

COSTCO HEALTH CENTERS 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.

Effective Date: January 1, 2019

If you have any questions regarding this notice, please contact:

**Costco Wholesale
999 Lake Drive
Issaquah, Washington 98027
Attn: Privacy Office
(425) 313-8347
email: healthcareprivacy@costco.com**

GENERAL INFORMATION ABOUT THIS NOTICE

Costco is committed to maintaining the confidentiality of your Protected Health Information (“PHI”). This notice describes our efforts to safeguard your PHI from improper or unnecessary use or disclosure while providing you with the high quality/low cost goods and services Costco members have come to expect. **This notice only applies to PHI created, received, maintained or transmitted by or on behalf of Costco Pharmacies, Costco Optical Centers, and Costco Hearing Aid Centers** (the “Costco Health Centers”). Federal law requires us to provide you with this notice and for Costco Health Centers to comply with the terms of this notice.

- This notice does not apply to products or services provided by independent contractors (for example, independent optometrists, ophthalmologists, and some providers of medical services such as osteoporosis testing). If you receive services from any of these independent health care providers, you should request from them a copy of their privacy notice.

HOW WE PROTECT, USE, AND DISCLOSE YOUR PHI

PHI is health information that can be used to identify you that relates to (1) your physical or mental condition, (2) the provision of health care services to you, or (3) payment for your health care. Your prescriptions, vision test results, audiogram results, and information you provide on any Costco Health Center patient health history form, are all examples of PHI.

We are required by law to maintain the privacy and security of your PHI. We must follow the duties and privacy practices described in this notice and give you a copy of it.

To protect the privacy of PHI, the Costco Health Centers limit the way PHI is used or disclosed to others. We may use or disclose PHI in certain permissible ways described below.

How we typically use or share your PHI

- **For treatment.** Costco Health Centers may use and disclose PHI in order to provide you with health care services and products. For example, we may share your PHI with your physician or other providers or entities involved in your health care who need this information for your treatment. We may also contact medical professionals who have prescribed controlled substances for you to discuss whether they are appropriate and

necessary for you.

- **For payment or reimbursement, or to calculate rewards.** Costco Health Centers may use and disclose your PHI to bill you or your insurance company or other third parties responsible for payment or to collect payment. For example, Costco Health Centers use and disclose PHI to receive payments from your health plan for covered prescription drugs purchased from a Costco Pharmacy. If you are a Costco Executive Member, your purchase information from any Costco Health Center will be combined with other personal information to calculate your Executive Member 2% Reward, subject to the terms and conditions of that program.
- **For health care operations.** We may use and disclose PHI for numerous administrative and quality control functions necessary for the Costco Health Centers' proper operation. For example, we may use your pharmacy prescription drug purchase information for fraud and abuse detection activities or to conduct data analyses relating to the quality and efficiency of the services we provide. We may use your PHI to create de-identified data, which is stripped of your identifiable data and no longer identifies you.
- **To inform you about treatment alternatives.** We may use or disclose PHI to you about you or to inform you about treatment alternatives, such as generic versions of drugs, or other health-related benefits that may be offered by Costco Health Centers and may be of interest to you.
- **To a family member, friend, or other person involved in your health care or to disaster relief authorities.** We may disclose your PHI to a family member or friend involved with your care or payment for your care (1) if you agree to allow us to disclose this information or (2) if you are present and able to make health care decisions, then either (a) you do not object to the disclosure after being given the opportunity to do so, or (b) we can reasonably infer from the circumstances and our professional judgment that you do not object. In the event of an emergency or if you are unable or unavailable to object, we will use our professional judgment to decide whether the disclosure is in your best interests. Our Costco Health Centers may also allow a family member, friend or other person to pick up your purchases after providing us with some verifying information such as your address or date of your birth. We may also disclose your PHI to disaster relief authorities so that your family, a personal representative, or a person responsible for your care may be notified of your location, general condition, or death. After your death, we may disclose your PHI to family, friends, a personal representative or another person identified by you before death who were involved in your care or payment for your care, provided the PHI is relevant to that person's involvement, unless doing so would be contrary to wishes you expressed to us during your life.
- **To business associates.** We may disclose your PHI to third parties (called "business associates") to perform certain services for us, such as billing services, payment processing and other services in support of our operations. For example, a third party who helps secure rebates for you from manufacturers on your Costco Health Center purchases is a business associate. Business associates must also comply with HIPAA. They are required by contract and law to protect your PHI and only use and disclose it as necessary to perform their services for us.

- **As required by law.** We may use or disclose your PHI as required by federal, state, or local law.
- **Workers' compensation programs.** We may disclose your PHI to the extent authorized by and necessary to comply with workers' compensation or similar laws.
- **Law enforcement.** We may disclose your PHI to a law enforcement official for a law enforcement purpose if certain conditions are met.
- **For public health and safety reasons.** We may use or disclose your PHI for public health activities for the prevention or control of disease, injury or disability; to report child abuse or neglect; to report reactions to medications or for other purposes related to the quality, safety and effectiveness of FDA-regulated products or activities; to notify individuals of recalls of medication or products they may be using; to notify a person who may have been exposed to a communicable disease or who may be at risk for contracting or spreading a disease or condition; to your employer, for the purposes of conducting an evaluation of medical surveillance of the workplace or for the purposes of evaluating whether you have a work-related illness or injury; or to your or your child's school, if the information is limited to proof of immunization and the school is required by law to have such proof prior to admitting you or your child (we will obtain and document your agreement to the immunization disclosure).
- **When we believe you to be the victim of abuse or neglect.** We may disclose your PHI if we believe that you have been a victim of abuse, neglect or domestic violence to an entity or agency authorized to receive the information. If you do not agree to the disclosure, the disclosure will be made consistent with the requirements of applicable laws and only if required or authorized by law.
- **Uses and Disclosures to avert a serious threat to health or safety.** For instances where we would disclose PHI to prevent a serious threat to your health and safety or the health and safety of another person, we would only disclose the information to someone able to help prevent or mitigate the threat. We may also disclose your PHI if we believe that the disclosure is necessary for law enforcement authorities to identify or apprehend an individual who: (i) admits to participation in a violent crime that we reasonably believe caused serious physical injury to the victim, or (ii) appears to have escaped from a correctional institution or lawful custody.
- **To comply with health oversight activities.** We may disclose your PHI for health oversight activities authorized by law such as audits, investigations, inspections, licensure actions, and other government monitoring and activities necessary for the appropriate oversight of the health care system, public benefit programs, other government regulatory programs and entities subject to the civil rights laws.
- **Litigation and administrative proceedings.** We may use or disclose your PHI to respond to an order of a court or administrative tribunal or under certain conditions in response to a subpoena, discovery request or other lawful process not accompanied by a court or administrative order.

- **Coroner, medical examiner, or funeral director.** We may disclose your PHI to a coroner or medical examiner to identify you, determine your cause of death, or perform other legal duties. We may also disclose your PHI to a funeral director so that they can carry out their duties under the law.
- **To conduct research.** We may use or disclose your PHI to conduct health care research as authorized by law.
- **Reporting to government agencies.** We may disclose your PHI (1) to the U.S. Department of Health and Human Services to demonstrate our compliance with HIPAA, (2) for national security and public safety reasons as required by law, (3) to respond to a request by military command authorities, and (4) if you are an inmate or in custody, to a correctional institution.
- **Donation of organs and tissues.** We may disclose your PHI to organ procurement or similar organizations for purposes of donation or transplant.

For these types of uses and disclosures, we use the minimum amount of PHI necessary to perform these tasks. We also require our business associates to limit these types of uses or disclosures of your PHI to the minimum necessary amount.

If an applicable state or federal law provides greater health information privacy protections than HIPAA, we will comply with the stricter law. For example, federal and state laws may provide privacy protections to PHI related to mental health, HIV/AIDS, reproductive health or chemical dependency that are more strict than HIPAA.

Finally, if we or one of our business associates create, receive, maintain or transmit your PHI in an unsecured manner (such as in paper form or in an unencrypted electronic form) and a breach occurs that may have compromised the privacy or security of your PHI, we will notify you without unreasonable delay.

OTHER USES AND DISCLOSURES OF PHI

Before we use or disclose PHI for any purpose other than as described above, we must obtain your written authorization, including uses and disclosures for:

- **Marketing.** Marketing means making a communication about a product or service that encourages you to purchase or use the product or service. Marketing does **not** include our face-to-face interactions with you or refill reminders or other communications we might have with or send to you about a drug currently prescribed for you, provided certain conditions are met. Marketing also does **not** include communications made for case management or care coordination, contacting of individuals with information about treatment alternatives, and related functions as long as we do not receive any payment for making these communications.
- **Receiving direct or indirect payment in exchange for providing your PHI.** However, the disclosure of your PHI to a health insurer in order to receive payment for products or services we provide to you is permissible.

You may revoke your authorization, in writing, at any time. If you revoke your authorization, the Costco Health Centers will no longer use or disclose PHI except as described above (or as permitted by any other authorizations that have not been revoked). However, please understand that we cannot retrieve any PHI disclosed to a third party in reliance on your prior authorization.

YOUR RIGHTS

Federal law provides you with certain rights regarding PHI that pertains to you. Parents of minor children who are customers of the Costco Health Centers and other individuals with legal authority to make health decisions for customers of the Costco Health Centers may exercise these rights on behalf of such customers, consistent with state law.

- **Right to this notice:** You have the right to obtain a paper copy of this notice from Costco Health Centers upon request.
- **Right to request restrictions:** You have the right to request a restriction or limitation on the Costco Health Centers' use or disclosure of PHI for treatment, payment, or health care operations, or for disclosures permitted to your friends and family and for notification purposes. Except as provided below, the law does not require us to agree to your request. You may submit restriction requests in writing to our Privacy Office. Your request must specify: (i) the PHI you want to limit; (ii) how you want the Costco Health Centers to limit the use, disclosure, or both of that PHI; and (iii) to whom you want the restrictions to apply. We may not be able to grant it because it may affect our ability to provide health care services or products to you. However, unlike the restriction for products you pay for in full out-of-pocket discussed below, if we do agree to your requested restriction or limitation, we will honor the restriction until you agree to terminate the restriction or until we notify you that we are terminating the restriction on a going-forward basis.

Restrictions relating a product or service for which you have paid in full out-of-pocket.

If your request is to restrict disclosure to a health plan relating to a health care item or service for which you have paid in full out-of-pocket, the law requires us to honor the request if the purpose for the disclosure is not related to treatment. We will honor such a request provided that such disclosure is not otherwise required by law. If you want to request such a restriction concerning an item or service that you pay for in full out-of-pocket, you must submit the request **in advance** of your purchase using the form provided by the Costco Health Center. The request will only be valid at the particular Costco Health Center location where the form is submitted and you must submit a new form in advance for each purchase you intend to make. For example, each time you present a prescription to be filled or request a refill of an existing prescription, you must submit a new form to the Costco pharmacy location where you intend to make the purchase before (or at the same time) you present the prescription or refill request. In addition, you must submit a form prior to your health care provider calling in a prescription. It is important that you submit each restriction request to the specific Costco Health Center warehouse location where you intend to make the purchase. Otherwise, the Costco Health Center will not have notice of your request

- **Right to receive confidential communications:** You have the right to request that the Costco Health Centers communicate with you about PHI in a specific way (for example, home or office phone or an address other than your home). You may submit a written

request for confidential communications to your local Costco Health Center. If the request is reasonable, we will notify you that we have granted your request.

- **Right to review and obtain a copy of PHI:** You have the right to review and obtain a copy of PHI that is contained in medical or billing records that are maintained by or for the Costco Health Centers or other records used by or for Costco Health Centers to make decisions about you.

However, we will not give you access to PHI records created in anticipation of a civil, criminal or administrative action or proceeding. We may also deny your request in certain other situations. For example, if a licensed health care professional hired by us has determined that giving you the requested access is reasonably likely to endanger the life or physical safety of you or another individual or to cause substantial harm to you or another individual, or that the record makes references to another person (other than a health care provider), and that the requested access would likely cause substantial harm to the other person.

If your request to access PHI is denied you may have that decision reviewed. A different licensed health care professional chosen by us will review the request and denial, and we will comply with the health care professional's decision.

You may make a request to review or obtain a copy of PHI at your local Costco Health Center. You can ask to see or get an electronic or paper copy of you PHI. Ask us how to do this. We may charge you a reasonable, cost-based fee to cover the costs of copying, mailing or other supplies directly associated with your request. You will be notified of any costs before you incur any expenses. We will provide a copy or summary of your PHI, usually within 30 days of your request.

- **Right to request an amendment to PHI:** You have the right to request an amendment of PHI if you believe the information the Costco Health Centers have about you is incorrect or incomplete. You have this right as long as PHI is maintained by the Costco Health Centers. Typically, We will correct any mistakes if we created the PHI or if the person or entity that originally created the PHI is no longer available to make the amendment; however, we may deny the amendment for certain reasons.

Amendments involving the addition of information to Costco Health Center records may generally be requested at your local Costco Health Center. However, for other types of changes, or if the local Costco Health Center is unable to accommodate your request, you must submit a written request to amend PHI by filling out a Request for Amendment form available from the Privacy Officer and submitting the form back to our Privacy Officer. You should include evidence to support your request because we cannot amend PHI that we believe to be accurate and complete.

We may deny your request to amend your PHI if we believe that the PHI is accurate and complete and for certain other reasons. If we deny your request, you have the right to submit a statement of disagreement regarding any item you believe is incorrect or incomplete. If you submit a statement of disagreement, we will it part of your medical record.

- **Right to receive an accounting of disclosures of PHI:** You have the right to request a list of disclosures of PHI by the Costco Health Centers. The accounting will not include certain disclosures. For example, the accounting would not include disclosures we made to you or in response to your written authorization. We will notify you at the time we provide the accounting of the disclosures that are not included.

Your first request for an accounting within a 12-month period will be free. We may charge you for costs associated with providing you additional accountings. We will notify you of the costs involved, and you may choose to withdraw or modify your request before you incur any expenses.

You may submit a written request for an accounting of disclosures of PHI by filling out a Request for Accounting of Disclosures form available from the Privacy Office and submitting the form back to the Privacy Office. Your request must include (i) the time period for the accounting, which may not be longer than six years prior to the date of your request; and (ii) the format (e.g., electronic, paper) in which you would like the accounting.

Right to file a complaint: If you believe your rights have been violated, you should let us know immediately by contacting the Costco Health Centers Privacy Officer at (425) 313-8347 or healthcareprivacy@costco.com. We will take steps to remedy any violations of the Costco Health Centers' privacy policy or of this notice.

You may file a formal complaint with our Privacy Office and/or with the United States Department of Health and Human Services at the addresses below. You should attach any documents or evidence that supports your belief that your privacy rights have been violated. We take your complaints very seriously. **Costco Health Centers' policy and federal law prohibit retaliation against any person for filing such a complaint.**

Complaints should be sent to:

Costco Wholesale
Attn: Privacy Office
999 Lake Drive
Issaquah, Washington 98027
(425) 313-8347
healthcareprivacy@costco.com

U.S. Department of Health & Human Services
Office for Civil Rights
200 Independence Avenue, S.W.
Washington, D.C. 20201
www.hhs.gov/ocr/hipaa/

CHANGES TO THIS NOTICE

- We reserve the right to change the Costco Health Centers' privacy practices as described in this notice. Any changes apply to all PHI we have about you. If there is a material change to the terms of this notice, revised notices will be made available at each Costco Health Center and by logging on to Costco's Web site at www.costco.com under each of the Costco Health Centers sections.

PLEASE READ THIS IMPORTANT NOTICE
Costco Pharmacy Non-Discrimination and Accessibility Policy

Costco Pharmacy complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Costco Pharmacy does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

Costco Pharmacy provides free appropriate auxiliary aids and services to ensure individuals with disabilities have an equal opportunity to participate, including:

- Qualified sign language service; and
- Information in alternate formats

Costco Pharmacy provides free language assistance services to provide meaningful access for individuals whose primary language is not English, including

- Qualified interpreters; and
- Information written in other languages

If you need these services, ask your pharmacist.

If you believe that Costco Pharmacy has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, we want to know and so we encourage you to file a grievance with:

Jon McArthur
Pharmacy Civil Rights Coordinator
999 Lake Drive
Issaquah, WA 98027
Phone: (425) 313-6874,
Fax: (425) 313-2822,
Email: healthcareprivacy@costco.com

You can file a grievance in person or by mail, fax, or email.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:

U.S. Department of Health and Human Services
200 Independence Avenue, SW
Room 509F, HHH Building
Washington, D.C. 20201
1-800-368-1019, 800-537-7697 (TDD)

Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

