

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.

If you have any questions about this notice, please contact Tia Jacobson, Privacy Officer at (608) 637-3934 or tjacobson@varcinc.com.

The Vernon Area Rehabilitation Center, Inc. (herein referred to as "VARC, Inc.") maintains a common record for you and all other clients. This Notice of Privacy Practices describes how we may use and disclose your protected health information to carry out treatment, payment or health care operations and for other purposes that are permitted or required by law. It also describes your rights to access and control your protected health information. "Protected health information" is information about you, including demographic information, that may identify you and that relates to your past, present or future physical or mental health or condition and related health care services.

VARC, Inc. is required by law to maintain the privacy of protected health information and to provide you with notice of our legal duties and privacy practices with respect to protected health information. We are required by law to abide by the terms of this Notice of Privacy Practices. We may change the terms of our notice, at any time. Any new notice will be effective for all protected health information that we maintain at the time.

OUR PLEDGE REGARDING YOUR PROTECTED HEALTH INFORMATION

We understand that health information about you and your health is personal. We are committed to protecting your health information. We create a record of the care and services you receive at VARC, Inc. We need this record to provide you with quality care and to comply with certain legal requirements. This Notice applies to all records of your care generated by VARC, Inc.

HOW WE MAY USE AND DISCLOSE PROTECTED HEALTH INFORMATION ABOUT YOU FOR TREATMENT, PAYMENT, OR HEALTH CARE OPERATIONS

The following categories describe different ways that we use and disclose health information. For each category of uses or disclosures, we will explain what we mean and try to give some examples. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted to use and disclose information will fall within one of these categories.

- For Treatment. We may use your health information to provide services to you. We may disclose your health information to Physicians, Nurses, Care Managers, Guardians, Residential Providers, or other VARC, Inc. personnel who are involved in providing services to you at VARC, Inc. For example, a Care Manager needing information about your progress at VARC, Inc. as to continue to authorize services. We also may disclose your health information to people outside of VARC, Inc. who may be involved in your care/services after you leave VARC, Inc.
- **Health Information Exchange.** We electronically exchange health care information to facilitate access to health information that may be relevant to your care. For example, if you are referred to services at VARC, Inc. we may need to obtain additional information to better prepare a plan of service for you. You have the right to opt-out of the health information exchange by contacting our Privacy Officer.
- For Payment. Your health information will be used, as needed, to obtain payment for your services. This may include certain activities that your funding source may undertake before it approves or pays for the services we recommend for you such as: making a determination of eligibility or authorization of services; reviewing services provided to you for continued necessity; and undertaking utilization review activities. For example, relevant health information may be disclosed to the health plan in order to obtain approval for an increase in service hours.
- For Health Care Operations. We may use or disclose, as needed, your health information for certain administrative, financial, legal, quality assessment and improvement, accreditation, credentialing and training activities. For examples, we may use health information to review our treatment and services, and to evaluate the competence, qualifications and performance of our staff in providing services to you. We may use health information to conduct training programs in which trainees or staff learn to practice or improve their skills. We may also combine and use health information about many of our clients for business planning and development purposes including, for example, cost management and decisions on what additional services VARC, Inc. should offer and what services are not needed. Further, we may disclose health information to referring care managers/funding sources to facilitate their quality improvement and other health care operations activities. In addition, we may disclose health information to other outside organizations for health care operations and research purposes including, for example, data aggregation, quality assessment and peer review functions permitted by 42 CFR 164.504(e)(2)(i)(B) and other applicable federal and state laws. Finally, we may use health information for business management and general administrative purposes including, for example, implementation and compliance with federal and state laws, customer service, and resolution of client complaints and grievances.

HOW WE MAY USE AND DISCLOSE PROTECTED HEALTH INFORMATION ABOUT YOU WITHOUT YOUR WRITTEN AUTHORIZATION

- Appointment Reminders. We may use and disclose health information to contact you as a reminder that you have an appointment at VARC, Inc.
- **Business Associates.** We may share your health information with third party "business associates" that perform various activities for VARC, Inc. including, for example, billing, collection, and client satisfaction survey and transcription services. Whenever an arrangement between VARC, Inc. and a business associate involves the use or disclosure of your health information, we will have a written contract that contains the terms that will protect the privacy of your health information.
- Treatment Alternatives And Other Programs. We may use and disclose your health information, as necessary, to provide you with information about alternative services and programs that may be of interest to you. We may also use your name and address to send you newsletters about the programs and services we offer. Further, we may use your name, address and health information to send you notices and invitations to celebration events offered by VARC, Inc. We may also send you information about services that we believe may be beneficial to you. You may contact our Privacy Office to request that these materials not be sent to you.
- family, a relative, a close friend or any other person you identify, your health information that directly relates to that person's involvement in your care. If you are unable to agree or object to such a disclosure, we may disclose such information as necessary if we determine that it is in your best interest based on out professional judgment. We may use or disclose health information to notify or assist in notifying a family member, personal representative or any other person that is responsible for your care of your location, general condition or death. Finally, we may use or disclose your health information to an authorized public or private entity to assist in disaster relief efforts and to coordinate uses and disclosures to family or other individuals involved in your care.

SPECIAL SITUATIONS

As Required By Law. We may use or disclose your health information to the extent that
federal, state or local law requires the use or disclosure. The use or disclosure will be
made in compliance with the law and will be limited to the relevant requirements of the
law. For example, we may disclose health information to report abuse or to respond to a
court order.

- Criminal Activity. Consistent with applicable federal and state laws, we may use or
 disclose your health information, if we believe that the use or disclosure is necessary to
 prevent or lessen a serious and imminent threat to the health and safety or a person or
 the public. We may also disclose your health information if it is necessary for law
 enforcement authorities to identify or apprehend an individual.
- Worker's Compensation. We may disclose your health information as authorized to comply with worker's compensation laws and other similar legally established programs.
- Public Health Risks. We may disclose your health information for public health activities
 and purposes to a public health authority that is permitted by law to collect or receive
 the information. These activities generally include, for example, the following:
 - To prevent or control disease, injury, or disability;
 - To report births and deaths;
 - To report child abuse or neglect;
 - To report reactions to medications or problems with products;
 - To notify people of recall of products they may be using;
 - To notify a person who may have been exposed to a disease or may be at risk for contracting or spreading a disease or condition;
 - To notify the appropriate government authority if we believe a patient has been the victim of abuse, neglect, domestic violence, gunshot or knife wound, or other mandatory reportable incidents. We will only make this disclosure if required or authorized by law.
- Health Oversight Activities. We may disclose your health information to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.
- Lawsuits and Disputes. We may disclose your health information in response to a court or administrative order, discovery request, or another lawful process by someone else involved in the dispute.
- Law Enforcement. We may disclose your health information if asked to do so by a law enforcement official; for example, in the response to a court order, warrant, summons or similar process; to identify or locate a suspect, fugitive, material witness, or missing person. Under some limited circumstances we will request your authorization prior to permitting disclosure.

- **Coroners and Medical Examiners.** We may disclose your health information to coroners and medical examiners. For example, this may be necessary to determine the cause of death.
- **Cadaveric, Organ, Eye or Tissue Donation.** We may disclose your health information to organizations involved in procuring organs and tissues for transplantation.
- To Avert a Serious Threat to Health or Public Safety. We may disclose your health information if it is necessary to prevent or lessen a serious threat to your health and safety, the health and safety of another person, or to the general public.
- **Health Information Availability After Death.** We may use or disclose information without your authorization 50 years after the date of your death.

SPECIAL GOVERNMENT FUNCTIONS

Military Activity and National Security. When the appropriate conditions apply, we may
use or disclose health information of individuals who are Armed Forces personnel: (1)
for activities deemed necessary by appropriate military command authorities; (2) for
the purpose of a determination by the Department of Veterans Affairs of your eligibility
for benefits; or (3) to foreign military authority if you are a member of that foreign
military services.

We may disclose your health information to authorized federal officials for conducting national security and intelligence activities, including the provision of protective services to the President or others legally authorized.

- Inmates. If you are an inmate of a correctional institution or under the custody of a law enforcement official, we may disclose your health information to the correctional institution or law enforcement official. This disclosure would be necessary: (1) for the institution to provide you with health care; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.
- Medical Suitability Determinations. We may disclose your health information to a state
 or federal agency for use in making medical suitability determinations.

HOW WE MAY USE AND DISCLOSE PROTECTED HEALTH INFORMATION ABOUT YOU THAT REQUIRES YOUR AUTHORIZATION

Except as described in this notice; VARC, Inc. will not use or disclose your protected health information without written authorization for you. Uses and disclosures made for the purpose of some marketing activities and the sale of protected health information (PHI) require your authorization. Your authorization is also required for the use and disclosure of psychotherapy notes outside of your Behavioral Health treatment team. Other uses and disclosures of your health information not covered by this notice will only be made with your written authorization, we will no longer be able to use or disclose health information about you for the reasons covered by your written authorization. You understand that we are unable to take back any disclosures we have already made with you authorization.

YOUR RIGHTS REGARDING PROTECTED HEALTH INFORMATION ABOUT YOU

Although your health care record is the physical property of VARC, Inc., the information belongs to you. You have the following rights regarding the health information we maintain about you:

• Right to Inspect and Copy. You have the right to inspect and receive a copy of the billing and health information that may be used to make decisions about your care. You have the right to request that the copy be provided in an electronic form or format. If the form or format is not readily producible, VARC, Inc. will work with you to provide it in a reasonable electronic form or format. You also have the right to request that the electronic copy of your health information be sent to a third party in an electronic form or format agreed upon between you and VARC, Inc.

To inspect a copy of the health information that may be used to make decisions about you, please contact Tia Jacobson, Human Resources Manager, 1133 Nelson Parkway, Viroqua WI 54665. (608) 637-3934. Please note that a request to inspect your health care record means that you examine them at a convenient time, upon making an appointment with Release of Information. If you request a copy of your health information, we may charge a fee for the costs of copying, mailing or other supplies associated with your request.

We may deny your request to inspect and receive a copy in certain, very limited, circumstances. If you are denied access to your health information, you may request that the denial be reviewed. Another licensed health care professional chosen by VARC, Inc. will review your request and the denial. The person conducting the review will not be the person who denied your request. We will comply with the outcome of the review.

Right to Amend Your Protected Health Information. If you feel that health information
we have about you in incorrect or incomplete, you may ask us to amend that
information. You have the right to request an amendment for as long as the information
is kept by VARC, Inc.

In certain cases, we may deny your request for an amendment if information: (1) was not created by us or if the person or entity that created the information is no longer

available to make the amendment; (2) is not part of the health information kept by VARC, Inc.; (3) is not part of the information which you would be permitted to inspect and copy; or (4) is accurate and complete.

To request an amendment, please contact our Privacy Officer.

Right to Receive an Accounting of Disclosures. You have the right to request an
 "accounting of disclosures". This is a list of the disclosures we made containing your
 health information.

To request an accounting of disclosures, you must submit your request in writing to our Privacy Officer. Your request must state a time period, which may not be longer than six years and may not include dates before April 14, 2003. The first list you request within a 12-month period will be free. For additional lists, we may charge you for the cost of providing the list. We will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred. This will not include disclosures made for the purpose of treatment, payment, or health care operations.

Right to Request Restrictions of Your Protected Health Information. You have the right to request a restriction or limitation on the health information we use or disclose about you for treatment, payment, or health care operations. You also have the right to request a limit on your health information we disclose to someone who is involved in your care or for the payment of your care, like a family member or friend. For example, you could ask that we not use or disclose information about services you received to your spouse. We are not required to agree with your request. If we do agree, we will comply with your request unless the information is needed to provide emergency treatment. If you wish to request restrictions regarding your medical record, please contact our Privacy Officer for additional information.

You have the right to request a restriction on the health information we disclose to your health plan if the disclosure is for the purpose of carrying out payment or healthcare operations and is not otherwise required by law; and the health information pertains solely to a health care item or service for which you, or the person other than the health plan on your behalf, has paid VARC, Inc. in full for that health care item or service. If you wish to request restrictions on the health information we disclose to your health plan, please contact our Privacy Officer.

• **Right to Request Confidential Communications.** We will accommodate reasonable requests. For example, you can ask that we only contact you at home or only at work or only by mail. We will not require an explanation from you for the basis of the request.

To request confidential communications, you must specify how or where you wish to be contacted. Your request must be submitted in writing out Privacy Officer.

- Right to a Paper Copy of This Notice. Upon request, even if you have agreed to accept
 this notice electronically you are still entitled to a paper copy. You may print a copy of
 this Notice and future amendments to it by accessing the VARC, Inc. Web site
 www.varcinc.com, or by contacting our Privacy Officer.
- Right to be Notified of a Breach. You have the right to be notified following a breach of
 your unsecured health information. VARC, Inc. is required by law to maintain the privacy
 of health information and provide you with notice of its legal duties and privacy
 practices with respect to health information.

CHANGES TO THIS NOTICE

We reserve the right to change this notice and reserve the right to make the revised or changed notice effective for health information we already have about you as well as any information we receive in the future. A copy of the current notice and future changes will be made available to you and posted in the hospital, the clinic or on the VARC, Inc. Web site www.varcinc.com.

COMPLAINTS

If you believe your privacy rights have been violated, you may file a complaint with VARC, Inc. or with the Secretary of the Department of Health and Human Services. To file a complaint with VARC, Inc., contact either our Privacy Officer, Tia Jacobson, 1133 Nelson Parkway, Viroqua, WI 54665 (608) 637-3934. All complaints must be submitted in writing. To file a complaint with the Secretary, please contact our Privacy Office to obtain more information. We will not retaliate against you for filing such a complaint.

CONTACT PERSON

VARC, Inc.'s contact person for issues regarding patient privacy and the Privacy Rule is: Tia Jacobson, Human Resources Manager, 1133 Nelson Parkway, Viroqua, WI 54665 (608) 637-3934 or tjacobson@varcinc.com.