

PRIVACY POLICY STATEMENT

Purpose: It is the policy of this Physician Practice that we will adopt, maintain and comply with our Notice of Privacy Practices, which shall be consistent with HIPAA and California law. The following privacy policy is adopted to ensure that this Physician Practice complies fully with all federal and state privacy protection laws and regulations regarding Protected Health Information (PHI). Protection of patient privacy is of paramount importance to this practice. Violations of any of these provisions will result in severe disciplinary action including termination of employment and possible referral for criminal prosecution.

Effective Date: This policy is in effect as of 07.20.2010

What Information is Protected?

Protected Health Information (PHI) is defined as all "individually identifiable health information" held or transmitted by this Physician Practice or its business associates, in any form or media, whether electronic, paper, or oral. HIPAA (Health Insurance Portability and Accountability Act of 1996) Privacy Rule protects PHI.

"Individually identifiable health information" is information, including demographic data, that relates to:

1. the individual's past, present or future physical or mental health or condition,
2. the provision of health care to the individual, or
3. the past, present, or future payment for provision of health care to the individual,

and that identifies the individual or for which there is a reasonable basis to believe it can be used to identify the individual.

Individually identifiable health information includes many common identifiers (e.g., name, address, birth date, Social Security Number).

The Privacy Rule excludes from protected health information employment records that this Physician Practice maintains in its capacity as an employer and certain other records subject to, or defined in, the Family Educational Rights and Privacy Act, 20 U.S.C.

De-Identified Health Information: There are no restrictions on the use or disclosure of de-identified health information. De-identified health information neither identifies nor provides a reasonable basis to identify an individual. There are two ways to de-identify information; either: (1) a formal determination by a qualified statistician; or (2) the removal of specified identifiers of the individual and of the individual's relatives, household

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members, and employers is required, and is adequate only if the covered entity has no actual knowledge that the remaining information could be used to identify the individual.

Deceased Individuals: It is the policy of this Physician Practice that privacy protections extend to information concerning deceased individuals.

Notice of Privacy Practices

It is the policy of this Physician Practice that a notice of privacy practices must be published, that this notice be available at the practice's website to all subject individuals before the first patient encounter if possible, and that all uses and disclosures of protected health information are in accordance with this practice's notice of privacy practices. It is the policy of this Physician Practice to post the most current notice of privacy practices on our website, and to have paper copies available for distribution at your request.

Privacy and Security Responsibilities

It is the policy of this Physician Practice that the owner, TJ Rai M.D., is designated as the Privacy Officer. He is responsible for implementing and maintaining the HIPAA Privacy and Security Rules' requirements, and he has sufficient resources and authority to fulfill these responsibilities.

Permitted Uses and Disclosures

This practice relies on professional ethics and best judgments in deciding which of the permissive uses and disclosures to make since it is permitted, but not required, to use and disclose protected health information without an individual's written authorization for the following purposes or situations:

1. **To the Individual.** This Physician Practice may disclose protected health information to the individual who is the subject of the information.
2. **Treatment, Payment, Health Care Operations.** This Physician Practice may use and disclose protected health information for providing treatment, obtaining payment for services rendered, and other health care operations activities. This Physician Practice also may disclose protected health information for the treatment activities of any health care provider, the payment activities of another covered entity and of any health care provider, or the health care operations of another covered entity involving either quality or competency assurance activities or fraud and abuse detection and compliance activities, if both entities have or had a relationship with the individual and the protected health information pertains to the relationship.

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3. **Uses and Disclosures with Opportunity to Agree or Object.** Informal permission may be obtained by asking the individual outright, or by circumstances that clearly give the individual the opportunity to agree, acquiesce, or object. Where the individual is incapacitated, in an emergency situation, or not available, this Physician Practice generally may make such uses and disclosures, if in the exercise of their professional judgment, the use or disclosure is determined to be in the best interests of the individual. For Notification and Other Purposes, this Physician Practice also may rely on an individual's informal permission to disclose to the individual's family, relatives, or friends, or to other persons whom the individual identifies, protected health information directly relevant to that person's involvement in the individual's care or payment for care. This provision, for example, allows a pharmacist to dispense filled prescriptions to a person acting on behalf of the patient. Similarly, this Physician Practice may rely on an individual's informal permission to use or disclose protected health information for the purpose of notifying (including identifying or locating) family members, personal representatives, or others responsible for the individual's care of the individual's location, general condition, or death. In addition, protected health information may be disclosed for notification purposes to public or private entities authorized by law or charter to assist in disaster relief efforts.
4. **Incidental Use and Disclosure.** The Privacy Rule does not require that every risk of an incidental use or disclosure of protected health information be eliminated. A use or disclosure of this information that occurs as a result of, or as "incident to," an otherwise permitted use or disclosure is permitted as long as this practice has adopted reasonable safeguards as required by the Privacy Rule, and the information being shared was limited to the "minimum necessary," as required by the Privacy Rule.
5. **Public Interest and Benefit Activities.** The Privacy Rule permits use and disclosure of protected health information, without an individual's authorization or permission, for national priority purposes. These disclosures are permitted, although not required, by the Rule in recognition of the important uses made of health information outside of the health care context. Specific conditions or limitations apply to each public interest purpose, striking the balance between the individual privacy interest and the public interest need for this information.
6. **Limited Data Set.** A limited data set is protected health information from which certain specified direct identifiers of individuals and their relatives, household members, and employers have been removed. A limited data set may be used and disclosed for research, health care operations, and public health purposes, provided the recipient enters into a data use agreement promising specified safeguards for the protected health information within the limited data set.
7. **Required by Law.** This Physician Practice may use and disclose protected health information without individual authorization as required by law (including by statute, regulation, or court orders).

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Authorized Uses and Disclosures

Authorization. This Physician Practice will obtain the individual's written authorization for any use or disclosure of protected health information that is not for treatment, payment or health care operations or otherwise permitted or required by the Privacy Rule. This Physician Practice may not condition treatment, payment, enrollment, or benefits eligibility on an individual granting an authorization, except in limited circumstances.

Mental Health Records

It is the policy of this Physician Practice to require an authorization for any use or disclosure of psychotherapy notes, as defined in the HIPAA regulations, except for treatment, payment or health care operations as follows:

1. Use by originator for treatment,
2. Use for training physicians or other mental health professionals as authorized by the regulations,
3. Use or disclosure in defense of a legal action brought by the individual whose records are at issue, and
4. Use or disclosures as required by law, or as authorized by law to enable health oversight agencies to oversee the originator of the psychotherapy notes.

Minimum Necessary Use and Disclosure of Protected Health Information

It is the policy of this Physician Practice that for all routine and recurring uses as well as non-routine uses and disclosures of protected health information (PHI) (except for uses or disclosures made for treatment purposes, to or as authorized by the patient / legally responsible party, or as required by law for HIPAA compliance) such uses and disclosures of PHI must be limited to the minimum amount of information needed to accomplish the purpose of the use or disclosure, and where practicable, to the limited data set.

Marketing Activities

It is the policy of this Physician Practice that any uses or disclosures of protected health information for marketing activities will be done only after a valid authorization is in effect except as permitted by law. It is the policy of this practice to consider any communication intended to induce the purchase or use of a product or service where an arrangement exists with a third party for such inducement in exchange for direct or indirect remuneration, or where this practice encourages purchase or use of a product or service directly to patients to constitute "marketing". This practice does not consider the communication of alternate forms of treatment, or the use of products and services in treatment, or a face- to-face communication made by us to the patient, or a promotional

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gift of nominal value given to the patient to be marketing, unless direct or indirect remuneration is received from a third party. Similarly, this practice does not consider communication to our patients who are health plan enrollees in conjunction with our provision, coordination, or management of their health care and related services, including our coordination or management of their health care with a third party, our consultation with other health care providers relating to their care, or if we refer them for health care to be marketing, but only to the extent these communications describe: 1) a provider's participation in the health plan's network, 2) the extent of their covered benefits, or 3) concerning the availability of more cost-effective pharmaceuticals.

Complaints

It is the policy of this Physician Practice that all complaints relating to the protection of health information be investigated and resolved in a timely fashion. Furthermore, it is the policy of this Physician Practice that all complaints will be addressed to the Privacy Official and Owner, TJ Rai M.D. who has full authority to investigate complaints and implement resolutions if the complaint stems from a valid area of non-compliance with the HIPAA Privacy or Security Rule.

Prohibited Activities-No Retaliation or Intimidation

It is the policy of this Physician Practice that no employee or contractor may engage in any intimidating or retaliatory acts against persons who file complaints or otherwise exercise their rights under HIPAA regulations. It is also the policy of this practice that no employee or contractor may condition treatment, payment, enrollment or eligibility for benefits on the provision of an authorization to disclose protected health information except as expressly authorized under the regulations.

Verification of Identity

It is the policy of this Physician Practice that the identity of all persons who request access to protected health information be verified before such access is granted.

Mitigation

It is the policy of this Physician Practice that the effects of any unauthorized use or disclosure of protected health information be mitigated to the extent possible.

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Safeguards

It is the policy of this Physician Practice that appropriate safeguards will be in place to reasonably safeguard protected health information from any intentional or unintentional use or disclosure that is in violation of the HIPAA Privacy Rule. These safeguards will include physical protection of premises and PHI, technical protection of PHI maintained electronically and administrative protection of PHI. These safeguards will extend to the oral communication of PHI and to PHI that is removed from this practice.

Business Associates

It is the policy of this Physician Practice that business associates must comply with the HIPAA Privacy and Security Rules to the same extent as this Physician Practice, and that they be contractually bound to protect health information to the same degree as set forth in this policy pursuant to a written business associate agreement. It is also the policy of this practice that business associates who violate their agreement will be dealt with first by an attempt to correct the problem, and if that fails by termination of the agreement and discontinuation of services by the business associate, or if that is not feasible, by notification of the HHS Secretary. Finally, it is the policy of this practice that practices that transmit PHI to this Physician Practice or any of its business associates and require access on a routine basis to such PHI, including a Health Information Exchange Practice, a Regional Health Information Practice, or an E-prescribing Gateway, and Personal Health Record vendors, shall be business associates of this Physician Practice.

Training and Awareness

It is the policy of this Physician Practice that all members of our workforce have been trained by the compliance date on the policies and procedures governing protected health information and how this Physician Practice complies with the HIPAA Privacy and Security Rules. It is also the policy of this Physician Practice that new members of our workforce receive training on these matters within a reasonable time after they have joined the workforce. It is the policy of this Physician Practice to provide training should any policy or procedure related to the HIPAA Privacy and Security Rule materially change. This training will be provided within a reasonable time after the policy or procedure materially changes. Furthermore, it is the policy of this Physician Practice that training will be documented indicating participants, date and subject matter.

Material Change

It is the policy of this Physician Practice that the term "material change" for the purposes of these policies is any change in our HIPAA compliance activities.

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Sanctions

It is the policy of this Physician Practice that sanctions will be in effect for any member of the workforce who intentionally or unintentionally violates any of these policies or any procedures related to the fulfillment of these policies. Such sanctions will be recorded in the individual's personnel file.

Retention of Records

It is the policy of this Physician Practice that the HIPAA Privacy and Security Rules' records retention requirement of six years will be strictly adhered to. All records designated by HIPAA in this retention requirement will be maintained in a manner that allows for access within a reasonable period of time. This records retention time requirement may be extended at this practice's discretion to meet with other governmental regulations or those requirements imposed by our professional liability carrier.

Regulatory Currency

It is the policy of this Physician Practice to remain current in our compliance program with HIPAA regulations.

Cooperation with Privacy Oversight Authorities

It is the policy of this Physician Practice that oversight agencies such as the Office for Civil Rights of the Department of Health and Human Services be given full support and cooperation in their efforts to ensure the protection of health information within this practice. It is also the policy of this practice that all personnel must cooperate fully with all privacy and security compliance reviews and investigations.

Investigation and Enforcement

It is the policy of this Physician Practice that in addition to cooperation with Privacy Oversight Authorities, this Physician Practice will follow procedures to ensure that investigations are supported internally and that members of our workforce will not be retaliated against for cooperation with any authority. It is our policy to attempt to resolve all investigations and avoid any penalty phase if at all possible.

Employees/Independent Contractors working with this Physician Practice Print Name, Sign and Date to confirm that you have reviewed and understood this Privacy Policy