

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.

Purpose:

This Notice of Privacy Practices ("Notice") applies to Alerus Financial, N.A. and any affiliate or subsidiary of Alerus Financial, N.A. ("Alerus"), as a Third Party Administrator (TPA). As a TPA, Alerus works under agreement with various employers in the administration of certain benefit plans offered by that employer, including, without limitation, Health Reimbursement Accounts, Health Flexible Spending Accounts and COBRA/Continuation services.

The Health Insurance Portability and Accountability Act and the Privacy Rules issued thereunder (collectively, "HIPAA") identifies protected health information and requires that Alerus provide individuals with this Notice, which describes Alerus' duties and privacy practices with respect to PHI (as defined below). In addition to HIPAA, special protections under other laws may apply to the use and disclosure of your PHI. Alerus will comply with these other laws where they are more protective of your privacy, unless these laws are otherwise preempted by federal law applicable to Alerus.

Protected Health Information (PHI):

Alerus considers personal information to be confidential. We protect the privacy of that information in accordance with applicable privacy laws, as well as our own company privacy policies.

When we use the term "personal information," we mean financial, health and other information about you that is nonpublic, and that we obtain so we can provide TPA services. By "health information," we mean protected health information (PHI).

PHI means individually identifiable health information that is created or received by Alerus that relates to your past, present or future physical or mental health or condition, including the provision of and payment for care, which identifies you or provides a reasonable basis for your identification. PHI includes electronic protected health information, which is PHI stored, maintained or transmitted electronically.

You have a right to receive notice following any unauthorized access, use or disclosure of your PHI if that unauthorized access, use or disclosure is considered a "breach" under HIPAA.

Your Rights:

You have certain rights regarding your health information. This section explains your rights and our responsibilities. You may:

- **Request Confidential Communications:** Request that we communicate with you in a certain way or at a certain location. We will accommodate reasonable requests.
- **Request Restrictions:** Restrict the way we use or disclose health information about you in connection with health care operations, payment and treatment. We will consider, but may not agree to, such requests. You also have the right to ask us to restrict disclosures to persons involved in your health care.

- **Access to your PHI:** You have the right to inspect and/or copy medical information that may be used to make claim decisions. You can obtain a copy of health information that is contained in a “designated record set” – medical records and other records maintained and used in making enrollment, payment, claims adjudication, medical management and other decisions. We may ask you to make your request in writing, may charge a reasonable fee for producing and mailing the copies and, in limited circumstances, may deny the request.
- **Amend Medical Information:** You have the right to amend health information that is in a "designated record set". Your request must be in writing and must include the reason for the request. If we deny the request, you may file a written statement of disagreement. You may request a form to help you make such a request.
- **Choose Someone to Act for You:** If you have given someone a power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information. We will ensure the person has this authority and can act for you before we take action.
- **Accounting for Disclosures of your PHI:** You have the right to request a list of disclosures we have made about you. Your request must be in writing. If you request such an accounting, we may charge a reasonable fee. You may request a form to help you make such a request.
- **Paper Copy of this Notice:** You have the right to a paper copy of this Notice. You may ask for a copy of this Notice at any time. Even if you have agreed to receive this Notice electronically, you are still entitled to a paper copy of this Notice.

How Alerus Uses and Discloses Personal Information:

In order to provide TPA Services, Alerus needs personal information about you, and we obtain that information from many different sources – particularly your employer or benefits plan sponsor, insurers, HMOs or third-party administrators and health care providers. In administering your benefits, we will generally obtain your written authorization before using your health information or sharing it with others. However, we are permitted to use and disclose your health information for the following purposes without your written authorization:

- **Health Care Operations:** We may use and disclose personal information during the course of running our TPA business.
- **Payment:** To help pay for your covered services, we may use and disclose personal information in a number of ways, such as conducting utilization and medical necessity reviews and paying for your medical benefits.
- **Treatment:** We may disclose information to doctors, dentists, pharmacies, hospitals and other health care providers who are treating you.
- **Disclosures to Other Entities:** We may disclose personal information to other covered entities, or business associates of those entities for treatment, payment and certain health care operations purposes.
- **Minimum Necessary Disclosure of Protected Health Information:** Except for disclosures made for treatment purposes, all disclosures of PHI are limited to the minimum amount of information needed to accomplish the purpose of the disclosure. All requests for PHI (except requests made for treatment purposes) must be limited to the minimum amount of information needed to accomplish the purpose of the request.

Additional Uses and Disclosures That May Be Made:

- **Required by Law:** Alerus may use or disclose PHI to the extent that the use or disclosure is required by law. The use or disclosure will be made in compliance with the law and will be limited to the relevant requirements of the law.
- **Public Health:** Alerus may disclose PHI for public health activities and the purposes to which a public health authority is authorized by law to collect or receive the information.
- **Victims of Abuse, Neglect, or Domestic Violence:** Alerus may disclose PHI to a government authority authorized by law to receive reports of abuse, neglect or domestic violence.
- **Food and Drug Administration (FDA):** Alerus may disclose PHI to a person subject to the jurisdiction of the FDA with respect to an FDA-regulated product or activity, such as for reports of adverse events, products defects or to track FDA-regulated products.
- **Communicable Diseases:** Alerus may disclose PHI to a person who may have been exposed to a communicable disease or may otherwise be at risk of contracting or spreading a disease.
- **Health Oversight:** Alerus may disclose PHI to a health oversight agency for oversight activities authorized by law, such as audits, inspections, licensure and disciplinary actions.
- **Legal Proceedings:** Alerus may disclose PHI in response to an order of a court, an administrative tribunal or in response to a subpoena.
- **Law Enforcement:** Alerus may disclose PHI for a law enforcement purpose to a law enforcement official in response to a court ordered warrant, grand jury subpoena or administrative request.
- **Coroners and Funeral Directors:** Alerus may disclose PHI to a coroner or medical examiner for identification purposes, determining cause of death or for the coroner or medical examiner to perform other duties authorized by law, or to a funeral director, if necessary.
- **Organ or Tissue Donation:** Alerus may disclose PHI to organ procurement organizations or other entities engaged in the procurement, banking or transplantation of cadaveric organs, eyes or tissue for donation purposes.
- **Research:** Alerus may disclose PHI to researchers when their research has been approved by an institutional review board that has reviewed the research proposal and established protocols to ensure the privacy of the PHI.
- **To Avert Serious Threat to Health and Safety:** Alerus may disclose PHI if Alerus believes in good faith that disclosure is necessary to prevent or lessen a serious and imminent threat to the health or safety of a person or to the public, and the person to whom Alerus discloses the information is reasonably able to lessen or prevent the threat, or is necessary for law enforcement to identify or apprehend an individual.
- **Specialized Government Functions:** Alerus may disclose PHI for the following governmental functions: (a) for military and veterans activities; (b) for national security and intelligence activities; (c) for protective services for the President or to foreign heads of state or other authorized persons; (d) to correctional institutions or law enforcement officials regarding an inmate if it is necessary for provision of health care to the individual, for the safety of the individual, other inmates, correctional officers or others involved in the custody of the inmate.
- **Workers' Compensation:** Alerus may disclose PHI when necessary to comply with laws relating to workers' compensation or similar benefits programs.

Disclosure to Family and Friends Involved in Your Health Care:

With your approval, we may from time to time disclose your PHI to designated family, friends, and others who are involved in your care or in payment for your care in order to facilitate that person's involvement in caring for you or paying for your care. If you are unavailable, incapacitated, or facing an emergency medical situation and we determine that a limited disclosure may be in your best interest, we may share limited PHI with such individuals without your approval. We may also disclose limited PHI to a public or private entity that is authorized to assist in disaster relief efforts in order for that entity to locate a family member or other persons that may be involved in some aspect of caring for you. You have the right to stop or limit these types of disclosures by contacting Alerus.

Other Uses of Medical Information:

Other uses and disclosures of medical information not covered by this Notice or applicable law will be made only with your written permission. If you give us permission to use or disclose medical information about you, you may revoke that permission, in writing, at any time. If you revoke your permission, we will no longer use or disclose medical information about you for the reasons covered by your written authorization. You understand that we are unable to take back any disclosures we have already made with your permission, and that we are required to retain our records of the claims paid on your behalf.

Alerus will not use or disclosure your PHI without your written authorization for (i) uses and disclosures for marketing purposes; (ii) uses and disclosures that constitute the sale of PHI; and (iii) most uses and disclosures of psychotherapy notes (except as otherwise permitted under applicable law).

Alerus Legal Obligations:

The federal privacy regulations require your employer or benefits plan sponsor to keep personal information about you private, to give you notice of their legal duties and privacy practices and to follow the terms of the notice currently in effect. As a TPA representing an employer or benefits plan sponsor, this notice is an extension of the employer's or benefits plan sponsor's obligation. Employees may also ask for a copy of his/her employer's or benefit plan sponsor's privacy policy.

Complaints:

You also have the right to file a complaint if you think your privacy rights were violated. To do so, please file the complaint in writing to your employer, benefits plan sponsor or to Alerus. You can also file a complaint with the U.S. Department of Health and Human Services Office by a sending a letter to the Secretary of the U.S. Department of Health and Human Services, Centralized Case Management Operations, 200 Independence Avenue, S.W., Room 509F HHH Bldg., Washington, D.C. 20201. You can also file a complaint with the U.S. Department of Health and Human Services electronically (<http://www.hhs.gov/hipaa/filing-a-complaint/index.html>). There will be no retaliation for filing a complaint.

This Notice is Subject to Change:

Alerus may change the terms of this Notice and our privacy policies at any time. If we do, the new terms and policies will be effective for all of the personal information that we already have about you, as well as any personal information that we may receive or hold in the future.

Effective Date

This Notice of Privacy Practices is effective September 13, 2016.

If you need more information or if you would like to exercise one of your rights described above, please contact:

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