

CHALLENGE INDUSTRIES, INC. PRIVACY POLICY STATEMENT

Purpose: *The following privacy policy is adopted to ensure that Challenge Industries, Inc. ("Challenge") complies fully with all federal and state privacy protection laws and regulations. Protection of participant privacy is of paramount importance to this organization. Violations of any of these provisions will result in severe disciplinary action which may include termination of employment and possible referral for criminal prosecution.*

Effective Date: *This policy is in effect as of April 1, 2003.*

Expiration Date: *This policy remains in effect until superceded or cancelled.*

Policy Owner: *Questions regarding this policy should be referred to the Privacy Officer.*

Protected Health Information: Protected health information is any information regarding the health, medical status, or conditions that affect that individual's ability to perform work, of any of the individuals served by Challenge. Protected health information includes the status of an individual as a Challenge consumer, the diagnosis of physical or mental disability, and the nature of any treatment for that disability, including the provision of vocational services. Protected health information also information on the physical or mental health, provision of health care, or payment for such health care provided to any Challenge employee.

Uses and Disclosures of Protected Health Information

It is the policy of Challenge that protected health information may not be used or disclosed except when at least one of the following conditions is true:

1. The individual who is the subject of the information (i.e. the "subject individual") has authorized the use or disclosure.
2. The individual who is the subject of the information has received Notice of Privacy Practices, has not objected to use or disclosure, and the use or disclosure is for treatment, payment or health care operations.
3. The individual who is the subject of the information does not object to the disclosure and the disclosure is to persons involved in the health care of the individual or for facility directory purposes.
4. The disclosure is to the individual who is the subject of the information or to HHS for compliance-related purposes.
5. The disclosure is to the individual's personal representative, or to the individual's parent or family member (if the individual so authorizes).
6. The use or disclosure is for one of the HIPAA "public purposes" (i.e. required by law, etc.).

Deceased Individuals

It is the policy of Challenge that privacy protections extend to information concerning deceased individuals.

Notice of Privacy Practices

It is the policy of Challenge that a notice of privacy practices must be published, that this notice and any revisions to it be provided to all subject individuals at the earliest practicable time, and that all uses and disclosures of protected health information be done in accord with this organization's notice of privacy practices.

Restriction Requests

It is the policy of Challenge that serious consideration must be given to all requests for restrictions on uses and disclosures of protected health information as published in this organization's notice of privacy practices. It is furthermore the policy of this organization that if a particular restriction is agreed to, then this organization is bound by that restriction.

Minimum Necessary Disclosure of Protected Health Information

It is the policy of Challenge that (except for disclosures made for treatment purposes) all disclosures of protected health information must be limited to the minimum amount of information needed to accomplish the purpose of the disclosure. It is also the policy of this organization that all requests for protected health information (except requests made for treatment purposes) must be limited to the minimum amount of information needed to accomplish the purpose of the request.

Access to Protected Health Information

It is the policy of Challenge that access to protected health information must be granted to each employee or contractor based on the assigned job functions of the employee or contractor. It is also the policy of this organization that such access privileges should not exceed those necessary to accomplish the assigned job function. (See accompanying matrix labeled "Authorized Access to Protected Health Information" for current access privileges.)

Access to Protected Health Information by the Subject Individual

It is the policy of Challenge that access to protected health information must be granted to the person who is the subject of such information when such access is requested.

Amendment of Incomplete or Incorrect Protected Health Information

It is the policy of Challenge that incorrect protected health information maintained by this organization will be corrected in a timely fashion. It is also the policy of this organization that notice of such corrections will be given to any organization with which the incorrect information has been shared.

Access by Personal Representatives

It is the policy of Challenge that access to protected health information must be granted to personal representatives (legal guardians or "personal representatives" as defined by HIPAA regulations) of subject individuals, as specified by the subject individuals.

Confidential Communications Channels

It is the policy of Challenge that confidential communications channels be used, as requested by subject individuals, to the extent possible.

Disclosure Accounting

It is the policy of Challenge that an accounting of all uses or disclosures of protected health information other than for treatment, payment or health care operations be given to subject individuals whenever such an accounting is requested.

Complaints

It is the policy of Challenge that all complaints relating to the protection of health information be investigated and resolved in a timely fashion.

Prohibited Activities

It is the policy of Challenge that no employee or contractor may engage in any intimidating or retaliatory acts against persons who file complaints or otherwise exercise their rights under HIPAA regulations. It is also the policy of this organization that no employee or contractor may condition treatment, payment, enrollment or eligibility for benefits on the provision of an authorization to disclose protected health information.

Responsibility

It is the policy of Challenge that the responsibility for designing and implementing procedures to implement this policy lies with the Privacy Officer.

Verification of Identity

It is the policy of Challenge that the identity of all persons not personally known who request access to protected health information be verified before such access is granted.

Mitigation

It is the policy of Challenge that the effects of any unauthorized use or disclosure of protected health information be mitigated to the extent possible.

Business Associates

It is the policy of Challenge that business associates must be contractually bound to protect health information to the same degree as set forth in this policy.

Cooperation with Privacy Oversight Authorities

It is the policy of Challenge that oversight agencies such as the Office for Civil Rights of the Department of Health and Human Services, Office of Mental Retardation and Developmental Disabilities, Office of Mental Health, and the State Education Department be given full support and cooperation in their efforts to ensure the protection of health information within this organization. It is also the policy of this organization that all personnel must cooperate fully with all privacy compliance reviews and investigations.