No. 130

BENEFITS BULLETIN

FOR HOURLY EMPLOYEES

LOOK INSIDE FOR DETAILS!

New Claims and Appeal Procedures for Health Care Plans

The purpose of this letter is to advise you of the new health care plan claims and appeals procedures that have been implemented in compliance with the Department of Labor's (DOL's) new regulations governing how health care plans process claims and handle appeals. The regulations apply to all health care claims received by your Ford health care Plan on or after January 1, 2003.

The regulations mandate specific time frames for claims processing and for responding to appeals of adverse benefit determinations, as defined in the DOL regulations. Although the regulations apply to all health care Plans, the specific time limits may differ based on your plan type.

Inquiry – If you have a question about your eligibility or coverage on a claim, you can submit a verbal or written inquiry to your health care plan. **An appeal may be submitted without a prior inquiry.**

Please note that while health care plans will handle claims for benefit coverage, **eligibility-only** appeals and inquiries will continue to be handled by Ford at the NESC. The regulations apply to any appeal involving a claim for benefits. The regulations do not apply to determinations of eligibility that are not attached to a claim.

Appeal – Effective immediately, all non-urgent appeals must be submitted in writing. The appeal must be submitted to your health care Plan, not to Ford Motor Company. Include a copy of all previous correspondence and all available supporting documentation. Upon receipt of the appeal, the health care Plan will respond to you within 60 calendar days of receipt of the appeal.

If you are not satisfied with the health care Plan's response to your appeal, the enrollee may choose to initiate civil action in the appropriate court under section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA) as amended. (Traditional Health Care Plan enrollees may also submit a voluntary appeal. Please refer to the Traditional Health Care Plan section for more information.)

Health Maintenance Organization (HMO) and Dental Health Maintenance Organization (DHMO)

- Each HMO or DHMO has an appeal process in place. Please contact the customer service department of the HMO or DHMO for detailed information about their appeals process and the new timing requirements, or refer to the Plan's Explanation of Benefits (EOB) for more information

Non-Michigan Preferred Provider Organization (PPO)

- Each non-Michigan PPO has an appeal process in place. Please contact the customer service department of the PPO for detailed information about their appeals process and the new timing requirements or refer to the Plan's Explanation of Benefits (EOB) for more information

Traditional Health Care Plans (Blue Cross Blue Shield and UNICARE), Blue Preferred Plus PPO and Partnership Health – Procedures for the following Plans are identified below: Salaried Comprehensive Medical Plan (CMP), Ford Medical Plan (FMP) – Administered by either Blue Cross Blue Shield of Michigan or UNICARE, Hourly Blue Cross Blue Shield and/or UNICARE Traditional, Hourly Blue Preferred Plus PPO of Michigan, Hourly Coordinated Care Management Program, Hourly Managed Care Program – Psychiatric & Substance Abuse Program, Salaried Franklin Health Program and the Hourly SUPPORT Program – Durable Medical Equipment/Prosthetics & Orthotics.

DOL Continued

Appeals

- You may appeal an adverse benefit determination within **190 calendar days** from the date of notification. This date generally is the date of the Explanation of Benefit (EOB) form you receive from your health care plan. The appeal must be in writing and should be submitted to the address shown on the EOB form for appeals. Please include your contract and group number, daytime phone, service date(s), and any documentation supporting your appeal, including a copy of the EOB form. If another person will be representing you, you must submit a written form authorizing that person to act on your behalf. Please contact your health care Plan's Customer Service Department for a copy of the authorization form. Please note that the timing for responses differs for urgent and non-urgent appeals. For non-urgent appeals, you will be provided with a written response within 60 calendar days of receipt of your appeal.

- Ford has established an additional, voluntary level of appeal, after the DOL-required appeal process has been exhausted. You may submit a Voluntary Appeal to Ford if you are dissatisfied with the health care Plan's determination of your Appeal. You should send the voluntary appeal with a copy of all previous correspondence and all available supporting documentation to the National Employee Service Center, P.O. Box 6214, Dearborn, Michigan 48121-6214. The voluntary appeal level has no timing requirements mandated by DOL.

  Note: If you are not satisfied with your health care Plan's response to your appeal, you may either (1) submit a voluntary appeal to Ford and then initiate a civil action in the appropriate court if you are still not satisfied, or (2) immediately initiate a civil action without using the voluntary appeal process.

There are separate time limits for urgent, pre-service and post service claims as defined in the DOL regulations. In addition, the claims processing and the appeals processing timeframes differ from each other. Please note that urgent care claims are those claims in which the time periods for making non-urgent determinations could seriously jeopardize the life or health of the member or the ability of the member to regain maximum function; or in the opinion of a physician with knowledge of the member's medical condition, would subject the member to severe pain that cannot be adequately managed without the care or treatment that is subject of the claim. Pre-service claims are only those claims where the health care Plan requires pre-approval in order to receive the benefit.

  - Urgent Pre-Service Appeals- Plan must notify claimant of decision within 72 hours of receiving an urgent pre-service appeal.
  - Non-Urgent Pre-Service Appeals- Plan must notify claimant of decision within 30 days of receipt of a non-urgent pre-service appeal.
  - Non-Urgent Post-Service Appeals– Plan has up to 60 days to provide a written response.

Claims

- Please note there are also new DOL time limits on the amount of time a plan has to provide a process your claim.
  - Urgent Pre-Service Claims - Plans have 72 hours to provide you with an adverse benefit determination on a pre-service claim.
  - Non-urgent Pre-Service Claims - Plans have up to 15 days to provide you with an adverse benefit determination on a non-urgent pre-service claim. This time frame can be extended by 15 days.
  - Post – Service Claims - Plans have up to 30 days to provide you with an adverse benefit determination on a post service claim. This time frame can be extended by 15 days.

Please note that this is a general description of the new health care plan claims and appeals procedures. These procedures are described in detail in official plan documents. If this announcement inadvertently disagrees with the plan documents, the plan documents will prevail.

NOTICE OF HIPAA 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.

The Ford Motor Company offers its employees and retirees/surviving spouses and their eligible dependents a number of benefits, including hospital, surgical medical, prescription drugs, dental and others. This notice applies to employees and retirees/surviving spouses and their eligible dependents who participate in the following plans, referred to below as "Group Health Plans":

- **Hospital-Surgical-Medical-Drug-Hearing-Dental Expense Program for Hourly Employees**
- **Comprehensive Medical Plan**
- **Ford Medical Plan**
- **Ford Salaried Traditional Dental Plan**
- **Self-funded Preferred Provider Organizations**
- **Ford Vision Care Plan for Salaried Employees, Retirees/Surviving Spouses**

Please note that, depending on the circumstances, the term "Group Health Plans" as used in this Notice may mean multiple Group Health Plans or a single Group Health Plan.

Please note that employees and retirees/surviving spouses who select long-term care coverage, where it's available, or choose to receive benefits through a health maintenance organization (HMO), fully-insured Preferred Provider Organizations (PPO) or other fully-insured plans will receive a Notice of Privacy Practices related to those benefits directly from those insurers. Group Health Plans maintain the confidentiality of your medical information related to your Group Health Plan coverage. This Notice describes the Group Health Plans' legal duties and privacy practices with respect to that information. This Notice also describes your rights and the Group Health Plans' obligations regarding the use and disclosure of your medical information.

The Group Health Plans are required by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended, to maintain the privacy of your protected health information ("PHI"). PHI is the information created or received by or on behalf of the Group Health Plans that identifies you or which, on a reasonable basis, could be used to identify you and includes:

- Information that relates to your past, present, or future physical or mental health or condition;
- The provision of health care to you; or
- The past, present, or future payment for the provision of health care to you.

This information may be maintained or transmitted either electronically or in any other form or medium. Please note that your medical file located at any Ford Medical office (i.e., the plant medical) is not considered PHI and thus is not subject to this Notice.

Minimum necessary requirements apply to the uses and disclosures of your PHI. Use and disclosure is limited to the amount reasonably necessary to accomplish the intended purpose (i.e., for group health plan administration).

The-Group Health Plans use your PHI in certain ways as described below:

How the Group Health Plans May Use or Disclose Your Health Information

For Treatment

While the Group Health Plans generally do not use or disclose PHI for treatment, they are permitted to do so if necessary.

For Payment

The Group Health Plans may use and disclose your PHI to others to facilitate payment for treatment and services. For example, the Group Health Plans may provide information to a provider or a third-party -payor, such as an insurance company, regarding charges that are covered under the Group Health Plans. The information may identify you, your diagnosis, and treatment or supplies used in the course of treatment.

For Health Care Operations

The Group Health Plans may use and disclose your PHI for operational purposes. For example, your PHI may be disclosed to certain employees of the Group Health Plans, or third parties retained or hired by the Group Health Plans, for customer service, enrollment, due diligence, quality improvement, business planning, and cost management. This information may identify you, your diagnosis, and treatment or supplies used in the course of treatment.

Plan Sponsor

The Group Health Plans may disclose PHI to The Ford Motor Company, the sponsor of the Group Health Plans, for health care operation purposes, such as benefit administration. At no time will the Group Health Plans disclose information for employment-related actions or decisions.

Required by Law

The Group Health Plans may use and disclose information about you as required by law. For example, the Group Health Plans may disclose information:

- For judicial and administrative proceedings pursuant to legal authority.
- To report information related to victims of abuse, neglect, or domestic violence.
- To assist law enforcement officials in their law enforcement duties.

Note: This Notice will not go into effect prior to April 14, 2003.

NOTICE OF HIPAA PRIVACY PRACTICES (CONTINUED)

Other Permitted Uses and Disclosures

While the Group Health Plans generally do not use or disclose PHI for the following purposes, the Group Health Plans may disclose PHI to: a health oversight agency (such as Medicare or Medicaid); for Government functions (for reasons of national security); to avert a serious health or safety threat; for post-mortem identification; or to comply with Workers Compensation laws.

Other Issues

Other uses and disclosures will be made only with your written authorization. You may revoke the authorization in writing, except to the extent that the Group Health Plans have relied on your authorization.

Your Health Information Rights under HIPAA

You have the right to:

- Request a restriction or limitation on the Group Health Plans' use or disclosure of your PHI for payment or health care operations purposes as set forth above. You also have the right to request a limit on the PHI the Group Health Plans disclose about you to someone who is involved in your care or the payment of your care. **The Group Health Plans are not required to agree to your request.** If the Group Health Plans do agree, the Group Health Plans will comply with your request unless the information is needed to provide you with emergency treatment.

- Obtain a paper copy of the notice of information practices upon request.

- Inspect and copy your PHI that is contained in the records maintained, used, collected or disseminated by the Group Health Plans. Usually, this includes the medical and billing records maintained by the Group Health Plans but does not include psychotherapy notes, to which the Group Health Plans have access. (You may be charged for the costs of copying, mailing, or other supplies directly associated with your request.)

- Request an amendment to your PHI if you believe the PHI the Group Health Plans have about you is incorrect or incomplete. You have this right as long as your PHI is maintained by the Group Health Plans. The Group Health Plans may deny your request for amendment if:

  - Your request is not in writing, or it does not include a reason to support the request;

  - Or the PHI to which your request refers:

    - was not created by the Group Health Plans, unless the person or entity that created the PHI is no longer available to make the amendment;

    - is not part of the medical information, enrollment, payment, claims adjudication or management records kept by the Group Health Plans;

    - is not part of the information you would be permitted to inspect or copy; or is accurate and complete.

- Request the Group Health Plans to communicate with you about your PHI in a certain manner or at a certain location. For example, you may request that the Group Health Plans contact you only at home and not at work. The Group Health Plans will accommodate all reasonable requests if you clearly state that you are requesting a confidential communication because you feel that disclosure could endanger your life. You must make sure your request specifies how or where you wish to be contacted.

- Receive an accounting of disclosures made of your PHI, except those based on an authorization for treatment, payment or health care operations.

Personal or Designated Representatives

You may exercise your Health Information Rights under HIPAA through a personal or designated representative. Your personal or designated representative will be required to produce evidence of authority (i.e., authorization form or other legal authority) to act on your behalf before being given access to your PHI or allowed to take any action for you. Copies of an authorization form can be obtained from the National Employee Services Center and/or from a Union Benefit Representative if represented.

The Group Health Plans can deny your personal or designated representative access to PHI in order to protect people who depend on others to exercise their rights under these rules and who may be subject to abuse or neglect. This also applies to personal representatives of minors.

NOTICE OF HIPAA PRIVACY PRACTICES (CONTINUED)

Complaints

You may complain to the Group Health Plans and to the Secretary of the Department of Health and Human Services if you believe your privacy rights have been violated. You will not be retaliated against for filing a complaint.

Obligations of the Group Health Plans

The Group Health Plans are required to:

- Maintain the privacy of PHI.
- Provide you with this Notice of their legal duties and privacy practices with respect to PHI.
- Abide by the terms of this Notice.
- Notify you if they are unable to agree to a requested restriction on how your information is used or disclosed.
- Accommodate reasonable requests to communicate PHI by alternative means or at alternative locations.

The Group Health Plans reserve the right to change their information practices and to make the new provisions effective for all protected PHI they maintain. Revised Notices will be made available to you through the Group Health Plan.

State law may provide for additional protection of your health information. Please contact the person identified below for more information.

Contact Information

If you have any questions, complaints or wish to exercise any of your Health Information Rights under HIPAA as described herein, please contact:

Enrollment Information - National Employee Services Center (NESC)
P.O. Box 6214
Dearborn, MI 48121-6214

Claims and Billing – Contact your health care plan carrier directly

No Guarantee of Employment

Nothing contained in this Notice shall be construed as a contract of employment between The Ford Motor Company and any employee, nor as a right of any employee to be continued in the employment of The Ford Motor Company, nor as a limitation of the right of The Ford Motor Company to discharge any of its employees, with or without cause.

No Change to Plans

Except for the privacy rights described in this Notice, nothing contained in this Notice shall be construed to change any rights or obligations you may have under the Group Health Plans. You should refer to the documents of the Group Health Plans in which you are enrolled for complete information regarding any rights or obligations you may have under the Group Health Plans.

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