

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is entered into on [Month]_____, [Day]_____ 2014 (the "effective Date"), by and between **Accreditation Association for Ambulatory Health Care, Inc., an Illinois not for profit corporation** ("Business Associate") and _____("Covered Entity").

WHEREAS, Business Associate may obtain, access, receive and use Protected Health Information as defined below (PHI) in order to perform its obligations relating to the accreditation survey process as described in the current edition of the AAHHC Accreditation Handbook For Ambulatory Health Care, and any other activities pertaining to accreditation of the Covered Entity ("Accreditation Services");

WHEREAS, Covered Entity and Business Associate are required to meet the requirements of the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (the "Act"), the privacy standards adopted by the U.S. Department of Health and Human Services ("HHS") as they may be amended from time to time, 45 C.F.R. parts 160 and 164, subparts A and E (the "Privacy Rule") the security standards adopted by HHS as they may be amended from time to time, 45 C.F.R. parts 160, 162, and 164, subpart C (the "Security Rule"), and the privacy provisions (Subtitle D) of the Health Information Technology for Economic and Clinical Health Act, Division A, Title XIII of Pub. L. 111-5, and its implementing regulations (the "HITECH ACT"), due to their status as a "Covered Entity" or a "Business Associate" under the Act. (The Act, the Privacy Rule, the Security Rule, the HITECH Act, and the HIPAA Omnibus Rules are collectively referred to as "HIPAA" for purposes of this Agreement.);

WHEREAS, in order to provide the Accreditation Services, Business Associate may use certain Protected Health Information on behalf of Covered Entity; and

WHEREAS, the parties desire to enter into the Agreement in order (i) to protect the privacy and provide for the security of Protected Health Information used by Business Associate on behalf of Covered Entity; and (ii) to satisfy certain requirements imposed upon the parties by HIPAA.

1. Definitions.

1.1. Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR §164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).

1.2. Protected Health Information. "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in the Health Information And Portability Act of 1996 as codified 42 U.S.C. 1320d ("HIPAA") and the Health Information Technology Act of 2009, as codified at 42 U.S.C.A. prec.17901 ("HITECH") and any current and future regulations

promulgated under either HIPAA, HITECH and all others regulations (collectively "Laws and Regulations").

- 1.3. Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in HIPAA.

2. Obligations and Activities of Business Associate

- 2.1. In providing these services, Business Associate will be acting as an independent contractor and not as an employee or agent of Covered Entity. Covered Entity shall have no authority, express or implied, to commit or obligate Business Associate in any manner whatsoever.

Business Associate hereby represents that it does not create, collect, compile or maintain PHI in any form in connection with the services provided between the parties. Any PHI that Business Associate may access in performing its obligations shall be held in strict confidence and shall not be further used or disclosed unless otherwise permitted in this Agreement. All other uses not authorized by this Agreement are prohibited, unless required by law or agreed to in writing by the Covered Entity.

- 2.2. Business Associate shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it reviews on behalf of Covered Entity as required by HIPAA. Business Associate shall, upon written request, provide Covered Entity with complete information about its compliance with this Section.

- 2.3. Business Associate shall ensure that any agent, including a subcontractor, to whom it provides PHI received from or by Business Associate on behalf of Covered Entity complies with the terms of this agreement.

- 2.4. To the extent that Business Associate maintains PHI in a Designated Record Set, Business Associate shall provide Covered Entity with access to such PHI no later than ten (10) days after receipt of such written request by Covered Entity pursuant to 45 CFR 164.524; and (ii) amend such PHI in accordance with Covered Entity's written request no later than twenty (20) days after receipt of such request by Covered Entity pursuant to 45 CFR 164.526.

3. Additional Obligations.

3.1. Electronic Copies of PHI. As applicable, Business Associate will cooperate with Covered Entity to provide an Individual with an electronic copy of such individual's PHI if the individual requests an electronic copy of his or her PHI.

4. Compliance with Covered Entity obligations.

4.1. Availability of Compliance Records. Subject to applicable legal privilege, Business Associate shall make its internal practices, books, and records available to the Secretary for the purposes of determining compliance with HIPAA rules.

5. Permitted Uses and Disclosures by Business Associate.

5.1. General use and Disclosure Provisions. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities or services for, or on behalf of Covered Entity as specified in the Accreditation Handbook, provided that such use or disclosure would not violate HIPAA.

5.2. Specific Use and Disclosure Provisions.

5.2.1.1. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

5.2.1.2. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

5.2.2. Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation services as permitted by 42 CFR §164.502(e)(2)(i)(B).

5.2.3. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, to the extent consistent with 42 CFR §164.502(j) (1).

5.2.4. Business Associate agrees to take reasonable efforts to limit requests for, or uses and disclosures of, PHI to the Minimum Necessary.

6. Prohibition on Certain Use and Disclosures.

6.1. Business Associate shall not use or disclose PHI for any purpose other than as specifically permitted by this Agreement. Specifically, but without limitation, Business Associate shall not use or disclose PHI for marketing purposes, and shall not directly or indirectly receive remuneration in exchange for PHI.

7. Obligation in the Event of A Breach.

7.1. Business Associate shall promptly report to Covered Entity of any use or disclosure of PHI of which Business Associate becomes aware that is not provided for or permitted by this Agreement or under HIPAA and any Breach of Unsecured PHI (collectively "Incident") as required by 45 CFR 164.410. Such report shall be made promptly and without unreasonable delay, but no later than ten (10) days after Business Associate first learns of the Incident.

8. Obligation of Covered Entity.

8.1. Covered Entity shall notify Business Associate of any limitation of which it becomes aware in Company's notice of privacy practices 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.

8.2. Covered Entity shall notify Business Associate of any change in, or revocation of, permission by an Individual to use or disclose Protected Health Information of which it becomes aware, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.

8.3. Covered Entity shall notify Business Associate of any restriction of which it becomes aware of the use or disclosure of Protected Health Information to which the Covered Entity has agreed 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.

9. Term and Termination.

9.1 Term. This Agreement shall take effect upon the date first written above and shall continue in effect as long as Business Associate evaluates Covered Entity for accreditation purposes, unless terminated as provided in Subsection 9.2.

9.2 Termination for Breach. Either party may terminate this Agreement if it determines that the other party has breached a material term of this Agreement.

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Alternatively, the non-breaching party may choose to provide the breaching party with notice of the existence of an alleged material breach and afford an opportunity to cure the material breach. If the breaching party fails to cure the breach to the satisfaction of the non-breaching party, the non-breaching party may immediately thereafter terminate this Agreement and report the breaching party to the Secretary.

- 9.3 Effect of Termination. Immediately upon termination of this Agreement for any reason, Business Associate shall cease further use or disclosure of such PHI and Business Associate will return or destroy all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity that Business Associate still maintains and will retain no copies of that PHI. However, if return or destruction of such PHI is not feasible, upon agreement of the parties, Business Associate will extend the protections of this Agreement to the PHI and will limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

10 Miscellaneous.

- 10.3 Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time for Business Associate and Covered Entity to comply with the requirements of HIPAA, amendments to them and statutes and regulations concerning the same subject matter.
- 10.4 Interpretation. Any ambiguity in this Agreement shall be resolved to facilitate Business Associate and the Covered Entity's compliance with HIPAA.
- 10.5 Notices. Any notice required or permitted to be given by either party to the other shall be in writing and shall be deemed delivered upon personal delivery (or attempted personal delivery, if the recipient refuses delivery) or delivery by telecommunicated facsimile, twenty-four (24) hours following deposit with a national courier service for overnight delivery or seventy-two (72) hours following deposit in the U.S. Mail, registered or certified mail, postage prepaid, return-receipt requested, addressed to the parties at the following addresses or to such other addresses as the parties may specify in writing.

IN WITNESS WHEREOF, the parties have executed this agreement effective as of the date first set forth above.

BUSINESS ASSOCIATE

COVERED ENTITY

By: _____

By: _____

Title: _____

Title: _____

AAAHC ID# _____

Addresses for Notices:
ATTN: Legal Department
AAAHC
5250 Old Orchard Road
Suite 200
Skokie, IL 60077