

**NOTICE OF PRIVACY PRACTICES FOR
PROTECTED HEALTH INFORMATION
Effective Date: April 14, 2003
KENTON DRUG COMPANY**

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

This Pharmacy is covered by the medical information privacy provisions of the Health Insurance Portability and Accountability Act of 1996 (generally called "HIPAA") and its Regulations. As a result, we are required to comply with HIPAA and the Regulations in the use and disclosure of health information by which our patients can be individually identified. This health information is referred to as "Protected Health Information" or "PHI" for short. We are also required under Section 164.520 to give our patients this notice (in paper or electronically as the patient wishes) of our legal duties and privacy practices concerning their Protected Health Information, and also to tell our patients about their rights under HIPAA and the Regulations.

1. **USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION**

There are two categories for the use and disclosure of our patients' Protected Health Information: (1) information that we can use and disclose without the patient's prior consent; and (2), information that we cannot use or disclose without the patient's prior authorization.

PATIENTS' PRIOR CONSENT NOT REQUIRED

Treatment. In the first category, we are permitted to use and disclose our patients' Protected Health Information in connection with their medical treatment in situations such as allowing a family member or other relative or a close personal friend or other person involved in the patient's health care to pick the patient's prescriptions and to receive Protected Health Information that is directly related to the patient's care. In doing so, we are to use our professional judgment and experience with common practice in determining what is in the patient's best interest. Other examples include sending information about a patient's prescriptions to the patient's family doctor or to a specialist who is treating the patient or to a hospital where the patient is receiving care, particularly if the patient has suffered a health emergency.

Payment. If a patient is covered by a pharmacy benefit plan, we are entitled send Protected Health Care Information to the plan or to another business entity involved in our billing system describing the medication or health care equipment we have dispensed so that we can be paid.

Health Care Operations. In addition, we can provide Protected Health Information for health care operations such as evaluations of the quality of our patients' health care in order to improve the success of treatment programs. Other examples include reviews of health care professionals, insurance premium rating, legal and auditing functions, and business planning and management.

Other Permitted Uses and Disclosures. There are a number of other specified purposes for which we may disclose a patient's Protected Health Information without the patient's prior consent (but with certain restrictions). Examples include public health activities; situations where there may be abuse, neglect or

domestic violence; in connection with health oversight activities; in the course of judicial or administrative proceedings; in response to law enforcement inquiries; in the event of death; where organ donations are involved; in support of research studies; where there is a serious threat to health and safety; in cases of military or veterans' activities; where national security is involved; for determinations of medical suitability; for government programs for public benefit; for workers' compensation proceedings; when our records are being audited; when medical emergencies occur; and when we communicate with our patients orally or in writing about refilling prescriptions, about generic drugs that may be appropriate for a patient's treatment, or about alternative therapies.

PATIENT'S PRIOR AUTHORIZATION REQUIRED

For purposes other than those mentioned above, we are required to ask for our patients' written authorizations before using or disclosing any of their Protected Health Information. If we request an authorization, any of our patients may decline to agree, and if a patient gives us an authorization, the patient has the right to revoke the authorization and by doing so, stop any future uses and disclosures of the patient's health information that the authorization covered. An example of a situation where the patient's prior authorization would be required would be if we wish to conduct a marketing program that would involve the use of Protected Health Information.

2. PATIENTS' RIGHTS

HIPAA and the Regulations provide our patients with rights concerning their Protected Health Information. With limited exceptions (which are subject to review) each patient has the right to the following:

. Patient's Record. Each patient can obtain a copy of his or her Protected Health Information by completing our request form. The only charge will be based on our cost in responding to the request. The amount of the charge will vary depending on the format the patient requests and whether the patient wants the record or a summary, and whether it is to be delivered by mail or otherwise. The patient will be told of the fee when the patient's request is received.

. Accounting for Disclosures. By completing our request form, each patient is entitled to obtain a list of the disclosures of the patient's Protected Health Information that have occurred within a period of 6 years after April 14, 2003, except for disclosures made for the purposes of treatment, payment or health care operations and certain others. There will be no charge for the first request in any 12 month period, but we are entitled to charge a reasonable cost based fee for additional requests made in the same period of time.

. Amendments. Each patient may ask to change the record of his or her own Protected Health Information by completing our request form explaining why the change should be made. We will review the request, but may decline to make the change if in our professional judgment we conclude that the record should not be changed.

Communications. By completing our request form, each patient can ask us to communicate with him or her about their own Protected Health Information health information in a confidential manner such as by sending mail to an address other than the home address or using a particular telephone number.

Special Restrictions. By completing our request form, each patient can ask us to adopt special restrictions that further limit our use and disclosure of the patient's Protected Health Information (except where use and disclosure are required of us by law or in emergency circumstances). We will consider the request; but in accordance with HIPAA and the Regulations, we are not required to agree to with the request.

Complaints. If a patient believes that we have violated the patient's rights as to the patient's Protected Health Information under HIPAA and the Regulations, or if a patient disagrees with a decision we made about access to the patient's Protected Health Information, the patient has the right to complete our complaint form and deliver it to our Contact Person listed below. Our Contact Person is required to investigate, and if possible, to resolve each such complaint, and to advise the patient accordingly. The patient also has the right to send a written complaint to the U.S. Department of Health and Human Services at the addresses shown on the complaint form. Under no circumstances will any patient be retaliated against by this Pharmacy for filing a complaint.

We are required by law to protect the privacy of our patients' Protected Health Information, to provide this notice about our privacy practices, and follow the privacy practices that are described in this notice. We reserve the right to make changes in our privacy practices that will apply to all the Protected Health Information we maintain. A new notice will be available on request before any significant change is made.

Our Contact Person's Name: Cara Marvin

Telephone: 731-749-5951