

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fiscal Years	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Capital Expenditures	<u>0</u>	<u>0</u>	_____	_____	_____
Operating Costs	<u>0</u>	<u>0</u>	_____	_____	_____
External Revenues	<u>0</u>	<u>0</u>	_____	_____	_____
Program Income (County)	<u>0</u>	<u>0</u>	_____	_____	_____
In-Kind Match (County)	<u>0</u>	<u>0</u>	_____	_____	_____
 Net Fiscal Impact	<u>0</u>	<u>0</u>	_____	_____	_____
 # ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Is Item Included In Current Budget?	Yes _____	No _____			
Budget Account	Exp No.: Fund _____	Dept _____	Unit _____	Obj _____	
	Rev No.: Fund _____	Dept _____	Unit _____	Obj _____	

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: *NO FISCAL IMPACT

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

[Handwritten Signature]
 OFMB
 11/10 11/12
 11/12/14

[Handwritten Signature]
 Contract Dev. and Control
 B Wheeler 11-14-14
 11/14/14

B. Legal Sufficiency:

[Handwritten Signature]
 Assistant County Attorney
 11/16/14

C. Other Department Review:

 Department Director

BUSINESS ASSOCIATE AGREEMENT
(Contract No. 500615/MW)

As of the Effective Date, the terms and provisions of this AGREEMENT are incorporated in and shall supersede any conflicting or inconsistent terms and provisions of (as applicable) to Contract No. 500615/MW, dated January 8, 2013, by and between Palm Beach County, a political subdivision of the State of Florida, by and through its Board of Commissioners, hereinafter referred to as the "COUNTY", and Healthcare Horizons Consulting Group, Inc., 2220 Sutherland Avenue, Knoxville, TN 37919, a corporation authorized to do business in the State of Florida, hereinafter referred to as the "CONTRACTOR," to which this AGREEMENT is attached.

A. As a business associate of the COUNTY, the CONTRACTOR, including its agents, servants, subcontractors and employees, shall carry out its obligations under this Contract in compliance with the requirements of (i) the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the associated regulations, as may be amended; (ii) the HIPAA Privacy Rule codified at 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended ("Privacy Rule"); (iii) the HIPAA Security Rule codified at 45 C.F.R. Part 160 and 164, Subpart C, as may be amended ("Security Rule"); (iv) the Breach Notification Rule, codified at 45 C.F.R. Part 164, Subpart D, as may be amended; (v) the Enforcement Rule codified at 45 C.F.R. Part 160, Subparts C and D, as may be amended; (vi) the Health Information Technology for Economic and Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act of 2009 (the "HITECH Act"); and (vii) the HIPAA Omnibus Final Rule published in the Federal Register at 78 Fed. Reg. 5,566 (Jan. 25, 2013), and effective on March 26, 2013, as well as all other applicable laws. (hereinafter collectively referred to as "Business Associate Requirements"); and, in order to protect the privacy, confidentiality, integrity, and availability of all individually identifiable protected health information that is created, received, collected, processed, learned, maintained or transmitted on behalf of the COUNTY or as a result of the services provided under this Contract (hereinafter "PHI"), which shall include electronic protected health information (hereinafter "E-PHI"). The definition of PHI and E-PHI as used herein shall be in accordance with definition of these terms in HIPAA and/or the regulations promulgated thereunder.

B. Responsibilities of CONTRACTOR:

In conformity with HIPAA and the Business Associate Requirements, outlined above, the CONTRACTOR agrees that it and its agents, subcontractors, servants, and employees shall:

- a. Not use or further disclose PHI except as permitted under this Contract or required by law;
- b. Use appropriate safeguards to prevent use or disclosure of PHI to the limited dataset as defined in the Business Associate Requirements, except as permitted by this Contract and shall not use or further disclose PHI in a manner that would violate HIPAA's requirements if done by the COUNTY;
- c. As soon as reasonably practical, report to the COUNTY any use or disclosure of PHI not provided for by this Contract of which the CONTRACTOR becomes aware, and mitigate, to the extent possible, any harmful effect of such use or disclosure of PHI;
- d. CONTRACTOR shall take reasonable steps to ensure that its employees' actions or omissions do not cause CONTRACTOR to breach the terms of this Agreement;
- e. Document disclosures of PHI in accordance with 45 C.F.R. § 164.528, in order for COUNTY to respond to a request from an Individual for an accounting of disclosures of PHI or in order for the CONTRACTOR to respond to a request for an accounting to the extent required by the HITECH Act;
- f. CONTRACTOR shall promptly inform the COUNTY of a Breach of Unsecured PHI following the first day on which CONTRACTOR knows of such Breach or following the first day on which CONTRACTOR should have known of such Breach. In addition, CONTRACTOR shall provide written notification to the COUNTY hereunder which notification shall:
 - a. Be made no later than three (3) calendar days after discovery of the Breach, except where a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security;
 - b. Include the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of a Breach;
- g. Ensure that any business associates, agents or subcontractors to whom the CONTRACTOR provides PHI, or who have access to PHI, agree to the same restrictions, terms and conditions that apply to the CONTRACTOR with respect to such PHI;
- h. Enter into a written agreement with any subcontractors or agents that receives, creates, maintains, or transmits PHI received from CONTRACTOR on behalf of COUNTY, legally binding such subcontractors or agents to the same restrictions, terms and conditions that apply to CONTRACTOR pursuant to this Agreement with respect to

such PHI, including the requirement that the subcontractor or agent, as applicable, implement reasonable and appropriate safeguards to protect any electronic PHI that is disclosed to it by CONTRACTOR;

- i. Within five (5) calendar days of a request by COUNTY for access to PHI maintained by CONTRACTOR, CONTRACTOR shall make PHI available to COUNTY, or at the written direction of COUNTY, to an Individual to whom such PHI relates or his or her authorized representative. In the event any Individual requests access to PHI directly from CONTRACTOR, CONTRACTOR shall, within five (5) calendar days, forward such request to COUNTY. Any denials of access to the PHI requested shall be the responsibility of COUNTY;
- j. CONTRACTOR shall make PHI available to COUNTY and will amend PHI as instructed by COUNTY, in a manner consistent with the HIPAA Privacy Rule within ten (10) calendar days of receipt of a request from Covered Entity for the amendment of patient's PHI;
- k. Within thirty (30) calendar days of notice by COUNTY to CONTRACTOR that it has received a request for an accounting of disclosures of PHI, CONTRACTOR shall make available to COUNTY such information as is in CONTRACTOR's possession required for COUNTY to satisfy the accounting of disclosures requirement set forth in the Privacy Rule. In the event the request for an accounting is delivered directly to CONTRACTOR, CONTRACTOR shall, within five (5) calendar days, forward the request to COUNTY. It shall be Covered Entity's responsibility to prepare and deliver any such accounting requested;
- l. Make their internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of the Department of Health and Human Services for purposes of determining the CONTRACTOR's and the COUNTY's compliance with HIPAA. The CONTRACTOR shall immediately notify the COUNTY upon receipt or notice of any request by the Secretary of the Department of Health and Human Services to conduct an investigation with respect to PHI relating to services under this Contract;
- m. At the termination or expiration of this Contract, the CONTRACTOR shall return to the COUNTY all PHI received from, or created or received by the CONTRACTOR on behalf of, the COUNTY that the CONTRACTOR still maintains in any form and shall not retain copies of such information. If such return is not feasible, the CONTRACTOR shall continue to protect such PHI in accordance with this Contract and HIPAA, and must limit further uses and disclosures of such PHI to those purposes that made the return of such PHI not feasible;

- n. The CONTRACTOR may, if necessary, use and disclose PHI for the proper management and administration of the CONTRACTOR or to carry out the legal responsibilities of the CONTRACTOR. However, in order to disclose PHI:
 - a. The disclosure must be required by law; or
 - b. (i). The CONTRACTOR must obtain reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person; and
 - (ii). The person must notify the CONTRACTOR of any instances of which it is aware in which the confidentiality of the information has been breached.
- o. In conformity with HIPAA and the Business Associate Requirements, the CONTRACTOR, including its agents, servants, subcontractors and employees, shall:
 - a. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of all E-PHI; and
 - b. Ensure that any agent, including a subcontractor, to whom it provides E-PHI agrees to implement reasonable and appropriate safeguards to protect such information; and
 - c. Promptly report to COUNTY any security incident of which it becomes aware.
- p. CONTRACTOR has implemented policies and procedures to ensure that its receipt, maintenance, or transmission of “electronic protected health information” (as defined in 45 C.F.R. §160.103) (“E-PHI”) on behalf of the COUNTY complies with the applicable administrative, physical, and technical safeguards required for protecting the confidentiality and integrity of E-PHI under the Security Standards 45 C.F.R. Part 160 and 164 subpart;
- q. CONTRACTOR agrees that it will ensure that agents or subcontractors agree to implement the applicable administrative, physical, and technical safeguards required to protect the confidentiality and integrity of E-PHI under the Security Standards 45 C.F.R. Part 164;

- r. CONTRACTOR agrees to report to the COUNTY any Security Incident (as defined 45 C.F.R. Part 164.304) of which it becomes aware. CONTRACTOR agrees to report the Security Incident to the COUNTY as soon as reasonably practicable, but not later than five (5) calendar days from the date the CONTRACTOR becomes aware of the incident;
 - s. THE COUNTY agrees and understands that it is independently responsible for the security of E-PHI in its possession or for E-PHI that it receives from outside sources including CONTRACTOR;
 - t. The COUNTY and its representatives shall be entitled to audit the CONTRACTOR from time to time to verify compliance with the terms of this Contract. The COUNTY shall be entitled and enabled to inspect the records and other information relevant to the CONTRACTOR's compliance with the terms of this Contract during normal business hours and at the CONTRACTOR's place of business. If CONTRACTOR receives a request, made by or on behalf of the Secretary of Health and Human Services, requiring CONTRACTOR to make available its internal practices, books and records relating to the use and disclosure of PHI or E-PHI, then CONTRACTOR shall promptly notify COUNTY of such request;
 - u. The CONTRACTOR shall protect, defend, reimburse, indemnify, and hold the COUNTY, its agents, employees and elected officers, harmless from and against all claims, liability, expense, loss, cost, penalties, damages or causes of action of every kind or character, including attorney's fees and costs, whether at trial or appellate levels or otherwise, arising as a result of any disclosure of PHI or E-PHI due to the actions, inactions or omissions of the CONTRACTOR and/or any of its agents, servants, subcontractors and employees; and
 - v. The parties agree to take any action necessary to amend this Contract from time to time so that the COUNTY is in compliance with the Privacy Rule, the Security Rule, the HITECH Act and HIPAA in general. The parties may agree to amend this Contract from time to time in any other respect that they deem appropriate. This Contract shall not be amended except by written instrument executed by the parties.
- C. Permitted Disclosures by CONTRACTOR:
- a. CONTRACTOR agrees that, on behalf of the COUNTY, it will perform any transaction for which a standard has been developed under the Electronic Data Interchange (EDI) Rule that CONTRACTOR could reasonably be expected to perform in the ordinary course of its functions on behalf of the COUNTY. CONTRACTOR agrees that it will comply with all applicable

EDI standards. The COUNTY further agrees that it will use its best efforts to comply with all applicable regulatory provisions in addition to the EDI Rule and the Privacy Rule that are promulgated pursuant to the Administrative Simplification Subtitle of HIPAA. Notwithstanding any other provisions of this Contract, this Contract may be terminated by the COUNTY, in its sole discretion and without penalty to or recourse against the COUNTY, if it determines that the CONTRACTOR has violated a term or provision of this Contract pertaining to the CONTRACTOR's HIPAA obligations, or if the CONTRACTOR engages in conduct which would, if committed by the COUNTY, result in a violation of HIPAA and/or the regulations promulgated thereunder by the COUNTY;

- b. CONTRACTOR may use PHI and E-PHI in its possession for proper management and administration of its duties or to fulfill any of its legal responsibilities;
 - c. Disclose PHI in its possession to third-parties for proper management and administration, or to fulfill any of its legal responsibilities; provided that (i) the disclosures are required by law, as provided for in 45 C.F.R. § 164.103, or (ii) CONTRACTOR has received written assurances from the third party that the PHI will be held confidentially, and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party, and that the third party will notify CONTRACTOR of any instances of which it is aware in which the confidentiality of the PHI has been breached, as required under 45 C.F.R. § 164.504(e)(4);
 - d. Use PHI in its possession to provide data aggregation services relating to the health care operations of COUNTY, as provided in 45 C.F.R. § 164.501; and
 - e. If requested by COUNTY, de-identify any and all PHI, provided that the de-identification conforms to the requirements of 45 C.F.R. § 164.514(b), and further provided that CONTRACTOR maintains the documentation required by 45 C.F.R. § 164.514(b), which may be in the form of a written assurance from CONTRACTOR. Pursuant to 45 C.F.R. § 164.502(d), de-identified information does not constitute PHI and is not subject to the terms of the Agreement.
- D. Individual Rights Regarding Designated Record Sets. If CONTRACTOR maintains any PHI that could be construed to be part of a Designated Record Set of COUNTY, CONTRACTOR shall (i) provide access to, and permit inspection and copying of, PHI by COUNTY, or if directed by COUNTY, an Individual who is the subject of the PHI under conditions and limitations required under 45 C.F.R. § 164.524, as it may be amended from time-to-time, and (ii)

amend PHI maintained by Business Associate as requested by COUNTY. CONTRACTOR shall respond to any request from COUNTY for access by an individual within five (5) calendar days of such request and shall make any amendment requested by COUNTY within ten (10) calendar days of such request. Any information requested under this Article 5.D shall be provided in the form or format requested, if it is readily producible in such form or format. CONTRACTOR may charge a reasonable fee based upon CONTRACTOR's labor cost in responding to a request for electronic information (or a cost-based fee for the production of non-electronic media copies). COUNTY shall determine whether a denial is appropriate or an exception applies. CONTRACTOR shall notify COUNTY within five (5) calendar days of receipt of any request for access or amendment by an individual. COUNTY shall determine whether to grant or deny access or amendment requested by the individual. CONTRACTOR shall have a process in place for receiving requests for amendments and for appending such requests to the Designated Record Set, as requested by COUNTY.

- E. Production of Electronic Health Records (EHR). If CONTRACTOR maintains EHR as that term is defined in Section 13400 of the HITECH Act and an Individual requests a copy of such records, transmit the electronic records directly to an entity or person designated by the Individual, provided that any such choice is clear, conspicuous, and specific. Any fee charged for such electronic records shall not exceed CONTRACTOR's labor costs.
- F. Data Ownership. COUNTY, and not CONTRACTOR, maintains ownership of all PHI created or received by CONTRACTOR in connection with this.
- G. Additional HITECH Act Compliance.
 - a. CONTRACTOR shall refrain from marketing practices prohibited by Section 13046 of the HITECH Act or the Privacy Rule.
 - b. CONTRACTOR shall refrain from receiving or providing direct or indirect remuneration in exchange for any PHI in a manner that would violate Section 13405(d) of the HITECH Act or 45 C.F.R. § 164.502(a)(5)(ii).
 - c. CONTRACTOR shall be subject to the application of civil and criminal penalties for violation of Sections 13401 and 13404(a) and (b) of Part 1 of the HITECH Act.
- H. Offshoring. CONTRACTOR shall not transfer PHI outside the United States without the prior written consent of COUNTY. In this context, a "transfer outside the United States" occurs if CONTRACTOR's workforce members, agents or subcontractors physically located outside the United States are able to access, use, or disclose PHI.

Agreed to this _____ day of _____, 2014

PALM BEACH COUNTY
PRIVACY OFFICER:

[Signature]
Signature

Assistant County Admin.
Title

9-15-2014
Date

HEALTHCARE HORIZONS, INC.:

[Signature]
Signature

President
Title

9-5-2014
Date

Approved as to Legal Sufficiency

[Signature]
Signature

Chief Assistant County Attorney
Title

9-11-14
Date

**BUSINESS ASSOCIATE AGREEMENT
(Contract No. 500611/MW)**

As of the Effective Date, the terms and provisions of this AGREEMENT are incorporated in and shall supersede any conflicting or inconsistent terms and provisions of (as applicable) Contract No. 500611/MW, dated May 22, 2013, by and between Palm Beach County, a political subdivision of the State of Florida, by and through its Board of Commissioners, hereinafter referred to as the "COUNTY", and Valery Insurance Agency, Inc., 2113 Gulf Blvd., Indian Rocks Beach, Florida 33785, a corporation authorized to do business in the State of Florida, hereinafter referred to as the CONTRACTOR, to which this AGREEMENT is attached.

A. As a business associate of the COUNTY, the CONTRACTOR, including its agents, servants, subcontractors and employees, shall carry out its obligations under this Contract in compliance with the requirements of (i) the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the associated regulations, as may be amended; (ii) the HIPAA Privacy Rule codified at, 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended ("Privacy Rule"); (iii) the HIPAA Security Rule codified at 45 C.F.R. Part 160 and 164, Subpart C, as may be amended ("Security Rule"); (iv) the Breach Notification Rule, codified at 45 C.F.R. Part 164, Subpart D, as may be amended; (v) the Enforcement Rule codified at 45 C.F.R. Part 160, Subparts C and D, as may be amended; (vi) the Health Information Technology for Economic and Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act of 2009 (the "HITECH Act"); and (vii) the HIPAA Omnibus Final Rule published in the Federal Register at 78 Fed. Reg. 5,566 (Jan. 25, 2013), and effective on March 26, 2013, as well as all other applicable laws. (hereinafter collectively referred to as "Business Associate Requirements"); and, in order to protect the privacy, confidentiality, integrity, and availability of all individually identifiable protected health information that is created, received, collected, processed, learned, maintained or transmitted on behalf of the COUNTY or as a result of the services provided under this Contract (hereinafter "PHI"), which shall include electronic protected health information (hereinafter "E-PHI"). The definition of PHI and E-PHI as used herein shall be in accordance with definition of these terms in HIPAA and/or the regulations promulgated thereunder.

B. Responsibilities of CONTRACTOR:

In conformity with HIPAA and the Business Associate Requirements, outlined above, the CONTRACTOR agrees that it and its agents, subcontractors, servants, and employees shall:

- a. Not use or further disclose PHI except as permitted under this Contract or required by law;

- b. Use appropriate safeguards to prevent use or disclosure of PHI to the limited dataset as defined in the Business Associate Requirements, except as permitted by this Contract and shall not use or further disclose PHI in a manner that would violate HIPAA's requirements if done by the COUNTY;
- c. As soon as reasonably practical, report to the COUNTY any use or disclosure of PHI not provided for by this Contract of which the CONTRACTOR becomes aware, and mitigate, to the extent possible, any harmful effect of such use or disclosure of PHI;
- d. CONTRACTOR shall take reasonable steps to ensure that its employees' actions or omissions do not cause CONTRACTOR to breach the terms of this Agreement;
- e. Document disclosures of PHI in accordance with 45 C.F.R. § 164.528, in order for COUNTY to respond to a request from an Individual for an accounting of disclosures of PHI or in order for the CONTRACTOR to respond to a request for an accounting to the extent required by the HITECH Act;
- f. CONTRACTOR shall promptly inform the COUNTY of a Breach of Unsecured PHI following the first day on which CONTRACTOR knows of such Breach or following the first day on which CONTRACTOR should have known of such Breach. In addition, CONTRACTOR shall provide written notification to the COUNTY hereunder which notification shall:
 - a. Be made no later than three (3) calendar days after discovery of the Breach, except where a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security;
 - b. Include the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of a Breach;
- g. Ensure that any business associates, agents or subcontractors to whom the CONTRACTOR provides PHI, or who have access to PHI, agree to the same restrictions, terms and conditions that apply to the CONTRACTOR with respect to such PHI;
- h. Enter into a written agreement with any subcontractors or agents that receives, creates, maintains, or transmits PHI received from CONTRACTOR on behalf of COUNTY, legally binding such subcontractors or agents to the same restrictions, terms and conditions that apply to CONTRACTOR pursuant to this Agreement with respect to such PHI, including the requirement that the subcontractor or agent, as applicable, implement reasonable and appropriate safeguards to protect any electronic PHI that is disclosed to it by CONTRACTOR;

- i. Within five (5) calendar days of a request by COUNTY for access to PHI maintained by CONTRACTOR, CONTRACTOR shall make PHI available to COUNTY, or at the written direction of COUNTY, to an Individual to whom such PHI relates or his or her authorized representative. In the event any Individual requests access to PHI directly from CONTRACTOR, CONTRACTOR shall, within five (5) calendar days, forward such request to COUNTY. Any denials of access to the PHI requested shall be the responsibility of COUNTY;
- j. CONTRACTOR shall make PHI available to COUNTY and will amend PHI as instructed by COUNTY, in a manner consistent with the HIPAA Privacy Rule within ten (10) calendar days of receipt of a request from Covered Entity for the amendment of patient's PHI;
- k. Within thirty (30) calendar days of notice by COUNTY to CONTRACTOR that it has received a request for an accounting of disclosures of PHI, CONTRACTOR shall make available to COUNTY such information as is in CONTRACTOR's possession required for COUNTY to satisfy the accounting of disclosures requirement set forth in the Privacy Rule. In the event the request for an accounting is delivered directly to CONTRACTOR, CONTRACTOR shall, within five (5) calendar days, forward the request to COUNTY. It shall be Covered Entity's responsibility to prepare and deliver any such accounting requested;
- l. Make their internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of the Department of Health and Human Services for purposes of determining the CONTRACTOR's and the COUNTY's compliance with HIPAA. The CONTRACTOR shall immediately notify the COUNTY upon receipt or notice of any request by the Secretary of the Department of Health and Human Services to conduct an investigation with respect to PHI relating to services under this Contract;
- m. At the termination or expiration of this Contract, the CONTRACTOR shall return to the COUNTY all PHI received from, or created or received by the CONTRACTOR on behalf of, the COUNTY that the CONTRACTOR still maintains in any form and shall not retain copies of such information. If such return is not feasible, the CONTRACTOR shall continue to protect such PHI in accordance with this Contract and HIPAA, and must limit further uses and disclosures of such PHI to those purposes that made the return of such PHI not feasible;
- n. The CONTRACTOR may, if necessary, use and disclose PHI for the proper management and administration of the CONTRACTOR or to carry out the legal responsibilities of the CONTRACTOR. However, in order to disclose PHI:

- a. The disclosure must be required by law; or
- b.
 - (i). The CONTRACTOR must obtain reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person; and
 - (ii). The person must notify the CONTRACTOR of any instances of which it is aware in which the confidentiality of the information has been breached.
- o. In conformity with HIPAA and the Business Associate Requirements, the CONTRACTOR, including its agents, servants, subcontractors and employees, shall:
 - a. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of all E-PHI; and
 - b. Ensure that any agent, including a subcontractor, to whom it provides E-PHI agrees to implement reasonable and appropriate safeguards to protect such information; and
 - c. Promptly report to COUNTY any security incident of which it becomes aware.
- p. CONTRACTOR has implemented policies and procedures to ensure that its receipt, maintenance, or transmission of "electronic protected health information" (as defined in 45 C.F.R. §160.103) ("E-PHI") on behalf of the COUNTY complies with the applicable administrative, physical, and technical safeguards required for protecting the confidentiality and integrity of E-PHI under the Security Standards 45 C.F.R. Part 160 and 164 subpart;
- q. CONTRACTOR agrees that it will ensure that agents or subcontractors agree to implement the applicable administrative, physical, and technical safeguards required to protect the confidentiality and integrity of E-PHI under the Security Standards 45 C.F.R. Part 164;
- r. CONTRACTOR agrees to report to the COUNTY any Security Incident (as defined 45 C.F.R. Part 164.304) of which it becomes aware. CONTRACTOR agrees to report the Security Incident to the COUNTY as soon as reasonably practicable, but not later than five (5) calendar days from the date the CONTRACTOR becomes aware of the incident;

- s. THE COUNTY agrees and understands that it is independently responsible for the security of E-PHI in its possession or for E-PHI that it receives from outside sources including CONTRACTOR;
- t. The COUNTY and its representatives shall be entitled to audit the CONTRACTOR from time to time to verify compliance with the terms of this Contract. The COUNTY shall be entitled and enabled to inspect the records and other information relevant to the CONTRACTOR's compliance with the terms of this Contract during normal business hours and at the CONTRACTOR's place of business. If CONTRACTOR receives a request, made by or on behalf of the Secretary of Health and Human Services, requiring CONTRACTOR to make available its internal practices, books and records relating to the use and disclosure of PHI or E-PHI, then CONTRACTOR shall promptly notify COUNTY of such request;
- u. The CONTRACTOR shall protect, defend, reimburse, indemnify, and hold the COUNTY, its agents, employees and elected officers, harmless from and against all claims, liability, expense, loss, cost, penalties, damages or causes of action of every kind or character, including attorney's fees and costs, whether at trial or appellate levels or otherwise, arising as a result of any disclosure of PHI or E-PHI due to the actions, inactions or omissions of the CONTRACTOR and/or any of its agents, servants, subcontractors and employees; and
- v. The parties agree to take any action necessary to amend this Contract from time to time so that the COUNTY is in compliance with the Privacy Rule, the Security Rule, the HITECH Act and HIPAA in general. The parties may agree to amend this Contract from time to time in any other respect that they deem appropriate. This Contract shall not be amended except by written instrument executed by the parties.

C. Permitted Disclosures by CONTRACTOR:

- a. CONTRACTOR agrees that, on behalf of the COUNTY, it will perform any transaction for which a standard has been developed under the Electronic Data Interchange (EDI) Rule that CONTRACTOR could reasonably be expected to perform in the ordinary course of its functions on behalf of the COUNTY. CONTRACTOR agrees that it will comply with all applicable EDI standards. The COUNTY further agrees that it will use its best efforts to comply with all applicable regulatory provisions in addition to the EDI Rule and the Privacy Rule that are promulgated pursuant to the Administrative Simplification Subtitle of HIPAA. Notwithstanding any other provisions of this Contract, this Contract may be terminated by the COUNTY, in its sole discretion and without penalty to or recourse against

the COUNTY, if it determines that the CONTRACTOR has violated a term or provision of this Contract pertaining to the CONTRACTOR's HIPAA obligations, or if the CONTRACTOR engages in conduct which would, if committed by the COUNTY, result in a violation of HIPAA and/or the regulations promulgated thereunder by the COUNTY;

- b. CONTRACTOR may use PHI and E-PHI in its possession for proper management and administration of its duties or to fulfill any of its legal responsibilities;
 - c. Disclose PHI in its possession to third-parties for proper management and administration, or to fulfill any of its legal responsibilities; provided that (i) the disclosures are required by law, as provided for in 45 C.F.R. § 164.103, or (ii) CONTRACTOR has received written assurances from the third party that the PHI will be held confidentially, and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party, and that the third party will notify CONTRACTOR of any instances of which it is aware in which the confidentiality of the PHI has been breached, as required under 45 C.F.R. § 164.504(e)(4);
 - d. Use PHI in its possession to provide data aggregation services relating to the health care operations of COUNTY, as provided in 45 C.F.R. § 164.501; and
 - e. If requested by COUNTY, de-identify any and all PHI, provided that the de-identification conforms to the requirements of 45 C.F.R. § 164.514(b), and further provided that CONTRACTOR maintains the documentation required by 45 C.F.R. § 164.514(b), which may be in the form of a written assurance from CONTRACTOR. Pursuant to 45 C.F.R. § 164.502(d), de-identified information does not constitute PHI and is not subject to the terms of the Agreement.
- D. Individual Rights Regarding Designated Record Sets. If CONTRACTOR maintains any PHI that could be construed to be part of a Designated Record Set of COUNTY, CONTRACTOR shall (i) provide access to, and permit inspection and copying of, PHI by COUNTY, or if directed by COUNTY, an Individual who is the subject of the PHI under conditions and limitations required under 45 C.F.R. § 164.524, as it may be amended from time-to-time, and (ii) amend PHI maintained by Business Associate as requested by COUNTY. CONTRACTOR shall respond to any request from COUNTY for access by an individual within five (5) calendar days of such request and shall make any amendment requested by COUNTY within ten (10) calendar days of such request. Any information requested under this Article 5.D shall be provided in the form or format requested, if it is readily producible in such form or format.

CONTRACTOR may charge a reasonable fee based upon CONTRACTOR's labor cost in responding to a request for electronic information (or a cost-based fee for the production of non-electronic media copies). COUNTY shall determine whether a denial is appropriate or an exception applies. CONTRACTOR shall notify COUNTY within five (5) calendar days of receipt of any request for access or amendment by an individual. COUNTY shall determine whether to grant or deny access or amendment requested by the individual. CONTRACTOR shall have a process in place for receiving requests for amendments and for appending such requests to the Designated Record Set, as requested by COUNTY.

- E. Production of Electronic Health Records (EHR). If CONTRACTOR maintains EHR as that term is defined in Section 13400 of the HITECH Act and an Individual requests a copy of such records, transmit the electronic records directly to an entity or person designated by the Individual, provided that any such choice is clear, conspicuous, and specific. Any fee charged for such electronic records shall not exceed CONTRACTOR's labor costs.
- F. Data Ownership. COUNTY, and not CONTRACTOR, maintains ownership of all PHI created or received by CONTRACTOR in connection with this.
- G. Additional HITECH Act Compliance.
 - a. CONTRACTOR shall refrain from marketing practices prohibited by Section 13046 of the HITECH Act or the Privacy Rule.
 - b. CONTRACTOR shall refrain from receiving or providing direct or indirect remuneration in exchange for any PHI in a manner that would violate Section 13405(d) of the HITECH Act or 45 C.F.R. § 164.502(a)(5)(ii).
 - c. CONTRACTOR shall be subject to the application of civil and criminal penalties for violation of Sections 13401 and 13404(a) and (b) of Part 1 of the HITECH Act.
- H. Offshoring. CONTRACTOR shall not transfer PHI outside the United States without the prior written consent of COUNTY. In this context, a "transfer outside the United States" occurs if CONTRACTOR's workforce members, agents or subcontractors physically located outside the United States are able to access, use, or disclose PHI.

Agreed to this _____ day of _____, 2014

PALM BEACH COUNTY
PRIVACY OFFICER:

[Signature]
Signature

Assistant County Admin.
Title

9-15-2014
Date

VALERY INSURANCE AGENCY, INC.:

[Signature]
Signature

Pres
Title

9-5-14
Date

Approved as to Legal Sufficiency

[Signature]
Signature

Chief Assistant County Attorney
Title

9-9-14
Date

Appendix D — Privacy Addendum
("Business Associate Agreement")

I. GENERAL PROVISIONS

Section 1. Effect. As of the Effective Date, the terms and provisions of this Addendum are incorporated in and shall supersede any conflicting or inconsistent terms and provisions of (as applicable) the Administrative Services Only Agreement and/or Flexible Spending Account or Reimbursement Accounts Administrative Services Agreement to which this Addendum is attached, including all exhibits or other attachments to, and all documents incorporated by reference in, any such applicable agreements (individually and collectively any such applicable agreements are referred to as the "Agreement"). This Addendum sets out terms and provisions relating to the use and disclosure of Protected Health Information ("PHI") without written authorization from the Individual.

Section 2. Amendment to Comply with Law. CHLIC, Employer (also referred to as "Plan Sponsor") and the group health plan that is the subject of the Agreement (also referred to as the "Plan") agree to amend this Addendum to the extent necessary to allow either the Plan or CHLIC to comply with Applicable Laws and regulations including, but not limited to: (i) the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the associated regulations, as may be amended; (ii) the HIPAA Privacy Rule codified at, 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended; (iii) the HIPAA Security Rule codified at 45 C.F.R. Part 160 and 164, Subpart C, as may be amended; (iv) the Breach Notification Rule, codified at 45 C.F.R. Part 164, Subpart D, as may be amended; (v) the Enforcement Rule codified at 45 C.F.R. Part 160, Subparts C and D, as may be amended; (vi) the Health Information Technology for Economic and Clinical Health Act, which was included in Title XIII of the American Recovery and Reinvestment Act of 2009 ("HITECH"); and (vii) the HIPAA Omnibus Final Rule published in the Federal Register at 78 Fed. Reg. 5,566 (Jan. 25, 2013), and effective on March 26, 2013.

Section 3. Definitions. Certain capitalized terms used in this Addendum are defined in Article V. Terms used in this Addendum shall have the meanings ascribed to them by HIPAA and HITECH including their respective implementing regulations and guidance. If the meaning of any term defined herein is changed by regulatory or legislative amendment, then this Addendum will be modified automatically to correspond to the amended definition. All capitalized terms used herein that are not otherwise defined have the meanings described in HIPAA and HITECH. A reference in this Addendum to a section in the HIPAA Privacy Rule, HIPAA Security Rule, or HITECH means the section then in effect, as amended.

II. OBLIGATIONS OF CHLIC

Section 1. Use and Disclosure of PHI. CHLIC may use and disclose PHI only if such use or disclosure is permitted or required by the HIPAA Privacy Rule, including the applicable provisions of 45 C.F.R. §164.504(e), is required to satisfy its obligations or is permitted under the Agreement, and/or is permitted or required by law, but shall not otherwise use or disclose any PHI. CHLIC shall not use or disclose, and shall ensure that its directors, officers and employees do not use or disclose, PHI in any manner that would constitute a violation of the

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HIPAA Privacy Rule or HITECH if done by the Plan, except that CHLIC may use and disclose PHI as permitted under the HIPAA Privacy Rule (i) for the proper management and administration of CHLIC, (ii) to carry out the legal responsibilities of CHLIC or (iii) to provide Data Aggregation services, as provided in 45 C.F.R. § 164.501, relating to the health care operations of the Plan if such services are required under the Agreement.

CHLIC agrees that, on behalf of the Plan or Plan Sponsor, it will perform any transaction for which a standard has been developed under the Electronic Data Interchange (EDI) Rule that CHLIC could reasonably be expected to perform in the ordinary course of its functions on behalf of the Plan. CHLIC agrees that it will comply with all applicable EDI standards. The Plan further agrees that it will use its best efforts to comply with all applicable regulatory provisions in addition to the EDI Rule and the HIPAA Privacy Rule that are promulgated pursuant to the Administrative Simplification Subtitle of HIPAA.

CHLIC may disclose PHI in its possession to third-parties for proper management and administration, or to fulfill any of its legal responsibilities; provided that (i) the disclosures are required by law, as provided for in 45 C.F.R. § 164.103, or (ii) CHLIC has received written assurances from the third party that the PHI will be held confidentially, and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party, and that the third party will notify CHLIC of any instances of which it is aware in which the confidentiality of the PHI has been breached, as required under 45 C.F.R. § 164.504(e)(4).

CHLIC may de-identify any and all PHI, provided that the de-identification conforms to the requirements of 45 C.F.R. § 164.514(b), and further provided that CHLIC maintains the documentation required by 45 C.F.R. § 164.514(b), which may be in the form of a written assurance from CHLIC. Pursuant to 45 C.F.R. § 164.502(d), de-identified information does not constitute PHI and is not subject to the terms of this Addendum.

Section 2. Receiving Remuneration in Exchange for PHI Prohibited. Effective for exchanges occurring on or after the date that is six (6) months after the date of the promulgation of final regulations by the Secretary implementing Section 13405(d) of HITECH, CHLIC shall not directly or indirectly receive remuneration in exchange for any PHI of an Individual, unless the Plan obtained from the Individual, in accordance with 45 C.F.R. § 164.508, a valid authorization that, in accordance with such section, specifies whether the PHI can be further exchanged for remuneration by the entity receiving PHI of that Individual, unless the purpose of the exchange is:

- (A) For public health activities (as described in 45 C.F.R. § 164.512(b));
- (B) For research (as described in 45 C.F.R. §§ 164.501 and 164.512(i)) and the price charged reflects the costs of preparation and transmittal of the data for such purpose;
- (C) For the treatment of the Individual, subject to any applicable regulation preventing PHI from inappropriate access, use, or disclosure;

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- (D) The health care operation specifically described in the definition of health care operations in 45 C.F.R. §164.501(6)(iv);
- (E) For remuneration provided by the Plan to CHLIC for activities involving the exchange of PHI that CHLIC undertakes on behalf of and at the request of the Plan pursuant to the Agreement and this Addendum;
- (F) To provide an Individual with a copy of his or her PHI pursuant to 45 C.F.R. §164.524; or
- (G) Otherwise determined by regulations of the Secretary to be similarly necessary and appropriate as the exceptions described in subsections (A) through (F), above.

Section 3. Limited Data Set or Minimum Necessary Standard and Determination. CHLIC shall, to the extent practicable, limit its use, disclosure, or request of Individuals' PHI to the Limited Data Set (as defined in 45 C.F.R. §164.514(e)(2)) or, if needed by CHLIC, to the minimum necessary amount of Individuals' PHI to accomplish the intended purpose of such use, disclosure, or request and to perform its obligations under the underlying Agreement and this Addendum. CHLIC shall determine what constitutes the minimum necessary to accomplish the intended purpose of such disclosure. CHLIC's obligations under this Section 3 shall be subject to modification to comply with future guidance to be issued by the Secretary.

Section 4. Security Standards. As required by HITECH Section 13401(a), CHLIC shall comply with the administrative, physical, and technical safeguards and standards set out in 45 C.F.R. §164.308, §164.310, and §164.312, and with the policies and procedures and documentation requirements set out in 45 C.F.R. §164.316. On and after the effective date of final regulations issued by the Secretary requiring CHLIC's compliance with 45 C.F.R. §164.314, CHLIC shall comply with the organizational requirements set forth at 45 C.F.R. §164.314, to the extent applicable.

Section 5. Protection of Electronic PHI. With respect to Electronic PHI, CHLIC shall:

- (A) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that CHLIC creates, receives, maintains, or transmits on behalf of the Plan as required by the Security Standards;
- (B) Ensure that any agent, including a subcontractor, to whom CHLIC provides such information agrees to implement reasonable and appropriate safeguards to protect it; and,
- (C) Promptly report to the Plan any Security Incident of which it becomes aware. CHLIC agrees to report the Security Incident to the Plan as soon as reasonably practicable, but not later than five (5) calendar days from the date the CHLIC becomes aware of the incident.

Section 6. Reporting of Violations. CHLIC shall report to the Plan, as soon as reasonably practical, any use or disclosure of PHI not provided for by this Addendum of which it becomes

aware. CHLIC agrees to mitigate, to the extent practicable, any harmful effect from a use or disclosure of PHI in violation of this Addendum of which it is aware.

Section 7. Security Breach Notification. CHLIC will notify the Plan of a Breach no later than three (3) calendar days after discovery of the Breach. This notification will include, to the extent known:

- i. the names of the individuals whose PHI was involved in the Breach;
- ii. the circumstances surrounding the Breach;
- iii. the date of the Breach and the date of its discovery;
- iv. the information Breached;
- v. any steps the impacted individuals should take to protect themselves;
- vi. the steps CHLIC is taking to investigate the Breach, mitigate losses, and protect against future Breaches; and,
- vii. a contact person who can provide additional information about the Breach.

For purposes of discovery and reporting of Breaches, CHLIC is not the agent of the Plan or the Employer (as “agent” is defined under common law). CHLIC will investigate Breaches, assess their impact under applicable state and federal law, including HITECH, and make a recommendation to the Plan as to whether notification is required pursuant to 45 C.F.R. §§164.404-408 and/or applicable state breach notification laws. With the Plan’s prior approval, CHLIC will issue notices to such individuals, state and federal agencies - including the Department of Health and Human Services, and/or the media as the Plan is required to notify pursuant to, and in accordance with the requirements of Applicable Law (including 45 C.F.R. §§164.404-408). CHLIC will pay the costs of issuing notices required by law and other remediation and mitigation which, in CHLIC’s discretion, are appropriate and necessary to address the Breach. CHLIC will not be required to issue notifications that are not mandated by Applicable Law. CHLIC shall provide the Plan with information necessary for the Plan to fulfill its obligation to report Breaches affecting fewer than 500 Individuals to the Secretary as required by C.F.R. §164.408(c).

Section 8. Disclosures to and Agreements by Third Parties. CHLIC shall ensure that each agent and subcontractor to whom it provides PHI agrees to the same restrictions and conditions with respect to such PHI that apply to CHLIC pursuant to this Addendum and shall enter into a written agreement with any subcontractors or agents that receives, creates, maintains, or transmits PHI received from CHLIC on behalf of the Plan, legally binding such subcontractors or agents to the same restrictions, terms and conditions that apply to CHLIC pursuant to this Agreement with respect to such PHI, including the requirement that the subcontractors or agent, as applicable, implement reasonable and appropriate safeguards to protect any electronic PHI that is disclosed to it by CHLIC.

Section 9. Access to PHI. CHLIC shall provide an Individual with access to such Individual’s PHI contained in a Designated Record Set in response to such Individual’s request in the manner required in 45 C.F.R. §164.524 within five (5) calendar days of such request.

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CHLIC shall notify the Plan within five (5) calendar days of receipt of any request for access by an individual.

If CHLIC maintains Electronic Health Records (EHR) as that term is defined in Section 13400 of HITECH and an Individual requests a copy of such records, CHLIC shall transmit the electronic records directly to an entity or person designated by the Individual, provided that any such choice is clear, conspicuous, and specific. Any fee charged for such electronic records shall not exceed CHLIC's labor costs.

Section 10. Availability of PHI for Amendment. CHLIC shall respond to a request by an Individual for amendment to such Individual's PHI contained in a Designated Record Set in the manner required in 45 C.F.R. §164.526, within ten (10) calendar days of such request, except that the Plan shall handle any requests for amendment of PHI originated by the Plan, Plan Sponsor or the Plan's other business associates, such as enrollment information. CHLIC shall notify the Plan within five (5) calendar days of receipt of any request for amendment by an individual. CHLIC shall have a process in place for receiving requests for amendments and for appending such requests to the Designated Record Set, as requested by the Plan.

Section 11. Modifications to Individual Rights and Accounting of Disclosures. CHLIC shall comply with, and shall assist the Plan in complying with, responding to Individuals' requests to restrict the uses and disclosures of their PHI under 45 C.F.R. §164.522. This shall include complying with valid requests to restrict the disclosure of certain PHI in accordance with Section 13405(A) of HITECH. As required by HITECH, CHLIC shall provide Individuals with access to certain PHI in electronic form. CHLIC shall provide an accounting of disclosures of PHI to an Individual who requests such accounting in the manner required in 45 C.F.R. §164.528 within thirty (30) calendar days of such request. CHLIC shall notify the Plan within five (5) calendar days of receipt of any request for an accounting by an Individual.

Section 12. Requests for Privacy Protection. CHLIC shall handle requests by an Individual for privacy protection for such Individual's PHI pursuant to the requirements of 45 C.F.R. §164.522.

Section 13. Processes and Procedures. In carrying out its duties set forth in Article II, Sections 9-12, above, CHLIC will implement the Standard Business Associate Processes and Procedures (the "Processes and Procedures") attached hereto for requests from Individuals, including the requirement that requests be made in writing, the creation of forms for use by Individuals in making such requests, and the setting of time periods for the Plan to forward to CHLIC any such requests made directly to the Plan or Plan Sponsor. In addition, CHIC will implement the Processes and Procedures relating to disclosure of PHI to Plan Sponsor or designated third parties.

Section 14. Availability of Books and Records. CHLIC hereby agrees to make their internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of the Department of Health and Human Services for purposes of determining the CHLIC's and the Plan's compliance with the HIPAA Privacy Rule. The CHLIC shall immediately notify the Plan upon receipt or notice of any request by the Secretary of the Department of Health and

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Human Services to conduct an investigation with respect to PHI relating to services under this Agreement.

Section 15. Indemnification. The CHLIC shall protect, defend, reimburse, indemnify, and hold the Plan, the Plan Sponsor, its agents, employees and elected officers, harmless from and against all claims, liability, expense, loss, cost, penalties, damages or causes of action of every kind or character, including attorney's fees and costs, whether at trial or appellate levels or otherwise, arising as a result of any disclosure of PHI or Electronic Protected Health Information due to the actions, inactions or omissions of the CHLIC and/or any of its agents, servants, subcontractors and employees.

Section 16. Data Ownership. The Plan, and not CHLIC, maintains ownership of all PHI created or received by CHLIC in connection with this.

Section 17. Additional HITECH Compliance.

- (A) CHLIC shall refrain from marketing practices prohibited by Section 13046 of the HITECH or the HIPAA Privacy Rule.
- (B) CHLIC shall refrain from receiving or providing direct or indirect remuneration in exchange for any PHI in a manner that would violate Section 13405(d) of the HITECH or 45 C.F.R. § 164.502(a)(5)(ii).
- (C) CHLIC shall be subject to the application of civil and criminal penalties for violation of Sections 13401 and 13404(a) and (b) of Part 1 of the HITECH.

III. TERMINATION OF AGREEMENT WITH CHLIC

Section 1. Termination Upon Breach of Provisions Applicable to PHI. Any other provision of the Agreement notwithstanding, the Agreement may be terminated by the Plan upon prior written notice to CHLIC in the event that CHLIC materially breaches any obligation of this Addendum and fails to cure the breach within such reasonable time as the Plan may provide for in such notice; provided that in the event that termination of the Agreement is not feasible, in the Plan's sole discretion, the Plan shall have the right to report the breach to the Secretary.

If CHLIC knows of a pattern of activity or practice of the Plan, that constitutes a material breach or violation of the Plan's duties and obligations under this Addendum, CHLIC shall provide a reasonable period of time, as agreed upon by the parties, for the Plan to cure the material breach or violation. Provided, however, that, if the Plan does not cure the material breach or violation within such agreed upon time period, CHLIC shall terminate the Agreement, if feasible, at the end of such period.

Section 2. Use of PHI upon Termination. At the termination or expiration of this Agreement, the CHLIC shall return to the Plan all PHI received from, or created or received by the CHLIC on behalf of, the Plan that the CHLIC still maintains in any form and shall not retain copies of such information. The parties hereto agree that it is not feasible for CHLIC to return or destroy PHI at termination of the Agreement; therefore, the protections of this Addendum for PHI shall

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survive termination of the Agreement, and CHLIC shall limit any further uses and disclosures of such PHI to the purpose or purposes which make the return or destruction of such PHI infeasible.

IV. OBLIGATION OF THE PLAN

The Plan will not request CHLIC to use or disclose PHI in any manner that would not be permissible under HIPAA or HITECH if done by the Plan.

V. DEFINITIONS FOR USE IN THIS ADDENDUM

“Breach” means the unauthorized acquisition, access, use, or disclosure of Unsecured PHI which compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information. A Breach does not include any unintentional acquisition, access, or use of PHI by an employee or individual acting under the authority of CHLIC if such acquisition, access, or use was made in good faith and within the course and scope of the employment or other professional relationship of such employee or individual with CHLIC; any inadvertent disclosure from an individual who is otherwise authorized to access PHI at a facility operated by CHLIC to another similarly situated individual at the same facility; and such information is not further acquired, accessed, used, or disclosed without authorization by any person.

“Designated Record Set” shall have the same meaning as the term “designated record set” as set forth in the HIPAA Privacy Rule, limited to the enrollment-payment, claims adjudication, and case or medical management record systems maintained by CHLIC for the Plan, or used, in whole or in part, by CHLIC or the Plan to make decisions about Individuals.

“Effective Date” shall mean the earliest date by which the Plan is required to have executed a Business Associate Agreement with CHLIC pursuant to the requirements of Applicable Law.

“Electronic Protected Health Information” shall mean PHI that is transmitted by or maintained in electronic media as that term is defined in 45 C.F.R. §160.103.

“Limited Data Set” shall have the same meaning as the term “limited data set” as set forth in as defined in 45 C.F.R. §164.514(e)(2).

“Protected Health Information” or “PHI” shall have the same meaning as set forth at 45 C.F.R. §160.103.

“Secretary” shall mean the Secretary of the United States Department of Health and Human Services.

“Security Incident” shall have the same meaning as the term “security incident” as set forth in 45 C.F.R. §164.304.

“Unsecured Protected Health Information” shall mean PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in the guidance issued under Section 13402(h)(2) of HITECH. GNA Health and Life Insurance Company

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Standard Business Associate Processes and Procedures

These Standard Business Associate Processes and Procedures apply to each self-funded group health plan (“Plan”) of an entity (“Plan Sponsor”) that has entered or will enter into an Administrative Services Only Agreement, Flexible Spending Account or Reimbursement Accounts Administrative Services Agreement and/or Continuation Coverage Services Agreement (collectively, as applicable, the “Administrative Services Agreement”) with CIGNA Health and Life Insurance Company (“CHLIC”). The Plan and CHLIC are parties to a Business Associate Agreement/Privacy Addendum. Unless otherwise defined, capitalized terms have the meaning provided therein, or if not defined in such agreement, as defined in: (i) the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and the associated regulations, as may be amended; (ii) the HIPAA Privacy Rule codified at 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended; (iii) the HIPAA Security Rule codified at 45 C.F.R. Part 160 and 164, Subpart C, as may be amended; (iv) the Breach Notification Rule, codified at 45 C.F.R. Part 164, Subpart D, as may be amended; (v) the Enforcement Rule codified at 45 C.F.R. Part 160, Subparts C and D, as may be amended; (vi) the Health Information Technology for Economic and Clinical Health Act, which was included in Title XIII of the American Recovery and Reinvestment Act of 2009 (“HITECH”); and (vii) the HIPAA Omnibus Final Rule published in the Federal Register at 78 Fed. Reg. 5,566 (Jan. 25, 2013), and effective on March 26, 2013.

Section 1. Access to PHI. When an Individual requests access to PHI contained in a Designated Record Set and such request is made directly to the Plan or Plan Sponsor, the Plan shall forward the request to CHLIC within five (5) calendar days of such receipt. Upon receipt of such request from the Plan, or upon receipt of such a request directly from an Individual, CHLIC shall make such PHI available directly to the Individual within five (5) calendar days, in the manner required in 45 C.F.R. §164.524. The Plan delegates to CHLIC the duty to determine, on behalf of the Plan, whether to deny access to PHI requested by an Individual and the duty to provide any required notices and review in accordance with the HIPAA Privacy Rule.

Section 2. Availability of PHI for Amendment.

- (a) When an Individual requests amendment to PHI contained in a Designated Record Set, and such request is made directly to the Plan or Plan Sponsor, within five (5) calendar days of such receipt, the Plan shall forward such request to CHLIC for handling, except that the Plan shall retain and handle all such requests to the extent that they pertain to Individually Identifiable Health Information (such as enrollment information) originated by the Plan, Plan Sponsor, or the Plan’s other business associates. CHLIC shall respond to such forwarded requests as well as to any such requests that it receives directly from Individuals, within five (5) calendar days and in such a manner as required by 45 C.F.R. §164.526, except that CHLIC shall forward to the Plan for handling any requests for amendment of PHI originated by the Plan, Plan Sponsor, or the Plan’s other business associates.
- (b) With respect to those requests handled by CHLIC under subparagraph (a) above, the Plan delegates to CHLIC the duty to determine, on behalf of the Plan, whether to deny a request for amendment of PHI and the duty to provide any required notices and review as well as, in the case of its determination to grant such a request, the duty to make any amendments in accordance with the terms of the HIPAA Privacy Rule. In all other instances, the Plan retains all

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responsibility for handling such requests, including any denials, in accordance with the HIPAA Privacy Rule.

- (c) Whenever CHLIC is notified by the Plan that the Plan has agreed to make an amendment pursuant to a request that it handles under subparagraph (a) above, CHLIC shall incorporate any such amendments in accordance with 45 C.F.R. §164.526.

Section 3. Accounting of Disclosures. When an Individual requests an accounting of disclosures of PHI held by CHLIC directly to the Plan or Plan Sponsor, the Plan shall within five (5) calendar days of such receipt forward the request to CHLIC to handle. CHLIC shall provide an accounting of disclosures of PHI to an Individual who requests such accounting in the manner required in 45 C.F.R. §164.528 within thirty (30) calendar days of such request. In the event that the request for an accounting is delivered directly to CHLIC, CHLIC shall notify the Plan within five (5) calendar days of receipt of any request for an accounting by an Individual.

Section 4. Requests for Privacy Protection. CHLIC shall handle Individuals' requests made to it for privacy protection for PHI in CHLIC's possession pursuant to the requirements of 45 C.F.R. §164.522. The Plan shall forward to CHLIC to handle any such requests the Plan receives from Individuals that affect PHI held by CHLIC.

Section 5. General Provisions Regarding Requests. CHLIC may require that requests pursuant to Sections 1 through 4 above be made in writing and may create forms for use by Individuals in making such requests. When responding to an Individual's request as provided above, CHLIC may inform the Individual that there may be other "protected health information" created or maintained by the Plan and/or the Plan's other business associates and not included in the CHLIC's response. CHLIC shall not be responsible for performing any duties described in the Business Associate Agreement with respect to any such other "protected health information." In carrying out its duties set forth herein, CHLIC may establish such additional procedures and processes for requests from Individuals as permitted by the HIPAA Privacy Rule.

Section 6. Disclosure of PHI to the Plan Sponsor. To the extent that the fulfillment of CHLIC's obligations under the Administrative Services Agreement requires CHLIC to disclose or provide access to PHI to Plan Sponsor or any person under the control of Plan Sponsor (including third parties), CHLIC shall make such disclosure of or provide such access to PHI only as follows:

- i. CHLIC shall disclose Summary Health Information to any employee or other person under the control of Plan Sponsor (including third parties) upon the Plan Sponsor's written request for the purpose of obtaining premium bids for the provision of health insurance or HMO coverage for the Plan or modifying, amending or terminating the Plan; and
- ii. If the Plan elects to provide PHI to the Plan Sponsor, CHLIC shall disclose or make available PHI, other than Summary Health Information, at the written direction of the Plan to only those employees or other persons identified in the Plan documents and under the control of Plan Sponsor solely for the purpose of carrying out the Plan administration functions that Plan Sponsor performs for the Plan. Such employees or other persons (including third parties) will be identified by the Plan in writing (by name, title, or other appropriate designation) to CHLIC

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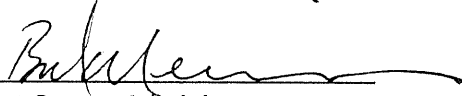
as a condition of disclosure of PHI pursuant to this Section 6(ii). The Plan may modify such list from time to time by written notice to CHLIC.

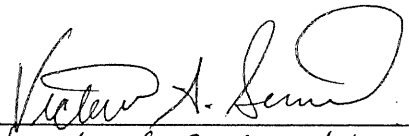
Section 7. Disclosures of PHI to Third Parties. Upon the Plan's written request, CHLIC will provide PHI to certain designated third parties who assist in administering the Plan and who are authorized by the Plan to receive such information solely for the purpose of assisting in carrying out Plan administration functions ("Designated Third Parties"). Such parties may include, but are not limited to, third-party administrators, consultants, brokers, auditors, successor administrators or insurers, and stop-loss carriers. As a condition to providing PHI to a Designated Third Party, CHLIC shall enter into a written agreement with any Designated Third Party that receives, creates, maintains, or transmits PHI received from CHLIC on behalf of Plan Sponsor, legally binding such Designated Third Party to the same restrictions, terms and conditions that apply to CHLIC pursuant to this Agreement with respect to such PHI, including the requirement that the Designated Third Party implement reasonable and appropriate safeguards to protect any electronic PHI that is disclosed to it by CHLIC.

Agreed to this _____ day of _____, 2014

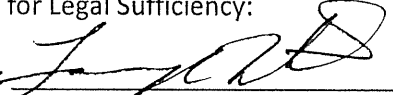
Palm Beach County Privacy Officer

CHLIC

Signature: 
Title: Assistant County Administrator
Date: 9-15-2014

Signature: 
Title: Contractual Agreement Unit Manager
Date: 9/2/2014

Approved for Legal Sufficiency:

Signature: 
Title: Chief Assistant County Attorney
Date: 9/11/14