

BUSINESS ASSOCIATE ADDENDUM

This Addendum (“Addendum”) is effective on _____, 200_ and upon execution by both parties, and amends and is made part of the Agreement identified below (“the Agreement”) by and between the individual or entity named below (“Covered Entity”) and THIN, Inc., a subsidiary of Health Care Service Corporation (“Business Associate”) and (collectively, the “Parties”).

The Parties acknowledge and agree that the named Business Associate in this Addendum is a “Business Associate” of Covered Entity as that term is defined by the Health Insurance Portability and Accountability Act and its implementing regulations (45 C.F.R. Parts 160-164) (“HIPAA”). Capitalized terms used in this Addendum and not otherwise defined herein shall have the meanings set forth in HIPAA, which definitions are hereby incorporated by reference.

1. Obligations and Activities of Business Associate.

(a) Business Associate agrees to use or disclose Protected Health Information only as permitted or required by this Addendum, Agreement or as required by law.

(b) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Addendum.

(c) Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Addendum of which it becomes aware. Business Associate will make such report to Covered Entity’s Privacy Office within a reasonable time after Business Associate learns of such use or disclosure not provided for by this Addendum.

(d) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity agrees to the same restrictions and conditions that apply through this Addendum to Business Associate with respect to such information.

(e) Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a time and manner mutually agreed by the Parties or designated by the Secretary, for purposes of the Secretary determining Covered Entity’s compliance with the Privacy Rule.

(f) Business Associate agrees to document such disclosures of Protected Health Information 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 Protected Health Information in accordance with 45 CFR § 164.528.

(g) Business Associate agrees to provide to Covered Entity or an Individual, in time and manner mutually acceptable to the Parties, information collected in accordance with Section 1(f) of this Addendum, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.

(h) Business Associate agrees to provide access, at the request of Covered Entity, and in the time and manner mutually agreed by the Parties, to Protected Health Information, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524.

(i) Business Associate agrees to make any amendment(s) to Protected Health Information that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity or an Individual, and in the time and manner mutually agreed by the parties. When Covered Entity grants an Individual’s request for amendment, Covered Entity shall provide the granted amendment to Business Associate’s Privacy Office.

2. Permitted Uses and Disclosures by Business Associate. Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in Section 2(a) of this Addendum, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

- (a) The following functions, activities or services by Business Associate shall be considered to be performed for, or on behalf of Covered Entity in Business Associate's capacity as a Business Associate:

Healthcare Transaction Clearinghouse

(b) Except as otherwise limited in this Addendum, Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(c) Except as otherwise limited in this Addendum, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(d) Except as otherwise limited in this Addendum, Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 CFR § 164.504(e)(2)(i)(B).

(e) Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with § 164.502(j)(1).

3. Obligations of Covered Entity.

(a) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.

(c) Covered Entity shall notify Business Associate's Privacy Office of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

(d) Covered Entity shall provide Business Associate with the necessary information to fulfill Business Associate's obligations under this Addendum.

4. Permissible Requests by Covered Entity. Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity, unless otherwise noted in this Addendum.

5. Term and Termination.

(a) **Term.** The Term of this Addendum shall be effective upon execution of this Addendum by both parties, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section. This Addendum shall terminate upon termination of the Agreement. The Agreement shall terminate immediately upon termination of this Addendum unless Business Associate no longer meets the criteria of a Business Associate under HIPAA.

(b) Termination for Cause. Upon Covered Entity's knowledge of a material breach 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 Addendum and the Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(ii) Immediately terminate this Addendum and the Agreement if Business Associate has breached a material term of this Addendum and cure is not possible; or

(iii) If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary.

(c) Effect of Termination.

(i) Except as provided in paragraph (ii) below of this section, upon termination of this Addendum, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall also apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(ii) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity written notification of the conditions that make return or destruction infeasible. Business Associate shall extend the protections of this Addendum to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

(d) Cure of Non-material Breach. Covered Entity shall provide an opportunity for Business Associate to cure a non-material breach within the time specified by Covered Entity.

6. Miscellaneous.

(a) Regulatory References. A reference in this Addendum to a section in the Privacy Rule means the section as in effect or as amended.

(b) Amendment. The Parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

(c) Survival. The respective rights and obligations of Business Associate under Section 5(c) of this Addendum shall survive the termination of this Addendum.

(d) Interpretation. Any ambiguity in this Addendum or between this Addendum and the Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule. Any conflict between terms of this Addendum and the Agreement shall be resolved so that the terms of this Addendum supercede the relevant terms of the Agreement.

(e) Counterparts. This Addendum may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute one binding agreement.

(f) Response to Subpoenas. In the event that Business Associate receives a subpoena or similar notice or request from any judicial, administrative or other party arising out of or in connection with this Addendum or the Agreement, including, but not limited to, any unauthorized use or disclosure of Protected Health Information or any failure in Business Associate's

security measures, Business Associate shall promptly forward a copy of such subpoena, notice or request to Covered Entity and afford Covered Entity the opportunity to exercise any rights it may have under law.

(h) Severability. The provisions of this Addendum shall be severable, and if any provision of this Addendum shall be held or declared to be illegal, invalid or unenforceable, the remainder of this Addendum shall continue in full force and effect as though such illegal, invalid or unenforceable provision had not been contained.

(i) Identifying Information (Please Print).

Legal Business Name of Covered Entity: _____

Address: _____

Telephone: _____

Agreement No./TAX ID: _____

Name of Agreement(s): EDI Submitter Agreement

Business Associate:

THIN, Inc./ Health Care Service Corporation
Privacy Office – 25.106
300 E. Randolph St
Chicago, IL 60601

IN WITNESS WHEREOF, the parties hereto have executed this Addendum in multiple originals on the last date written below.

Business Associate:

Signature: _____

Printed Name: Philip Lumpkin

Title: VP Provider Affairs

Date: _____

Covered Entity:

Signature: _____

Printed Name: _____

Title: _____

Date: _____