oregon and Clark County, Washington	1 (888) 675-6570
Utah	1 (888) 231-8424
Washington	1 (888) 344-6347

For more information about this notice or to file a written privacy-related complaint, you may write to: Privacy Official, P.O. Box 1071, MS E14A, Portland, OR 97207-1071.

Para asistencia en español, por favor llame al número de teléfono en la parte trasera de su tarjeta de miembro. También podrá solicitar este aviso por escrito en español llamando al mismo número de teléfono.

如需中文援助，請撥打您會員卡背面的電話號碼。此外，您也可以通過此號碼索取相應的中文書面通知。

Para sa tulong sa Tagalog, pakitawagan ang numero ng telepono na nasa likod ng iyong kard bilang miyembro. Maaari mo ring hingin ang nakasulat na pabatid na ito sa Tagalog sa numero ng teleponong iyon.

Dinéjį akah adoowol biniiyé, t'áá shóqdi kojį' hodiilnih béesh bee hane' é binumber bee atah nílįnigiį bee néé ho'dółzin biniiyé nanitinigiį biné'déé' bikaa'. Dii jóki' naaltsos Dinéjį bik'e' áshchįįgo éi béesh bee hane' é binumber idi.