

## 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.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) imposes numerous requirements on employer health plans concerning the use and disclosure of individual health information. This information, known as protected health information, includes virtually all individually identifiable health information held by the plans - whether received in writing, in an electronic medium, or as an oral communication. Protecting the confidentiality of your personal health information is an important priority for Nortel Networks Group Health Plan. Consequently, Nortel has adopted policies to safeguard the privacy of your health information and comply with HIPAA. This notice describes the HIPAA privacy practices of the following plans:

Nortel Networks Employee Assistance Program  
Nortel Networks Medical Plan  
**Nortel Networks Dental/Vision/Hearing Care Plan**  
**Nortel Networks Retiree Medical Plan**  
**Nortel Networks Retiree Long-Term Care Benefits**  
**Nortel Networks Health & Welfare Benefits Trust**

The plans covered by this notice will share information with each other as necessary to carry out treatment, payment, or health care operations. The plans collectively constitute an organized health care arrangement under HIPAA and are referred to as the Group Health Plan in this notice. You may be covered by one or more of these plans. However, the provision of this notice to you does not establish your coverage or give you any right to coverage under any of these plans. Coverage is determined by the requirements of each of the plans.

### **The Group Health Plan's Duties With Respect to Health Information about You**

The Group Health Plan is required by law to maintain the privacy of your protected health information and to provide you with this notice of the Group Health Plan's duties and privacy practices with respect to your protected health information. If you participate in an insured health plan option, you will receive a separate notice directly from the insurer. It's important to note that these rules apply to the Group Health Plan, not Nortel Networks as an employer - that's the way the HIPAA rules work. Different policies may apply to other Nortel Networks programs or to health information or data that Nortel Networks acquires about you from sources other than the Group Health Plan. Such information is not "protected health information" under HIPAA.

Examples of protected health information include: completed medical claim forms, claims appeals determinations, explanation of benefits, hospital bills, prescriptions & diagnoses.

This notice explains:

- How your protected health information may be used, and
- What rights you have regarding this information.

## How the Group Health Plan May Use Your Health Information

The HIPAA privacy rules generally allow the use and disclosure of your protected health information without your permission (known as an authorization) for purposes of health care treatment, payment activities, and health care operations. Here are some examples of what that might entail:

**For treatment.** So that you receive appropriate treatment and care, providers may use your protected health information to coordinate or manage your health care services. For example, your physician uses your information when he or she consults with a specialist regarding your condition.

**For payment.** To make sure that claims are paid accurately and you receive the correct benefits, the Group Health Plan may use and disclose your protected health information to determine plan eligibility and responsibility for coverage and benefits. For example, the Group Health Plan may use your information when conferring with other health plans to resolve a coordination of benefits issue. The Group Health Plan may also use your protected health information for claims and utilization management activities, including a review of all appeals of denied claims. That means that the Group Health Plan may send your information to individuals or entities who must review your information to make a decision about your appeal or to assist with the review of your appeal. Only the “minimum necessary,” as defined under the HIPAA privacy rules, will be used or disclosed.

**For health care operations.** To ensure quality and efficient plan operations, the Group Health Plan may use your protected health information in several ways, including plan administration, wellness and risk assessment programs, quality assessment and improvement, customer service, and vendor review. Your information could be used, for example, to assist in the evaluation of a vendor who supports administration of the Group Health Plan. The Group Health Plan may also contact you with appointment reminders or to provide information about treatment alternatives or other health-related benefits and services available. The amount of protected health information used or disclosed will be limited to the “minimum necessary” for these purposes, as defined under the HIPAA privacy rules.

In no event will the Group Health Plan use or disclose your protected health information that is genetic information for underwriting purposes. In addition to rating and pricing a group insurance policy, this means the Group Health Plan may not use genetic information (including that requested or collected in a health risk assessment or wellness program) for setting deductibles or other cost sharing mechanisms, determining premiums or other contribution amounts, or applying preexisting condition exclusions.

## How the Group Health Plan May Share Your Health Information with Nortel Networks Inc. (Plan Sponsor)

The Group Health Plan and any health insurance issuer may also disclose your protected health information without your written authorization to Nortel Networks (the plan sponsor) for Group Health Plan administration purposes. If you are covered under an insured health plan, the insurer also may disclose protected health information to Nortel Networks in connection with treatment, payment or health care operations. However, Nortel Networks will not use or disclose the protected health information provided by the Group Health Plan except as permitted or required by the plan documents and by law. Only employees of Nortel Networks who need access for plan administration functions will have access to such protected health information.

## Other Permitted Uses and Disclosures of Your Health Information

Federal regulations allow the Group Health Plan to use and disclose your protected health information, without your authorization, for several additional purposes, in accordance with law:

- ▶ Public health
- ▶ Reporting and notification of abuse, neglect or domestic violence
- ▶ Oversight activities of a health oversight agency
- ▶ Judicial and administrative proceedings
- ▶ Law enforcement
- ▶ Research, as long as certain privacy-related standards are satisfied
- ▶ To a coroner or medical examiner
- ▶ To organ, eye or tissue donation programs
- ▶ To avert a serious threat to health or safety
- ▶ Specialized government functions (e.g., Military and veterans' activities, national security and intelligence, federal protective services, medical suitability determinations, correctional institutions and other law enforcement custodial situations)
- ▶ Workers' compensation or similar programs established by law that provide benefits for work-related injuries or illness
- ▶ Other purposes required by law, provided that the use or disclosure is limited to the relevant requirements of such law.

### **In Special Situations...**

The Group Health Plan may disclose your protected health information to a family member, relative, close personal friend, or any other person whom you identify, when that information is directly relevant to the person's involvement with your care or payment related to your care.

The Group Health Plan may also use your protected health information to notify a family member, your personal representative, another person responsible for your care, or certain disaster relief agencies of your location, general condition, or death. If you are incapacitated, there is an emergency, or you otherwise do not have the opportunity to agree to or object to this use or disclosure, the Group Health Plan will act in your best interest regarding such disclosure and will disclose only information that is directly relevant to the person's involvement with your health care.

*The Group Health Plan will make other uses and disclosures only after your written authorization. You may revoke your authorization in writing at any time as allowed under the HIPAA rules. However, you can't revoke your authorization if the Group Health Plan has taken action relying on it. In other words, you can't revoke your authorization with respect to disclosures the Group Health Plan has already made.*

## **Your Rights Regarding Protected Health Information**

You have the following rights with respect to your protected health information that is maintained by the Group Health Plan. These rights are subject to certain limitations, as described below.

### **Right to Inspect and Copy Your Health Information**

You have the right to inspect and copy your protected health information that is maintained by the Group Health Plan. However, you do not have such a right to information that is compiled for civil, criminal or administrative proceedings. If the Group Health Plan doesn't maintain protected health information that you request but knows where it is maintained, you will be informed of where to direct your request.

The Group Health Plan may deny your rights to access, however, in certain circumstances. If your request is denied, you may request a review in some instances. The instances when you may request a review include: when a licensed health care professional has determined that the access may endanger the life or safety of you or someone else; when the information is about another person and a licensed health care professional has determined that access might endanger that other person; or when your personal representative requests the information and a licensed health care professional has determined that the access may endanger you or another person. Access may also be denied in some other circumstances that are not reviewable, including: when disclosure would likely breach a promise of confidentiality to the person who provided the information; when you consented to denial of access in order to participate in a clinical trial; or when the information was compiled in reasonable anticipation of, or for use in, a legal proceeding.

You may also file a complaint concerning the denial, as explained under "Complaints", below.

If you choose to exercise the right to inspect and copy, you must submit a written request to the Group Health Plan. Within 30 days of the receipt of your request (60 days if the protected health information is not accessible onsite), the Group Health Plan will provide you with:

- the access or copies you requested or a summary or explanation of the information requested, if desired;
- a written denial that explains why your request was denied and any rights you may have to have the denial reviewed or file a complaint; or
- a written statement that the time period for reviewing your request will be extended for no more than 30 more days, along with the reasons for the delay and the date by which the Group Health Plan expects to address your request.

The Group Health Plan reserves the right to charge for expenses (i.e. copying, postage, etc) incurred in providing you access to protected health information.

### **Right to Amend Your Health Information That Is Inaccurate or Incomplete**

With certain exceptions, you have a right to ask the Group Health Plan to amend your protected health information. The Group Health Plan may deny your request for a number of reasons. For example, your request may be denied if the protected health information is accurate and complete, was not created by the Group Health Plan, or is not available for inspection (e.g., information compiled for civil, criminal, or administrative proceedings).

If you want to exercise this right, you must submit a written request to the Group Health Plan, and include a statement to support the requested amendment. Within 60 days of receipt of your request, the Group Health Plan will:

- make the amendment as requested;
- provide a written denial that explains why your request was denied and any rights you may have to disagree or file a complaint; or
- provide a written statement that the time period for reviewing your request will be extended (for no more than 30 more days) along with the reasons for the delay and the date by which the Group Health Plan expects to address your request.

### **Right to Receive An Accounting of Your Health Information**

You have a right to receive an accounting of certain disclosures of your protected health information made by the Group Health Plan. You generally may receive an accounting of disclosures if the disclosure is required by law or in connection with public health activities.

HIPAA privacy rules do not provide for an individual's right to an accounting of several types of disclosures including, but not limited to disclosures made:

- for treatment, payment, or health care operations;
- where authorization was provided;
- to you about your own health information;
- incidental to other permitted or required disclosures;
- to family members or friends involved in your care (where disclosure is permitted without authorization)
- for national security or intelligence purposes or to correctional institutions or law enforcement officials in certain circumstances;
- as part of a "limited data set" (health information that excludes certain identifying information); or
- before April 14, 2003 (the general date that the HIPAA privacy rules are effective).

In addition, your right to an accounting of disclosures to a health oversight agency or law enforcement official may be suspended at the request of the agency or official.

If you choose to exercise this right, you must submit a written request to the Group Health Plan. Within 60 days of the request, the Group Health Plan will provide you with the list of disclosures or a written statement that the time period for providing this list will be extended for no more than 30 more days, along with the reasons for the delay and the date by which the Group Health Plan expects to address your request. You may make one request in any 12-month period at no cost to you. The Group Health Plan reserves the right to charge a fee for subsequent requests. If the Group Health Plan exercises its right to charge a fee you will be notified in advance and have the opportunity to change or revoke your request.

### **Right to Request Restrictions On Certain Uses and Disclosures of Your Health Information and the Group Health Plan's Right To Refuse**

You may ask the Group Health Plan to restrict how it uses and discloses your protected health information for treatment, payment, or health care operations, except for those uses or disclosures required by law. You may also ask the Group Health Plan to restrict uses and disclosures of your protected health information to your family members, relatives, friends, or other persons you identify who are involved in your care or payment for your care. However, the Group Health Plan is not required to agree to these requests. And if the Group Health Plan does agree, a restriction may later be terminated by your written request, by agreement between you and the Group Health Plan (including an oral agreement), or unilaterally by the Group Health Plan

for protected health information created or received after you're notified that the Group Health Plan has removed the restrictions.

### **Right to Receive Notification of Breaches**

If your unsecured protected health information is acquired, used or disclosed in a manner that is impermissible under the HIPAA privacy rules and that poses a significant risk of financial, reputational or other harm to you, the Group Health Plan must notify you within 60 days of discovery of such breach.

### **Right to Request Confidential Communications of Your Health Information**

You may request to receive your protected health information by alternative means or at an alternative location if you reasonably believe that other disclosure could pose a danger to you. For example, you may only want to have protected health information sent by mail or to an address other than your home.

*For more information about exercising these rights, contact the office below.*

### **Right to obtain a paper copy of this notice from the Plan upon request**

You have the right to obtain a paper copy of this privacy notice upon request. Even individuals who received this notice electronically may request a paper copy at any time.

### **Complaints**

If you believe that your privacy rights have been violated, you may file a written complaint without fear of reprisal. Direct your complaint to the office listed below under "Contact Information" or to the Secretary of Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue, SW, Washington, DC 20201.

### **About this Notice**

The Group Health Plan must abide by the terms of the privacy notice currently in effect. It reserves the right to change the terms of this notice and to make the new notice provisions effective for all protected health information it maintains. If the Group Health Plan changes this notice, you will be provided a new notice electronically. If you do not have access to the Nortel Networks Intranet, the new notice will be sent to you by U.S. mail.

### **Contact Information**

You may exercise the rights described in this notice by contacting the Nortel Networks office identified below, which will provide you with additional information. The contact is:

Nortel Networks Inc.  
HR Shared Services  
Dept. 7094, Mail Stop 570020C2  
P.O. Box 13010  
Research Triangle Park, North Carolina, 27709-3010  
1-800-676-4636