

NOTICE OF PRIVACY PRACTICES

for United States Pharmaceutical Group, L.L.C. d/b/a NationsHealth

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

Under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) United States Pharmaceutical Group, L.L.C. d/b/a NationsHealth (“we” or “us”) is required to maintain the privacy of your Protected Health Information (“PHI”) and provide you with notice of our legal duties and privacy practices with respect to such PHI.

We are required to abide by the HIPAA terms currently in effect. We reserve the right to change the terms of our Notice of Privacy Practices (“Notice”) at any time and to make the new Notice provisions effective for all PHI that we maintain. If you should have any questions or require further information, please contact our Privacy Officer toll free at (800) 246-2195.

Acknowledgment of Receipt of This Notice

You will be asked to provide a signed Acknowledgment of Receipt of this Notice. Our intent is to make you aware of the possible uses and disclosures of your PHI and your privacy rights. The delivery of your services will in no way depend upon your signed Acknowledgment. If you decline to sign an Acknowledgment, we will continue to provide your services. We will also use and disclose your PHI for treatment, payment, and health care operations, when necessary.

How We May Use or Disclose Your Health Information

The following describes the purposes for which we are permitted or required by law to use or disclose your health information without your consent or authorization. Any other uses or disclosures will be made only with your written authorization and you may revoke such authorization in writing at any time. For example, we must obtain your written authorization prior to using your PHI for marketing purposes outside of the marketing purposes provided below.

Your Financial Information: We collect and use several types of financial information to carry out our business activities. This includes information that you give to us on applications or other forms, such as your name, address, age, and dependents. We keep and share financial records such as insurance coverage, premiums, and payment history, only when necessary, with our employees, affiliates, business associates, or others who need it to provide services, to do business, for health care operations, or for other legally allowed or required purposes.

Treatment: We will use or disclose your PHI to provide, coordinate, or manage your healthcare, supplies and any related services. This includes the coordination or management of your healthcare with a third party for treatment purposes. For example, we may disclose your PHI to a laboratory for processing of diabetes test results. We may also disclose PHI to your physician(s) who may be treating you or other providers who are involved in your healthcare. We may also disclose your PHI to an outside treatment provider for purposes of the treatment activities of the other provider.

Payment: We may use or disclose your health information in order to process claims or make payment for covered services or supplies. For example, your supplier may submit a claim to your insurance carrier (i.e. Medicare) for payment. The claim form will include information that identifies you, your diagnosis, and treatment or supplies used in the course of treatment.

Health Care Operations: We may use or disclose your health information for health care operations. Health care operations include, but are not limited to, quality assessment and improvement activities, employee review and development activities, review and audit activities, management and general administrative activities. For example, members of our quality improvement team may use information in your health record to assess the quality of care that you receive and determine how to continually improve the quality and effectiveness of the services we provide.

Business Associates: There may be instances where services are provided to our organization through contracts with third-party “business associates”.

Whenever a business associate arrangement involves the use or disclosure of your health information, we will have a written contract that requires the business associate to maintain the same high standards of safeguarding your privacy that we require of our own employees and affiliates.

Required by Law: We will disclose medical information about you when required to do so by applicable federal, state or local law.

Communication with Family, Caregivers, and Close Friends: We may disclose your PHI to a family member, other relative, a close personal friend or any other person identified by you when you are present for, or otherwise available prior to, the disclosure, if: (1) we obtain your written agreement or provide you with the opportunity to object to the disclosure and you do not object; or (2) we reasonably infer that you do not object to the disclosure.

If you are not present for or unavailable prior to a disclosure (i.e., when we receive a telephone call from a family member or other caregiver), we may exercise our professional judgment to determine whether a disclosure is in your best interests. If we disclose information under such circumstances, we would disclose only information that is directly relevant to the person's involvement with your care.

Public Health: Consistent with applicable federal and state laws, we may disclose your PHI for the following public health activities: (1) to report health information to public health authorities for the purpose of preventing or controlling disease, injury or disability; (2) to report child abuse and neglect, elder abuse, domestic violence or any other form of abuse to a government authority authorized by law to receive reports of such abuse, neglect, or domestic violence; (3) to any state agency in conjunction with a federal or state health benefit program; (4) to report information about products under the jurisdiction of the U.S. Food and Drug Administration; (5) to report information to your employer as required under laws addressing work-related illnesses and injuries or workplace medical surveillance; (6) to prevent a serious threat to your health and safety or the health and safety of the public or another person; and (7) as required by state law for other public health activities.

Health Oversight Activities: We may disclose health information to a health oversight agency for activities authorized by law, including audits, investigations, inspections, and licensure.

Marketing: We may use or disclose your health information, as necessary, to provide you with recommendations for alternative treatments, therapies, health care providers or care settings. The definition of marketing under HIPAA excludes communications with individuals about participating providers and plans in a network, or about a patient's treatment, case management, or care coordination -- including recommendations for alternative treatments, therapies, health care providers or care settings.

Workers' Compensation: We may disclose your PHI as authorized by and to the extent necessary to comply with state law relating to workers' compensation or other similar programs.

Specialized Government Functions: We may use and disclose PHI to units of the government with special functions, such as the US military or the US Department of State under certain circumstances required by law.

Ordered Examinations: We may disclose PHI when required to report findings from an examination ordered by a court or detention facility.

Law Enforcement Officials: We may disclose your PHI to the police or other law enforcement officials as required by law or in compliance with a court order.

Lawsuits and Disputes: We may disclose health information about you in response to a subpoena, discovery request, or other lawful order from a court.

Judicial and Administrative Proceeding: We may disclose your PHI in the course of a judicial or administrative proceeding in response to a legal order or other lawful process.

Decedents: We may disclose PHI to a coroner or medical examiner as authorized by law.

As Required by Law: We may use and disclose PHI when required to do so by any other law not already referred to in the preceding categories.

Authorization: We will get your written permission before we use or share your PHI for any other purpose, unless otherwise stated or referred to specifically or generally in this Notice. You are not required to authorize any additional uses or disclosures of your PHI, and you may withdraw any authorization you do provide at any time, in writing. We will then stop using your information for that purpose. However, if we have already used or shared your information based on your authorization, we cannot undo any actions we took before you withdrew your permission.

Your Rights Regarding Your Health Information

The following describes your rights regarding the health information we maintain about you. To exercise your rights, you must submit your request in writing to our Privacy Officer at 13621 N.W. 12th Street, #100, Sunrise, FL 33323.

Right to Request Restrictions: You have the right to request that we restrict uses or disclosures of your health information to carry out treatment, payment, health care operations, or communications with family or friends. We are not required to agree to a restriction.

Right to Receive Confidential Communications: You have the right to request that we send communications that contain your health information by alternative means or to alternative locations. We must accommodate your request if it is reasonable and you clearly state that the disclosure of all or part of that information could endanger you.

Right to Inspect and Copy: You have the right to inspect and copy health information that we maintain about you in a designated record set. A “designated record set” is a group of records that we maintain such as enrollment, supply order history, or payment. If copies are requested or you agree to a summary or explanation of such information, we may charge a reasonable, cost-based fee for the costs of copying, including labor and supply cost of copying; postage; and preparation cost of an explanation or summary, if such is requested. We may deny your request to inspect and copy in certain circumstances as defined by law. If you are denied access to your health information, you may request that the denial be reviewed.

Right to Amend: You have the right to have us amend your health information for as long as we maintain such information. Your written request must include the reason or reasons that support your request. We may deny your request for an amendment if we determine that the record that is the subject of the request was not created by us, is not available for inspections as specified by law, or is accurate and complete.

Right to Receive an Accounting of Disclosures: Upon request, you may obtain an accounting of certain disclosures of your PHI made by us during any period of time prior to the date of your request provided such period does not exceed six years and does not apply to disclosures that occurred prior to April 14, 2003. If you request an accounting more than once during a twelve (12) month period, you will be charged a reasonable, cost-based fee for the accounting statement.

Right to Obtain a Paper Copy: You have the right to obtain a paper copy of this Notice of Privacy Practices at any time.

Potential Impact of Other Applicable Law: The HIPAA Privacy Rule generally does not preempt or override state privacy or other applicable laws that provide individuals with greater privacy protections. As a result, state privacy laws which provide for a stricter privacy standard will be followed.

How to File a Complaint if You Believe Your Privacy Rights Have Been Violated

If you believe that your privacy rights have been violated, please submit your complaint in writing to:

**NationsHealth
Attn: Privacy Officer
13621 N.W. 12th Street, Suite 100
Sunrise, FL 33323
(800) 246-2195**

You may also file a complaint with the secretary of the Department of Health and Human Services. You will not be retaliated against for filing a complaint.

Effective Date

This Notice is effective as of December 15, 2011. We reserve the right to change this notice, and to make the revised and changed notice effective for medical information we already have about you, as well as any information we receive in the future. We will prominently post a copy of the current notice on our website with the effective date.