

Notice of Privacy Practices

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 Notice Of Privacy Practices is provided to you under the Health Insurance Portability and Accountability Act and its implementing regulations (HIPAA) and applies to all records received and created about your physical and mental condition and treatment, and about billing and payment for such treatment (together “PHI”), that may be maintained, used, and/or disclosed by Foundations Recovery Network and/or its Affiliated Covered Entities (listed on the last page of this Notice and collectively referenced hereafter as “FRN”), and all FRN workforce members, volunteers, medical staff, and contractors. Let’s discuss Organized Health Care Arrangements.

EFFECTIVE DATE

This Notice is effective as of September 23, 2013. FRN reserves the right to revise this Notice. If revisions are material, we will promptly revise and distribute a revised Notice by mail, e-mail (if you have agreed to electronic notice), hand delivery, or by posting on our website, as required by law. A copy of the current Notice will be made available to you when you initially register with FRN for treatment or services, upon your request, and on subsequent visits if the Notice has been revised. In addition, the Notice will be posted at the registration desk.

FRN’S COMMITMENT TO PRIVACY

The privacy protections described in this Notice reflect FRN’s commitment to protecting your privacy and to complying with HIPAA and related federal and state privacy and security laws (collectively hereafter “Privacy Laws”), which require FRN to maintain the privacy and security of your PHI; to provide you with this Notice; to notify you of any unauthorized disclosure, use or other breach of unsecured PHI; and to abide by the terms of this Notice.

PERMITTED USES AND DISCLOSURES

The following describes and provides examples of how FRN may use and disclose your PHI without your authorization. Any use or disclosure that does not fall within one of the following categories requires your written authorization, and your authorization may be revoked by you at any time. State and/or federal laws may also place restrictions on the manner in which specific types of PHI may be used and/or to whom such medical information may be disclosed, such as certain drug and alcohol information, HIV information, alcohol and substance abuse treatment, mental health treatment, and genetic information. In those instances where the use and/or disclosure of this PHI is specifically restricted, we will seek appropriate authorization from you, your legal representative or a valid court order before using or disclosing this information, unless required in a medical emergency or, in the case of drug or alcohol abuse programs, the disclosure is authorized by applicable state and federal laws and regulations governing drug or alcohol abuse. If a use or disclosure of health information described in this Notice is prohibited or materially limited by state law, it is our intent to meet the requirements of the more stringent law.

Treatment. FRN may receive PHI from and share PHI with health care providers involved in your treatment before, during, and after your stay with FRN. For example, FRN may provide physicians and therapists access to your medical records in connection with providing you with care, or to a pharmacist in connection with requesting a prescription to identify potential interactions or allergies. In the event of your incapacity or an emergency, FRN may also disclose your medical information based on our professional judgment of whether the disclosure would be in your best interests.

Payment. FRN will use your PHI for purposes of obtaining payment for your care. For example, FRN will provide information about the services that will be or were provided to you so that your insurance company or health plan may pay us or reimburse you. FRN may also provide information regarding sources of payment to practitioners outside of FRN who are

involved in your care to enable them to obtain payment.

Health Care Operations. FRN may use or disclose PHI in connection with managing and operating the organization. For example, FRN may use and/or share your PHI in connection with providing you with appointment reminders; evaluating FRN's performance and the quality of care provided; averting a serious threat to health or safety; legal services and audit functions, including fraud and abuse detection, compliance programs, and due diligence activities; licensing and accreditation; business planning and development; in determining what additional services we should offer, what services are no longer needed, and whether certain new treatments are effective; and in certain circumstances where you have not otherwise objected, in making reports to public or private entities authorized by law or charter to assist in disaster relief efforts (such as the Red Cross) to notify a family member or personal representative of your location or general condition. We may also disclose your health information to business associates with whom we contract to provide services where such business associates agree to appropriately safeguard your PHI.

Research. FRN may use and share PHI for research projects, if approved by a special process that balances the research needs with patients' need for privacy of their PHI. For example, research could include comparing the health and recovery of all patients who have the same condition, but were treated with different medications. However, in preparing to start a research project, FRN may share PHI with researchers without authorization or approval, as long as the PHI does not leave the FRN. For example, PHI may be shared with researchers at the FRN to identify patients who may want to participate in a research study.

REQUIRED AND OTHER PERMITTED USES AND DISCLOSURES

FRN may make certain disclosures of your PHI as and when required or otherwise authorized by law, and will limit the use or disclosure to the amount of PHI necessary to comply with and/or serve the purposes of the relevant federal, state, or local laws or ordinances, or the legitimate needs of responsible, authorized agencies in fulfilling their purposes, including, for example:

- to the United States Department of Health and Human Services as part of an investigation or determination of compliance with relevant laws;
- to a state agency for activities such as audits and inspections;

- to law enforcement as part of an investigation or to a government authority authorized by law to receive reports of abuse, neglect, or domestic violence;
- to a court or administrative law judge or other tribunal for judicial or administrative proceedings and/or as required by court or administrative orders, subpoenas, and/or other lawful process unless the state has more restrictive laws;¹
- to a public health authority which is permitted by law to collect or receive such information for the purpose of preventing or controlling disease, injury, vital events such as death, child abuse or neglect; of conducting public health surveillance, investigation and/or intervention; and reporting adverse reactions to medications or problems with regulated products;
- to a health oversight agency for oversight activities authorized by law, such as audits, investigations, and inspections.
- to a law enforcement official for a law enforcement/emergency purpose as required by law, in compliance with a court order from a court of competent jurisdiction granted after application showing good cause for the issuance of the order, or to investigate a crime occurring on our premises.
- to coroners, medical examiners or funeral directors consistent with applicable law to carry out their duties.
- to organ or tissue procurement organizations to facilitate the donation of organs, eyes or tissues after your death; and
- for specialized governmental functions, such as national security, intelligence activities, and for the provision of protective services to the President to the extent required by Federal and State laws.
- to you or your legal representative.

Some state laws concerning minors permit or require disclosure of PHI to parents, guardians, and persons acting in a similar legal status. FRN will act consistently with the law of the state where the treatment is provided and will make disclosures in accordance with such laws.

¹ Under the laws of the state of Georgia, records are produced in response to a court order issued by a court of competent jurisdiction pursuant to a full and fair show cause hearing.

USES AND DISCLOSURES TO WHICH YOU MAY AGREE OR OBJECT

FRN will inform you in advance of certain uses and disclosures and if you agree or express no objection, may disclose your PHI, for example:

- relevant PHI may be disclosed to a family member, friend or any other person you identify for that person to be involved in or support your health care or payment related to your health care or to notify a family member, your personal representative, or other person responsible for your care of your location, general condition, or death unless doing so is inconsistent with any prior expressed preference you make to us.
- FRN may send PHI via email, text message or through a reasonably requested method or medium to you, other persons you designate, and to those involved in the delivery of your health care. You should know that if PHI is transmitted outside of FRN by e-mail or text message, there is some level of risk that the information in the email/text could be read by a third party.

USES AND DISCLOSURES TO WHICH YOU MUST AGREE IN WRITING

Marketing and Sale of PHI. We will not use your PHI for marketing purposes and will not sell your PHI without your written authorization unless permitted or required by state and federal law. Marketing includes communications with you about someone else's product or service about which we are paid to communicate with you other than refill reminders, face to face communications, and promotional gifts of nominal value. We will not sell your PHI unless permitted by law. For example, if we sold a facility to someone else regulated by HIPAA, that new operator may receive medical records.

Psychotherapy Notes. In recognition of the special confidentiality of psychotherapy notes recorded by a mental health provider in a counseling session, HIPAA permits us to separate these notes from the rest of your medical record. When we do, we will not use or disclose your psychotherapy notes without your written authorization except for use by the originator for treatment, to defend ourselves in a legal action or proceeding you bring, to someone reasonably able to prevent or lessen a serious and imminent threat to the health or safety of a person or the public consistent with legal and professional standards if we believe it is necessary to prevent or lessen that serious and imminent threat, for our own supervised mental health training programs, or as otherwise permitted or required by state and federal law. Psychotherapy notes do not include medication

prescription and monitoring, counseling session start and stop times, the modalities and frequencies of treatment furnished, results of clinical tests, or any summary of diagnosis, functional status, treatment plan, symptoms, prognosis or progress to date.

Uses and Disclosure of Your PHI Not Covered By This Notice Or By Law. Uses and disclosures of your PHI not covered by this Notice or applicable law may be made only with your written authorization, which you may revoke as described below.

YOUR RIGHTS REGARDING PHI.

As an FRN patient, you have the following rights with regard to your PHI.

Right to Request Restrictions. You have the right to request limits on the use or disclosure of your PHI for treatment, payment, and/or health care operations. You also have the right to request a limit on PHI we disclose to someone who is involved in your care or the payment of your care, such as a family member or friend. For example, you may ask that we not disclose information about a treatment you have received. To request restrictions, the request must be made in writing to the Privacy Officer as set forth below. In your request you must tell us (1) what information you want restricted; (2) whether you want to restrict our use, disclosure, or both; (3) to whom you want the restriction to apply; and (4) the expiration date of the restriction(s). We are not required to agree to your request except in limited circumstances where you, or someone on your behalf, paid out of pocket and in full for the items or services and have requested that we not disclose your PHI to a health plan unless the disclosure is required by law. If we do agree, we will comply with your restrictions unless the information is needed to provide emergency treatment.

Right to Make Requests Regarding Method Or Means of Communicating PHI. You have the right to request that we communicate with you about medical matters in a certain way or at a certain location. For example, you may ask that we only contact you at work or by mail. Your request must specify how or where you wish to be contacted. We will accommodate reasonable requests made in writing to the Privacy Officer as set forth below.

Right to Inspect and Copy PHI. You have the right to inspect and/or receive a copy of PHI contained in a "designated record set" for as long as we maintain it, except for psychotherapy notes, information compiled in reasonable anticipation of, or for use in, a civil, criminal or administrative action or proceeding, or PHI that may not be disclosed under the Clinical Laboratory Improvements Amendments of 1988. A designated record set contains medical

and billing records and any other records that FRN uses to make decisions about your care or payment for your care. While HIPAA does not require us to provide you with access to psychotherapy notes, we may allow you such access upon written request if FRN decides, based on a clinical assessment, that doing so may not be harmful to you. We do not disclose actual test questions or raw data of psychological tests that are protected by copyright laws. You have the right to receive an electronic copy of any of your designated record set that is maintained in an electronic format (known as an electronic medical record or an electronic health record), and to request that the copy be given to you or transmitted to another individual or entity. We may charge a reasonable, cost-based fee in accordance with applicable state and federal law for copying and mailing your records, including portable media such as a CD or DVD if you so request. We may deny your request in certain limited circumstances. If your request is denied, you may request that your denial be reviewed. Such reviews will be performed by an independent licensed healthcare professional chosen by our Privacy Officer. We will comply with the outcome of the review.

Right to Amend. If you believe that the information we have about you is incorrect or incomplete, you may request an amendment to your PHI in a designated record set. You may submit a request for amendment in writing to the Privacy Officer, with a reason you wish to make the amendment. While we accept requests for amendment, we are not required to agree to them. We may deny your request if you ask us to amend information that was not created by us, is not part of your designated record set, or if the information is determined to be accurate and complete as it is. If we deny your request, we will provide you with a written denial and you will be given the opportunity to submit a written statement disagreeing with the denial. We will include this information in your medical record. If we grant your request, we will inform you in a timely fashion, make the amendment, and provide appropriate notification.

Right to Revoke your Authorization. If you provide us with an authorization to use or disclose your PHI, you may revoke that authorization, in writing, at any time, and we will honor your request(s), except as required, prohibited, or permitted by law. Such revocation will not apply to any action that FRN took in reliance on your authorization prior to the revocation's receipt.

Right to Breach Notification. In certain instances, you have the right to be notified if we, or one of our Business Associates, discover an inappropriate use or disclosure of your PHI. Notice of any such use or

disclosure will be made in accordance with state and federal requirements.

Right to Accounting of Disclosures. You have the right to request an "accounting of disclosures." This is a list of disclosures that we have made of your PHI. We are not required to list certain disclosures, including (1) disclosures made for treatment, payment, and health care operations purposes, (2) disclosures made with your authorization, (3) disclosures made to create a limited data set, (4) disclosures made directly to you, (5) disclosures permitted or required by the Federal HIPAA Privacy Rule, and/or (6) disclosures occurring prior to April 14, 2003. You must submit your request in writing to our Privacy Officer. Your request must state a time period which may not be longer than 6 years before your request. Your request should indicate in what form you would like the accounting (for example, on paper or by e-mail). The first accounting you request within any 12-month period will be free. For additional requests, we may charge you for the reasonable costs of providing the accounting. We will notify you of the costs involved and you may choose to withdraw or modify your request before any costs are incurred.

Right to a Paper Copy of this Notice. You have a right to a paper copy of this Notice, even if you agreed to receive it electronically. Please contact us as directed below to obtain this Notice in written form.

Right to Foreign Language Version. If you have difficulty reading or understanding English, you may request a copy of this Notice in another language.

CONTACT INFORMATION FOR PRIVACY OFFICER

If you would like more information about our privacy practices or have questions or concerns about this Notice, please contact the following:

Trudi Lovinski, Compliance/ Privacy Officer
Foundations Recovery Network
5409 Maryland Way, Suite 320
Brentwood, TN 37027
615-345-3205

If you believe your privacy rights have been violated, you may file a complaint, in writing, to either of the above or you may contact the U.S. Department of Health and Human Services (HHS). You will not be penalized or retaliated against in any way for making a complaint.

FOUNDATIONS RECOVERY NETWORK'S AFFILIATED COVERED ENTITIES

This Notice applies to the privacy practices of the following Foundations Recovery Network's Affiliated Covered Entities who, for the purposes of HIPAA, designate themselves as a Single Affiliated Covered Entity:

Inpatient Centers

The Canyon at Peace Park, Malibu, CA
Michael's House, Palm Springs, CA
La Paloma, Memphis, TN

Outpatient Centers

Foundations Atlanta, Roswell, GA
Foundations Nashville, Nashville, TN
Michael's House, Palm Springs, CA
La Paloma Outpatient Center, Memphis, TN
The Canyon, Santa Monica, CA