

NTS Development Company
Important Information for Supervisors
On Compliance With HIPAA Privacy Rules

NTS Development Company maintains several health plans for its employees. The Health Insurance Portability and Accountability Act (HIPAA), a federal law, now requires that NTS Development Company and its employees protect the privacy and confidentiality of information created, received or maintained as part of NTS Development Company's health plans. NTS Development Company has adopted a HIPAA Privacy and Security Policy (the "Policy") as required by this law. Many of the provisions of the Policy only impact the duties of employees who help administer the health plans, but all supervisors and employees play a key role in ensuring NTS Development Company is in compliance with the privacy rules. As required by the privacy rules, the Policy requires NTS Development Company to train certain employees on certain aspects of the Policy and to sanction employees who violate the Policy. Therefore, all supervisors are required to be familiar with and follow the rules in NTS Development Company's Privacy Notice, which is attached.

The privacy rules require that all information (both health information and information like addresses and the level of health plan coverage elected) maintained or obtained by NTS Development Company in connection with the health plans be used only for health plan purposes. The information cannot be used for any employment related purpose and must not even be seen by individuals who supervise or make hiring or firing decisions if at all possible.

HIPAA only protects information connected with NTS Development Company's health plans, not other information received in NTS Development Company's role as an employer. For example, if an employee calls to say he is sick with the flu and will miss work today, this information is not protected under the privacy rules. However, because it can be unclear whether information is in connection with the health plan, and because other laws also impose privacy standards, all health information received through any means should be treated as confidential.

The following checklist provides some helpful information and examples of how health information obtained in the normal course of work should be handled:

- If an employee asks for assistance with resolving a health Plan benefit issue, such as getting a claim paid for doctor services or changing health plan coverage, refer the employee to NTS Development Company's Human Resources Department, noting that federal law prohibits your involvement.
- If an employee calls to inform a supervisor of his or her absence because of an illness, no particulars of the illness should be relayed to other employees except on a need-to-know basis, unless the employee has consented to letting co-workers know. Simply state the employee will not be at work today due to illness to employees who need to know.
- Documents containing health Plan information are not to be maintained in the employee's personnel file, and are to be maintained only by the benefits department.
- NTS Development Company's email system should not be used to distribute information on an employee's health that was obtained in connection with an NTS Development Company

employer function (for example, from an FMLA leave request), to co-workers, unless that individual has agreed, preferably in writing, to such disclosure. Supervisors should generally not distribute health status information except on a need-to-know basis to avoid the appearance of improper use of information.

- If you do become aware of an employee's health information, this information *should not* be used in making any decisions about the employee's job such as promotion in the company or the employee's compensation or benefits.
- Employees who are authorized to see health plan information (because it is necessary for the performance of their job) will be provided with training and should become familiar with the details of the Policy.
- If you become aware of a violation of the rules, you must report that violation to NTS Development Company's Privacy Official so that appropriate action can be taken as required by law.
- If you have any questions or concerns about these rules, contact Sharon Lin, Vice President - Human Resources, NTS Development Company's HIPAA Information and Complaint Official.