

Notice of Privacy Practices

BioScrip, Inc.

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.

This is your Notice of Privacy Practices from BioScrip, Inc. Please read it carefully. This notice describes the privacy practices of BioScrip, Inc.'s covered entity subsidiaries. BioScrip, Inc. has designated its covered entity subsidiaries as affiliated covered entities for the purpose of compliance with the privacy regulations (the "HIPAA Privacy Regulations") issued under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). These affiliated covered entities are treated as a single entity for purposes of using and disclosing protected health information about you.

This notice is required under the HIPAA Privacy Regulations and describes how we may use and disclose protected health information we have concerning you in order to carry out treatment, payment and healthcare operations and for other specified purposes that are permitted or required by law. This notice also describes your rights with respect to your protected health information. Protected health information is information about you, including basic demographic information, that may identify you and that relates to your past, present or future physical or mental health or condition and related healthcare services. BioScrip wants you to know that maintaining the privacy of your health information is an essential part of our operations.

We are required by law to:

- maintain the privacy of your protected health information;
- provide you with a notice of our legal duties and privacy practices with respect to protected health information; and
- abide by the terms of this notice.

HIPAA's standards may be pre-empted by certain state laws relating to the privacy of health information. In the event you live in any of those states you will be provided with the state specific provisions in a separate document.

Use and Disclosure of Protected Health Information Without Your Authorization

The following categories describe different ways that BioScrip may use and disclose your protected health information without getting a special form of written permission from you called an "authorization" under the HIPAA Privacy Regulations.

Treatment: We will use and disclose your protected health information in order to provide treatment to you. For example, protected health information will be used by your pharmacist to dispense prescription medications to you. We will document in your record information related to the medications dispensed to you and services provided to you.

Payment: We will use and disclose your protected health information in order to obtain payment for health care services provided to you. For example, we may contact your insurer to determine whether it will authorize payment for your prescription or other health care or nursing services provided to you and to determine the amount of your co-payment or coinsurance. We may bill you or your insurer for the cost of prescription medications dispensed to you. The information on or accompanying the bill may include information that identifies you, as well as the prescription medications you are taking. In the event coverage for a particular prescription or health care service is denied, we may contact your physician or insurer to obtain a prior authorization or confirm medical necessity.

Health Care Operations: We will use and disclose your protected health information in order to carry out our general business operations as a health care provider. For example, we may use information in your health record to monitor the performance of the pharmacists and other health care providers providing treatment to you. We will share your protected health information with third party business associates that perform various activities for us.

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As Required by Law: We may use or disclose your protected health information to the extent that the use or disclosure is required by law. The use or disclosure will be made in compliance with the law and will be limited to the relevant requirements of the law.

Public Health: We may disclose your protected health information for public health activities and purposes to a public health authority that is permitted by law to collect or receive the information for the purpose of preventing or controlling disease, injury or disability. We may also disclose your protected health information, if directed by the public health authority, to a foreign government agency that is collaborating with the public health authority. We may also disclose your protected health information to a public health authority authorized by law to receive reports of child abuse or neglect.

Communicable Diseases: We may disclose your protected health information, if authorized by law, to a person who may have been exposed to a communicable disease or may otherwise be at risk of contracting or spreading the disease or condition.

Food and Drug Administration: We may disclose your protected health information to a person or company subject to the jurisdiction of the Food and Drug Administration ("FDA") to report adverse events, product defects or problems, biologic product deviations, track FDA-regulated products; to enable product recalls; to make repairs or replacements, to conduct post marketing surveillance, or for other purposes related to the quality, safety or effectiveness of a product or activity regulated by the FDA.

Employers: We may disclose protected health information to an employer, about an individual who is a member of the workforce, as legally permitted or required if we are providing health care at the request of your employer, to conduct an evaluation relating to medical surveillance of the workplace, or to evaluate whether you have a work related injury or illness.

Law Enforcement: We may disclose your protected health information to a law enforcement official for law enforcement purposes as follows: as required by law including laws that require the reporting of certain types of wounds or other physical injuries; pursuant to court order, court-ordered warrant, subpoena, summons, administrative request or other similar process; for the purpose of identifying or locating a suspect, fugitive, material witness, or missing person; when you are the victim or suspected to be the victim of a crime; when we suspect that the information relates to criminal conduct that occurred on our premises; to alert law enforcement officials regarding a death; and in an emergency to report a crime.

Health Oversight Activities: We may disclose your protected health information to a health oversight agency for activities including audits; civil, administrative, or criminal investigations, proceedings, or actions; inspections; licensure or disciplinary actions; or other activities necessary for appropriate oversight as authorized by law.

Judicial and Administrative Proceedings: We may disclose protected health information about you in response to an order of a court or administrative tribunal as expressly authorized by such order. We may also disclose protected health information about you in response to a subpoena, discovery request, or other lawful process not accompanied by an order of a court or administrative tribunal, under certain circumstances as permitted by law.

To Avert a Serious Threat to Health or Safety: We may use and disclose protected health information about you when necessary to prevent a serious threat to your health and safety or the health and safety of the public or another person. We may also disclose protected health information if it is necessary for law enforcement authorities to identify or apprehend an individual.

To Coroners, Funeral Directors, and for Organ Donation: We may disclose your protected health information to a coroner or medical examiner for identification purposes, to determine cause of death, or for the coroner or medical examiner to perform other duties authorized by law. We may also disclose protected health information to a funeral director, consistent with applicable law, in order to permit the funeral director to carry out its duties. We may disclose such information in reasonable anticipation of death. Protected health information may be used and disclosed for the purpose of facilitating cadaveric organ, eye, or tissue donation.

Research: We may use and disclose your protected health information for medical research purposes, under certain limited conditions.

Military and Veterans: If you are a member of the armed forces, including a foreign military, we may use and disclose protected health information about you as required by military command authorities.

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National Security and Intelligence Activities: We may release protected health information about you to authorized federal officials for the conduct of intelligence, counterintelligence, and other national security activities authorized by law.

Protective Services for the President and Others: We may disclose protected health information about you to authorized federal officials so they may provide protection to the President, other authorized persons or foreign heads of state, or to conduct special investigations.

Correctional Institution: If you are or become an inmate of a correctional institution or are in the custody of a law enforcement official, we may disclose to the institution or law enforcement official protected health information necessary for the provision to you of health care services, your health and safety, the health and safety of others, law enforcement on the premises of the correctional institution and the administration and maintenance of the safety, security and good order of the correctional institution.

Workers' Compensation: Your protected health information may be disclosed by us as authorized to comply with workers' compensation laws and other similar programs established by law.

Victims of Abuse, Neglect, or Domestic Violence: We may disclose protected health information about you to a government authority, such as a social service or protective services agency, if we reasonably believe you are a victim of abuse, neglect, or domestic violence.

Refill and Appointment Reminders; Health Related Benefits and Services: We may contact you to provide refill or appointment reminders or information about treatment alternatives or other health-related benefits and services that may be of interest to you. We may also use and disclose your protected health information to encourage you to purchase or use a product or service through a face to face communication or by giving you a promotional gift of nominal value.

Disclosures to You or for HIPAA Compliance Investigations: We may disclose your protected health information to you or to your personal representative and we are required to disclose your protected health information in certain circumstances described below in connection with your rights of access to your protected health information and to an accounting of certain disclosures of your protected health information. We must also disclose your protected health information to the Secretary of the United States Department of Health and Human Services (the "Secretary") when requested by the Secretary in order to investigate our compliance with the privacy regulations issued under HIPAA.

Other Uses and Disclosures That May Be Made Without Your Authorization

We also may use and disclose your protected health information in the three instances set forth below without getting your authorization under the HIPAA Privacy Regulations, although you may in certain circumstances have the opportunity to agree or object to these uses and disclosures. If you are not present or able to agree or object to the use or disclosure of the protected health information, then we may, using our professional judgment, determine whether the disclosure is in your best interest.

Others Involved in Your Healthcare: We may disclose to a member of your family, a relative, a close friend or any other person you identify, your protected health information directly related to that person's involvement in your care or payment related to your care.

Notification: We may use or disclose protected health information about you to notify or assist in notifying a family member, personal representative, or another person responsible for your care, your location, general condition or death.

Disaster Relief: We may use or disclose your protected health information to an authorized public or private entity to assist in disaster relief efforts. You may have the opportunity to object unless we determine that to do so would impede our ability to respond to emergency circumstances.

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Uses and Disclosures of Protected Health Information With Your Authorization

Other uses and disclosures of your protected health information will be made only with your written authorization as required under the HIPAA Privacy Regulations, unless otherwise permitted or required by law as described above. You may revoke this authorization in writing at any time except to the extent that we have taken an action in reliance on the authorization.

Your Health Information Rights

You have the following rights with respect to protected health information about you:

Obtain a Paper Copy of the Notice Upon Request. You may request a copy of this notice from us at any time, even if you have agreed to receive it electronically. To obtain a paper copy of this notice contact BioScrip's Privacy Officer. The address, telephone and facsimile number, as well as the e-mail address, for the Privacy Officer are set forth below.

Right to Request a Restriction on Certain Uses and Disclosures of Protected Health Information. You may ask us not to use or disclose any part of your protected health information for the purpose of treatment, payment or healthcare operations. You may also request that any part of your protected health information not be disclosed to family members or friends who may be involved in your care or payment for your care. While we will consider your request, we are only required to agree to restrict a disclosure to a health plan for payment or healthcare operations purposes (but not for treatment purposes) if the information applies solely to a healthcare item or service for which we have been paid out of pocket in full. If we do agree to a restriction, we will not use or disclose your protected health information in violation of that restriction unless it is needed to provide emergency treatment. Under certain circumstances, we may terminate our agreement to a restriction. To request a restriction, you must submit a written request to our Privacy Officer.

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 or parent). We will not agree to restrictions on protected health information uses or disclosures that are legally required, or which are necessary to administer our business.

Right to Inspect and Copy your Protected Health Information. You have the right to inspect and obtain a copy of protected health information about you that is contained in a designated record set for as long as we maintain the protected health information. The "designated record set" usually will include prescription and billing records and any other records we use for making decisions about your healthcare. To inspect or copy your protected health information, you must submit a written request to our Privacy Officer. We may charge you a fee for the costs of copying, mailing, or other supplies that are necessary to grant your request. However, certain types of protected health information will not be made available for inspection and copying. This includes psychotherapy notes, and information compiled by us in reasonable anticipation of, or for use in, a civil, criminal or administrative action or proceeding.

Depending on the circumstances, you may have the right to have a decision to deny access reviewed. We may deny your request to inspect or copy your protected health information if, in our professional judgment, we determine that the access requested is likely to cause substantial harm to another person referenced within the information. You have the right to request a review of this decision.

Request an Amendment of Protected Health Information. You may request an amendment of protected health information about you in a designated record set for as long as we maintain the protected health information. To request an amendment, you must submit a written request to our Privacy Officer. In addition, you must include a reason that supports your request. We may deny your request for amendment if it is not in writing or does not include a reason that supports the request. If we deny your request for amendment, you have the right to file a statement of disagreement with the decision and we may prepare a rebuttal to your statement and we will provide you with any such rebuttal.

Receive an Accounting of Disclosures of Protected Health Information. You have the right to receive an accounting of certain disclosures we have made of your protected health information. This list will not include many types of disclosures, including those made for treatment, payment, or health care operations; disclosures we have made directly to you or your personal representative; disclosures to friends or family members involved in your care; disclosures for notification purposes; and disclosures made with your authorization. To request an accounting, you must submit a written request to our Privacy Officer. Your request must specify the

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time period from which you want to receive an accounting of disclosures. The time period may not be longer than six years and may not include dates before April 14, 2003. Your request should indicate in what form you want the accounting (for example, on paper or electronically). The first accounting you request within a 12 month period will be provided free of charge. We may charge you for any additional requests. 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.

Request Confidential Communications of Protected Health Information. You have the right to request that we communicate with you about protected health information in a certain way or at a certain location. For example, you can ask that we only contact you at work or by mail. To request confidential communication of protected health information you must submit a written request to our Privacy Officer. Your request must state how or when you would like to be contacted. We will accommodate all reasonable requests. We will not require you to provide an explanation for your request.

Contacting the Privacy Officer

You may contact BioScrip's Privacy Officer at 100 Clearbrook Road, Elmsford, NY 10523. You may call the Privacy Officer at (914) 460-1600 or fax the Privacy Officer at (914) 460-1671. You may also email the Privacy Officer at privacyofficer@bioscrip.com. All requests relating to protected health information must include the patient's full name, date of birth, and address.

Right to file a Complaint

If you believe your privacy rights have been violated, you may file a complaint with the Privacy Officer at the address above or with the Secretary of the Department of Health and Human Services. All complaints must be submitted in writing. You will not be penalized for filing a complaint.

Effective Date of This Notice

The effective date of this notice is March 31, 2010.

Changes to This Notice

We reserve the right to change the terms of this notice at any time. We reserve the right to make the revised or changed notice effective for protected health information we already have about you as well as any protected health information we receive in the future. If we change the terms of this notice, you will receive a copy of any revised notice from us by mail or by e-mail, but only if e-mail delivery is offered by us and you agree to such delivery.

For More Information or to Report a Problem

If you have questions or would like additional information about our privacy practices, you can contact the Privacy Officer as described above.