

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is effective as of _____, 201_, and is by and between SOUTHWEST DEVELOPMENTAL SERVICES, INC. (“Covered Entity”) and _____ (“Business Associate”).

RECITALS

A. Covered Entity and Business Associate are parties to an agreement or arrangement pursuant to which Business Associate performs certain services for Covered Entity.

B. In connection with the performance of its services, Business Associate may receive from, or create or receive on behalf of Covered Entity health information that is considered PHI (as defined below).

C. To the extent that such PHI is shared between the parties, this Agreement shall apply and shall set forth the party’s obligations with respect to such PHI.

D. The provisions of this Agreement shall become binding on the parties beginning on the date on which PHI is first shared between the parties and shall terminate in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

TERMS

1. Definitions

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Rules (as defined below), the HITECH Standards (as defined below) or any future regulations promulgated or guidance issued by the Secretary (as defined below) thereunder.

- a) Breach. “Breach” shall have the same meaning as the term “breach” at 45 C.F.R. § 164.402.
- b) Electronic Health Record. “Electronic Health Record” shall mean an electronic record of health-related information on an Individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.
- c) Electronic PHI. “Electronic PHI” shall have the same meaning as the term “electronic PHI” at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- d) HIPAA. “HIPAA” shall mean the Health Insurance Portability and Accountability Act of 1996, as amended, and the implementation regulations thereunder, including without limitation the HIPAA Rules (as defined below) and the HITECH Standards (as defined below), and all future regulations promulgated thereunder.
- e) HIPAA Rules. “HIPAA Rules” means the Privacy Rule (as defined below) and the Security Rule (as defined below).

- f) HITECH Standards. “HITECH Standards” means Subtitle D of the Health Information Technology for Economic and Clinical Health Act (“HITECH”), found at Title XIII of the American Recovery and Reinvestment Act of 2009, and any regulations promulgated thereunder, including all amendments to the HIPAA Rules.
- g) Individual. “Individual” shall have the same meaning as the term “individual” at 45 C.F.R. § 160.103, and any amendments thereto, and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- h) Privacy Rule. “Privacy Rule” means the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164.
- i) Protected Health Information. “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” at 45 C.F.R. § 160.103, and any amendments thereto, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- j) Required By Law. “Required By Law” shall have the same meaning as the term “required by law” at 45 C.F.R. § 164.103.
- k) Secretary. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- l) Security Incident. “Security Incident” shall have the same meaning as the term “security incident” at 45 C.F.R. § 164.304.
- m) Security Rule. “Security Rule” shall mean the Security Standards for the Protection of Electronic PHI at 45 C.F.R. Parts 160, 162, and 164.
- n) Unsecured PHI. “Unsecured PHI” shall have the same meaning as the term “unsecured protected health information” at 45 C.F.R. § 164.402.

2. Relationship of Parties

In the performance of the work, duties and obligations described in this Agreement or under any other agreement between the parties, the parties acknowledge and agree that each party is at all times acting and performing as an independent contractor and at no time shall the relationship between the parties be construed as a partnership, joint venture, employment, principal/agent relationship, or master/servant relationship.

3. Ownership of PHI

Business Associate acknowledges that all right, title and interest in and to any PHI furnished to Business Associate vests solely and exclusively with Covered Entity or the Individual to whom such PHI relates.

4. Obligations and Activities of Business Associate

- a) Business Associate agrees to not use or disclose PHI other than as permitted or required by this Agreement, any underlying agreement between the parties, or as Required By Law.
- b) Business Associate will make reasonable efforts, to the extent practicable, to limit requests for and the use and disclosure of PHI to a Limited Data Set (as defined in 45

- C.F.R. § 164.514(e)(2)) or, if needed by Business Associate, to the minimum necessary PHI to accomplish the intended purpose of such use, disclosure or request, and as applicable, in accordance with the regulations and guidance issued by the Secretary on what constitutes the minimum necessary for Business Associate to perform its obligations to Covered Entity under this Agreement, any underlying agreement, or as Required By Law.
- c) Business Associate agrees to use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement.
 - d) Business Associate agrees to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall comply with the applicable requirements of the Security Rule in the same manner such provisions apply to Covered Entity.
 - e) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
 - f) Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Agreement of which it becomes aware. To the extent that Business Associate creates, receives, maintains or transmits Electronic PHI, Business Associate agrees to report as soon as practicable to Covered Entity any Security Incident, as determined by Business Associate, involving PHI of which Business Associate becomes aware. Notwithstanding the foregoing, Business Associate and Covered Entity acknowledge the ongoing existence and occurrence of attempted but unsuccessful Security Incidents that are trivial in nature, such as pings and port scans, and Covered Entity acknowledges and agrees that no additional notification to Covered Entity of such unsuccessful Security Incidents is required. However, to the extent that Business Associate becomes aware of an unusually high number of such unsuccessful Security Incidents due to the repeated acts of a single party, Business Associate shall notify Covered Entity of these attempts and provide the name, if available, of said party. At the request of Covered Entity, Business Associate shall identify the date of the Security Incident, the scope of the Security Incident, Business Associate's response to the Security Incident, and the identification of the party responsible for causing the Security Incident, if known.
 - g) Following Business Associate's discovery of a Breach of Unsecured PHI, Business Associate shall notify Covered Entity of the Breach without unreasonable delay, and in no event later than three (3) business days after Business Associate, or any of its employees or agents, discovered the Breach. Such notification shall include, to the extent possible, the identification of each Individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used, or disclosed during the Breach and any other information available to Business Associate about the Breach which is required to be included in the notification of the Breach provided to the Individual in accordance with 45 C.F.R. §164.404(c). A Breach of Unsecured PHI shall be treated as discovered as of the first day on which such Breach is known to Business Associate or should have been known to Business Associate by exercising reasonable diligence. If Business Associate (or one of its subcontractors, vendors or agents) is responsible for a Breach of Unsecured PHI, Covered Entity may, at

- its option, require Business Associate to provide any of the notifications required by 45 C.F.R. § 164.404 at Business Associate's expense.
- h) In accordance with 45 C.F.R. §§ 164.308(b)(2) and 164.502(e)(1)(ii), Business Associate agrees to ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree in writing to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information. Moreover, Business Associate agrees to ensure any such agent or subcontractor agrees to implement reasonable and appropriate safeguards to protect Covered Entity's Electronic PHI.
 - i) Business Associate shall provide access, at the request of Covered Entity, and in a time and manner mutually acceptable to Business Associate and Covered Entity, to PHI in a Designated Record Set to Covered Entity, or, as directed by Covered Entity, to an Individual or another person properly designated by the Individual, in order to meet the requirements under 45 C.F.R. § 164.524. If Business Associate maintains PHI electronically in a Designated Record Set and if the Individual requests an electronic copy of such information, Business Associate must provide Covered Entity, or the Individual or person properly designated by the Individual, as directed by Covered Entity, access to the PHI in the electronic form and format requested by the Individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by Covered Entity and the Individual. Any fee that Business Associate may charge for such electronic copy shall not be greater than Business Associate's labor and supply costs in responding to the request.
 - j) Business Associate agrees to make any amendment(s) to PHI in its possession contained in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of Covered Entity or an Individual, and in a time and manner mutually acceptable to Business Associate and Covered Entity.
 - k) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528. As of the compliance date set forth in the regulations promulgated under HITECH or as otherwise determined by the Secretary, in addition to the accounting of disclosure obligations required under 45 C.F.R. § 164.528, Business Associate shall account for all disclosures of PHI made through an Electronic Health Record in accordance with the HITECH Standards and any future regulations promulgated thereunder.
 - l) Within ten (10) business days (or such other date that Business Associate and Covered Entity may reasonably agree upon) of receiving written notice from Covered Entity that Covered Entity has received a request for an accounting of disclosures of PHI, Business Associate agrees to provide to Covered Entity information collected to permit Covered Entity to make the accounting required in accordance with 45 C.F.R. § 164.528.
 - m) Business Associate shall make its internal practices, books, and records, including policies and procedures, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available to the Secretary for purposes of determining Covered Entity's or Business Associate's compliance with the Privacy Rule.

- n) To the extent Business Associate is to carry out Covered Entity's obligations under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such delegated obligation.

5. **General Use and Disclosure Provisions**

Except as otherwise limited in this Agreement:

- a) Business Associate reserves the right to **use** PHI for the proper management and administration of Business Associate, to carry out the legal responsibilities of Business Associate, and to provide data aggregation services to Covered Entity.
- b) Business Associate may **use or disclose** PHI to perform functions, activities, or services for, or on behalf of, Covered Entity provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity.
- c) Business Associate may **disclose** PHI in its possession for the proper management and administration of Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the third party to whom the information is disclosed that such 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 the third party notifies Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.

6. **Indemnification, Settlement and Procedure**

Notwithstanding any agreement by the Parties to the contrary, Business Associate shall indemnify and hold harmless Covered Entity and its directors, officers, affiliates, agents, volunteers, trustees or employees from and against any claim, cause of action, liability, damage, cost or expense, including attorney's fees and court or proceeding costs, arising out of or in connection with Business Associate's material breach of its obligations under this Agreement, as well as any violation of or failure of Business Associate to fulfill its obligation under HIPAA, including the unauthorized use or disclosure of PHI, or any failure in security measures affecting PHI by the Business Associate, its subcontractors, vendors or agents, or any person or entity under the Business Associate's control. The Business Associate's obligation to indemnify Covered Entity in accordance with this Section will survive expiration or termination of this Agreement. Covered Entity may, at its option, conduct its defense or settlement of any such action arising as described herein, and Business Associate shall cooperate with such defense and settlement.

7. **Term and Termination**

- a) **Term.** The term of this Agreement shall commence on the Effective Date, and shall terminate when Business Associate ceases providing services to or for Covered Entity that involves creating, receiving, maintaining or transmitting PHI on behalf of Covered Entity.
- b) **Termination for Cause.** Upon Covered Entity's knowledge of a material breach of this Agreement by Business Associate, Covered Entity shall either:
 - i) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; or

- ii) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible.

Business Associate shall ensure that it maintains the termination rights in this Section in any agreement it enters into with a subcontractor pursuant to Section 4(h) hereof.

c) Effect of Termination.

- i) Except as provided in paragraph (ii) of this Section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall not retain copies of the PHI.
- ii) In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Upon determination that return or destruction of PHI is not feasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

8. Miscellaneous

- a) Regulatory References. A reference in this Agreement to a section in the Privacy Rule or the Security Rule means the section as in effect or as amended and for which compliance is required.
- b) Amendment. No change, amendment, or modification of this Agreement shall be valid unless set forth in writing and agreed to by both parties. Notwithstanding the foregoing, the parties acknowledge that state and federal laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. The parties specifically agree to take such action as may be necessary from time to time for the parties to comply with the requirements of HIPAA. Covered Entity shall provide written notice to Business Associate to the extent that any final regulation or amendment to final regulations promulgated by the Secretary under HITECH requires an amendment to this Agreement to comply with HIPAA. The parties agree to negotiate an amendment to the Agreement in good faith; however, either party may terminate this Agreement upon ninety (90) days written notice to the other party if the parties are unable to reach an agreement.
- c) Survival. The respective rights and obligations of Business Associate under Section 7 of this Agreement shall survive the termination of this Agreement, unless expressly stated otherwise.
- d) Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity and Business Associate to comply with HIPAA.
- e) Notice. Any notice, report or other communication required under this Agreement shall be in writing and shall be delivered personally, telegraphed, emailed, sent by facsimile transmission, or sent by U.S. mail.
- f) Governing Law. The rights, duties and obligations of the parties to this Agreement and the validity, interpretation, performance and legal effect of this Agreement shall be

governed and determined by applicable federal law with respect to the Privacy Rule and the Security Rule and otherwise by the laws of the State of Kansas.

- g) Counterparts. This Agreement may be executed in one or more original counterparts and will become operative when each party has executed and delivered at least one counterpart. Each original counterpart will be deemed to be an original for all purposes, and all counterparts will together constitute one instrument.
- h) Signatures. This Agreement may be signed electronically and delivered by email, facsimile or similar transmission, and an email, facsimile or similar transmission evidencing execution, including PDF copies of executed counterparts, will be effective as a valid and binding agreement between the Parties for all purposes.

IN WITNESS THEREOF, each party has caused this Agreement to be executed by its duly authorized representative.

SOUTHWEST DEVELOPMENTAL
SERVICES, INC.

[BUSINESS ASSOCIATE]

Southwest Developmental Services, Inc.
(Covered Entity)

(Business Associate)

(Signature)

(Signature)

Mark G. Hinde
(Printed Name)

(Printed Name)

President/CEO
(Title)

(Title)

1808 Palace Dr., Suite C
Address

Address

Garden City, KS 67846
Address

Address

(Date)

(Date)