

NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED & HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY

A. Our Commitment to Safeguard Your Health Information

Forum Extended Care Services, Inc., II (Forum) is committed to maintaining the privacy of your health information. State law and the Health Insurance Portability & Accountability Act of 1996 (HIPAA) require us to maintain the confidentiality of all your healthcare records and other individually identifiable health information used by or disclosed to us in any form, whether electronically, on paper, or orally (PHI or Protected Health Information). HIPAA is a federal law that gives you significant rights to understand and control how your health information is used. HIPAA and state law provide penalties for covered entities and records owners, respectively, that misuse or improperly disclose PHI. Starting April 14, 2003, HIPAA requires us to provide you with the Notice of Privacy Practices (Notice) of our legal duties and the privacy practices we are required to follow on your first order of healthcare services.

Forum is required to maintain the privacy of your protected health information (PHI) and provide you with a copy of this Notice. This Notice describes our health information privacy practices.

Forum reserves the right to change its privacy practices and the terms of this Notice at any time. In the event we materially change a privacy practice, the change will be effective for all information already maintained about you, and the revised Notice will be promptly posted at Forum and our website at www.forumpharmacy.com. To request a copy of the Notice currently in effect, or if you have any questions about the content of this Notice, please contact Forum's Privacy Officer at (847) 673-8727 or info@forumpharmacy.com.

B. How Your Protected Health Information May Be Used Or Disclosed

We have the right to use or disclose your protected health information for treatment, payment, or healthcare operational activities and, under certain circumstances, the law may require us to disclose your protected health information. We may disclose your protected health information to a third party to perform a function or service on behalf of Forum, but before doing so, we will have an agreement in place that extends the same privacy protection to your health information that we must apply. Under the law, we must have your signature on a written, dated Consent form and/or an Authorization form (not an Acknowledgement form) before we will use and disclose your PHI for certain purposes as detailed in the rules below.

Documentation - You will be asked to sign a Consent form and/or an Authorization form when you receive this Notice of Privacy Practices. If you did not sign such a form or need a copy of the one you signed, please contact our Privacy Officer. You may take back or revoke your consent or authorization at any time (unless we already have acted based on it) by submitting our revocation form in writing to us at our address listed above. Your revocation will take effect when we actually receive it. We cannot give it retroactive effect, so it will not affect any use or disclosure that occurred in our reliance on your Consent or Authorization prior to revocation (i.e. if after we provide services to you, you revoke your authorization or consent in order to prevent us billing or collecting for those services, your revocation will have no effect because we relied on your authorization or consent to provide services before you revoked it).

General Rule - If you do not sign our Consent form or if you revoke it, as a general rule (subject to exceptions described below under "Healthcare Treatment, Payment and Operations Rule" and "Special Rules"), we

cannot in any manner use or disclose to anyone (excluding you, but including payers and Business Associates) your PHI or any other information in your medical record. Under state law, we are unable to submit claims to payers under assignment of benefits without your signature on our Consent form. We will not condition treatment on your signing an Authorization, but we may be forced to decline you as a new patient or discontinue you as an active patient if you choose not to sign the Consent or revoke it.

1. Disclosures Related to Treatment, Payment or Operational Activities

Treatment. Your protected health information may be used or disclosed to provide or manage your health care and related services, coordinate or manage your health care with a third party, consult with other healthcare providers. For example, if you are in need of emergency medical services we may provide protected health information to the emergency medical technician. We will disclose your protected health information to any future healthcare providers upon verification of the request for your information and with your authorization.

Payment. Your protected health information may be used or disclosed to obtain reimbursement for healthcare services provided by Forum to you. For example, your protected health information may be used to contact your health insurance company to determine if your insurance company will cover or pay for your care.

Healthcare Operations. Your protected health information may be used or disclosed for healthcare operation purposes. These uses and disclosures are important to ensure that you are provided healthcare services in an efficient and cost-effective manner. For example, your protected health information may be used to determine additional services you may need; to evaluate the care you received in supervised staff training programs to improve their skills; to conduct or arrange for medical review or legal services; or for business planning and development.

Treatment Alternatives. Your protected health information may be used to provide you with information about treatment alternatives.

2. You May Agree or Object to the Following Uses and Disclosures of Your Protected Health Information

Release of Protected Health Information to a Family Member, Friend, or Other Persons Involved In Your Care and Treatment or For Notification Purposes. Protected health information about you may be disclosed to a family member, relative, close personal friend or any other person identified by you, only to the extent the health information is relevant to that person's involvement with your care or payment for your health care.

Your protected health information may also be used or disclosed to notify or assist in notifying a family member, personal representative or any other person responsible for your care of your location or general condition.

Disaster Relief. We may disclose your protected health information to a public or private entity authorized by law to assist in disaster relief efforts for the purpose of notifying or assisting in notifying a family member, a personal representative or another person of your location and general condition.

3. Other Uses or Disclosures of Your Protected Health Information

Required By Law. Your protected health information may be disclosed when the use or disclosure is required by law.

Other Uses or Disclosures of Your Protected Health Information (Cont'd)

Public Health Activities. Your protected health information may be disclosed for public health activities. For example, your protected health information may be disclosed to prevent or control disease, injury or disability; report child abuse or neglect; maintain vital records, such as births and deaths; notify a person regarding potential exposure to a communicable disease; notify a person regarding a potential risk for spreading or contracting a disease or condition; notify an appropriate government agency about the abuse or neglect of an adult individual (including domestic violence); or to the federal Food & Drug Administration (FDA) to report adverse events with medications, track regulated products, report product recalls, defects or replacements.

Abuse, Neglect & Domestic Violence. If we reasonably believe you are a victim of abuse, neglect or domestic violence, to the extent the law requires, protected health information about you may be disclosed to an agency authorized by law to receive such reports.

Health Oversight Activities. Your protected health information may be disclosed to a health oversight agency to perform oversight activities authorized by law or for appropriate oversight of the healthcare system; for example, audits, investigations, inspections, and licensure activities.

Judicial and Administrative Proceedings. We may disclose your protected health information in the course of any judicial or administrative proceeding. For example, we may disclose your protected health information in response to a court or administrative order, or in response to a discovery request, subpoena or other lawful process.

Law Enforcement. Your protected health information may be disclosed to report certain types of wounds or other physical injuries; to a law enforcement official to identify or locate a suspect, fugitive, material witness or missing person; to provide certain information about the victim of a crime, about a death due to criminal conduct, and in emergency circumstances, to report a crime, the location of a crime, to identify the victim of a crime, or the identity, description or location of the person who committed the crime.

Coroners, Medical Examiners and Funeral Directors. Your protected health information may be disclosed to facilitate the duties of coroners, medical examiners and funeral directors.

Organ and Tissue Donation. Your protected health information may be disclosed to an organization to facilitate organ or tissue donation and transplantation.

Research. Your protected health information may be used or disclosed to a researcher with your authorization. You may authorize the use by permitting combined and unconditioned authorizations for research as long as the authorization clearly allows the ability to opt-in to the unconditioned research activities. Authorizations for research do not need to be study specific.

To Avert a Serious Threat to Health or Safety. Your protected health information may be disclosed to reduce or prevent a serious threat to your health and safety or the health and safety of the public or another person. For example, to prevent or control disease; maintain vital records, such as births and deaths; report child abuse or neglect; report reactions to medications or problems with products; notify a person regarding potential exposure to a communicable disease; notify people of recalls of products they may be using; in response to a warrant, summons, court order, subpoena or similar legal process; identify/locate a suspect, material witness, fugitive or missing person; or in an emergency, to report a crime or the description, identity or location of the perpetrator.

Specialized Government Functions. If you are a member of U.S. or foreign military forces (including veterans), Forum may use or disclose your protected health information to assure the proper execution of a military mission. Forum may disclose your protected health information to federal officials for intelligence and national security activities authorized by law, to protect the President, or to conduct investigations.

Workers' Compensation. Your protected health information may be disclosed for workers' compensation or similar programs in order for you to obtain benefits for a work-related injury or illness.

Fundraising. HIPAA rules prohibit the use or disclosure of PHI for fundraising purposes. The Rule specifies that each fundraising communication must include an opt-out for the individual to elect not to receive further fundraising communications with no more than a minimal cost to the individual, but the covered entity may provide a method for opting back in.

Minimum Necessary Rule

Forum's staff will not use or access your PHI unless it is necessary to do their jobs (ie, staff uninvolved in your care will not access your PHI; billing staff will not access your PHI except as needed to complete claims; janitorial staff will not access your PHI). Also, we disclose to others outside our staff only as much of your PHI as is necessary to accomplish the recipient's lawful purposes. For example, we may use and disclose the entire contents of your medical record:

- To you (and your legal representatives as stated above) and anyone else you list on a Consent or Authorization to receive a copy of your records
- To healthcare providers for treatment purposes (ie, making diagnosis and treatment decisions or agreeing with prior recommendations in the medical record)
- To the U.S. Department of Health and Human Services (ie, in connection with a HIPAA complaint)
- To others as required under federal or state law
- To our Privacy Officer and others as necessary to resolve your complaint or accomplish your request under HIPAA (ie, clerks who copy records need access to your entire medical record)

In accordance with the law, we presume that requests for disclosure of PHI from another Covered Entity (as defined in HIPAA) are for the minimum necessary amount of PHI to accomplish the requestor's purpose. Our Privacy Officer will individually review unusual or non-recurring requests for PHI to determine the minimum necessary amount of PHI and disclose only that. For non-routine requests or disclosures, the Privacy Officer will make a minimum necessary determination based on, but not limited to, the following:

- The amount of information being disclosed
- The number of individuals or entities to whom the information is being disclosed
- The importance of the use or disclosure
- The likelihood of further disclosure
- Whether the same result could be achieved with de-identified information
- The technology available to protect confidentiality of the information
- The cost to implement administrative, technical and security procedures to protect confidentiality.

If we believe that a request from others for disclosure of your entire medical record is unnecessary, we will ask the requestor to document why this is needed, retain that documentation, and make it available to you upon request.

Disclosure Rule

Forum will take reasonable administrative, technical, and security safeguards to ensure the privacy of your PHI when we use or disclose it (ie, Forum requires employees to talk softly when discussing PHI; Forum uses computer passwords and changes them periodically, such as when an employee leaves Forum; and Forum allows access to areas where PHI is stored or filed only when staff members are present to supervise and prevent unauthorized access).

Business Associate Rule

Business Associates and other third parties (if any) that receive your PHI from us will be prohibited from re-disclosing it unless required to do so by law or you give prior express written consent to the redisclosure. Nothing in our Business Associate agreement will allow our Business Associate to violate this re-disclosure prohibition.

Super-Confidential Information Rule

If Forum has PHI about you regarding HIV testing, alcohol or substance abuse diagnosis and treatment, or psychotherapy and mental health records (super-confidential information under the law), Forum will not disclose it under the General or Healthcare Treatment, Payment, and Operations Rules (see above) without a signed, properly completed consent form from you in which you specifically initial the type of super-confidential information we are allowed to disclose. If you do not specifically authorize disclosure by initialing the super-confidential information, we will not disclose it unless authorized under the Special Rules listed above that require us to disclose it, by law). If we disclose super-confidential information (either because you have initialed the consent form or the Special Rules authorize us to do so), we will comply with state and federal law that requires us to warn the recipient in writing that re-disclosure is prohibited.

C. Your Rights Related to Your Protected Health Information:

Right to Inspect and Copy. You have the right to inspect and obtain a copy of information used to make healthcare decisions about you (including medical records and billing records, but not psychotherapy notes) for a period of six (6) years or as required by state law. The privacy rule permits you to ask for an electronic copy of the medical records, and Forum must provide access in electronic form if it is readily producible. You may be charged a fee for the cost of copying, mailing, labor and supplies associated with your request. To inspect and copy this information, you must submit your request in writing to Forum's Privacy Officer.

We may deny your request to inspect or copy in certain limited circumstances; however, you may request a review of the denial. Reviews will not be conducted by the person that denied your request, but by Forum's Compliance Officer.

Right to Amend. You have the right to request us to amend information in a record that you believe is incorrect or incomplete. Your request must be in writing and you must provide a reason that supports your request. Your request must be submitted to the Forum's Privacy Officer.

We may deny your request if the information or record you want amended was not created by us; is not part of the medical information kept by us; is not part of the information which you would be permitted to inspect or copy; or if the information is accurate and complete.

Right to an Accounting of Disclosures. You have the right to request a list of those instances where your protected healthcare information has been disclosed other than disclosures: i) for treatment, payment,

or operational activities; ii) to you or as authorized by you; iii) to persons involved in your care or treatment; iv) for national security or intelligence activities; v) to correctional institutions or law enforcement officials; vi) incident to a disclosure we are required to make; or vii) made prior to April 14, 2003. To obtain an accounting of disclosures, you must submit your request in writing to Forum's Privacy Officer.

Right to Request Restrictions. You have the right to request us to limit or restrict how your health information is used or disclosed for treatment, payment or healthcare operation activities; to a family member, other relative, close personal friend or any other person identified by you; and for disaster relief purposes. Your request must be in writing to Forum. Your request must describe in a clear and concise fashion: i) the information you wish restricted; ii) whether you are requesting a limit on the use of your health information for treatment, payment or operational activities, or whether you are requesting a limit on the disclosure of your information to family members or friends, or both; and iii) to whom you want the limits to apply.

We are not required to agree to your request; however, we will accommodate reasonable requests permitted by our operational processes. If we agree to a restriction, we are bound by the agreement, except when otherwise required by law, in emergencies when the information is necessary to treat you.

Right to Choose How We Communicate With You. You have the right to request that we communicate with you about your health and health-related issues in a particular manner or at a certain location. For instance, you may ask to be contacted by mail rather than by telephone. In order to request a type of confidential or alternate communication, you must submit a request in writing to Forum's Privacy Officer. Your request must specify the alternate method of contact you are requesting or the location where you wish to be contacted. You do not need to give a reason for your request. We will accommodate reasonable requests.

Right to Revoke Authorization. You have the right to revoke your authorization to use or disclose health information, except to the extent that action has been taken in reliance upon your authorization. Your request must be in writing.

Right to Notification of Breach. You have the right to be notified when affected by a breach of unsecured health information about you.

Right to a Paper Copy of This Notice. You are entitled to receive a paper copy of this Notice at any time by contacting Forum's Privacy Officer. You may also obtain a copy from Forum's website.

Right to File a Complaint. If you are concerned that your privacy rights may have been violated, you may file a complaint with the Forum, Secretary of the Department of Health and Human Services' Office of Civil Rights, ocrcomplaint@hhs.gov or with the Accreditation Commission for Health Care, Inc. (855) 937-2242. You will not be retaliated against for filing a complaint.

D. Other Uses of Protected Health Information:

Authorization. Other uses and disclosures of medical information not covered by this Notice will be made only with your written authorization. You may revoke an authorization for the use or disclosure of your protected health information in writing at any time. Your request should be made in writing to Forum's Privacy Officer. If you revoke the authorization, your protected health information will no longer be used or disclosed for the reasons covered by your written authorization; however, the revocation will not apply to any disclosures already made with your authorization.

BILL OF PATIENT RIGHTS AND RESPONSIBILITIES

As our customer, you are hereby provided this Bill of Rights. You have the right to be notified in writing of your rights and obligations before treatment has begun. The patient's family or guardian may exercise the patient's rights when the patient has been judged incompetent. We fulfill our obligation to protect and promote the rights of our patients, including the following:

Patient/caregiver rights

As the patient/caregiver, you have the RIGHT to:

- Choose a healthcare provider, including an attending physician, if applicable.
- Be treated with dignity and respect.
- Confidentiality of patient records and information pertaining to a patient's care.
- Be presented with information at admission in order to participate in and make decisions concerning your plan of care and treatment.
- Be notified in advance of the types of care, frequency of care, and the clinical specialty providing care.
- Be notified in advance of any change in your plan of care and treatment.
- Be provided appropriate equipment and services without discrimination in accordance with physician's orders, if applicable, in a timely manner.
- Be informed of one's responsibilities.
- Receive an itemized explanation of charges.
- Be informed of company ownership and any financial benefits when referred to an organization.
- Express grievance without fear of reprisal or discrimination.
- Receive respect for the treatment of one's property.
- Be informed of potential reimbursement for services under Medicare, Medicaid or other third-party insurers based on the patient's condition and insurance eligibility (to the best of the company's knowledge).
- Be notified of potential financial responsibility for products or services not fully reimbursed by Medicare, Medicaid or other third-party insurers (to the best of the pharmacy's knowledge).
- Be notified within 30 working days of any changes in charges for which you may be liable.
- Be admitted for service only if the pharmacy can provide safe, professional care at the scope and level of intensity needed; if Forum is unable to provide services then we will provide alternative resources.
- Purchase inexpensive or routinely purchased durable medical equipment.
- Expect that we will honor the manufacturers' warranty for items purchased from us.
- Receive essential information in a language or method of communication that you understand.
- Each patient has a right to have his or her cultural, psychosocial, spiritual, and personal values, beliefs and preferences respected.
- To be free from mental, physical, sexual, and verbal abuse, neglect and exploitation.
- Access, request an amendment to, and receive an accounting of disclosures regarding your health information as permitted under applicable law.

Patient/Client responsibilities

As the patient/caregiver, you are RESPONSIBLE for:

- Notifying the pharmacy of change of address, phone number, or insurance status.
- Notifying the pharmacy when service or equipment is no longer needed.
- Notifying the pharmacy in a timely manner if extra equipment or services will be needed.
- Participation as in the plan of care/treatment.
- Notify the pharmacy of any change in condition, physician orders, or physician.
- Notifying the pharmacy of an incident involving equipment.
- Meeting the financial obligations of your health care as promptly as possible.
- Providing accurate and complete information about present complaints, past illnesses, hospitalizations, medications, and other matters pertinent to your health.
- Your actions if you do not follow the plan of care/treatment.

Pharmacy rights

As your pharmacy we have the right to:

- Terminate services to anyone who knowingly furnishes incorrect information to our pharmacy to secure medication or durable medical equipment.
- To refuse services to anyone who enters our pharmacy and is threatening, intoxicated by alcohol, drugs and/or chemical substances and could potentially endanger our staff and patients.

Complaint procedure

- You have the right and responsibility to express concerns, dissatisfaction or make complaints about services you do or do not receive without fear of reprisal, discrimination or unreasonable interruption of services.
- You may email your concerns to info@forumpharmacy.com or call (847) 673-8727; press 0 and ask to speak a company manager or Vice President. Concerns will be reviewed and an investigation started within 48 hours. Every attempt shall be made to resolve all grievances within 14 days. You will be informed in writing of the resolution of the complaint/grievance
- **If you feel the need to further discuss an unresolved concern**, dissatisfaction, or a complaint that is not resolved, please ask to speak with the Executive Vice President or the Controller.
- **The toll-free number for Medicare**, to file a complaint/or to speak with customer service, is 1-800-MEDICARE or 1-800-633-4227.
- **Secretary of the Department of Health & Human Services' Office of Civil Rights**: Contact by email: ocrcomplaint@hhs.gov.
- **Accreditation Commission for Health Care, Inc.**: contact by telephone: (855) 937-2242.