



March 26, 2004

Federal Trade Commission
Office of the Secretary
Room 159-H
600 Pennsylvania Ave., NW
Washington, DC 20580

Re: Alternative Forms of Privacy Notices
Project No. PO34815

Dear Sir/Madam:

I am writing on behalf of America's Health Insurance Plans (AHIP) to offer comments regarding the "Interagency Proposal to Consider Alternative Forms of Privacy Notices Under the Gramm-Leach-Bliley Act (GLBA)" that was published in the *Federal Register* on December 30, 2003. The Gramm-Leach-Bliley Act requires certain "financial institutions" (defined to include insurance companies) to provide their customers with an annual notice of privacy practices.

America's Health Insurance Plans is the national trade association representing the private sector in health care. AHIP's nearly 1,300 member companies provide health, long-term care, dental, vision, disability, and supplemental coverage to more than 200 million Americans. Many of our members are considered "financial institutions" as defined in Title V of GLBA.

In general, health plans and insurers are regulated by state insurance regulatory authorities with respect to their obligations under GLBA rather than the federal agencies responsible for the Interagency Proposal. We believe it is likely, however, that state regulators will look to the Interagency Proposal for guidance in drafting state privacy notice requirements for health plans and insurers. As a result, AHIP is offering these comments to clarify how individuals can best be informed of their privacy rights in an efficient and cost-effective manner.

State and Federal Privacy Requirements

AHIP's members are subject to extensive state and federal privacy requirements in addition to GLBA. The Department of Health and Human Services has promulgated comprehensive rules on the use and disclosure of health information (45 CFR Parts 160 and 164, the "privacy rule"). These rules were issued pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The HIPAA privacy rule includes provisions requiring health plans and insurers to provide plan members and insureds with a notice of privacy practices that is more comprehensive than the GLBA notice requirements (*see*: 45 CFR 164.520). We have attached a sample HIPAA privacy notice form that we

