



David A. Crofts & Associates Inc.

LIFE • HEALTH • GROUP • INVESTMENTS

AUTO • HOME • BUSINESS

422 Montague Ave. Suite 7 • Greenwood, SC 29649-1961

Please return, by FAX or mail to:

David A. Crofts & Associates, Inc.

422 Montague Avenue, Suite #7

Greenwood, SC 29649

800-803-7873 -or- 864-223-8788

Fax: 864-229-7392

Please note that most areas which require signatures are pointed out with markers such as these:



Care Improvement Plus CONTRACT PROCEDURES CHECKLIST

- Contract Data Sheet (3-07). (Agent Signs on page 2)
- Sales Representative Agreement (3-15-07). (Agent Signs on page 4)
- Commission Schedule (Agent Signs)
- Insurance License - Include a copy of your license for each state you wish to be appointed.
- Certificate of Completion (printed from online certification)
- Copy of E&O Face page

PLEASE RETURN ALL WRITTEN PAGES BY FAX OR MAIL

**Cutler & Associates
3700 Forest Drive Ste. 205
Columbia, SC 29204**

(Sending your contract to any other address will delay processing)

Agent Data Sheet

First Name _____ Last Name _____

Mailing Address _____ City _____ State _____ Zip _____

Office Phone Number(____) _____ Fax(____) _____

Cell Phone Number(____) _____

Email Address _____

E&O Carrier _____ Exp. Date _____

Resident Insurance License Number _____

Request for Non Resident Appointment State _____ License Number _____

State _____ License Number _____

Resident Agency Insurance License Number _____

Request for Agency Non Resident Appointment State _____ License Number _____

Do you have a current appointment through C&A? Yes ___ No ___

Do you have a current appointment for Care Improvement Plus? Yes ___ No ___

Social Security Number _____ Birth Date _____

Driver's License # _____ State _____

YES	NO	QUESTIONS
		1. Have you ever been convicted of a felony, or a misdemeanor involving dishonesty, theft or breach of trust?
		2. Have you ever had an agent contract terminated by an insurance company for cause?
		3. Do you have any overdue debts, tax liens, collections or judgments within the past 5 years?
		4. Do you have any debit balances outstanding with any insurance companies?
		5. Have you ever used any name other than the one shown in the preceding personal information section? If so, please list.
		6. During the past 10 years, has any Department of Insurance or any securities or stock exchange taken disciplinary action, suspended, cancelled, or revoked any license issued to you, fined you, or ever refused to issue or renew any such license for any reason whatsoever?
		7. Have you ever had any complaints against your conduct that resulted in a return of premium to any insured?
		8. Do you or your business have an open bankruptcy?

IF YOU HAVE ANSWERED "YES" TO ANY OF THE ABOVE QUESTIONS, GIVE DETAILS BELOW.

Q#	Explanation:

**AGENT
SIGNATURE** _____

 **DATE** _____

CUTLER AND ASSOCIATES INCORPORATED
COLUMBIA SC

SALES REPRESENTATIVE AGREEMENT

Cutler and Associates, Inc., referred to as "Company" and _____, referred to as "sales representative" agree as follows:

CONTRACT. Above sales representative contracts with Company to act as its agent in the solicitation of insurance policies offered by Care Improvement Plus of XL Health Corporation in Baltimore, Maryland.

BUSINESS PRACTICES AND LAWS. Sales representative shall follow Company's business practices with regard to all contracting, sales and administrative matters. Sales representative shall abide by all applicable laws and regulations including CMS, State, Company and Care Improvement Plus including their Medicare Sales and Marketing Guidelines and Broker Manual.

LIMITATIONS. Sales representative is not authorized to extend credit for Company or alter or waive any contractual provisions of Company. Sales representative shall not make any representations as to the policies of insurance by Care Improvement Plus except as contained in Care Improvement Plus' published sales materials. Sales representative shall not have exclusive rights to any specified territory. Sales representative shall not induce or attempt to induce any policyholder of Care Improvement Plus to terminate such policy or to attempt to replace or effect a reduction in premium or coverage of any such policy.

RELATIONSHIP. Sales representative is an independent contractor. Sales representative is not a partner of Cutler and Associates, Inc., and is not an employee of Cutler and Associates Inc. Sales representative shall be in sole control of his or her time and activities.

SUBAGENTS. Subject to Company's prior approval, sales representative may contract with subagents to solicit applications for insurance policies offered by Care Improvement Plus. The sales representative shall see that such subagents are properly licensed as well as trained and certified in both sales and product knowledge.

COMPENSATION. Sales representative's compensation shall be in the form of commissions on policies received by Care Improvement Plus on policies issued by Care Improvement Plus pursuant to applications submitted by sales representative or his/her subagents in accordance with the Schedule of Commissions attached hereto. In the event of cancellation or rejection of an applicant by Care Improvement Plus, any commissions paid to sales representative for a policy by that applicant shall constitute a debt owed by sales representative to Company and Company shall have a prior lien on any sum due or to become due to sales representative for the collection of said indebtedness. Company shall have the right to change the rates in the Schedule of Commissions at any time, provided, however, that such change shall not affect commissions on policies sold prior to the change. Sales representative hereby irrevocably assigns to Company any and all commissions or other income due sales representative or to become due sales

representative from any source whatsoever to be paid to and applied by Company in payment or partial payment of any indebtedness that may be owed by sales representative or sales representative's subagents. If sales representative should take or be placed into bankruptcy, no compensation shall be payable under the Sales Agreement and such compensation shall immediately become Company property, to the extent of the amount due Company under this Sales Representative Agreement or any Agreement with Company.

VESTING. Either party may terminate this Sales Representative Agreement, without cause, upon written notice to the other party within 30 days of the effective date of the termination. Termination without cause shall not affect sales representative's right to earn commission on policies written prior to termination of this sales agreement. If termination is for cause or any breach of this sales agreement by sales representative then no further commissions shall be payable to the sales representative. If sales representative is terminated and earned commissions are less than \$600 in any calendar year, then no further commissions shall be payable.

ERRORS AND OMISSION INSURANCE: Sales representative shall at all times during the terms of this sales agreement maintain Errors and Omissions Insurance at a minimum amount of \$1,000,000 per occurrence.

ADVERTISING Sales representative shall not publish or distribute any advertising material regarding Cutler and Associates, Inc., and Care Improvement Plus or their products without prior written approval by both Company and Care Improvement Plus.

ACCOUNTS, RECORDS and MATERIALS. Cutler and Associates, Inc., shall provide sales representative with a monthly accounting of all commissions earned by sales representative. Any amount due to sales representative shall be paid monthly, unless the monthly sum is less than \$100.00. Sales representative shall maintain complete and accurate records, in a form approved by Company of all business transacted by sales representative pursuant to this sales agreement. All documents maintained by sales representative pursuant to this sales agreement may be examined by Cutler and Associates, Inc., at any time. All materials and records provided by Company to sales representative shall be kept confidential by sales representative and shall not be copied or divulged to any other person or entity except in the performance of this sales agreement. All materials and property provided to sales representative by Company shall be returned to Company on demand.

ASSIGNMENT. No assignment of this sales agreement or of any commissions accrued or to accrue hereunder shall be valid as against Cutler and Associates, Inc., unless previously approved and authorized in writing by Cutler and Associates, Inc.

MISCELLANEOUS. Any failure by Company to insist on strict compliance with any provision of this sales agreement shall not constitute a waiver of such provision or any other provision. Any modification of, or amendment to, this Sales Representative Agreement must be in writing and signed by sales representative and an officer of Company. A facsimile or photographic copy of this document and the Schedule of Commissions shall be as valid as the original. This Sales Representative Agreement shall be enforced under the laws of the State of South Carolina.

The Financial Services Modernization Act of 1999 (Graham-Leach-Bliley). To comply with legal requirements regarding the handling of the nonpublic personal information of our customer, sales representative agrees and acknowledges the following:

All nonpublic personal financial information or nonpublic personal health information related to any insured, or to any consumer or customer (as such terms are defined under applicable state or federal privacy laws) that you obtain on behalf of, or from, Company or any affiliated entity, in the performance of your duties and obligations under this Sales Representative Agreement or any other agreement with Company shall be held in the strictest confidence by you and your representatives. You acknowledge receipt of a copy of our Privacy Notice and an understanding of our Privacy Policy, as well as an understanding of your responsibilities and duties to adhere to our Privacy Policy, as such may be amended from time to time. You are prohibited from disclosing or using any such information, except as necessary to carry out your duties and obligations under this sales agreement or any other agreement with Company or as otherwise required under applicable state and federal law, including, without limitation, the Financial Services Modernization Act of 1999 (Graham-Leach-Bliley) and any state law or regulation implementing the same, and you will establish procedures to protect the security and confidentiality of such information.

CANCELATIONS AND LAPSES. In the event a policy is never issued, cancelled or lapses prior to the full 3 months from the policy effective date, all commissions earned and /or paid on that policy to the sales representative will be charged back to sales representative. Sales representative will be liable to Company for all such policy charge backs. Any debt unpaid in 30 days shall accrue interest at a lawful rate and all reasonable expenses and fees incurred to collect the debt.

For purposes of Certification, Authorization and Signature of this sales agreement by the sales representative and by Cutler and Associates, Inc., this document consists of the following parts: (1) Agent Data Sheet (2) Sales Representative Agreement (3) Schedule of Commissions.

By signing this Certification, Authorization and Signature page the sales representative executes all three parts of this document and (1) certifies that all of the information contained in these documents is true, correct and complete; and (2) agrees to all of the terms and conditions of the Sales Representative Agreement and Schedule of Commissions.

Sales representative agrees to notify Company promptly if any of the information contained herein changes. Sales representative affirms the he/she is familiar with the insurance laws and regulations of the jurisdictions to which sales representative is applying and acknowledges that he/she is expressly forbidden to solicit insurance for Care Improvement Plus under Cutler and Associates, Inc., hierarchy until duly certified.

Sales representative authorizes all persons and entities including but not limited to: businesses, corporations, former supervisors, credit agencies, government agencies, law enforcement agencies, educational institutions, state insurance departments and NASD, and all Military Services, to release all written and verbal information about sales representative to a background investigation company and Cutler and Associates, Inc. Sales representative releases each from all liability and responsibility for doing so. Sales representative also authorizes the procurement of a consumer credit report and understands it may contain information on sales representative's background, mode of living, character and personal reputation. Sales representative acknowledges that he/she has the right to make a written request within a reasonable period of time for a complete and accurate disclosure of the nature and scope of the information requested in accordance with the Fair Credit Reporting Act (Public Law 91-508). Sales representative

further authorizes Company to investigate sales representative, now and at any time while sales representative is contracted with Company to share information obtained with: affiliated companies, agent hierarchy and company management. Sales representative agrees that all authorizations in this document or referenced documents shall be valid for this and any future reports.

Sales representative acknowledges receipt of document entitled " A Summary of Your Rights Under the Fair Credit Reporting Act", and Cutler and Associates, Inc., Privacy Notice.

FOR INDIVIDUAL

Print Sales Representative's Name

Social Security Number

Sales Representative's Signature

Date

 SIGN HERE

FOR PARTNERSHIP, CORPORATION OR LLC

Print Name of Partnership, Corporation or LLC

Federal Tax Identification Number

Signature and Title in Partnership, Corp. or LLC

Date

RECRUITING SALES REPRESENTATIVE'S CERTIFICATION:

I certify to the best of my knowledge and belief that the applicant above has a good personal and business reputation, is trustworthy and competent to act in the capacity of insurance agent. I accept responsibility, as a Guarantor, and agree to be held liable for, all debt that is or may become owed to Cutler and Associates, Inc., by the above sales representative. All terms of this document and all documents referenced above shall apply jointly and severally to sales representative and to me, the recruiting sales representative.

Print Name of Recruiting Sales Rep.

Signature of Recruiting Sales Rep.

Date

CUTLER AND ASSOCIATES, INC.

Shep Cutler, President
Name and Title of Corporate Officer

Signature

Date



CMS Mandates Revised Commission Structure

As you are keenly aware, in advance of this selling season, CMS (Centers for Medicare and Medicaid Services) regulated the marketing and sale of Medicare Advantage (MA) plans, primarily regarding commissions. These regulations have changed several times, leaving the industry very little time to adjust. We know this has been a trying time for everyone involved.

BACKGROUND

- In November 2008, CMS declared that commissions payable by an MA plan to licensed agents would be based on:
 - Rates paid by the plan in 2006 (adjusted for inflation)
 - Rates that CMS believes are consistent with an undefined fair market value.
- CMS further required plans submit their proposed 2009 commissions for approval, and that they would be **subject to change** as required by and in the discretion of CMS.

In compliance with the regulations, Care Improvement Plus set commissions at what our research showed was in the range of acceptable fair market value, and at a rate we believed was consistent with our commitment to our selling partners and the amount of effort required to produce a sale.

Per a memo issued Wednesday, December 24, 2008, CMS mandated:

- Care Improvement Plus (and all other plans in our regions) may not pay a commission to agents in excess of **\$400 for an initial 2009 sale**, *whether that sale has already taken place or whether it is made after this notice*.
- **Renewal of a 2009 sale cannot exceed \$200**
 - Commissions on renewals for 2009 sales must be 50% of the initial commission for a period of 5 years.
- This new direction from CMS does not change any of the MIPPA regulations previously communicated.

For your reference, we are attaching this CMS memo at the end of this communication.

CARE IMPROVEMENT PLUS RESPONSE TO THESE MANDATED CHANGES

- **These changes do not effect our commitment to pay higher renewal commissions on existing members who enrolled in 2007/2008.**
- This direction from CMS requires us to revise our commission structure and amend our 2009 Broker Agreement with you.



- **A Notice to Amend is attached at the end of this communication.**

Accordingly, for sales to beneficiaries who are enrolling for the first time in any Medicare Part C plan effective on or after January 1, 2009, Care Improvement Plus will:

- Pay the “2009” commission as outlined below (whenever that sale takes place).
- Pay the “2010-2014” renewal commission for
 - a. the renewal of new enrollees effective on or after January 1, 2010, and
 - b. members who were enrolled in another plan and became Care Improvement Plus members effective on or after January 1, 2009.

2009 Revised NEW Sales Commission Schedule					
2009	2010	2011	2012	2013	2014
\$400	\$200	\$200	\$200	\$200	\$200

As was the case prior to the recent direction received by CMS, for the renewal of current Care Improvement Plus members (who joined us in 2007 or 2008) effective on or after January 1, 2009, Care Improvement Plus will pay renewal commissions to agents as set forth in the schedule below based on members’ county of residence.

2007/2008 Renewal Commission Schedule				
Renewal Year				
2009	2010	2011	2012	2013
Green County				
\$350	\$350	\$350	\$350	\$350
Blue County				
\$350	\$350	\$350	\$350	\$350
Yellow County				
\$350	\$350	\$350	\$350	\$350
Red County				
\$200	\$200	\$200	\$200	\$200

We remain confident that with your support, we will together make 2009 one of our most successful years to-date. We appreciate your partnership and wish you much continued success.

Contact your Regional Sales Manager if you have any questions or would like additional information.

“The Care Improvement Plus 2009 Sales Program--Our Success is Your Success!”



Not for Beneficiary Distribution

CENTER FOR DRUG AND HEALTH PLAN CHOICE

Date: December 24, 2008

To: Medicare Advantage Organizations,
Medicare Advantage-Prescription Drug Organizations,
Cost Based Contractors,
Prescription Drug Plan Sponsors,
Employer/Union-Sponsored Group Health Plans

From: Teresa L. DeCaro, R.N., M.S.
Acting Director, Medicare Drug and Health Plan Contract Administration Group

Re: 2009 Medicare Advantage and Prescription Drug Program Agent and Broker
Compensation Structures

To ensure that Medicare Advantage (MA) organizations and Prescription Drug Plan (PDP) sponsors are in compliance with the November 14, 2008 regulation concerning agent and broker compensation, and the guidance CMS provided on November 10, 2008, we required organizations to certify and submit compensation structures paid in years 2006 through 2008 and compensation structures that will be used for 2009. CMS provided organizations with two options for calculating their 2009 agent and broker compensation structures. This included option 1 - using 2006 compensation adjusted by the average change in MA or PDP rates as published in the MA and PDP rate announcement to determine the 2009 rate or option 2 - performing a market analysis of 2006-2007 for similar plan types in similar geographic areas and applying the same inflation adjusters to determine the 2009 rate.

In total, 292 parent organization submitted broker fee compensation data. Of these, 105 indicated they used brokers for 2009. Both marketing-organization-paid and plan-paid schedules to writing agents were used in the analysis. CMS performed analyses on approximately 15,000 compensation data records for 2009 (compensation schedule / plan combinations) and another 4,000 records (by plan, agent type, and year) representing means and other statistics on historical broker fees for 2006 and 2007. Our final analysis results in 50 percent of PDP and 30 percent of MA / Cost plan submitted compensation schedules requiring revision.

The final result of our analysis is the national cut-off for fair market values (\$400 for health plans and \$50 for prescription drug plans for initial compensation) with some exceptions for specific states.

Initial Compensation Structures for 2009

All Medicare Advantage & Cost Plans		
\$400	\$450 Exceptions	\$500 Exceptions
National	State of Connecticut Commonwealth of Pennsylvania District of Columbia	State of California State of New Jersey

Prescription Drug Plan (PDP) Sponsors
\$50 National

CMS analysis of the data took into account both plan geography (states and metro areas) and organization type (Local CCP, Regional CCP, PFFS, PDP, etc). Specifically, we grouped the data in four ways: national, national by organization type, state by organization type, and metropolitan area by organization type. We focused our analyses on initial (first-year) compensation values (the ensuing year amounts are a fixed 50 percent of this value).

To determine compensation schedules falling outside of an accepted range, we used a methodology that identified a modal range (most common range of observations) and then established limits just above this modal range. That methodology yielded a national cut-off value for initial broker compensation of \$400 for health plans and \$50 for prescription drug plans. We then established a preliminary set of exceptions based on geography and plan type differences. We applied 2006-2007 compensation schedules and growth factors to historical broker fee compensation data to validate or disprove those geographic exceptions. The analysis also identified the largest share of structures in a geographic market supplied by one organization for the purpose of ensuring that that no one organization would be unfairly advantaged. If a specific geographic area (state or metropolitan area) had 50 percent or more of its broker fee structure data supplied by one organization, we did not consider that geographic area for a possible exception above the national cut-offs.

We considered all the plan types, including Special Needs Plans, for determining the geographic exceptions but ultimately used the Local CCP data to establish them because the remaining organization types generally cover large geographic areas beyond the state level. Also, we considered Metro Area exceptions but ultimately concluded that the differences we found were not meaningful.

Organizations that have been identified with outlier compensation structures are being separately notified with instructions on revising their schedules. In our November 10 guidance, CMS outlined the rationale for the fair market value and historical rates. As a result agent and broker schedules in excess of values listed above fall outside the rates and will need to be adjusted accordingly.

The Medicare Improvements for Patients and Provider Act of 2008 (MIPPA) required that CMS establish limitations on agent broker compensation to ensure that beneficiaries enroll in a plan

that is intended to best meet their health care needs. On September 18, 2008, CMS published 4138-IFC that included changes to the MA Program and PDP. Among these changes, the regulation required plans to establish compensation levels that are reasonable and reflect fair market value for the services performed. Based on the feedback received and concerns with interpreting the regulation, CMS published an additional regulation on November 14, 2008 (displayed at the Federal Register on November 10, 2008) to specify that the compensation paid for enrollment must be of fair market value. CMS further indicated that an organization could be required to adjust its compensation rates if determined not to be reasonable, or if such rates do not ensure that beneficiaries' interests are not harmed by excessive compensation paid. In addition, compensation must be paid for 5 renewal years at an amount that can be no more and no less than 50 percent of the total initial compensation amount paid for that beneficiary. In 2009, CMS requires organizations to pay the renewal rate for all enrollments except those of beneficiaries newly entitled to Medicare or enrolling in an MA plan, Cost plan or PDP for the first time. This means for example that for 2009 MA plans with an initial year commission amount of \$400 will pay a commission of \$200 to their agents and brokers, unless the enrollment is for a beneficiary newly entitled to Medicare or enrolling in a MA plan for the first time.

For further information on 2009 MA and PDP agent and broker compensation structures, please write to the following mailbox: regulationquestions@cms.hhs.gov.



**NOTICE OF FIRST AMENDMENT OF
CARE IMPROVEMENT PLUS
BROKER AGREEMENT**

This First Amendment (“First Amendment”) to Broker Agreement (hereinafter referred to as the “2009 Broker Agreement”), by and between XLHealth Corporation, a Maryland corporation, on behalf of its subsidiaries Care Improvement Plus South Central Insurance Company and Care Improvement Plus of Texas Insurance Company (collectively, “Company”), and Broker (as defined in the 2009 Broker Agreement), shall be effective as of the date set forth below.

WHEREAS, Section 13.E of the 2009 Broker Agreement provides that Company may amend the 2009 Broker Agreement from time to time due to changes in law or guidance from Regulatory Agencies and any such amendment shall be effective thirty (30) days, or such lesser time as required to comply with law or guidance from Regulatory Agencies, after written notice to Broker;

WHEREAS, Company has received a December 19, 2008 letter addressed to Company and a December 24, 2008 Memorandum from CMS addressed and applicable to all Medicare Advantage organizations requiring that Company adjust its commissions payable to Broker for sales of a Medicare Product to Individuals who are enrolling for the first time in any Medicare Part C or Part D plan effective on or after January 1, 2009 (and the renewal thereof) (copies of the letter and Memorandum are attached to this First Amendment);

NOW, THEREFORE, the 2009 Broker Agreement is hereby amended as follows:

1. Capitalized terms not otherwise defined in this First Amendment shall have the meanings set forth in the 2009 Broker Agreement.
2. The schedule set forth at the end of Schedule B of the 2009 Broker Agreement is deleted and replaced with the following schedule:

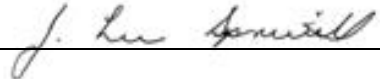
2009 Revised NEW Sales Commission Schedule					
2009	2010	2011	2012	2013	2014
\$400	\$200	\$200	\$200	\$200	\$200

2. This First Amendment is effective immediately and shall apply to any enrollment already made during this open enrollment period for an effective date of January 1, 2009, as well as any future enrollments in 2009.

3. Except as provided herein, the 2009 Broker Agreement remains unchanged and in full force and effect.

XLHealth Corporation,

a Maryland corporation on behalf of its subsidiaries Care Improvement Plus South Central Insurance Company and Care Improvement Plus of Texas Insurance Company

By: 

Name: J. Lee Spruiell

Title: Vice President, Field Operations

Date: December 29, 2008



HIPAA Compliance Policy

Introduction

Cutler and Associates Inc. of Columbia, SC, has adopted this HIPAA Compliance Policy to comply with our responsibility to protect individually identifiable health information and the system components that such data resides in under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the security and privacy regulations implementing HIPAA, other federal and state laws protecting confidentiality of health information, professional ethics, and accreditation requirements. This policy governs ongoing compliance with HIPAA. All personnel of Cutler and Associates, Inc., must comply with this policy. Demonstrated competence in the requirements of this policy is an important part of every employee's responsibilities.

Assumptions

This HIPAA Compliance Policy is based on the following assumptions:

- The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), requires all healthcare providers covered by the law ("Covered Entities") to meet strict requirements for the protection of confidential patient information, for electronic healthcare transactions, for healthcare information security, and for certain operational matters.
- HIPAA provides for strong sanctions and penalties for non-compliance, and for violations of HIPAA regulations.
- HIPAA generally requires:
 - Providing information to patients about their privacy Rights and how their confidential health information can be used.
 - Adopting clear privacy procedures.
 - Training employees so that they understand privacy procedures.
 - Designating an individual to be responsible for seeing that the privacy procedures are adopted and followed.
 - Securing patient records containing individually identifiable health information so that they are not readily available to those who do not need them.
- HIPAA creates specific responsibilities for Covered Entities. These responsibilities include:
 - Providing records and compliance reports. A covered entity must keep such records and submit such compliance reports, in such time and manner and containing such information, as the Secretary may determine to be necessary to enable the Secretary to ascertain whether the covered entity has complied or is complying with the applicable requirements of this part 160 and the applicable standards, requirements, and implementation specifications of subpart E of part 164 of this subchapter.
 - Cooperating with complaint investigations and compliance reviews. A covered entity must cooperate with the Secretary, if the Secretary undertakes an investigation or compliance review of the policies, procedures, or practices of a covered entity to determine whether it is complying with the applicable requirements of this part 160 and the standards, requirements, and implementation specifications of subpart E of part 164 of this subchapter.

- Permitting access to information. A covered entity must permit access by the Secretary during normal business hours to its facilities, books, records, accounts, and other sources of information, including protected health information, that are pertinent to ascertaining compliance with the applicable requirements of HIPAA. If the Secretary determines that exigent circumstances exist, such as when documents may be hidden or destroyed, a covered entity must permit access by the Secretary at any time and without notice. If any information required of a covered entity under this section is in the exclusive possession of any other agency, institution, or person and the other agency, institution, or person fails or refuses to furnish the information, the covered entity must so certify and set forth what efforts it has made to obtain the information.

Policy

Cutler and Associates, Inc., shall operate in compliance with all the requirements of HIPAA.

Cutler and Associates, Inc., shall provide information to patients about their privacy Rights and how their confidential health information can be used, in the form of a Notice of Privacy Practices.

Cutler and Associates, Inc., shall adopt clear privacy procedures.

Cutler and Associates, Inc., shall train employees so that they understand privacy procedures and requirements.

Cutler and Associates, Inc., shall designate an individual to be responsible for ensuring that the privacy procedures are adopted and followed.

Cutler and Associates, Inc., shall secure patient records containing individually identifiable health information so that they are protected from both accidental and deliberate misuse.

Cutler and Associates, Inc., shall provide records and compliance reports to the Secretary of Health and Human Services his designees, and to representatives of the Office for Civil Rights, which investigates patient complaints and violations of HIPAA.

Cutler and Associates, Inc., shall cooperate with complaint investigations and compliance reviews, and permit access to information, as required under HIPAA.

Compliance and Enforcement

All supervisors are responsible for enforcing this policy. Employees who violate this policy are subject to discipline up to and including termination in accordance with Cutler and Associates, Inc., 's Sanction Policy.

A Summary of Your Rights Under the Fair Credit Reporting Act

The federal Fair Credit Reporting Act (FCRA) is designed to promote accuracy, fairness, and privacy of information in the files of every "consumer reporting agency" (CRA). Most CRAs are credit bureaus that gather and sell information about you -- such as if you pay your bills on time or have filed bankruptcy -- to creditors, employers, landlords, and other businesses. You can find the complete text of the FCRA, 15 U.S.C. §§1681-1681u. The FCRA gives you specific rights, as outlined below. You may have additional rights under state law. You may contact a state or local consumer protection agency or a state attorney general to learn those rights.

You must be told if information in your file has been used against you. Anyone who uses information from a CRA to take action against you -- such as denying an application for credit, insurance, or employment -- must tell you, and give you the name, address, and phone number of the CRA that provided the consumer report.

You can find out what is in your file. At your request, a CRA must give you the information in your file, and a list of everyone who has requested it recently. There is no charge for the report if a person has taken action against you because of information supplied by the CRA, if you request the report within 60 days of receiving notice of the action. You also are entitled to one free report every twelve months upon request if you certify that (1) you are unemployed and plan to seek employment within 60 days, (2) you are on welfare, or (3) your report is inaccurate due to fraud. Otherwise, a CRA may charge you up to eight dollars.

You can dispute inaccurate information with the CRA. If you tell a CRA that your file contains inaccurate information, the CRA must investigate the items (usually within 30 days) by presenting to its information source all relevant evidence you submit, unless your dispute is frivolous. The source must review your evidence and report its findings to the CRA. (The source also must advise national CRAs -- to which it has provided the data -- of any error.) The CRA must give you a written report of the investigation, and a copy of your report if the investigation results in any change. If the CRA's investigation does not resolve the dispute, you may add a brief statement to your file. The CRA must normally include a summary of your statement in future reports. If an item is deleted or a dispute statement is filed, you may ask that anyone who has recently received your report be notified of the change.

Inaccurate information must be corrected or deleted. A CRA must remove or correct inaccurate or unverified information from its files, usually within 30 days after you dispute it. However, the CRA is not required to remove accurate data from your file unless it is outdated (as described below) or cannot be verified. If your dispute results in any change to your report, the CRA cannot reinsert into your file a disputed item unless the information source verifies its accuracy and completeness. In addition, the CRA must give you a written notice telling you it has reinserted the item. The notice must include the name, address and phone number of the information source.

You can dispute inaccurate items with the source of the information. If you tell anyone -- such as a creditor who reports to a CRA -- that you dispute an item, they may not then report the information to a CRA without including a notice of your dispute. In addition, once you've notified the source of the error in writing, it may not continue to report the information if it is, in fact, an error.

Outdated information may not be reported. In most cases, a CRA may not report negative information that is more than seven years old; ten years for bankruptcies.

Access to your file is limited. A CRA may provide information about you only to people with a need recognized by the FCRA -- usually to consider an application with a creditor, insurer, employer, landlord, or other business.

Your consent is required for reports that are provided to employers, or reports that contain medical information. A CRA may not give out information about you to your employer, or prospective employer, without your written consent. A CRA may not report medical information about you to creditors, insurers, or employers without your permission.

You may choose to exclude your name from CRA lists for unsolicited credit and insurance offers. Creditors and insurers may use file information as the basis for sending you unsolicited offers of credit or insurance. Such offers must include a toll-free phone number for you to call if you want your name and address removed from future lists. If you call, you must be kept off the lists for two years. If you request, complete, and return the CRA form provided for this purpose, you must be taken off the lists indefinitely.

You may seek damages from violators. If a CRA, a user or (in some cases) a provider of CRA data, violates the FCRA, you may sue them in state or federal court.

The FCRA gives several different federal agencies authority to enforce the FCRA:

FOR QUESTIONS OR CONCERNS REGARDING

CRA's, creditors and others not listed below

National banks, federal branches/agencies of foreign banks
(word "National" or initials "N.A." appear in or after bank's name)

Federal Reserve System member banks (except national banks,
and federal branches/agencies of foreign banks)

Savings associations and federally chartered savings banks
(word "Federal" or initials "F.S.B." appear in federal institution's name)

Federal credit unions (words "Federal Credit Union"
appear in institution's name)

State-chartered banks that are not members of the
Federal Reserve System

Air, surface, or rail common carriers regulated by former
Civil Aeronautics Board or Interstate Commerce Commission

Activities subject to the Packers and Stockyards Act, 1921

PLEASE CONTACT

Federal Trade Commission
Consumer Response Center- FCRA
Washington, DC 20580 * 202-326-3761

Office of the Comptroller of the Currency
Compliance Management, Mail Stop 6-6
Washington, DC 20219 * 800-613-6743

Federal Reserve Board
Division of Consumer & Community Affairs
Washington, DC 20551 * 202-452-3693

Office of Thrift Supervision
Consumer Programs
Washington D.C. 20552 * 800- 842-6929

National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314 * 703-518-6360

Federal Deposit Insurance Corporation
Division of Compliance & Consumer Affairs
Washington, DC 20429 * 800-934-FDIC

Department of Transportation
Office of Financial Management
Washington, DC 20590 * 202-366-1306

Department of Agriculture
Office of Deputy Administrator-GIPSA
Washington, DC 20250 * 202-720-7051