



SUPERVALU INC. GROUP HEALTH PLANS NOTICE OF PRIVACY PRACTICES

(Effective January 1, 2006)

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.

IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, PLEASE CONTACT YOUR HUMAN RESOURCES REPRESENTATIVE.

SUPERVALU's Group Health Plans are required by law to maintain the privacy of your Health Information and to provide you with this notice of their legal duties and privacy practices with respect to your Health Information. This notice is being issued to comply with the requirements of the Privacy Rules under the Health Insurance Portability and Accountability Act ("HIPAA Privacy Rules").

WHO SHOULD READ THIS NOTICE?

This notice is for employees and their spouses and dependents who are enrolled in any group health plan sponsored by SUPERVALU INC. or one of its affiliates (collectively "SUPERVALU Group Health Plans" or Group Health Plans"). The Group Health Plans include medical, dental, vision, the Health Care Account Components of the ValuFlex Plan, EAP and Long Term Care.

WHAT IS HEALTH INFORMATION?

For purposes of this notice, your "Health Information" is information that identifies you and relates to your past, present or future physical or mental health or condition; the provision of health care to you; or the past, present, or future payment for health care furnished to you.

WHO IS COVERED BY THIS NOTICE?

This Notice describes the use and disclosure of Health Information by the SUPERVALU Group Health Plans, acting through SUPERVALU Human Resources employees who administer the Group Health Plans and third-party administrators.

Because the SUPERVALU Group Health Plans are all sponsored by SUPERVALU or its affiliates, they are a part of an organized health care arrangement. This means that these Health Plans may share your health information with each other for the purposes of payment and health care operations, as described in this notice.

HOW ARE THE PLANS ADMINISTERED?

The Plans do not have employees. Instead, employees of SUPERVALU or third-party administrators hired by SUPERVALU administer the Plans. For example, Blue Cross Blue Shield of Minnesota and CIGNA currently are the third-party administrators for some of the Plans and administer the Plans in a way similar to the way a health insurance company administers an insured health plan. The vast majority of Health Information resides with the third-party administrators for the Group Health Plans. Each third-party administrator agrees to keep your Health Information confidential, in compliance with the HIPAA Privacy Rules. In addition, employees in the SUPERVALU Human Resources Department perform administrative

services for the Plans and may receive a limited amount of Health Information from the third-party administrators. When SUPERVALU employees receive Health Information on behalf of the Plans, they keep it confidential and do not share it with other SUPERVALU departments or external entities unless permitted by the HIPAA Privacy Rules for the purposes described in this notice.

HOW MAY YOUR HEALTH INFORMATION BE USED OR DISCLOSED?

The following categories describe the different ways your Health Information may be used or disclosed. All of the ways that your Health Information may be used or disclosed falls within one of these categories. However, not every specific use or disclosure permitted in each category is described.

Payment. Your Health Information may be used or disclosed for payment purposes. Payment includes:

- paying claims from providers for any covered treatment and services provided to you;
- determining disputed claims, eligibility for benefits, coordination of benefits, and cost sharing arrangements;
- asserting the right to subrogation and reimbursement, examining medical necessity, obtaining payment under stop loss insurance, and conducting utilization review.

EXAMPLE

If you have a question regarding the payment of a claim, a Human Resources employee or third-party administrator may access your claims information to answer your questions regarding payment of the claim.

Health Care Operations. Your Health Information may be used or disclosed to conduct certain operations of the Plans. These operations include, among other things, engaging in care coordination, case management, disease management, risk assessment, premium determination, cost management, audit functions, detection of fraud and abuse and quality assessment and improvement activities.

EXAMPLE

If you are diagnosed with a chronic disease, your Health Information may be used for purposes of case management. This means you may be contacted by a case manager to help with your care.

Plan Sponsor. Your Health Information may be disclosed to or used by SUPERVALU, as Plan Sponsor, for the purpose of conducting plan administration functions as permitted by the HIPAA Privacy Rules. For example, SUPERVALU's accounting department may review Health Information to determine the funding needs of the SUPERVALU Group Health Plans. SUPERVALU will not, however, use or disclose the Health Information created by or received from the Plans for any employment-related actions.

Business Associates. Third-party administrators, auditors, attorneys, consultants and the like ("business associates") will be hired to assist in operating and administering the Plans. Our business associates may use or disclose your Health Information to perform the services for which they have been hired. To protect your Health Information, each business associate must sign a contract limiting their ability to use and disclose Health Information and requiring them to implement appropriate safeguards.

Communication with Your Family. Unless you object, Health Information may be disclosed to a family member, other relative, person authorized by law, or any other person you identify as involved in your care or the payment related to your care. Only Health Information relevant to that person's involvement in your care or the payment related to your care will be disclosed. You can restrict this disclosure at any time, subject to certain limitations. If you are incapacitated or in the event of an emergency, a determination will be made as to whether a disclosure of this type is in your best interest.

EXAMPLE

SUPERVALU Human Resources employees may communicate with a covered employee about the claims payment information relating to the covered spouse or dependent of such employee, unless the covered spouse or dependent has requested (and the Plan has agreed) that the use or disclosure of such information is restricted.

Health Education. Your Health Information may be used to inform you about treatment alternatives, provide you with educational information about your condition(s), or other health-related benefits and services that may be of interest to you.

Judicial or Administrative Proceedings. Your Health Information may be disclosed in response to a court or administrative order, and in response to subpoena, discovery request or other lawful process if certain conditions are met and the required assurances are received.

As Required by Law. Your Health Information may be disclosed if such disclosure is required by law. For example, a Federal governmental agency, such as the Department of Health and Human Services, may require disclosure for the purpose of determining compliance with HIPAA.

For Public Health Activities. Your Health Information may be disclosed to public health or other appropriate authorities to lessen a serious and imminent threat to the health or safety of you or the public, including abuse of a vulnerable adult or child, subject to certain limitations and conditions.

Parents of Minors. Health Information of a minor child, in most cases, will be disclosed to a parent or guardian of that minor, subject to certain limitations imposed by State law.

Workers' Compensation. Your Health Information may be used to the extent authorized by and to the extent necessary to comply with laws relating to workers' compensation or other similar programs.

Your Authorization. Use or disclosure of your Health Information for reasons other than the categories listed above will only occur after receipt of a signed written authorization from you. You may authorize, in writing, the use or disclosure of your Health Information to any person and for any purpose specified in the authorization. You may revoke such authorization in writing at any time but your revocation will not impact any uses or disclosures that occurred while your authorization was in effect.

WHAT ARE YOUR RIGHTS REGARDING YOUR HEALTH INFORMATION?

Right to Access. You may inspect and copy your Health Information. If you request a copy of the information, you may be charged a fee for the costs of copying, mailing or other supplies associated with your request. You will receive written notification if your request is denied. In most cases, you may request, in writing, review of the denial.

Right to Amend. If the Health Information about you is incorrect or incomplete, you may request that the information be amended. Your request must include a reason supporting the amendment. You will receive written notification if your request is denied. If your request is denied, you have the right to submit a written statement disagreeing with the denial, which will be appended to the Health Information in question.

Right to an Accounting of Disclosures. You may request a list of the disclosures of your Health Information, if any, that have been made other than disclosures to you or authorized by you or other than disclosures for treatment, payment, or health care operations. Your request must state a time period (not to exceed longer than six years and not including any dates before April 14, 2003). If you request this list more than once in a 12-month period, you may be charged a reasonable cost-based fee. You will be notified of the cost involved and you may choose to withdraw or modify your request before any costs are incurred.

Right to Request Restrictions. You may request a restriction of the Health Information that is disclosed about you to your family members, or for purposes of payment or health care operations. The Group Health Plan is not required to agree to your request, but if it does so, your request will be complied with except in an emergency.

Right to Request Confidential Communications. If disclosure of your Health Information could endanger you, you may request that communication with you about health matters occur by alternative means or at an alternative location. For example, you may request that you are only contacted at work or by mail. Your request must include a statement that use or disclosure may endanger you and specify how or where you wish to be contacted.

To make any of the requests described above, you must submit a written request to the third-party administrator of the Plan or benefit option in which you are enrolled. You may also send a written request to the SUPERVALU Privacy Officer at the address listed in this notice.

Right to a paper Copy of This Notice. You may obtain a copy of this notice on our website, supervalu.com. Click on "Employees" at the bottom of the home page, then "Benefits Overview" link in the For Your Benefit section. You may also request a paper copy of this notice at any time by contacting your local human resources representative.

Complaints. If you believe your privacy rights have been violated, you may file a complaint with us or with the Secretary of the Department of Health and Human Services. You will not be penalized for filing a complaint. Complaints must be made in writing and submitted to either:

SUPERVALU Privacy Officer
SUPERVALU INC.
P.O. Box 990
Minneapolis, MN 55440

or

Department of Health and Human Services
Office of Civil Rights
200 Independence Avenue Southwest
Washington, D.C. 20201

WHEN IS THIS NOTICE EFFECTIVE?

This notice was originally effective April 14, 2003. It was revised effective April 14, 2006 and will remain in effect until it is replaced. The Group Health Plans are required by law to abide by the terms of the Notice, as may be amended from time to time. The Group Health Plans reserve the right to change this notice at any time and for any reason and reserve the right to make the revised or changed notice effective for Health Information currently maintained as well as any Health Information received in the future. A copy of the most current notice will be posted in the offices of each SUPERVALU Human Resources Department and on the SUPERVALU website, supervalu.com. If a material change is made to this notice, it will be distributed again.

This notice does not guarantee enrollment or eligibility for SUPERVALU health coverage.

