

The United Methodist Retirement Homes, Inc.
NOTICE OF PRIVACY PRACTICES
(April 1, 2003)

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

Your privacy is a high priority for us and it will be treated with the highest degree of confidentiality. This Notice applies to all information and records related to your care that we have received or created. It extends to information received or created by our employees, staff, volunteers, physicians and health care personnel. This Notice informs you about the possible uses and disclosures of your protected health information. It also describes your rights and obligations regarding your protected health information. In order for us to be able to provide you with the best service and care, we need to receive protected health information from you. However, we want to emphasize that we are committed to maintaining the privacy of this information in accordance with state and federal laws.

Law requires us to:

- Maintain the privacy of your protected health information;
- Provide to you this detailed Notice of our legal duties and privacy practices relating to your protected health information; and
- Abide by the terms that the UMRH Communities maintain.

PROTECTED HEALTH INFORMATION

While receiving care from the Community, information regarding your healthcare history, treatment, and payment for your health care may be originated and/or received by us. State and federal law protect information that can be used to identify you and which relates to your health care or your payment for health care. This is your protected health information.

COLLECTING INFORMATION

We collect protected information about you to help us provide the best service, assistance and care, provide billing services and to fulfill legal and regulatory requirements. The type of information the Community may receive from you varies according to the assistance and care that you may need. If we become aware that an item of your protected health information may be materially inaccurate, we will make a reasonable effort to re-verify its accuracy and correct any error as appropriate.

SECURITY STANDARDS

We continue to assess new technology to evaluate its ability to provide additional protection for your protected health information. We maintain physical, electronic and procedural safeguards that comply with state and federal standards to guard your protected health information.

USING AND DISCLOSING YOUR PROTECTED HEALTH INFORMATION FOR TREATMENT, PAYMENT AND HEALTH CARE OPERATIONS

We have described the uses and disclosures below and provide examples of the types of uses and disclosures we may make in each of these categories.

For Treatment: We will use and disclose your protected health information in providing you with treatment and services. We may disclose your protected health information to Community and non-Community personnel who also may be involved in your care, including, but not limited to, physicians, nurses, nurse aides, and physical therapists. Our workforce has access to such information on a need to know basis. For example, a nurse caring for you will report any change in your condition to your physician. Your physician may need to know the medications you are taking before prescribing additional medications. It may be necessary for the physician to inform the nurses or staff of the medications you are taking so they can administer the medications and monitor any possible side effects. In addition, we may contact you to provide appointment reminders or information about treatment alternatives or other health related benefits and services, which may be of interest to you.

We may also disclose protected health information to individuals who will be involved in your care after you leave the Community. Anyone who has access to protected health information is required to protect it and keep it confidential.

For Payment: We may use and disclose your protected health information so that we can bill and receive payment for the treatment and services you receive at the Community. Bills requesting payment will usually include information, which identifies you, your diagnosis and any procedures performed or supplies used. For billing and payment purposes, we may disclose your protected health information to your legal representative, an insurance or managed care company, Medicare, Medicaid or another third party payor. For example, we may contact Medicare or your health plan to confirm your coverage or to request prior approval for a proposed treatment or service.

For Health Care Operations: We may use and disclose your protected health information for Community operations. These uses and disclosures are necessary to monitor the health status of residents, manage the Community and monitor the quality of our care. For example, we may use protected health information to evaluate our Community's services, including the performance of our staff. In addition, we may release your protected health information to another individual or covered entity for quality assessment and improvement activities or for review of or evaluation of health care professionals. Health Care Operations may also include the use of information for quality assurance, training, accreditation, medical review, auditing and business planning.

USING AND DISCLOSING PROTECTED HEALTH INFORMATION FOR OTHER SPECIFIC PURPOSES

Resident Directory: The Community maintains a directory of resident names and their location within the Community. Unless you object, we will include certain limited information about you in our Resident directory. This information may include (i) your name, (ii) your location in the Community, and (iii) your religious affiliation. Our directory does not include health information about you. We may release information in our directory, except for your religious affiliation, to people who ask for you by name. We may provide the directory information, including your religious affiliation, to any member of the clergy. You are not obligated, however, to consent to the inclusion of your information in the Resident directory. You may restrict or prohibit these uses and disclosures by notifying the Community in writing of your restriction or prohibition.

COMMUNITY CULTURE

The culture of our Community includes informing residents and staff of changes in your health status to maintain our sense of "community." You may restrict or prohibit these uses and disclosures by notifying the Community in writing. Individuals Involved in Your Care or Payment for Your Care. Unless you object, we may disclose your protected health information to a family member, a close personal friend, your legal representative and any clergy, who are involved in your care. You may restrict or prohibit these uses and disclosures by notifying the Community in writing of your restriction or prohibition.

Emergencies: In the event of an emergency or your incapacity, we will do what is consistent with your known preference (if any), and what we determine to be in your best interest. We will inform you of uses or disclosures of protected health information under such circumstances and give you an opportunity to object as soon as practicable.

Disaster Relief: We may disclose your protected health information to an organization assisting in a disaster relief effort.

As Required By Law: We will disclose your protected health information when required by law to do so.

Public Health Activities: We may disclose your protected health information for public health activities. These activities may include, for example:

- reporting for preventing or controlling disease, injury or disability;
- reporting deaths;
- reporting abuse or neglect of a dependent adult;
- reporting reactions to medications or problems with products;
- notifying a person who may have been exposed to a communicable disease or may otherwise be at risk of contracting or spreading a disease or condition; or
- disclosing for certain purposes involving workplace illness or injuries.

Reporting Victims of Abuse, Neglect or Domestic Violence: We may use or disclose protected health information to protective services

or social services agency or other similar government authorities, if we reasonably believe you have been the victim of abuse, neglect or domestic violence.

Health Oversight Activities: We may disclose your protected health information to a health oversight agency for oversight activities authorized by law: These may include, for example, audits, investigations, inspections and licensure actions, judicial/administrative proceedings to which you are not a party, or other legal proceedings. In most cases, the oversight activity will be for the purpose of overseeing the care rendered by the Community or the Community's compliance with certain laws and regulations. The Community does not control or define what information is needed by the health oversight agencies.

Judicial and Administrative Proceedings: We may disclose your personal health information in response to a court or administrative order. We may also disclose information in response to a subpoena, discovery request, or other lawful legal process; efforts will be made to contact you regarding the request or to obtain an order or agreement protecting the information.

Law Enforcement: We may also release your protected health information to law enforcement officials for the following purposes:

- Pursuant to a court order, warrant, subpoena/summons, or administrative request;
- Identifying or locating a suspect, fugitive, material witness or missing person;
- Regarding a crime victim, but only if the victim consents or the victim is unable to consent due to incapacity and the information is needed to determine if a crime has occurred, non-disclosure would significantly hinder the investigation, and disclosure is in the victim's best interest;
- Regarding a decedent, to alert law enforcement that the individual's death was caused by suspected criminal conduct; or
- For reporting suspected criminal activity.

Coroner, Healthcare Examiners, Funeral Homes: We may release your personal health information to a coroner, medical examiner, and funeral director. We may also release information to an organization involved in the donation or organs if you are an organ donor.

YOUR RIGHTS

You have the following rights regarding your protected health information at the Community:

Right to Inspect and Copy: If you are a current Resident, you or your representative have the right to inspect your records within 24 hours of your request, excluding weekends and holidays. If you are a current Resident, you or your legal representative have a right to purchase copies of your records or any portions of your records on two working days' advance notice to the Nursing Home. If you are no longer a current Resident at the time of your request to inspect or copy your records, the Nursing Home has a longer time within which to respond to your request up to 60 days from the date of your request. To inspect or receive a copy of your records, you must submit your request in writing to the Business Office. If you request a copy of the information, we may charge a fee not to exceed the community standard rate for the costs of copying, mailing, or other supplies associated with your request and may collect the fee before providing the copy to you. If you agree, we may provide you with a summary of the information instead of providing you with access to it, or with an explanation of the information instead of a copy. Before providing you with such a summary or explanation, we first will obtain your agreement to pay and will collect the fees, if any, for preparing the summary or explanation.

Right to Amend: If you feel that medical information we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for Nursing Home. To request an amendment, your request must be made in writing and submitted to the Medical Records Department. In addition, you must provide a reason that supports your request.

We may deny your request for an amendment, if it is not in writing or does not include a reason to support the request. In addition, we may deny your request if you ask us to amend information that:

Was created by a provider other than the Nursing Home, unless the provider who created the information is no longer available to consider or make the amendment; Is not part of the medical information kept by or for Nursing Home; Is not part of the information that you would be permitted to inspect and copy; or has been determined to be accurate and complete.

Right to an Accounting of Disclosures: You have the right to request a list of certain disclosures we have made of medical information about you. To request this list or accounting of disclosures, you must submit your request in writing to Nursing Home's Privacy Officer. Your request must state a time period that may not be longer than six

years prior to the request and may not include dates before April 14, 2003. Your request should indicate in what form you want the list (for example, on paper, or electronically). The first list you request within a 12-month period will be free. For additional lists, we may charge you for the costs 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. We may collect the fee before providing the list to you.

Right to Request Restrictions: Except where we are required to disclose the information by law, you have the right to request a restriction or limitation on the medical information we use or disclose about you. For example, you could ask that we not use or disclose information about a treatment that you had to a family member or friend. We are not required to agree to your request to restrict use or disclosure of your information within Nursing Home or among the health care professionals currently involved in your care at Nursing Home except with regard to psychotherapy notes. If we do agree, we will comply with your requested restriction unless the information is needed to provide you emergency treatment. Except as permitted or required by law, we will only disclose your confidential medical information to persons outside Nursing Home who are not currently involved in your care at Nursing Home, in accordance with your written authorization. To request restrictions, you must make your request in writing to the Medical Records Department. In your request, you must tell us (1) what information you want to limit; (2) whether you want to limit our use, disclosure, or both; and (3) to whom you want the limits to apply, for example, disclosures to your spouse.

Right to Request Alternative Communications: You or your representatives 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 can ask that we only contact you by speaking with you in a certain location or contacting your representative at work or at a certain mailing address. To request communications by certain means, you must make your request in writing to the Medical Records Department and specify how or where you wish to be contacted. We will not ask you the reason for your request. We will accommodate all reasonable requests.

Right to a Paper Copy of This Notice. You have the right to a paper copy of this notice or any revised notice. You may ask us to give you a copy of this notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy of this notice.

You may obtain a copy of this notice at our website, www.umrh.org.

To obtain a paper copy of this notice, contact the Privacy Office at (919) 384-2516.

- The right to receive notice of our policies and procedures used to protect your protected health information;
- The right to request that certain uses and disclosures of your protected health information be restricted;
- The right to access to your protected health information;
- The right to request that your protected health information be amended;
- The right to obtain an accounting of certain disclosures by us of your protected health information for the past six years after April 13, 2003;
- The right to revoke any prior authorizations for use or disclosure of protected health information, except to the extent that the Community has acted on your Authorization; and
- The right to request the method by which your protected health information is communicated.

OUR RIGHTS

- We have the right not to agree to your requested restrictions on the use or disclosure of your personal health information. If we do agree to accept your requested restrictions, we will comply with your request except as needed to provide you with emergency treatment.
- We have the right to deny your request to inspect or receive copies of your protected health information in certain circumstances.
- We have the right to deny your request for amendment of protected health information if it was not created by us, if it is not part of your personal health information maintained by us, if it is not part of the information to which you have a right of access, or if it is already accurate and complete, as determined by us.

AUTHORIZATION

Uses and disclosures of your protected health information not allowed by law under our Notice of Privacy Practices will only be made with your authorization. You can revoke the Authorization as described in your written Authorization. If you revoke your Authorization, we will no longer use or disclose your protected health information for the purposes covered by the Authorization, except where we have already relied on the Authorization.

COMPLAINTS

If you believe your privacy rights have been violated you may file written a complaint with our Privacy Official. The Privacy Official will review and respond to your in a timely manner. At any time, you can contact the office of Civil Rights in the U.S. Department of Health and Human Services. You will not be retaliated against for filing a complaint.

CHANGE TO THIS NOTICE

We will promptly revise and distribute this Notice whenever there is a material change to the permitted uses or disclosures, your individual rights, our legal duties, or other privacy practices stated in this Notice. We reserve the right to change this Notice and to make the revised or new Notice provisions effective for all protected health information already received and maintained by the Community as well as for all protected health information we receive in the future. We will post a copy of the current Notice in the Community. In addition, we will provide a copy of the revised Notice to all Residents.

ACKNOWLEDGMENT

We request that you sign an Acknowledgment of Receipt of The United Methodist Retirement Homes Notice of Privacy Practices.

CONTACT INFORMATION

If you have any questions about this Notice or would like further information concerning your privacy rights please contact: The Executive Directors of the specific community or Stacy Dobson in the Corporate Office.