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# Notice of Privacy Practices

(effective April 14, 2003)

## **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.**

Everyone at Southern Pharmaceutical, values your relationship with us, and we know that discreet delivery of our services along with the utmost in respect for your privacy are integral parts of the foundation of that relationship. We are committed to protecting the privacy of your protected health information (PHI) that is in our possession, and only using and disclosing your PHI as necessary to providing you with health care products and services. PHI is any information that we possess, use, and disclose that identifies you and relates to your past, current, or future physical and mental health condition or illness and the health care products and services that have been provided to you.

This "Notice of Privacy Practices" (Notice) has been created to help you understand our legal duties to protect your PHI and how we may use and disclose your PHI in relation to your past, present, and future physical or mental health condition or illness and its treatment. We will mainly use and disclose your PHI in relation to the health care products and services that we provide you, such as dispensing your prescriptions. Specifically, we will use and disclose your PHI as necessary to provide treatment to you, obtaining payment for health care products and services provided to you, and other health care operations and activities as described later in this Notice. This Notice also describes the legal rights that you have related to your PHI that is in our possession. We take the matters described in this Notice very seriously because of our relationship with you and because of the requirement that we comply with this Notice.

Your PHI will only be used and disclosed as described in this Notice. Should a need for use and disclosure of your PHI occur that is not described in this Notice, we will obtain your written authorization before the use and disclosure. At some future time, it may be necessary for us to revise this Notice. If such becomes necessary, we will post the revised Notice in the pharmacy and, if you request, provide a written Notice to you.

### **Your Rights With Respect To Your PHI**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) provides you with several rights related to your PHI. These rights are summarized below. If you would like more information about any of these, please contact our Privacy Officer, at the address or telephone number listed on the front of this brochure.

1. You have the right to receive this written Notice of Privacy Practices describing how we will protect your PHI and your rights related to PHI. You are entitled to request this written Notice at any time.

2. You have the right to request a limitation on our use and disclosure of your PHI. But please be aware that we may not be able to agree to your requested limitation if it results in our not being able to provide health care products and services to you or if we are required to use and disclose the PHI under federal or state law. All requests for limitation on the use and disclosure of your PHI must be submitted to our Privacy Officer in writing using a form that we will provide to you.

3. You have the right to review or receive photocopies of our records that contain your PHI, to the extent that these records are part of a designated record set as defined by HIPAA. The most common such records are your prescriptions on file with us, our patient profile for you, and our billing records for health care products and services that have been provided to you. We will be pleased to allow you to review such records at no charge during normal business hours. However, we may charge you a reasonable, cost-based fee for photocopies of the records, together with any expenses for mailing, special courier, faxing, and supplies necessary to fulfilling your request for records.

If we are unable to provide our records to you, we will provide you a written explanation of why we are not able to provide the records. Depending on the reason, you may submit a written request for us to reconsider. All requests to review or receive photocopies of our records that contain your PHI must be submitted to our Privacy Officer in writing using a form that we will provide to you.

4. You have the right to request changes in the content of your PHI contained in our records where you believe the content is incomplete, inaccurate, or for some other reason needs to be changed. We may not be able to agree to your requested change if we no longer have the records or if the requested change would cause your PHI to become inaccurate. If we are not able to agree to your requested change, we will notify you in writing as to why we are not able to agree. You will then have the right to submit to us a written statement of disagreement, to which we may elect to further respond in writing to you. All requests for changes to your PHI in our records must be submitted to our Privacy Officer in writing, using a form that we will provide to you.

5. You have the right to request that we communicate with you about your PHI in a confidential manner and only to locations (such as a post office box) or by means (such as personal cellular telephone) specified by you. Your request must state how and/or where you would like to be contacted. We will make every effort to accommodate all reasonable requests. All requests for confidential communications must be submitted to our Privacy Officer in writing, using a form that we will provide to you.

6. You have the right to obtain an accounting of some of our disclosures of your PHI made after April 14, 2003. By an accounting, we mean a written record of these disclosures. Some of our disclosures of your PHI are not required by HIPAA to be included in the accounting. Most notable among these are disclosures for purposes of treatment, obtaining payment, and carrying out health care operations. Other disclosures of your PHI that are not required to be included in the accounting are disclosures made directly to you or that you have authorized, made to family, friends, and others who assist you with your care (caregivers) and made for other purposes allowed by HIPAA. Please consult with our Privacy Officer for more information on the disclosures not required to be included in the accounting.

The period of time for which we are required to provide the accounting is the six-year period immediately prior to the date of your request for the accounting but no earlier than April 14, 2003; however, your request for an accounting can be for a shorter period of time. You may obtain from us, without charge, one accounting during a 12-month period. However, if you request additional accountings during the same 12-month period, we may charge you a reasonable, cost-based fee for printing or photocopying of the accounting, together with any expenses for mailing, special courier, faxing, and supplies necessary to fulfilling your request for the accounting. If it becomes necessary for us to charge you for an accounting, we will notify you in advance and allow you to withdraw or modify your request for the accounting. All requests for an accounting of our disclosures of your PHI must be submitted to our Privacy Officer in writing, using a form that we will provide to you.

7. You have the right to file a complaint if you believe that we have violated your rights as described above, and to not fear retaliation or adverse action by us against you for exercising your right. You can file the complaint with us directly, or with the United States Department of Health and Human Services (HHS). Please be assured that we will work with you to resolve any complaint, including providing you with the address for filing a complaint with HHS.

IF YOU HAVE QUESTIONS ABOUT ANY OF YOUR RIGHTS AS DESCRIBED ABOVE, PLEASE CONTACT OUR PRIVACY OFFICER, AT THE ADDRESS OR TELEPHONE NUMBER LISTED IN THE HEADER ON THE FRONT OF THIS BROCHURE.

### **Ways That We May Use and Disclose Your PHI**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that this Notice tell you how we may use and disclose your PHI. These uses and disclosures are summarized below, but if you would like more information about any of these please contact our Privacy Officer at the address or telephone number of our pharmacy listed on the front of this brochure.

1. Treatment. HIPAA defines treatment as "the provision, coordination, or management of health care and related services by one or more health care providers, including the coordination or management of health care by a health care provider with a third party; consultation between health care providers relating to a patient; or the referral of a patient for health care from one health care provider to another." We will maintain records that contain your PHI, and we will use and disclose your PHI as necessary to provide health care products and services to carry out and support your treatment. As a pharmacy, we may use and disclose your PHI as necessary to maintain a patient profile on you, which may include information about you; your medical condition, medications, and prescription devices that you use; any allergies that you may have; and other information, such as any health insurance that you may have. We may use and disclose your PHI in dispensing prescription medicines and related products and services, including counseling you and your caregivers about proper use of your medications. We may discuss such problems with your other health care professionals, such as your physician, and through such discussions we may use and disclose your PHI. Finally, we may use and disclose your PHI to you and your caregivers in our discussions with you and your caregivers about your treatment.

2. Payment. HIPAA defines payment, in relation to health care providers such as us, as activities to obtain reimbursement for the health care products and services that we provide to you. These activities include primarily billing you directly or someone who pays for your health care, such as a family member or health insurance company, for health care products and services that we provide to you. Activities related to billing may include claims management, collections, and related health care data processing. Depending on who pays for the health care products and services that we provide you, other activities may include determination of eligibility or coverage; medical necessity; review of health care services with respect to medical necessity, coverage under a health plan, appropriateness of care, or justification of charges; utilization review activities, including pre-certification and preauthorization of services; concurrent and retrospective review of services; and disclosure to consumer reporting agencies of some or all of the following PHI necessary for collection of payment: name and address; date of birth; social security number; payment history; account number or numbers; and name and address of the health care provider and/or health plan. Additionally, your Protected Health Information may be disclosed to one or several intermediaries employed by your insurance plan sponsor including but not limited to insurers, pharmacy benefits managers, claims administrators and computer switching companies.

We will use and disclose your PHI to carry out the above activities as necessary or required to obtain payment for the health care products and services that we provide to you. In relation to this, public and private health care insurance programs that may provide or pay for your health care can conduct audits, inspections, and investigations of us in relation to our activities and

your activities. We may be required to disclose your PHI to these programs for purposes of audits, inspections, and investigations.

3. Health care operations. HIPAA defines health care operations as those activities necessary and related to our providing of health care products and services to you. These activities include, but may not be limited to, the following.

A. Conducting quality assessment and improvement activities, case management and care coordination, and contacting of health care providers and patients with information about treatment alternatives and related functions that do not include treatment.

B. Conducting or arranging for medical review, legal services, and auditing functions, including fraud and abuse detection and compliance programs.

C. Our pharmacy management and general administrative activities, including, but not limited to, activities relating to implementation of and compliance with the requirements of HIPAA.

We will use and disclose your PHI to carry out the above activities as necessary or required, and especially to monitor and improve the quality of the health care products and services that are provided to you by us and other health care professionals.

In addition to treatment, payment, and health care operations as described above, we may use and disclose your PHI for the following purposes listed in 4-15.

4. Business associates. The nature of the health care system is such that we may not be able to provide health care products and services to you without the involvement of other businesses or persons. Depending on what these other businesses or persons do for us, they may become "business associates" as defined by HIPAA. In many situations, it will be necessary for us to provide your PHI to these business associates so that they can carry out the activities that we need to have performed in order to provide you health care products and services. One of our most common business associates is a health insurance company or a company that processes claims that we submit for payment for health care products and services that we provide to you, if you have health insurance that pays for your prescription medications.

Some of your PHI is stored in our electronic computer files. We employ reasonable precautions (such as a daily tape back-up and the use of firewalls and passwords) to safeguard the integrity of your PHI in our electronic files. In spite of these precautions it is possible but unlikely that a computer crash or other technological failure or breach of security could cause the loss of data stored on electronic media. It is also possible, although precautions are taken to limit such exposure, that computer software/hardware vendors and network administrators, as a part of our ongoing business activities, may from time to time be given access to our systems which contain your PHI for purposes of maintaining and supporting our systems. Contracts have or will be submitted to all of our business associates to whom we either provide your PHI or grant access to your PHI so that they can carry out their activities on our behalf. Very importantly to you, these contracts require our business associates to give us their assurance that they, like us, will protect the privacy of your PHI.

5. Disclosures of your PHI not involving treatment, payment, and health care operations. In providing health care products and services to you, we may find it necessary to communicate with businesses and individuals not already described above. Most of these disclosures will be related to providing treatment to you, and to carrying out payment and health care operations as discussed above. In addition to communicating with these businesses and individuals, we may also communicate with you directly, as well as others who assist you with your health care, commonly referred to as caregivers. We will disclose your PHI to these caregivers, or appropriate others, as we believe necessary and appropriate for your health care.

6. Communications with you concerning your health and treatment. We want to do whatever we can to assist you with maintaining your health and obtaining the most benefit from your treatment. We routinely monitor your prescription medications for appropriateness and take other steps to help you use your medication properly. For example, if our records show that a refill of your medication is due, we may contact you to remind you to obtain the refill. We may also call you or send you materials regarding products and services that we believe may be of benefit to you. As a final example, in the event of a medication recall, we may contact you, if you are taking the medication subject to the recall.

7. Federal and state government agencies. We may disclose your PHI to federal and state government agencies for a variety of

purposes, most of which are directed at monitoring health care quality and safety, and government programs related to health care and our compliance with laws applicable to health care. For example, the United States Drug Enforcement Administration (DEA) monitors the distribution and usage of controlled substances, while the United States Food and Drug Administration (FDA) monitors adverse drug events. We may disclose your PHI to such agencies where required by the agency so that the agency can carry out its required activities. Related to this, some private businesses, such as the manufacturers of medications and medical devices, are legally required to conduct post-marketing surveillance in order to ensure the safety of their products. Disclosing your PHI for such surveillance may be necessary.

8. Federal and state government health care insurance programs. If you apply for and receive benefits from federal and state health care programs, such as Medicare or Medicaid, your PHI may be disclosed to the agency granting these benefits. If you are employed by a business that is required to carry workers' compensation insurance, and you are injured in such a way that the workers' compensation plan covers your health care, it may be necessary to disclose your PHI to the workers' compensation plan. Such plans have a right to conduct audits, inspections, and investigations of our activities and your activities, and where required, we will disclose your PHI for these activities.

9. Matters of public health and safety. There are a number of federal and state laws that require health care providers to report to various government agencies matters related to public health. If your physical or mental health condition and illness is of a nature that federal or state law requires that it be reported, then we will disclose your PHI to the appropriate government agency in order to comply with these laws. In addition to reporting about physical and mental health conditions and illnesses, we may also disclose your PHI to government agencies in other situations where we are required to submit reports, such as suspected domestic, child or elder abuse, or neglect.

10. Law enforcement activities. A number of federal, state, and local government agencies are charged with enforcing the health care and drug laws, and other laws in relation to the health care products and services that we may provide to you. In addition, as a state licensed pharmacy, a variety of federal, state, and local health care agencies, such as the state board of pharmacy, regulate our activities. These agencies may engage in a number of activities designed to monitor and improve federal and state health care programs and systems, including conducting of inspections and investigations of our activities and the health care products and services that we provide to our patients. At any time we are required by federal or state laws, or by court order, subpoena or other legal mandate, to disclose your PHI, we will do so as necessary.

11. Legal disputes. Lawsuits and other legal disputes may involve your PHI that we possess. In the event that you are involved in a lawsuit or other legal proceeding, whether as a plaintiff or a defendant, and without regard to the basis for the lawsuit, such as medical malpractice or divorce, we will disclose your PHI when required to comply with a court order, subpoena, discovery proceeding, such as a deposition, or other legal mandate served upon us.

12. Disclosures for the benefit of you and others. A variety of events could occur where we would use and disclose your PHI for your benefit and to prevent or reduce the risk of harm to you. For example, if you are in a car accident and are unconscious in a hospital emergency room and the emergency room medical staff calls us with a request for your PHI, we may disclose it for the purpose of assisting in your prompt medical treatment. Or, we may disclose to one of your family members, to a relative, to a close personal friend, or to any other person identified by you, PHI that is directly relevant to the person's involvement with your care or payment related to your care. In addition we may use or disclose the PHI to notify, identify, or locate a member of your family, your personal representative, another person responsible for care, or certain disaster relief agencies of your location, general condition, or death. If you are incapacitated, there is an emergency, or you object to this use or disclosure, we will do in our judgment what is in your best interest regarding such disclosure and will disclose only the information that is directly relevant to the person's involvement with your healthcare. We will also use our judgment and experience regarding your best interest in allowing people to pick-up filled prescriptions, or other similar forms of PHI. Finally, we may disclose your PHI where necessary to protect the health and safety of others.

13. Disclosures for national security and intelligence. We are legally required to disclose your PHI where necessary to national security activities and intelligence and counterintelligence activities. Disclosures related to this may also include those where

required in relation to the protection of the President of the United States. Any disclosure for these purposes would be made only to authorized government officials.

14. Disclosures if you are in the military or a veteran. We may disclose your PHI, if you are a member of any branch of the armed services, whether on active or reserve status as required by the U.S. Military. If you are a veteran, we may release your PHI, particularly if you are receiving health care products and services from the Veterans Services. Any disclosure for these purposes would be made only to authorized government officials. 15. Disclosures of a miscellaneous nature. This last category of disclosures includes a variety of disclosures that we may make in accordance with HIPAA. We may be required to disclose your PHI if you are placed into the custody of a federal or state correctional system, if necessary to protect the health and safety of you and others. Health care is an area where much research is being conducted, and we may disclose your PHI for purposes of a research project. Finally, given the national need for organ donations, we may disclose your PHI to organizations that manage organ transplantation programs.

IF YOU HAVE QUESTIONS ABOUT WAYS THAT WE MAY USE AND DISCLOSE YOUR PHI AS DESCRIBED ABOVE, PLEASE CONTACT OUR PRIVACY OFFICER, AT THE PHARMACY ADDRESS OR TELEPHONE NUMBER LISTED IN THE HEADER ON THE FRONT OF THIS BROCHURE.

#### Uses and Disclosures Not Contained in this Notice

If a use and disclosure of your PHI is not contained in this Notice, then we will obtain your written authorization before the use and disclosure. You may have the right to refuse to authorize the use and disclosure, or if you grant the authorization, to revoke the authorization at any time. If such authorization is requested, we will provide you with a form that describes the proposed use and disclosure and your rights related to the requested authorization.

#### Conclusion

HIPAA requires that we give you this "Notice of Privacy Practices" and make a good faith effort to obtain your written acknowledgement that you were given this Notice. Upon giving you this Notice, you will be asked to sign a document acknowledging that you received this Notice. We appreciate your cooperation in reviewing this Notice and in giving us your written acknowledgement.

**HIPAA requires that this Notice, at a minimum, cover the following three areas:**

1. How we will use and disclose your protected health information.
2. Your rights with respect to your protected health information.
3. Our legal duties to protect the confidentiality of your protected health information.

In preparing this Notice, we made every effort to comply with this HIPAA requirement. Also, we want to advise you that in addition to the privacy and other rights given to you by HIPAA, our state may from time to time enact laws that also provide you privacy and other rights in relation to your health care and your protected health information. The applicable sections of the Code of Alabama can be found in Title 22, specifically: §22-11A-14, §22-11A-22, §22-11A-38, §22-11A-54, §22-56-3, §22-56-4, §22-56-9 and §22-56-10.

Please consult our Privacy Officer, if you have any questions or want more information concerning your health care and privacy rights under HIPAA or the laws of our state, or our privacy practices. Also, you should consult our Privacy Officer, if you wish to file a complaint about our privacy practices or if you believe we have violated any of your rights as described in this Notice.

Again, thank you for allowing us the privilege of being your pharmacy, and we look forward to continuing to be of service to you.

Effective Date: April 14, 2003 revised: 4/7/03