

**OSI Collection Services, Inc. (OSI)
BUSINESS ASSOCIATE AGREEMENT
30153**

THIS ATTACHMENT TO THE AGREEMENT ("Agreement") is made and entered into this 30th day of March, 2007 by and between the City of Long Beach ("Healthcare Provider"), and OSI Collection Services, Inc., ("Business Associate").

WITNESSETH:

WHEREAS, Healthcare Provider is a "covered entity" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA") and the Electronic Transaction, Security and Privacy Standards (the "Standards") promulgated by the Department of Health and Human Services ("HHS") there under, which Standards are set forth in 45 C.F.R. Parts 142, 160, 162 and 164;

WHEREAS, Healthcare Provider's direct and indirect use and disclosure of individually identifiable health information is subject to HIPAA and the Standards;

WHEREAS, Healthcare Provider is desirous of obtaining services of Business Associate to assist in the billing and/or collection of accounts receivables;

WHEREAS, Business Associate is, for purposes of the Administrative Simplification provisions of the Health Insurance Portability Act of 1996, as amended, and the Standards published there under, a "Business Associate" of Covered Entity, as that term is defined in the Standards; and

WHEREAS, Business Associate wishes to provide third party accounts receivable billing and/or collection services per the terms and conditions of the Service Agreement,

NOW, THEREFORE, in consideration of the foregoing covenants and promises, the adequacy and sufficiency of which is hereby acknowledged, the parties mutually agree to the following terms and conditions:

1.1 Description of Services

Business Associate shall perform duties as outlined in the Service Agreement in accordance with the following laws and any applicable rules and regulations promulgated there under: The Health Insurance Portability Accountability Act of 1996, as amended, the Fair Debt Collection Practices Act; the Social Security Act and applicable Medicare and Medicaid rules and regulations; and any other applicable state, federal and local laws and regulations.

1.2 Necessary Information to Effectuate Services

Healthcare Provider authorizes Business Associate to commence customary and standard procedures to effectuate payment of a referred account when Healthcare Provider provides Business Associate with the patient/responsible party information and which pertains to a patient's account receivable.

Business Associate understands that the Healthcare Provider is relying on Business Associate's determination of the minimum information it requires in connection with the Business Associate services under the Agreement. If, in connection with performing its services, Business Associate determines that additional information is required from the Healthcare Provider, the Business Associate's request for such information will be considered a representation by the Business Associate that the requested information is reasonable and necessary for the performance of its services under the Service Agreement.

1.3 Limitations on Use and Disclosure of Minimum Necessary Information

The parties agree that the Business Associate may use and disclose Protected Health Information, as defined in HIPAA and the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, obtained from or on behalf of Health Provider for the proper management and administration of the Business Associate and to carry out the legal and contractual responsibilities of the Business Associate as provided in the Service Agreement.

1.4 Role Based Controls

Business Associate agrees to use reasonable efforts and implement reasonable controls to limit access, use and further disclosure, in whole or in part, of the Protected Health Information to those employees, officer, directors, authorized agents, vendors and subcontractors whose ability to perform their job functions or render services to the Business Associate may require such access, use or disclosure of Protected Health Information.

1.5 Right to Refuse to Perform Services

Upon receipt of notice that an account receivable referred to Business Associate is subject to restrictions on the use or disclosure of Protected Health Information, Business Associate may, at its sole discretion, return the account receivable to Health Provider without penalty.

1.6 Electronic Data Exchange

Healthcare Provider and Business Associate shall adhere to the electronic data exchange protocols as provided in Health and Human Services Department Standards for Individually Identifiable Health Information, 45 C.F.R. Part 142.

1.7 Amendments

Health Care Provider and Business Associate agree to take such action as is necessary to amend this Agreement from time to time as may be necessary for Health Care Provider to comply with the requirements of the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, and HIPAA.

1.8 Reporting.

If Business Associate becomes aware of any use or disclosure of PHI in violation of this Agreement, Business Associate shall immediately report such information to Client. Business Associate shall also require its employees, agents, and subcontractors to immediately report any use or disclosure of PHI in violation of this Agreement. Business Associate shall cooperate with, and take appropriate action required by the Client to mitigate any harm caused by such improper disclosure.

1.9 Agents and Subcontractors.

Business Associate shall require its employees, agents, and subcontractors to agree not to use or disclose PHI in any manner except as specifically allowed herein, and shall take appropriate disciplinary action against any employee or other agent who uses or discloses PHI in violation of this Agreement. Business Associate shall require any agent or subcontractor that carries out any duties for Business Associate involving the use, custody, disclosure, creation of, or access to PHI to enter into a written contract with Business Associate containing provisions substantially identical to the restrictions and conditions set forth in this Section.

1.10 Policies, Privacy Practices and Restrictions.

Business Associate shall comply with all Client notices, policies and procedures, including updates thereto provided from time to time by Client, and shall assure that each of its agents and employees has received appropriate training regarding HIPAA confidentiality and patient privacy compliance issues.

1.11 Rights.

Business Associate acknowledges that the Privacy Regulations require the Client to provide patients with a number of privacy rights, including (a) the right to inspect PHI within the possession or control of the Client, its Business Associates and their subcontractors (b) the right to amend such PHI and (c) the right to obtain an accounting of certain disclosures of their PHI to third parties. Business Associate shall establish and maintain adequate internal controls and procedures allowing it to readily assist the Client in complying with patient requests to exercise any patient rights granted by the Privacy Regulations, and shall, at no additional cost to the Client, immediately comply with all Client requests to amend, provide access to, or create an accounting of disclosures of the PHI in the possession of Business Associate or its agents and subcontractors. If Business Associate receives a request directly from a patient to exercise any patient rights granted by the Privacy Regulations, Business Associate shall immediately forward the request to the Client.

1.12 Safeguards.

Business Associate shall use appropriate physical, technical and administrative safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement and by the Client's privacy and security policies. Upon request, Business Associate shall allow the Client to review such safeguards. If Business Associate uses electronic media to obtain, transmit or store PHI, Business Associate shall implement

appropriate security measures and procedures for its data systems, which shall maintain the PHI and otherwise prevent unauthorized access to the PHI as required by this Agreement.

1.13 Disclosure to DHHS.

Business Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of Health and Human Services to the extent required for determining the Client's compliance with the Privacy Regulations. Notwithstanding the above, no attorney-client, or other legal privilege shall be deemed waived by Client or Business Associate by virtue of this provision.

1.14 Termination and Return of PHI.

Notwithstanding anything to the contrary in this Agreement, Client may terminate this Agreement immediately if, in the Client's reasonable opinion, Business Associate breaches any provision of this Section. Upon termination of this Agreement for any reason, Business Associate shall, if feasible, return or destroy all PHI received from the Client or created by Business Associate on behalf of the Client. If such return or destruction is not feasible, the parties agree that the requirements of this Section shall survive termination of this Agreement and that Business Associate shall limit all further uses and disclosures of PHI to those purposes that make the return or destruction of such information infeasible.

1.15 Limitation of Liability and Indemnification.

The following provisions shall apply to this Amendment:

a) **Liability between Client and Business Associate.** Liability under this Agreement for a breach of any of the terms of this Agreement by a party or for any error, act or omission by a party suffered by another party shall be strictly limited to the actual monetary damages of the other party. Neither party shall be liable for special, indirect, consequential, or incidental damages, including loss of profits or loss of revenues, whether based in contract, tort or otherwise. Furthermore, the liability of Business Associate, if any, arising out of or in any way related to any error, act or omission by Business Associate in connection with this Agreement or the services provided hereunder (other than liability to third parties) shall be limited to general money damages in an aggregate amount not to exceed the amount received by Business Associate from Client for performing its service over the prior twelve month period commencing on the date of the error, act, omission or breach of contract.

b) **Third Party Liability.** The parties agree that each party will assume its own responsibility in connection with any claims made by a third party against Client and/or Business Associate. If the acts of the agents, servants and employees of Business Associate are the sole proximate cause of any action brought against Client, Business Associate will assume full responsibility for the defense of said action and the payment of any resulting judgment. If the acts of the agents, servants and employees of Client are the sole proximate cause of any action brought against Business Associate by a third party, then Client will assume full responsibility for the defense of said action and the payment of any resulting judgment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Business Associate Agreement:

CITY OF LONG BEACH

OSI COLLECTION SERVICES, INC., a Delaware corporation

ASSISTANT

By: Christine J. Shippy
City Manager

By: Richard N. Seeling

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

Richard N. Seeling
(Type or Print Name)

Vice President & Secretary
(Type or Print Title)

Date: May 31, 2007

Date: 5.15., 2007

APPROVED AS TO FORM

5/18, 2007
ROBERT E. SHANNON, City Attorney

By Kate A. Conway
DEPUTY CITY ATTORNEY