

ADDENDUM

BUSINESS ASSOCIATE

This Addendum sets forth the terms and conditions under which the Parties agree to manage Protected Health Information pursuant to the terms and conditions in the Agreement or Purchase Order _____ (hereinafter "Agreement") between William Beaumont Hospital ("Beaumont") and ("Business Associate"). The following terms describe the intended use within this Addendum and the Agreement:

"Designated Record Set" is a group of records maintained by or for Beaumont that includes: (a) the medical records and billing records about individuals maintained by or for a health care provider; (b) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (c) used, in whole or in part, by or for Beaumont to make decisions about individuals.

"HIPAA Privacy Regulations" means the Health Insurance Portability and Accountability Standards for Privacy of Individually Identifiable Health Information, 45 CFR Parts 160 and 164.

"Individually Identifiable Health Information" according to HIPAA Privacy Regulations is information that is a subset of health information, including demographic information collected from an individual, and: (a) is created or received by a health care provider, health plan, employer, or health care clearinghouse; (b) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (c) identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

"Protected Health Information" according to HIPAA Privacy Regulations is Individually Identifiable Health Information that is transmitted by electronic media, maintained in any medium, or transmitted or maintained in any other form or medium.

"Secretary" means the Secretary of the Department of Health and Human Services or designee.

Section 1. Use and Disclosure of Protected Health Information. As a “Business Associate” to Beaumont, the Business Associate is required to ensure that its directors, officers, employees, contractors and agents do not use or disclose Protected Health Information (PHI) received from Beaumont or another party or created on behalf of Beaumont as maintained in a designated record set in any manner other than as defined by the Agreement and this Addendum, including a manner that would constitute a violation of the HIPAA Privacy Regulations if so used or disclosed by Beaumont. Business Associate may use and disclose the minimum necessary of PHI to carry out its duties and obligations under the Agreement, which may be amended from time-to-time to include other duties and obligations related to PHI, or use or disclose PHI as required by law. In addition, Business Associate may use PHI for its own management and administration provided the disclosures are required by law, or, after obtaining the prior consent of Beaumont, which consent shall not be unreasonably withheld, in instances where the disclosure of PHI is not required by law, Business Associate shall obtain reasonable assurances from the person to whom the PHI is disclosed that the information remain confidential and used or re-disclosed only as required by law or for the purpose for which it was disclosed. Furthermore, Business Associate shall require the person to immediately notify Business Associate of any instances of which it is aware that a breach of confidentiality occurred.

Section 2. Safeguards Against Misuse or Wrongful Disclosure of Protected Health Information. Business Associate agrees that it will use reasonable and appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of the Agreement, this Addendum, or as required by law.

Section 3. Reporting of Wrongful Disclosures of Protected Health Information. Within five (5) days of the Business Associate’s lead client service partner becoming aware of an unauthorized disclosure of PHI in violation of the Agreement, this Addendum, or law, the Business Associate shall report the wrongful disclosure to Beaumont’s Privacy Officer.

Section 4. Agreements with Subcontractors or Agents. If Business Associate enters into an agreement with any agent or subcontractor in fulfillment of its obligations under the Agreement and the agent or subcontractor will have access to PHI, Business Associate must assure that agent or subcontractor is bound with respect to PHI by the same restrictions, terms and conditions of the Agreement including this Addendum.

Section 5. Access to Protected Health Information. Business Associate shall notify Beaumont within fifteen (15) days of a request by a patient for access (inspection or receipt of a copy) to PHI in its possession. The Parties agree to arrange for inspection and copying of the information as requested by the patient in compliance with Beaumont’s privacy practices, policies, and HIPAA Privacy Regulations, including charging the patient for photocopying. Beaumont is responsible to respond to the patient’s request for access to PHI.

Section 6. Amendment of Protected Health Information. Business Associate shall notify Beaumont within fifteen (15) days of receipt of a request by a patient to amend any PHI in its possession. Any patient request to amend PHI shall follow Beaumont's privacy policies, practices, HIPAA Privacy Regulations, and Michigan law. The Parties agree that Beaumont shall be responsible to respond to the patient's request for amendment, Business Associate may amend PHI only upon the express written direction of Beaumont.

Section 7. Accounting of Disclosures. Business Associate may only disclose PHI as described in the Agreement and Section 1 above. Furthermore, Business Associate shall provide to Beaumont the following information within fifteen (15) days of receipt of Beaumont's request for an accounting of all disclosures made of a patient's PHI: (a) the date of the disclosure; (b) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (c) a brief description of the PHI disclosed; and (d) a brief statement of the purpose of such disclosure. In the event a patient requests an accounting of disclosures of his or her PHI directly from Business Associate, Business Associate shall within five (5) days forward such request to Beaumont. Beaumont is responsible to respond to such request.

Section 8. Availability of Books and Records. Business Associate agrees to make its practices, books and records, including policies and procedures relating to the use and disclosure of PHI received from Beaumont or another party on Beaumont's behalf or created on Beaumont's behalf available to Beaumont and/or the Secretary during normal business hours for purposes of determining Beaumont's compliance with the HIPAA Privacy Regulations. Business Associate shall immediately notify Beaumont's Privacy Officer if the Secretary requests access to its practices, books or records.

Section 9. Termination Upon Breach of Provisions Applicable to Protected Health Information. The Agreement may be terminated by Beaumont in response to a material breach by Business Associate of its obligations hereunder after providing Business Associate a thirty (30) day period in which to cure the breach. If cure is not possible, Beaumont may immediately terminate the Agreement. However, if the material breach by Business Associate pertains to a use or disclosure of PHI not otherwise permitted herein, Business Associate shall use its best efforts to cure the breach within five (5) business days, but shall have up to ten (10) business days to cure the breach. Furthermore, in the event that termination of the Agreement is not feasible, Business Associate acknowledges that Beaumont shall have the right to report the breach to the Secretary.

Section 10. Return or Destruction of Protected Health Information upon Termination. Upon termination of the Agreement, Beaumont and Business Associate shall mutually determine whether Business Associate is to return, destroy, or retain all PHI in any form in its possession. If Business Associate is required to retain PHI, the terms and conditions of this Addendum shall survive termination of the Agreement, and such PHI shall be used or disclosed solely for the purpose or purposes which prevented the return or destruction of the PHI. If Business Associate is required to return or destroy PHI, it shall not keep a copy of the PHI. Furthermore, if Business Associate is required to destroy PHI it shall use reasonable methods of destruction to assure that a breach of confidentiality does not occur during the process.

IN WITNESS WHEREOF, the Parties hereto execute this Addendum.

Beaumont Service Company LLC

Supplier:

By:	<u>Charles T. Caine</u>	By:	
Title:	<u>VP IS & Support Services</u>	Title:	
Date:	<u>9/8/2004</u>	Date:	