

SPECIALTY LABORATORIES' 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.

Specialty Laboratories, Inc. (referred to as "*Specialty*") is a full-service, clinical reference laboratory serving thousands of clients throughout the United States and internationally.

Specialty is dedicated to compliance with all applicable federal, state and local laws and regulations regarding the use and disclosure of such information. At *Specialty*, we are committed to protecting the confidentiality of individuals' laboratory test results and other patient protected health information that we collect or create as part of our diagnostic testing activities.

We urge you to read this Notice of Privacy Practices (referred to as the "Notice") carefully so that you will understand our commitment to the privacy and protection of your confidential health care information, and learn how you can involve yourself in the protection of this information. If you have any questions about this Notice of Privacy Practices or other privacy related issues, please send an email to privacy@specialtylabs.com or write to us at the following address:

**Specialty Laboratories, Inc.
27027 Tourney Road
Valencia, CA 91355
Attn: HIPAA Privacy Officer**

This Notice of Privacy Practices is effective as of April 14, 2003.

Specialty is committed to obtaining, maintaining, using and disclosing patient protected health information (referred to as "PHI") in a manner that protects patient privacy in compliance with all applicable local, state and federal laws and regulations. *Specialty* is required to abide by the terms of the Notice currently in effect. Your other health care provider(s) may have different notices regarding the use and disclosure of your PHI maintained by them.

Specialty is required by law to provide you with this Notice of Privacy Practices with respect to PHI, to maintain the privacy of PHI, to state the uses and disclosures of PHI that *Specialty* may make, and to list the rights of individuals and our legal duties with respect to their PHI. Your PHI at *Specialty* includes personal and medical information (such as your name, address, date of birth, test ordered, etc.) that we obtain from your physician, health plan, or other sources. Your PHI also includes the laboratory testing results that we create.

Our Uses and Disclosure of Your Protected Health Information

Your PHI will be used or disclosed for treatment, payment, or healthcare operations purposes and for other purposes permitted or required by law. While we cannot list every possible use or disclosure, all of the ways we use or disclose your PHI will fall into one of the categories listed below.

If we want to use or disclose your PHI for purposes that do not fall into these categories, we would have to obtain your written authorization first. You have the right to revoke your authorization at any time, except if we have already made a disclosure based on that authorization.

According to law, we do not need your authorization or permission to use or disclose your PHI for the following purposes:

Treatment: As a health care provider that provides laboratory testing for patients and requested by physicians, *Specialty* uses your PHI as part of our testing processes and *Specialty* discloses your PHI to physicians and other authorized health care professionals who need access to your laboratory results to treat you. In addition to your treating physician, we may provide a consulting specialist physician with information about your results to further validate the results before release to your physician. We may also disclose your PHI to another testing laboratory if we are unable to perform the testing ourselves, and need to refer your specimen to that laboratory to perform the requested testing.

Payment: Our billing department will use and disclose your PHI to certain insurance companies, hospitals, physicians, and health plans for payment purposes, or to third parties to assist us in creating bills, claim forms, or getting paid for our services. For example, we may send your name, date of service, test performed, diagnosis code, and other information to a health plan so that the plan will pay us for the services we provided. In some cases, we may have to contact you to obtain billing information or for other billing purposes. When required, we may use an outside collection agency to obtain payment.

Health Care Operations: We may use or disclose your PHI in the course of activities required to support our health care operations, such as performing quality checks on our testing, or for developing normal reference ranges for tests that we perform. This information will be used in an effort to continually improve the quality and effectiveness of the healthcare services we provide. We may also disclose your health information to other health care providers or payors for their health care operations, but only if they already have a relationship with you and the purpose is for quality assurance activities, peer review activities, detecting fraud, or for other limited purposes.

Disclosures to Business Associates: *Specialty* may disclose your PHI to other companies or individuals who need your PHI in order to provide specific services to us. These other entities, known as “business associates,” generally must comply with the

terms of a contract designed to ensure that they will maintain the privacy and security of your PHI in the same manner that we do (i.e., for designated treatment, payment, or health care operations purposes that they perform for us). For example, your PHI may be disclosed to couriers we use to transport specimens to us, or to private accrediting organizations that inspect and certify the quality of our laboratories.

Other Possible Ways We May Use or Disclose Your PHI:

When required by law: in order to comply with federal or state laws, the orders of a court, or the orders of a governmental agency.

Public health: to public health authorities for preventing or controlling disease, or reporting vital information (for example, reporting certain sexually transmitted diseases).

Health oversight activities: to a health oversight agency for oversight activities authorized by law (for example as part of our regular inspection of our laboratory by state regulators ensuring compliance with state laws).

Judicial and administrative proceedings: to courts, parties to a lawsuit, or government agencies as may be required during the course of a judicial or administrative proceeding (for example in response to a subpoena).

Law enforcement: to law enforcement officials relating to crimes and other law enforcement purposes.

Research: to researchers when their research has been approved by an institutional review board that has reviewed the research proposal and established protocols to ensure the privacy of your health information.

Threats to health or safety: to others, consistent with law, to prevent a serious threat to personal health or safety (for example, in the course of an investigation of a physician's license).

Specialized government functions: to military command authorities, veterans' administration, and national security and intelligence officials for activities deemed necessary to carry out their respective missions, or to law enforcement officials having custody of an inmate.

Workers compensation: to the extent authorized by and to the extent necessary to comply with laws relating to workers compensation or similar programs established by law.

Your Rights Concerning Privacy and Confidentiality

Although your health record is technically the property of the healthcare practitioner or facility that compiled it, you have certain rights relating to your health information.

Access: Federal regulations generally grant you or your authorized or designated personal representative the right to inspect and copy your PHI. However, in cases where state law is more restrictive than federal law, we are required to follow the more restrictive state law. Under the laws of the state of California, where we are located, we

are only permitted to make reports of our laboratory testing results to persons licensed under the provisions of law relating to the healing arts. Thus, we are generally not permitted under California law to provide your PHI to you directly, even with your written consent. We can normally only provide that information to the requesting physician. Of course, we will comply with a valid subpoena or court order to disclose your PHI.

Amendments: You have the right to request amendments to your PHI, although we are not required to make the requested amendments.

Accounting: You have the right to obtain an accounting of disclosures of your health information for purposes other than treatment, payment or health care operations, disclosures to you or authorized by you, incidental disclosures and certain other excluded disclosures. Your request must be in writing.

Restrictions: You have the right to request a restriction on uses and disclosures of your PHI, although we are not required to agree to your request.

Confidential Communications: You have the right to request that we send your PHI to an alternate address, although we are not required to agree to your request.

Notice of Privacy Practices: You have the right to request a paper copy of this Notice.

Complaints: If you believe your privacy rights have been violated, you have the right to register a complaint with *Specialty* or the Secretary of the U.S. Department of Health and Human Services. *Specialty* will not retaliate against any individual for filing a complaint. You may file a complaint by writing to us at the address located at the beginning of this Notice.

How to Exercise Your Rights

Write to us at the address above with your specific written request and be sure to include sufficient information for us to identify all of your records. *Specialty* will consider your request and provide you a response within a reasonable timeframe. Should we deny your request, you may have the right in some circumstances to ask for the denial to be reviewed by another healthcare professional designated by *Specialty*. For additional details, or for instructions regarding how to exercise these rights, please contact us.

Note Regarding California State Law: In cases where state law is more restrictive than federal law, we are required to follow the more restrictive state law. For example, Federal regulations specify that clinical laboratories, such as *Specialty*, are exempt from the requirements making PHI available to you directly, if providing such access to you is prohibited by law. Under the laws of the state of California, where we are located, we are only permitted to make reports of our laboratory testing results to persons licensed under the provisions of law relating to the healing arts. Thus, we are not permitted under California law to provide your PHI to you directly, even with your written consent. We can generally only provide that information to the requesting physician. Of course, we will comply with a valid subpoena or court order to disclose your PHI.

You may request a copy of this Notice in electronic and/or paper form by visiting our Website at <http://www.specialtylabs.com/>.

We reserve the right to change the terms of this Notice of Privacy Practices and to make the provisions of the new Notice of Privacy Practices effective for all PHI that we maintain. The current Notice will be displayed on our website and a paper copy will be available upon request.