

# NOTICE OF PRIVACY PRACTICES

Effective Date: January 1, 2011

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, PLEASE CONTACT THE PRIVACY OFFICER.

## Introduction

*This Notice applies to the medical and dental benefit plans, health flexible spending accounts and employee assistance programs sponsored by Illinois Tool Works Inc. For convenience, this Notice uses the term "Plan" to refer to these different benefit plans, including:*

- *Illinois Tool Works Inc. Health Care Plan*
- *Illinois Tool Works Inc. Dental Plan*
- *ITW Choices*
- *ITW Retiree Health Care Contribution Plan*
- *ITW Bargaining Health Care Plan*
- *ITW Bargaining Dental Plan*
- *ITW Bargaining Choices*

*Some of the benefits under the Plan are provided through insurance companies. If you receive Plan benefits through insurance companies, you may receive separate notices from our insurers describing how they use and disclose protected health information. You may also receive separate notices from doctors, dentists and other health care providers that explain how these providers treat your health information. This Notice does not apply to other ITW benefit programs such as long- and short-term disability, workers' compensation, life insurance and sick pay.*

The Plan is required by law to maintain the privacy of participants' protected health information and to provide participants with notice of its legal duties and privacy practices regarding protected health information.

Your health information is highly personal, and the Plan is committed to safeguarding your privacy. Please read this Notice of Privacy Practices thoroughly. For Plan administration purposes, the Plan (and various outside service providers hired by the Plan) creates records (such as records of enrollment and paid health claims), and this Notice applies to all such records. Other notices and practices may apply to records created or maintained by your doctor or other health care provider.

This Notice summarizes how the Plan may use and disclose your protected health information for:

- Your treatment,
- Payment of your claims,
- Health care operations functions of the Plan, and
- Other uses and disclosures of such information allowed by law.

It also describes your ability to access and control the use and disclosure of your protected health information.

The Plan must abide by the terms of this Notice of Privacy Practices as currently in effect. The terms of this Notice may change and new notice provisions effective for all protected health information held on behalf of the Plan may be added. In the event of a change to this Notice of Privacy Practices, the Plan Administrator will distribute a revised Notice.

## Use or Disclosure of Your Protected Health Information for Plan Administration

This section describes different ways that the Plan uses and discloses protected health information. Not every possible use or disclosure is listed, but all of the ways your information may be disclosed for Plan administration fall into three categories: (i) treatment, (ii) payment and (iii) health care operations.

### Treatment

Your protected health information may be used or disclosed to carry out medical treatment or services by health care providers. For example, in carrying out treatment functions, the Plan (or service providers acting on behalf of the Plan, such as a pharmacy benefit manager) could use or disclose your protected health information to protect you from receiving inappropriate medications or share information about prior prescriptions if a newly prescribed drug could cause problems for you. The Plan also may share information about prior treatment with a health care provider who needs such information to treat you or your family properly.

### Payment

Your protected health information may be used or disclosed to determine your eligibility for Plan benefits, to coordinate coverage between this Plan and another plan, and to facilitate payment for services you receive. For example, your information may be shared with an outside vendor that the Plan has hired to review use of certain services or medications, or with an outside company hired to help the Plan ensure that it is properly reimbursed if a third party is responsible for medical costs the Plan would otherwise pay.

### Health Care Operations

Your protected health information may be used for various administrative purposes that are called “health care operations” of the Plan. For example, your information might be included as part of an audit designed to ensure that the Plan’s outside claims administrator is performing its job as well as it should for the Plan. And your information, along with that of all other participants, may be used each year to set appropriate premiums for the Plan or to help secure insurance that is needed to protect the Plan or Plan sponsor financially.

### Disclosures for Payment, Treatment and Health Care Operations

The Plan often relies on outside service providers (generally known as “business associates”) to handle important administrative tasks on behalf of the Plan. When these tasks involve the use or disclosure of protected health information, the Plan is permitted to share your information with these outside providers (for example, the companies that may process claims for benefits under the Plan or administer your prescription drug benefits under the Plan). Whenever an arrangement between the Plan and a third party business associate involves the use or disclosure of your protected health information, that business associate will be required to keep your information confidential.

The Plan also may share your information with the Plan sponsor. For instance, the Plan may disclose whether you are participating in, enrolled in or disenrolled from the Plan. Generally, the Plan sponsor may use the information to carry out its Plan administrative functions. The Plan sponsor has agreed to prevent unauthorized use or disclosure of the information and to limit the employees who have access to such information. In no event may the Plan sponsor use the protected health information it receives from the Plan for benefit programs that do not provide health benefits, to make any employment-related decisions, or for any other purpose other than is required by law or permitted by the Plan.<sup>1</sup>

1. Access to protected health information by the Plan sponsor will be limited to the officer(s) and/or employee(s) appointed by ITW to serve as Plan Administrator for purposes of maintaining health information privacy and those human resources or other employees who either are assigned to perform specific Plan administrative functions that involve the use or disclosure of protected health information or supervise the human resources or other personnel who have access to protected health information. The access of those individuals who work with protected health information will be restricted except to the extent reasonably necessary for them to perform the Plan administrative functions assigned or delegated to them. The Plan sponsor will maintain a disciplinary policy and enforce it against any employee with access to protected health information who fails to comply with the Plan’s privacy policies and procedures.

The Plan sponsor will report to the Plan Administrator (or its designee) any improper use or disclosure of protected health information of which it becomes aware. When the Plan sponsor no longer needs particular protected health information, it will destroy the information or, if destruction is not feasible, maintain the protected information as required by relevant federal law and limit further uses and disclosures to the purposes that make the destruction unfeasible. Any agent or subcontractor to whom the Plan sponsor provides protected health information received from the Plan must agree to the same restrictions and conditions that apply to the Plan sponsor.

## Additional Uses and Disclosures Allowed by Law

Federal law on health record privacy also allows covered health care entities, including our Plan, to use and disclose protected health information without obtaining written authorization in the following circumstances:

- As authorized by and to the extent necessary to comply with workers' compensation or similar laws;
- For judicial and administrative proceedings, such as lawsuits or other disputes in response to a court order or subpoena; and
- For public health activities, such as preventing or controlling disease and reporting reactions to medications.<sup>2</sup>

## Other Protections You May Have Under State Laws

State insurance laws and other laws may give you greater rights than those secured under federal law (which our Plan already follows). When the Plan Administrator becomes aware of state laws that offer you greater rights to protect your information, you will be notified within a reasonable time and told how the state laws affect you.

## No Other Uses or Disclosures Without Your Authorization

Other than the uses and disclosures described in this Notice, the Plan may not disclose your protected health information or make any other use of it without your written authorization. You may revoke any such authorization in writing except to the extent that the Plan has already taken action in reliance on your authorization.

## You May Request Restrictions

You will be able to request restrictions on certain uses and disclosures of your protected health information to carry out treatment, payment or health care operations functions as described in this Notice. For example, you may ask that the Plan not disclose information regarding your health to your spouse or children. Federal law requires the Plan to grant your requested restriction only if the restricted disclosure is to a health plan for the purpose of carrying out payment or health care operations (not treatment), and the relevant protected health information pertains to an item or service for which the provider was paid out-of-pocket in full. In all other circumstances, the Plan is not required to agree to the requested restriction. But if the Plan does agree to honor your request, it will not use or disclose your information in the way you specified unless it is needed to provide emergency treatment. If the Plan discloses restricted information due to an emergency, the Plan will request assurances from the service provider that it will not further disclose your restricted information.<sup>3</sup>

You may make your requests to restrict the use and disclosure of your protected health information that is maintained on behalf of the Plan by writing to the contact for the specific benefit option, as listed on the Benefit Contact Information page attached to this Notice. Your request must state the specific restriction requested and to whom you want the restriction to apply. Requests to remove a restriction also should be sent to this contact.

Your request for removal of a restriction must state the specific restriction to be removed. If you orally inform the Plan of your desire to remove the restriction, the Plan may terminate the restriction if it documents your request. Additionally, the Plan will notify you if it removes a restriction on a going-forward basis, which means that previously restricted information would remain restricted but new information would not be subject to the restriction.

## You May Request Confidential Communications

In certain circumstances, you may ask to receive confidential communications of protected health information that is maintained on behalf of the Plan by other means or at different locations. For example, if receiving communications at a particular location could put you in danger, you may request that the Plan contact you only at your work telephone number or address. Reasonable requests that clearly state, in writing, that the disclosure of all or part of your protected health information could endanger you

2. Several other uses and disclosures are allowed by law but are unlikely to affect the Plan, including: to government agencies for victims of abuse, neglect or domestic violence; for health oversight activities (audits, investigations, inspections, licensure, etc.); for law enforcement purposes (responding to a court order or subpoena, identifying a suspect or a missing person, providing information about a crime victim or criminal conduct, etc.); to coroners and medical examiners for identification or to determine a cause of death of a deceased person or as otherwise authorized by law; to funeral directors as necessary to carry out their duties; to an organ procurement organization or entity for organ, eye or tissue donation purposes; for certain research purposes, or to avert a serious threat to the health or safety of a person or the public; and under specialized government functions that warrant the use and disclosure of protected health information (these government functions may include military and veterans' activities, national security and intelligence activities, and protective services for the President and others). Information also may be disclosed to correctional institutions and other law enforcement officials with lawful custody of an inmate or other person.

3. If the Department of Health and Human Services requests any of your restricted health information during an investigation of the Plan, the Plan must disclose the information even though it is restricted. Additionally, if the disclosure is of the type for which your authorization is not required and you would not otherwise be given an opportunity to object to the disclosure, the Plan may disclose the restricted information.

will be honored by the Plan. You may make your requests for communication by other means by writing to the contact for the specific benefit option, as listed on the Benefit Contact Information page attached to this Notice.

## **You May Access Your Protected Health Information Maintained on Behalf of the Plan**

You will be able to inspect and copy your protected health information as long as it is maintained on behalf of the Plan, as described in this Notice. This ability would not apply to certain narrow types of information — psychotherapy notes; information that may be used in a civil, criminal or administrative action or proceeding; and information that is not part of the records maintained on behalf of the Plan.

Generally, your information will be provided to you in a form regularly maintained on behalf of the Plan. If you consent, the Plan may provide a summary or explanation of your information that it holds instead of providing you access to the information.

You also have the right to receive an electronic copy of your protected health information that is maintained or stored in an electronic format. You may also direct the Plan to provide an electronic copy of your protected health information to the entity or person of your choice.

### **Requesting Access**

You must make your request for access to information in writing to the contact for the specific benefit option, as listed on the Benefit Contact Information page attached to this Notice.

You will receive a response to your request within 30 days after receipt of the request if information is maintained or accessible on-site, or 60 days after receipt if the information is not maintained or accessible on-site. If additional time is needed, you will be notified in writing to explain the delay and to give you the date by which your response will be sent. In any event, your request will be acted on within 60 days after it is received if the information is available on-site, or 90 days after receipt if the information is not available on-site. You will receive written notification of the decision.

### **Denial of Request for Access**

Your request for access to your protected health information may be denied only under certain limited circumstances.<sup>4</sup> In the event of a denial, you will be allowed access to any part of the requested material that would not cause these problems.

### **Requesting Review of Access Denial**

In most situations, you are entitled to request review of an access denial.<sup>5</sup> In these instances, a health care professional who was not involved in the initial decision will review your protected health information.

To request review of a denial of access, write to the contact listed on the Benefit Contact Information page attached to this Notice. You will receive written notification of the decision on review within a reasonable time after you submit your request for review.

### **Copying Fees**

You may be charged a reasonable fee to cover costs related to copying your information, preparation of an explanation or summary of the protected health information, and postage.

4. Your request may be denied if: a licensed health care professional determines that your request is reasonably likely to endanger your or anyone else's life or physical safety; the information you request refers to another person and a licensed health care professional determines that the access requested is reasonably likely to cause substantial harm to that person; or the request is made by your personal representative and a licensed health care professional determines that providing access to your representative is reasonably likely to cause substantial harm to you or to another person.
5. In the following limited cases, your request for access to your protected health information may be denied without giving you an opportunity to request review of that decision: the information you seek to access is excepted from the right to access as described above; the information you seek was created or obtained in the course of ongoing research; you are an inmate at a correctional institution and obtaining a copy of the information would risk the health, safety, security, custody or rehabilitation of you or of other inmates (the Plan will not provide your information if it would threaten the safety of any officer, employee or other person at the correctional institution who is responsible for transporting you); the information you seek to access is contained in records protected by the Federal Privacy Act and the denial satisfies the requirements of that law; or the information you seek to access is obtained from someone other than a health care provider under a promise of confidentiality and your access request would be reasonably likely to reveal the source of the information.

## Amendment of Your Protected Health Information

### Requesting Amendment

You may request amendment of your protected health information that is maintained on behalf of the Plan by writing to the appropriate contact listed on the Benefit Contact Information page attached to this Notice. You also must provide a reason to support the requested amendment.

You will receive a response within 60 days after your request is received. If additional time is needed, you will be notified in writing to explain the delay and to give you the date by which your response will be sent. In any event, your request will be acted on within 90 days after its receipt.

### Grant of Request for Amendment

If your request for amendment of your protected health information is granted, the records that are affected by the amendment will be classified and the amendment will be appended (or otherwise linked) to the original record. You will be notified that the amendment has been made and will be asked for your permission to notify others of the amendment. These other individuals may include those you have identified to receive the amendment as well as individuals who are known to have received the original protected health information and may have relied, or could foreseeably rely, on that information to your detriment.

### Denial of Request for Amendment

Your request for amendment may be denied if:

- The Plan (or its service providers) did not create the information (for instance, the relevant record is created by your doctor);
- The information is not part of the records maintained on behalf of the Plan;
- The information would not be available for your inspection (for one of the reasons described above); or
- The information is accurate and complete without the amendment.

If your request for changes in your protected health information is denied, you will be notified in writing with the reason for the denial. You also will be informed of your right to submit a written statement of reasonable length disagreeing with the denial. A rebuttal statement to your statement of disagreement may be prepared on behalf of the Plan. You will be provided a copy of any such rebuttal statement.

Your statement of disagreement and any corresponding rebuttal statement will be included with any subsequent disclosures of applicable information. If you do not file a statement of disagreement, the Plan must submit your request for amendment (or a summary of such request) with any disclosure of the applicable information.

If the Plan is informed of an amendment to your protected health information, it will revise its records accordingly. Additionally, you will be able to have your protected health information amended, as described in this Notice, for as long as it is maintained on behalf of the Plan.

## Accountings of Disclosures of Your Protected Health Information

If the Plan or its outside service providers disclose your protected health information to anyone besides you for reasons that you have not authorized (other than the “payment, treatment and health care operations” described above), you will be able to receive information about such disclosures, as described in this Notice.<sup>6</sup> This information is called an “accounting.”

A few minor exceptions do apply. By law, no accountings are required for disclosures described in the “Additional Uses and Disclosures Allowed by Law” section above or for disclosures to persons involved in your care, for national security or intelligence purposes, for disclosures to correctional institutions or law enforcement officials, or for disclosures that are part of a limited data set that contains no more information than: (i) your age or date of admission, discharge or death, and (ii) your city, state, county, precinct or ZIP code.

6. Effective January 1, 2011, you are entitled to receive accountings for certain disclosures of electronic health records, even if the disclosures were made to carry out payment, treatment and health care operations. See “Electronic Health Records” on page 6.

## Requesting an Accounting

You must make your request for an accounting of disclosures of your protected health information that is maintained on behalf of the Plan in writing to the appropriate contact listed on the Benefit Contact Information page attached to this Notice.

Your request must specify a time period, which may not be longer than six years. You will receive a response within 60 days after your request is received. If additional time is needed, you will be notified in writing to explain the delay and to give you the date by which your response will be sent. In any event, your request will be acted on within 90 days after its receipt.

For each disclosure, you will receive:

- The date of the disclosure;
- The name of the receiving entity and address, if known;
- A brief description of the protected health information disclosed; and
- A brief statement of the purpose of the disclosure or a written copy of the request for the information, if any.

## Electronic Health Records

Effective January 1, 2011, you have the right to request an accounting of disclosures of electronic health records that were made to carry out treatment, payment and health care operations. This right is subject to two important limitations. First, the accounting will only cover disclosures made on or after January 1, 2011. Second, the accounting only covers disclosures of electronic health records that were acquired by the Plan after January 1, 2009.

## Accounting Fee

In any given 12-month period, you may receive one accounting of the disclosures of your protected health information at no charge. Any additional request for an accounting during that period will be subject to a reasonable fee to cover the Plan's costs in preparing the accounting.

## Complaints

If you believe the Plan has violated your privacy rights, you may file a complaint with the Plan or with the Secretary of Health and Human Services. Complaints to the Plan should be filed in writing with the Privacy Officer. You will not be penalized in any way for filing such a complaint.

## Additional Information

For further information regarding the issues covered by this Notice of Privacy Practices, please contact:

Privacy Officer  
Illinois Tool Works Inc.  
3600 West Lake Avenue  
Glenview, IL 60026-1215  
847.724.7500

**This Notice is a plan amendment for the medical, dental, health flexible spending accounts and employee assistance programs sponsored by Illinois Tool Works Inc. It also is a "summary of material modifications" (SMM) that is intended to update your "summary plan descriptions" (SPDs) for the Plans. To the extent of these changes, this SMM takes precedence over your SPDs. Both the SMM and the SPDs represent the legal plan documents. For an extra copy of an SPD, contact your Human Resources representative. The Plan sponsor retains the right to terminate the Plan at any time and may amend or otherwise modify the Plan at any time.**

# BENEFIT CONTACT INFORMATION

benefit option	contact	contact information
<b>Medical Benefits</b>	ITW Privacy Officer — Medical	Illinois Tool Works Inc. 3600 West Lake Avenue Glenview, IL 60026-1215 847.724.7500
<b>Prescription Drug Benefits</b>	ITW Privacy Officer — Prescription Drug	Illinois Tool Works Inc. 3600 West Lake Avenue Glenview, IL 60026-1215 847.724.7500
<b>Dental Benefits</b>	ITW Privacy Officer — Dental	Illinois Tool Works Inc. 3600 West Lake Avenue Glenview, IL 60026-1215 847.724.7500
<b>Health Flexible Spending Accounts</b>	ITW Privacy Officer — Health FSA	Illinois Tool Works Inc. 3600 West Lake Avenue Glenview, IL 60026-1215 847.724.7500
<b>Employee Assistance Program (EAP)</b>	ITW Privacy Officer — EAP	Illinois Tool Works Inc. 3600 West Lake Avenue Glenview, IL 60026-1215 847.724.7500

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