

MDR NOTICE OF PRIVACY PRACTICES ACKNOWLEDGEMENT FORM

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.

BACKGROUND

When this Notice refers to MDR, it is referring to MDR Pharmaceutical Care, Ocean Drugs, Inc., Encino Pharmacy, and Westwood Pharmacy.

MDR is a covered entity under the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder (collectively, "HIPAA").

Effective April 14, 2003, the law requires that MDR and all of MDR employees, staff, volunteers, and business associates maintain the privacy of your personal health information, which is also known as Protected Health Information ("PHI"). PHI is information that may identify you and relates to your past, present, or future personal information, physical and/or mental health condition(s), or any health care services you receive. MDR must provide you with written notice of MDR's privacy practices with respect to PHI. This NOTICE OF PRIVACY PRACTICES ("Notice") serves that purpose and describes how MDR uses and discloses PHI to deliver health care services, receive payment(s) for those services, perform health care operations, and for other specific purposes that are permitted or required by law. This Notice also describes your rights with respect to your PHI.

The law also requires that MDR comply with the terms of this Notice. The policies outlined in this Notice apply to all PHI maintained by MDR, whether recorded in your medical record manually or electronically. Similarly, the outlined policies apply to PHI gathered from other organizations and health care professionals who participate in your health care. MDR will not use or disclose your PHI without your written authorization, except as described in this Notice.

USES AND DISCLOSURE OF YOUR PERSONAL HEALTH INFORMATION BY MDR

In the normal course of delivering health care services to you, MDR is permitted or required to use or disclose your PHI without obtaining your specific authorization and without offering you the opportunity to object. These circumstances include uses or disclosures for purposes relating to your treatment, payment for your health care, and MDR's day-to-day health care operations.

Treatment. MDR may use or disclose your PHI for the purposes of managing, providing, and coordination of your healthcare treatments. An example would be if MDR discloses your allergies to your primary care physician to properly fill a prescription. Also, MDR may contact you with refill reminders or information about recalls, side effects, medication alternatives, or other health-related benefits and services that may be of interest to you.

Payment. MDR may use or disclose your PHI for the purpose of securing payment for the health care services provided to you. For example, MDR may inform your health insurance company about your diagnosis and prescriptions in order to assist the insurer in processing MDR claims for medications or other health care services provided to you by MDR. Payment also includes all related activities such as billing, claims management, collections activities, utilization reviews, disclosures to consumer reporting agencies and collection agencies as necessary.

Health Care Operations. MDR may use or disclose your PHI for the purposes of MDR's day-to-day operations and functions. MDR may also disclose your health information to another one of your health care providers or your health insurance company, to allow them to perform their day-to-day functions. For example, MDR may compile your health information, along with that of other patients, in order to conduct a clinical review and make suggestions concerning ways to improve the quality of care provided by MDR.

OTHER USES AND DISCLOSURES OF YOUR PERSONAL HEALTH INFORMATION

To create reports that have had any information that could be used to identify you removed from them as they are created. We may also use and disclose "partially de-identified" health information about you for public health and research purposes, or for business operations if the person who will receive the information signs an agreement to protect the privacy of the information as required by federal and state law. Partially de-identified health information will not contain any information that would directly identify you (such as your name, street address, social security number, phone number, fax number, electronic mail address, website address, or license number);

When required by any law, rule, regulation, or a governmental body, such as a State Board of Pharmacy, State Controlled Substance Reporting Agency, the Drug Enforcement Administration, the Food and Drug Administration, or any other similar agency with the authority to request and receive your PHI;

For public health purposes such as reporting adverse events, post-marketing surveillance, and product recalls;

To disclose your health information to a person or company that is regulated by the Food and Drug Administration for the purpose of: (1) reporting or tracking product defects or problems; (2) repairing, replacing, or recalling defective or dangerous products; or (3) monitoring the performance of a product after it has been approved for use by the general public.

To disclose information about victims of abuse, neglect, or domestic violence;

For health oversight activities, such as Medicare or Medicaid audits or civil, administrative, or criminal investigations;

For judicial, law enforcement, or administrative proceedings;

For certain research projects that have been evaluated and approved through a research approval process that takes into account each patient's privacy rights;

To avert a serious threat to health or safety;

For specialized governmental functions, such as military, national security, criminal corrections, or public benefit purposes;

For workers' compensation purposes, as permitted by law;

To a coroner or medical examiner, in the event of your death;

To organizations that procure or store organs, eyes, or other tissues, in the event of your death;

For disclosures to business associates of MDR, such as organizations that help MDR with electronic claims submissions to your health insurance plan. MDR requires all of its business associates to appropriately safeguard your PHI;

To contact you with refill reminders or similar information;

We may also use your health information in order to recommend possible treatment alternatives or health-related benefits and services that may be of interest to you. If we contact you and reach a caregiver with whom we have communicated in the past about your care, we may provide this information to them;

For marketing communications that are made face-to-face or that involve promotional products of a nominal value; and

To any entity that merges with or purchases the assets or stock of MDR.

MDR may also use or disclose your PHI in the certain circumstance to assist or deliver your health care. Except in emergency situations, MDR will attempt to inform you of the intended disclosure prior to making any such uses and disclosures and will, at that time, offer you the opportunity to object.

With your formal, informal, verbal, or written permission, MDR will disclose PHI to those caregivers, personal representatives, relatives, or close personal friends that are involved in your health care or payment for your healthcare.

If you are incapacitated, MDR employees will use their professional judgment when they feel it is necessary to disclose to your caregivers, personal representative, relatives, or close personal friends, any PHI that is necessary for the provision of, or payment for, your health care. MDR may also use and disclose your PHI for the purpose of locating and notifying your caregivers,

relatives or close personal friends of your location, general condition or death, and to organizations that are involved in those tasks during disaster situations.

While we will take reasonable steps to safeguard the privacy of your health information, certain disclosures of your health information may occur during or as an unavoidable result of our otherwise permissible uses or disclosures of your health information.

Except as described above, disclosures of your PHI will be made only with your written authorization. You may revoke an authorization at any time, in writing, unless MDR has taken action in reliance on your prior authorization, or if you signed the authorization as a condition of obtaining your insurance coverage.

YOUR PRIVACY RIGHTS

To Request Restrictions. For as long as MDR maintains your PHI, you have the right to request restrictions on the use and disclosure of your PHI for treatment, payment, or health care operations purposes, or notification purposes. MDR is not required to agree to your request, but all attempts will be made to honor all reasonable requests. If MDR agrees to your requested restriction, MDR will abide by that restriction unless you are in need of emergency treatment and the restricted information is needed to provide that emergency treatment. To request a restriction, submit a written request to MDR Compliance Officer listed on the final page of this Notice.

To Limit Communications. For as long as MDR maintains your PHI, you have the right to receive confidential communications about your PHI by reasonable alternative means or at alternative locations. This means that you may, for example, designate that MDR contact you only via e-mail, or at work, rather than at home. To request communications via alternative means or at alternative locations, you must make a verbal request of MDR and may be asked to submit a written request to MDR Compliance Officer listed on the final page of this Notice. All reasonable requests will be granted.

Access and Copies of Your PHI. For as long as MDR maintains your PHI, you have the right to inspect and copy any PHI about you, other than psychotherapy notes, information compiled in anticipation of, or for use in civil, criminal, or administrative proceedings, or certain information that is governed by the Clinical Laboratory Improvement Act. To arrange for access to your PHI, or to receive a copy of your PHI, you should make a verbal request of MDR and you will be asked to fill out and sign an authorization form for release of information. If you request copies of your PHI, you will be charged MDR regular fee for copying and mailing the requested information.

Despite your general right to access your PHI, access may be denied by MDR in some limited circumstances. For example, access may be denied if you are an inmate at a correctional institution or if you are a participant in a research program that is still in progress. Access may be denied if an applicable law or rule prohibits your access.

In addition, access may be denied if (i) access to the information in question is reasonably likely to endanger the life and physical safety of you or anyone else, (ii) the information makes reference to another person and your access would reasonably be likely to cause harm to that person, or (iii) if you are the personal representative of another individual and a licensed health care professional determines that your access to the information would cause substantial harm to the patient or another individual. If access is denied for these reasons, you have the right to have the decision reviewed by a health care professional who did not participate in the original denial decision. If access is ultimately denied, the reasons for that denial will be provided to you in writing.

To Request Amendment. For as long as MDR maintains your PHI, you may request that your PHI be amended. Your request may be denied if the PHI in question was not created by MDR (unless you show that the original source of the information is no longer available to seek amendment from), is not part of MDR's records, is not the type of information that would be available to you for inspection or copying (for example, psychotherapy notes), or is accurate and complete. If your request to amend your PHI is denied by MDR, you may submit a written statement disagreeing with the denial, which MDR will keep on file and distribute with all future disclosures of the PHI to which it relates. Requests to amend PHI must be submitted in writing to MDR Compliance Officer listed on the final page of this Notice.

Accounting of Disclosures. You have the right to an accounting of any disclosures of your PHI made by MDR at any time after April 14, 2003, during the six-year period preceding the date of your request. However, the following disclosures will not be accounted for or reported to you: (i) disclosures made for the purpose of carrying out Treatment, Payment, or Health Care Operations, (ii) disclosures made to you, (iii) disclosures made to persons involved in your care, or for the purpose of notifications of your family or friends, (iv) disclosures for national security or intelligence purposes, (v) disclosures to correctional institutions or law enforcement officials who had you in custody at the time of disclosure, (vi) disclosures that occurred prior to April 14, 2003, (vii) disclosures made pursuant to an authorization signed by you, (viii) disclosures that are part of a limited data set, (ix) disclosures that are incidental to another permissible use or disclosure, or (x) disclosures made to a health oversight agency or law enforcement official, but only if the agency or official asks MDR not to account to you for such disclosures. The accounting will include the date of each disclosure, the name of the entity or person who received the PHI, that recipient's address (if known), and a brief description of the PHI disclosed and the purpose of the disclosure. To request an accounting of disclosures, submit a written request to the MDR Compliance Officer listed on the final page of this Notice.

Copy of this Notice. You have the right to obtain a paper copy of this Notice upon request.

MDR DUTIES

MDR is required by law to maintain the privacy of your PHI and to provide you with this Notice of Privacy Practices. This Notice may be amended by MDR as necessary, and any modifications will apply to all PHI maintained by MDR at the time of the modification. MDR is required to abide

by the terms of this Notice. Any changes to this Notice will be posted on MDR's website at www.mdrusa.com, at all MDR facilities, and is always available from MDR upon request.

COMPLAINTS

You can complain to MDR and/or the federal Secretary of the Department of Health and Human Services if you believe your privacy rights have been violated. To file a complaint with MDR, please file a written complaint with MDR Compliance Officer set forth below. The MDR Compliance Officer can also provide you with further information about MDR privacy policies upon request. No action will be taken against you for filing a complaint or asking questions.

MDR Pharmaceutical Care
Attn: Compliance Officer
17071 Ventura Blvd., Suite 100
Encino, CA 91316
Tel: 800-515-DRUG (3784)
Fax: 888-939-2020
Email: info@mdrusa.com

U.S. Department of Health and Human Services
Office of Civil Rights
200 Independence Avenue, S.W.
Washington, DC 20201
Tel: 877-696-6775
www.hhs.gov/ocr/privacy/hipaa/complaints/

The pharmacy is required to maintain the privacy of your Protected Health Information ("PHI"). To view our Notice of Privacy Practices, please visit www.mdrusa.com. This Notice of Privacy Practices ("Notice") describes how we may use and disclose PHI about you to carry out treatment, payment, or health care operations and for other specified purposes that are permitted or required by law. The Notice also describes your rights with respect to PHI about you. Please review it carefully and keep in mind that you can request a current written Notice at any time. If you have questions or would like additional information about the Pharmacy's privacy practices, you may contact the Compliance Officer at 800-515-3784. If you believe your privacy rights have been violated, you can file a complaint with the Compliance Officer or with the Secretary of Health and Human Services. There will be no retaliation for filing a complaint.

By signing this form, I acknowledge receipt of the pharmacy's "Notice of Privacy Practices," which contains description of the uses and disclosures of protected health information that may be made by the pharmacy, and of my rights, and the pharmacy's responsibilities with respect to protected health information. I have read and understood my rights under the Notice. I also understand the Notice is subject to change, and I can request a current written Notice at any time.

Name: _____

Signature: _____ Date: _____

Please mail or fax your confirmation of receipt to Attn: Operators at (888) 939-2020.