

BUSINESS ASSOCIATE AGREEMENT

Effective Date: _____

“Customer” or “Covered Entity”:

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Fax: _____
Attention: _____

“Business Associate”:

Name: Quantum Health Automation, Inc., an Indiana corporation
Address: 201 NW Fourth Street, Ste 103
Evansville, IN 47708-1356
Fax: (812) 468-8478
Attention: HIPAA CONTRACT ADMINISTRATOR

This Agreement is entered into by and between Customer and Business Associate (each a “Party” and collectively the “Parties”) to set forth the terms and conditions under which "protected health information", as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Regulations enacted thereunder, created or received by "Business Associate" on behalf of Customer may be used or disclosed.

This Agreement shall commence on the “Effective Date” – or, if no date is entered, the date this document is signed by Business Associate - and the obligations herein shall continue in effect so long as Business Associate uses, discloses, creates or otherwise possesses any protected health information created or received on behalf of Customer and until all protected health information created or received by Business Associate on behalf of Customer is destroyed or returned to Customer pursuant to Paragraph 15 herein.

Definitions:

Privacy Rule. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E (of the HIPAA regulations).

Protected Health Information. “Protected Health Information: shall have the same meaning as the term “protected health information” in 45 CFR & 164.501 (of the HIPAA regulations), limited to the information created or received by Business Associate from or on behalf of Covered Entity.

Required By Law. “Required By Law” shall have the same meaning as the term “required by law” in 45 CFR & 164.501 (of the HIPAA regulations).

1) Customer and Business Associate hereby agree that Business Associate shall be permitted to use and/or disclose protected health information created or received on behalf of Customer for the following purpose(s):

- (i) Health care claims or equivalent encounter information.
- (ii) Health care payment and remittance advice.
- (iii) Health care claim status.
- (iv) Eligibility for a health plan.
- (v) Health plan premium payments.
- (vi) Referral certification and authorization.
- (vii) Health claims attachments.
- (viii) Other transactions that the Secretary may prescribe by regulation.

1.1 Moreover, Business Associate may disclose Protected Health Information for the purposes authorized by this Agreement including, but not limited to, Section 1.2 below and Section 5 and 6 of this Agreement below.

- (i) to its employees; and
- (ii) subcontractors and agents
- (iii) as directed by the Customer

1.2 Business Associate may use and disclose Protected Health Information for the proper management and administration of the Business Associate, as provided in Business Associate’s then said Electronic Claims and Transaction Service Agreement; and to provide data aggregation/analysis services relating to the health care operations of the Customer.

2.) Business Associate may use and disclose protected health information created or received by Business Associate on behalf of Customer if necessary for the proper management and administration of Business Associate or to carry out Business Associate’s legal responsibilities, provided that any disclosure is:

- a) Required by law, or

- b) Business Associate obtains reasonable assurances from the person to whom the protected health information is disclosed that (i) the protected health information 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 Business Associate will be notified of any instances of which the person is aware in which the confidentiality of the information is breached.
- 3.) Business Associate hereby agrees to maintain the security and privacy of all protected health information in a manner consistent with Indiana and federal laws and regulations, including the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and Regulations thereunder, and all other applicable law.
- 4.) Business Associate further agrees not to use or disclose protected health information except as expressly permitted by this Agreement, applicable law, or for the purpose of managing Business Associate's own internal business processes consistent with Paragraph 2 herein.
- 5.) Business Associate shall not disclose protected health information to any member of its workforce unless Business Associate has advised such person of Business Associate's privacy and security obligations under this Agreement, including the consequences for violation of such obligations. Business Associate shall take appropriate disciplinary action against any member of its workforce who uses or discloses protected health information in violations of this Agreement and applicable law.
- 6.) Business Associate shall not disclose protected health information created or received by Business Associate on behalf of Customer to a person, including any agent or subcontractor of Business Associate but not including a member of Business Associate's own workforce, until such person agrees in writing to be bound by the provisions of this Agreement and applicable Indiana or Federal law.
- 7.) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of protected health information not permitted by this Agreement or applicable law.
- 8.) Business Associate agrees to maintain a record of all disclosures of protected health information, including disclosures not made for the purposes of this Agreement. Such record shall include the date of the disclosure, the name and, if known, the address of the recipient of the protected health information, the name of the individual who is the subject of the protected health information, a brief description of the protected health information disclosed, and the purpose of the disclosure. Business Associate shall make such record available to an individual who is the subject of such information or Customer within ten (10) days of a request and shall include disclosures made on or after the date which is six (6) years prior to the request or April 14, 2003, whichever is later.
- 9.) Business Associate agrees to report to Customer any unauthorized use or disclosure of protected health information by Business Associate or its workforce or subcontractors and the remedial action taken or proposed to be taken with respect to such use or disclosure.
- 10.) Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of protected health information received from Customer, or created or received by Business Associate on behalf of Customer, available to the Secretary of the United States Department of Health and Human Services, for purposes of determining the Covered Entity's compliance with HIPAA.
- 11.) Within thirty (30) days of a written request by Customer, Business Associate shall allow a person who is the subject of protected health information, such person's legal representative, or Customer to have access to and to copy such person's protected health information maintained by Business Associate. Business Associate shall provide protected health information in a feasible format requested by such person, legal representative, or practitioner unless it is not readily producible in such format, in which case it shall be produced in standard hard copy format.
- 12.) Business Associate and Customer agrees to amend, pursuant to a request by Customer or Business Associate, protected health information maintained and created or received by Business Associate on behalf of Customer. Business Associate further agrees to complete such amendment within thirty (30) days of a written request by Customer, and to make such amendment as directed by Customer.
- 13.) In the event Business Associate or Customer fails to perform the obligations under this Agreement, Customer or Business Associate may, at its option:
- a) Require Business Associate or Customer to submit to a plan of compliance, including monitoring by Customer or Business Associate and reporting by Business Associate or Customer, as Customer or Business Associate, in its sole discretion, determines necessary to maintain compliance with this Agreement and applicable law. Such plan shall be incorporated into this Agreement by amendment hereto; and
 - b) Business Associate agrees to mitigate, to the extent reasonably practicable, any harmful effect, that is known to Business Associate, of a use or disclosure of PHI by Business Associate in violation of this Agreement.
 - c) Immediately discontinue providing protected health information to Business Associate with or without written notice to Business Associate.

14.) Customer or Business Associate may immediately terminate this Agreement and related agreements if Customer or Business Associate determines that the Business Associate or Customer has breached a material term of this Agreement. Alternatively, Customer or Business Associate may choose to: (i) provide Business Associate or Customer with ten (10) days written notice of the existence of an alleged material breach; and (ii) afford the Business Associate or Customer an opportunity to cure said alleged material breach to the satisfaction of Customer or Business Associate within ten (10) days. The Business Associate's or Customer's failure to cure shall be grounds for immediate determination of this Agreement. Customer's and Business Associate's remedies under this Agreement are cumulative, and the exercise of any remedy shall not preclude the exercise of any other.

15.) Upon termination of this Agreement, Business Associate shall return or destroy all protected health information received from Customer, or created or received by Business Associate on behalf of Customer and that Business Associate maintains in any form, and shall retain no copies of such information. If the parties mutually agree that return or destruction of protected health information is not feasible, Business Associate shall continue to maintain the security and privacy of such protected health information in a manner consistent with the obligations of this Agreement and as required by applicable law, and shall limit further use of the information to those purposes that make the return or destruction of the information infeasible. The duties hereunder to maintain the security and privacy of protected health information shall survive the discontinuance of this Agreement.

16.) Customer or Business Associate may amend this Agreement by providing ten (10) days prior written notice to Business Associate or Customer in order to maintain compliance with Indiana or Federal law. Such amendment shall be binding upon Business Associate or Customer at the end of the ten (10) day period and shall not require the consent of Business Associate or Customer. Business Associate may elect to discontinue the Agreement within the ten (10) day period, but Business Associate's duties hereunder to maintain the security and privacy of PROTECTED HEALTH INFORMATION shall survive such discontinuance. Customer and Business Associate may otherwise amend this Agreement by mutual written agreement.

17.) Force Majeure. Neither party shall be liable to the other party for any interruption or delay in fulfilling the party's obligations under this Agreement if such interruption or delay arises solely from causes beyond such party's reasonable control, including without limitation, acts of God, acts of any government, war or other hostility, civil disorder, the elements, fire, explosion, power failure, telecommunications service failure or interruption, equipment failure, industrial or labor dispute, or inability to access necessary supplies.

18.) The parties of this Agreement agree that this agreement may be executed simultaneously or in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree that this agreement may be transmitted between them by facsimile machine and electronic mail. The parties intend that faxed signatures constitute original signatures and are binding on the parties. The original document shall be promptly executed and/or delivered, if requested.

19.) If any controversy, dispute or claim arises between the Parties with respect to this Agreement, each Party shall make good faith efforts to resolve such matters informally.

20.) Business Associate is responsible for its own compliance. Customer is responsible for its own HIPAA Compliance.

21.) Notices, changes in address or contact information shall be made via U.S. Mail, express couriers, facsimile to each parties information listed above on this Agreement.

22.) The parties acknowledge that their obligations hereunder may be subject to regulation under federal, state and local laws. Each party agrees that it will at all times conform its actions to all applicable legal requirements and will, to the extent commercially reasonable, assist the other in compliance with such requirements. Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the Agreement between the parties, which supersedes and merges all prior proposals, understandings and all other commercial claims agreements, oral and written, between the parties relating to this Agreement. This Agreement and performance hereunder shall be governed by and construed in accordance with the internal laws of the State of Indiana. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. The waiver of failure of either party to exercise in any respect any right provided for herein shall not be deemed a waiver or any further right hereunder.

IN WITNESS WHEREOF, the undersigned have duly executed THIS AGREEMENT as of the date first above written as Effective Date.

CUSTOMER

QUANTUM HEALTH AUTOMATION, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____