

Medical company “DZIEDNIECIBA” (MFD) Charity Program “Help”

R U L E S

Table of Contents

1. Charity Program **Help**

- 1.1. Charity program goals and objectives**
- 1.2. Target group: Who gets our help**
- 1.3. Factors that make charitable aid necessary**
- 1.4. How the program works**
- 1.5. How much one can donate to a Charity program**
- 1.6. What happens to donations**
- 1.7. Why help through MFD**
- 1.8. How donations are being controlled and well managed; reporting requirements**
- 1.9. How MFD helps the people in need**
- 1.10. How to make a donation**
- 1.11. Donation currency**
- 1.12. Criteria of definition of people in need**

2. Target and special donations

- 2.1. Target Donations**
- 2.2. Donations aimed at improving material and technical base of MFD; purchasing medical equipment for widening the range of medical services; donations aimed at special MFD medical programs**

Attention: the legally official rules are published in Latvian. In case of difference only the Latvian version is decisive.

1.1. Charity program goal

Collecting donations to render medical services to the people in need.

1.2. Target group - who gets the help

These are the most socially disadvantaged groups of population: persons of I and II stages of disability of any age; persons under 18 and persons over 65. When determining who needs help, MFD staff pays a special attention to the standard of well-being of the person in need.

The priority is given to those who are not able to provide for themselves due to their difficult financial situation or physical/mental disability and at the same time need urgent medical treatment. (See 1.12. Criteria for definition of people in need)

1.3. Factors which make charity aid necessary

Despite the existing State program of rendering medical services, a certain proportion of population is not able to receive necessary medical treatment for the following reasons:

- While some medical services are being paid by the Latvian State, there is so called *Patient's fee* ranging from 0,50 LVL to 9,00 LVL (0,70 – 12,86 €) per visit. It is necessary to take into consideration the fact that when receiving a wide range of medical services (visiting a family doctor, specialist's consultation, examination and diagnostics) even within one day a person has to pay a patient's fee for various medical services several times. Therefore, the total amount of patient's fees might be too high to be paid by financially disadvantaged groups of population (children are not supposed to pay a patient's fee, as well as some narrow categories of patients under certain conditions). (See for detail home page of The National Health Service - www.vmnvd.gov.lv).
- *There are long waiting lists for obtaining medical services paid by the Latvian government.* Since the amount of funding which Latvian government appropriates for medicine is limited, medical institutions have to render medical services paid by the Latvian government only within the amount of funding given by the government. Since the number of those who need necessary medical treatment exceeds the amount of government funding there are long waiting lists. Sometimes people have to wait for a year or even longer. As to many inexpensive, commonly used medical services one usually has to wait for 30-60 days. (See for updated detail home page of The National Health Service - www.vmnvd.gov.lv). Often patient's physical condition requires immediate medical examination and treatment. It's possible to obtain medical treatment on a paying basis without waiting in line. Economically active and payable portion of population has an insurance policy or is able to pay for medical treatment on their own. But needy pensioners and children due to financial reasons have no access to medical treatment on a paying basis. That's why this particular group of population often suffers from inveterate chronic diseases.
- *Restricted availability of medical services paid by the Latvian government.* In order to obtain medical services paid by the Latvian government patient has to follow a

number of formal procedures. Many of these formalities might be too complicated for the needy. For example, in order to visit the majority of specialists one has to visit a family doctor first. The same formal procedure applies to medical examinations and tests. A patient has to pay a patient's fee at every stage of this formal procedure. Besides, often elderly patients suffering from inveterate chronic diseases physically are not able to follow these formalities.

- *Limited range of medical services paid by the Latvian government.* The fact is that Latvian government pays not for every medical treatment and not in all occasions. (See for detail home page of The National Health Service - www.vmnvd.gov.lv).

1.4. How the program works

Every person willing to help the people in need is welcome to make a donation. The amount of donation is optional and is being transferred to MFD charity account, or put in donation boxes located at all MFD branches. Funds collected through the donation boxes are subsequently paid to the MFD charity account.

All funds transferred to MFD bank account are used by this organization to render medical services to pensioners, children and disabled. In restrained terms the patient's fee is also covered by MFD in case of medical services paid by the Latvian government.

1.5. How much one can donate to a Charity program

Any amount of money is valuable and welcome. The most important thing is not the amount of money itself but willingness to help the people in need which is really priceless. Large sums of money will help the needy to obtain a wider range of medical services within a longer period of time. But smaller sums of money taken one with another also will help a lot.

For example, with amount of money as 50 LVL, it is possible to help one needy person to go through a complete course of medical treatment which includes specialist's consultation, laboratory tests, basic diagnosis, prescribed medical treatment and consecutive specialist's consultation. Another possibility is to go through one or two expensive, yet very important methods of diagnostics such as ultrasonography, computed tomography diagnostics, etc.

1.6. What happens to donations

MFD has a special bank account for receiving donations. There is a strict recording of all funds and a strict accountability. There is a direct access to a detailed report concerning all money received by MFD on the program's website – <http://help.mfd.lv>

At the end of reporting period (usually it's one month, though a period of time might be extended in order to achieve more effective medical treatment of the needy) MFD calculates the amount of all received donations. The amount of medical services rendered to the needy during the next period of time is being planned according to the amount of donations received by MFD.

By the end of next reporting period MFD checks out the real value of medical services rendered through Help Program during this particular reporting period and writes off this amount from the charity bank account transferring funds to MFD settlement account.

The cost of medical services is being calculated according to the current common medical services price-list issued by MFD taking into consideration all current discounts and special prices as well as actual patient's fee adopted by the government (when estimating compensation of patient's fee to the needy).

1.7. Why help through MFD

MFD medical center is located in Riga, in Kengarags district where the number of elderly people is very high. MFD uses modern technology and modern approach to the patients and medical services; therefore MFD is able to render a large number of medical services of high quality. Experienced doctors and good material and technical base guarantee efficient medical services to the needy.

Since MFD has practically all outpatient specialists and uses modern methods of diagnostics, it is able to render very effective medical treatment. Due to modern technology MFD guarantees accurate recording and efficient distribution of charitable medical services. As the result, even a single donated santim reaches its goal and will be productive of much good to the needy.

1.8. How donations are being controlled and well managed; reporting requirements

MFD pays a lot of attention to donations audit and public accountability. The list of donations received by MFD during current reporting period is available on the program website – <http://help.mfd.lv>.

Information on each donation includes: date donation received, name and surname of the donator (or the name of the person in whose name the donation was made); if the donator prefers to stay anonymous, then instead of his name and surname it is stated "Anonymous"; the amount of donation in Latvian lats. Funds collected through the donation boxes are shown in the report as donations "Charity box (-es) (address)". Information on all donations received within prior reporting periods is also available on the website in the "Archive" section.

Every needy person who is getting medical services within the framework of Help Program signs a contract which includes certain information about the recipient, medical services rendered to him and the cost of medical treatment. By signing this contract recipient gives MFD permission to place certain information on him and medical services rendered to him on the website in order to maintain a complete transparency of handling of charity funds.

Information on all recipients who received medical services within the framework of Help Program within prior reporting period is also placed on the website. This particular information includes: date donation received; name and surname of the recipient; the recipient's year of birth; type of medical treatment received by them (for the sake of

patient confidentiality only general names of medical services are mentioned e.g. doctor's appointment, examination, patient's fee, etc.); the amount of donation in Latvian lats.

Information on all donations received within prior reporting periods is also available on this website in the "Archive" section.

MFD welcomes the idea of public accountability and public control over application of donations and gives opportunity to every donator* (individual person or legal person) who pays through the MFD charity account to check himself to check out privately all charity funds within the whole reporting period when that particular donation was made. In order to do so one has to telephone Help Program coordinator (on the following phone number (+371) 28 67 25 17) and arrange an appointment for the purpose of visiting MFD office and checking out the original documentation on all donations received and applied within given reporting period.

During this check-out charity bank account statement and contracts concerning all medical services rendered to the needy are available. One has to take into consideration that personal information on donators preferred to stay anonymous is not available (in accordance with legal provisions only government authorities have access to this information). All information and documentation is property of MFD and one is not eligible to copy any of the documents without MFD approval. A statement of fact of check-out is supposed to be drawn up. Both sides have to sign the act concerning the check-out. MFD is eligible to place on the website reports on all check-outs including information on the person who initiated the check-out (name, surname, personal code or name of a legal person, registration number, name and surname of its representatives involved in check-out).

* Due to organizational reasons, only those persons who donated 50 LVL or more within given reporting period are eligible to carry out a private check out for the very same period. Community and state organizations are eligible to carry out a check-out of all donations received and applied without any restrictions concerning reporting periods. Donations of any amount are not mandatory to them.

1.9. How MFD helps the people in need

The significant part of medical services rendered by MFD is medical services paid by the Latvian government. This type of medical services is the most available to the needy. Nevertheless according to the reasons mentioned here before (patient's fee, long waiting lists, limited accessibility, narrow range of medical services, etc.) these medical services are not able to solve problems of the needy. Though the amount of financing of medical services paid by the Latvian government is pretty limited, MFD to the maximum extent possible tries to help those who cannot afford paid medical treatment.

Thus MFD renders much more medical services to the needy than it was supposed to render within quota (amount of financing) of medical services paid by the Latvian government. Thus in the first quarter of 2008 the amount of medical services rendered to the needy in excess of the state quota has exceeded 100 000 LVL. Those medical services were rendered in the same way as the rest of medical services paid by the Latvian government. The patients had to pay only patient's fee.

Self-cost of medical services provided at qualitative professional and technological level is very high. The major portion of cost of medical services consists of medical staff salary

(doctors, nurses, assistants) and supporting personnel (receptionists, nurse's aides). These expenses come up to 70%-80% of medical services price. The remaining portion of cost of medical services consists of expenses on modern medical technologies such as appreciation of medical equipment. Medical equipment is very expensive and costs usually from several thousands of lats up to several hundred thousands of lats. Only very small portion of cost of medical services is left to cover administrative and other expenses. It is not possible to provide medical services without paying salary to the medical personnel and without buying medical equipment. And of course, it is impossible to provide a substantial amount of medical services to the needy without having a source of financing.

That is why MFD needs donations for direct financing of medical services to the needy. For its part, MFD on its own covers managerial expenses on medical services to the needy. Taking into account its financial possibilities, MFD tries to reduce prices of MFD's paid medical services for the needy as much as only possible - to the maximum extent. Since the beginning of 2008 MFD has a new price-list of paid medical services, it provides significant discounts (up to 20%) for the doctor's appointment for patients under 18 and over 65. On regular basis, MFD carries out various discount campaigns, in the course of which prices on popular but expensive medical services are being reduced up to 50%, thereby these medical services become much more available to the needy people.

1.10. How to make a donation

Donation could be made in two ways:

1. Through a transfer to the MFD charity account
Recipient:

“DZIEDNIECIBA” SIA
Registration Nr. LV40003074548
Rusonu str. 15, Riga, LV-1057, Latvia.

Bank account for receiving donations:

LV93UNLA0050004302970
SEB bank
SWIFT: UNLALV2X

While filling up the form, please be sure to state “Donation” in the section “Purpose of money transfer”. If you prefer to stay anonymous, please mark your gift “*Anonymous*”. It is possible to make a donation in the name of other individual or legal person. Then their name will appear as a donator on the list of donators in the public report on donations received. You can mark: “In the name of <Name, surname>” or “In the name of <Name of the legal person>”.

For example:

“**Donation**”

“**Donation. Anonymous**”

“**Donation. In the name of „ABC company”**”

If in the section “Purpose of money transfer” the word “Donation” was not mentioned, and there is no other clear indication that the given fund transfer was a donation, then MFD gives to this amount of money a status of *Indefinite fund transfer*. MFD will try to determine the purpose of this particular fund transfer by getting in touch with the ordering customer and so on. After a certain period of time or after determining the real purpose of this particular fund transfer, MFD reserves the right to return the funds to the ordering customer or to declare the funds as a donation.

If filling up the form the ordering customer states any additional information which is not mentioned in these particular rules, MFD reserves the right not to publish that information in public accountability reports. If filling up the form the ordering customer states any portion of information which does not correspond with purposes mentioned in these particular rules or their essence (e.g. obscene or offensive language, etc.), MFD reserves the right not to publish that information in public accountability reports. In such a case, in public accountability report that donation will be accompanied by the note: “*No or changed information*”. The same note will accompany all other donations if due to technical reasons it is impossible to specify name and surname of the donator or in whose name the donation was made and so on. In case, there is any inaccuracy in information concerning your donation placed on the website, please get in touch with Help Program coordinator (phone number (+371) 28 67 25 17).

2. Through the donation boxes located at all MFD branches

The donation boxes are placed:

- Rusonu Str. 15, Riga,
 - MFD Outpatient Hospital „Dziedniecība”
 - MFD Diagnostics
 - Dental clinic „ASTRA dent”
 - Compulsory Health Check service
 - Radiology reception 3rd floor
 - Cafe
- Vienibas G. 109, Riga, MFD Outpatient Hospital „Pardaugava”
- Aglonas Str. 35/3, Riga, MFD Doctor’s office “Aglonas”
- Maskavas Str. 297, Riga, MFD Doctor’s office “Maskavas”
- S. Eizensteina Str. 23, Riga, MFD Doctor’s office “Mezciems”
- F. Sadovnikova Str. 20, Riga, MFD Visual and functional diagnostics
- Burtnieku Str. 33, Riga, Dental clinic “NovaDent” and Woman's health center "Vita"
- Stabu Str. 52, Riga, Dental clinic “NovaDent”
- Valdeku Str. 65, Riga, MFD Doctor’s office “Ziepniekkalns”
- Bullu Str. 9, Riga, MFD Outpatient Hospital „Ilgucciems”

The donation boxes are emptied if filled minimum at 1/3.

Collected funds are put into the MFD charity account. In the MFD charity program’s “Help” reports these funds are shown as donations “Charity box (-es) (address)”. Funds collected through the donation boxes are being spent in the same way as funds donated by transferring them into the MFD charity account.

1.11. In what currency are donations being accepted

Donations are being accepted in any currency. But bank account for receiving donations mentioned above is a Latvian lat (LVL) bank account. Therefore all donations made in foreign currency will be automatically converted into lats according to the exchanging rate of the recipient's bank. So valuation of donations is expressed in Latvian national currency – LVL, and all financial reports display amounts only in lats.

1.12. Criteria of definition of people in need

Mandatory conditions

1.1. Age: under 18 or 65 and over.

or

1.2. Persons of I и II groups of disability of any age.

1.3. Personnel of MFD or any affiliated company as well as their relatives are not eligible to get medical services as the needy in the frame of the Charity Program "Help".

Priority factors

(conditions determining priority in the course of applicants selection when applicants meet mandatory conditions)

2.1. Official status of the needy (according to effective Latvian normative acts).

2.2. Persons suffering from serious or chronic illness (oncological diseases, AIDS, etc.).

2.3. Lonely pensioners.

2.4. Orphans or children growing up in single-parent or dysfunctional families.

2.5. Persons of III stages of disability.

2.6. Persons aged 80 and over.

2. Target and special donations

2.2. Receiving Target Donations

Donations within the framework of Help Program might have a designated purpose at will of the ordering customer, e.g. help addressed to the group of patient suffering from a particular medical condition, etc.

The amount of this sort of donation should be at least 5 000 LVL.

Before making a target donation, please get in touch with Help Program coordinator by phone (+371) 28 67 25 17 or e-mail palidzi@mfd.lv and discuss the conditions of realization of the donation.

Please take into consideration that only provisional arrangement and special procedure of receiving donation will guarantee its use for a specified purpose different from a standard one. Otherwise all donations (which includes donations of 5 000 LVL and over), received on MFD charity account will be taken into account and used according to the regular rules of MFD Charity Program "Help" (1.1. – 1.12. articles).

2.3. Donations aimed at improving material and technical base of MFD; purchasing medical equipment for widening the range of medical services; donations aimed at special MFD medical programs

In addition to "Help" Charity Program, MFD accepts donations aimed at purchasing new medical equipment, developing of new projects and medical technologies for treating patients and saving lives.

Medical equipment which is necessary for a timely diagnostics of a specific disease and its effective treatment costs a lot of money. MFD not always has an opportunity to purchase it on its own. Since MFD is a private medical institution, it is not eligible for government investments and aid. But at the same time MFD provides a lot of medical services in the frame of state program of providing medical services to all who needs them and tries to help all people who are not able to pay for themselves.

In order to help MFD to provide medical services at the qualitative and modern technological level, to introduce new medical services and technologies to prevent diseases and even save lives, please send donations aimed at special MFD programs. The amount of this sort of donation should be at least 10 000 LVL.

The amount of donation to a large extent determines the type of special MFD program in which it might be used. All special MFD programs have a common goal: to render aid to the needy and to improve quality of medical services. MFD pays a special attention to development of new type of medical services which are able to prevent disease and save lives.

Before making a donation aimed at special MFD program, please, get in touch with Help Program coordinator by phone - (+371) 28 67 55 17 or e-mail palidzi@mfd.lv and discuss the conditions of realization of the donation. MFD introduces several types of current special programs to a donator, which will meet his or her requests.

Please take into consideration that only provisional arrangement and special procedure of receiving donation will guarantee its use for a specified purpose different from a standard one. Otherwise all donations (which includes donations of 10 000 LVL and over), received on MFD charity account will be taken into account and used according to the regular rules of MFD Charity Program "Help" " (1.1. – 1.12. articles).