



## BUSINESS ASSOCIATE AGREEMENT

This addendum (“Addendum”) is effective upon execution, and amends and is made part of our Agreement dated as of (“Agreement”) by and between (“Plan Sponsor”) and RESTAT (“RESTAT”).

Plan Sponsor and RESTAT mutually agree to modify Agreement to incorporate the terms of this Addendum to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 C.F.R. Parts 160-64) (“HIPAA”).

### A. Privacy of Protected Health Information.

1. **Permitted Uses and Disclosures.** RESTAT is permitted or required to use or disclose Protected Health Information it creates or receives for or from Plan Sponsor or to request protected health information on Plan Sponsor’s behalf only as follows:

a) **Functions and Activities on Plan Sponsor’s Behalf.** RESTAT is permitted to request the minimum necessary protected health information on Plan Sponsor’s behalf and to use and to disclose the minimum necessary Protected Health Information it creates or receives for or from Plan Sponsor for the following purposes:

- To process inquiries from providers concerning eligibility for Plan Sponsor’s health plan(s);
- To process claims from pharmacies, other health care providers, and Cardholders for reimbursement for pharmaceutical goods and services;
- To resolve Cardholder and provider grievances concerning Plan Sponsor’s health plan(s) with respect to pharmaceutical goods and services;
- To address questions and concerns from Cardholders and providers concerning Plan Sponsor’s health plan(s) with respect to pharmaceutical goods and services;
- To provide information necessary for health plan administration functions to Plan Sponsor’s health plan(s), and after receiving the plan certification required by the Privacy Rules, to Plan Sponsor or plan sponsors of Plan Sponsor’s group health plans; and
- As otherwise required by RESTAT’s contract with Plan Sponsor.

b) **RESTAT’s Operations.** RESTAT may use the minimum necessary Protected Health Information it creates or receives for or from Plan Sponsor for RESTAT’s proper management and administration or to carry out RESTAT’s legal responsibilities. RESTAT may disclose the minimum necessary of such Protected Health Information for RESTAT’s proper management and administration or to carry out RESTAT’s legal responsibilities only if:

- (i) The disclosure is required by law; or
- (ii) RESTAT obtains reasonable assurance, evidenced by written contract, from any person or organization to which RESTAT will disclose such Protected Health Information that the person or organization will:
  - a. Hold such Protected Health Information in confidence and use or further disclose it only for the purpose for which RESTAT disclosed it to the person or organization or as required by law; and



receives for or from Plan Sponsor, (i) the disclosure date, (ii) the name and (if known) address of the person or entity to whom RESTAT made the disclosure, (iii) a brief description of the Protected Health Information disclosed, and (iv) a brief statement of the purpose of the disclosure (items i-iv, collectively, the “disclosure information”). For repetitive disclosures RESTAT makes to the same person or entity (including Plan Sponsor) for a single purpose, RESTAT may provide (x) the disclosure information for the first of these repetitive disclosures, (y) the frequency, periodicity or number of these repetitive disclosures, and (z) the date of the last of these repetitive disclosures. RESTAT will make this disclosure information available to Plan Sponsor within 7 days after Plan Sponsor’s request.

- b) **Exceptions from Disclosure Tracking.** RESTAT need not record disclosure information or otherwise account for disclosures of Protected Health Information that this Addendum or Plan Sponsor in writing permits or requires (i) for the purpose of Plan Sponsor’s payment activities or health care operations, (ii) to the individual who is the subject of the Protected Health Information disclosed or to that individual’s personal representative; (iii) to persons involved in that individual’s health care or payment related to that individual’s health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates or other persons in lawful custody, (vii) pursuant to a valid authorization by the person who is subject of the Protected Health Information disclosed, (viii) as part of a limited data set, or (ix) that is incidental to a use or disclosure otherwise permitted by this Addendum.
  - c) **Disclosure Tracking Time Periods.** RESTAT must have available for Plan Sponsor the disclosure information required by Addendum Section C.3(a) for the 6 years preceding Plan Sponsor’s request for the disclosure information (except RESTAT need have no disclosure information for disclosures occurring before April 14, 2004).
4. **Inspection of Books and Records.** RESTAT will make its internal practices, books, and records, relating to its use and disclosure of the Protected Health Information it creates or receives for or from Plan Sponsor, available to the U.S. Department of Health and Human Services to determine compliance.

**D. Breach of Privacy Obligations.**

- 1. **Reporting.** RESTAT will report to Plan Sponsor any use or disclosure of Protected Health Information not permitted or required by this Addendum or in writing by Plan Sponsor of which RESTAT becomes aware.
- 2. **Termination of Agreement.**
  - a) **Termination for Breach.**
    - (i) **Right to Terminate for Breach.** Plan Sponsor may terminate Agreement if it reasonably determines that RESTAT has breached a material provision of this Addendum. Plan Sponsor may exercise this right to terminate Agreement by providing RESTAT written notice of termination, stating the breach of the Addendum that provides the basis for the termination. If RESTAT has not cured the breach within a reasonable time after receipt of the notice of termination, Plan Sponsor may terminate the Agreement. The reasonable time for cure of a material breach of this contract will not exceed forty-five (45) days.
    - (ii) **Obligations upon Termination for Breach.** Upon termination of Agreement for breach of this Addendum, RESTAT will if feasible return to Plan Sponsor or destroy all Protected Health Information, in whatever form or medium (including in any electronic medium under RESTAT’s custody or control), that RESTAT created or received for or from Plan Sponsor, including all copies of and any data or compilations derived from and allowing identification of any individual who is a subject of the Protected Health Information. RESTAT will complete such return or destruction as promptly as possible, but not later than 60 days after the effective date of the termination, of Agreement. RESTAT will identify any Protected Health Information that RESTAT created or received for or from

Plan Sponsor that cannot feasibly be returned to Plan Sponsor or destroyed, and will limit its further use or disclosure of that Protected Health Information to those purposes that make return or destruction of that Protected Health Information infeasible.

- b) Survival of Privacy Safeguards. Except when terminated in accordance with Section D.2.a) above, the provisions of this Addendum will survive termination of this Agreement and will remain in effect until all of the Protected Health Information RESTAT creates or receives for or from Plan Sponsor has been returned or destroyed.
- c) Other Obligations and Rights. RESTAT's other obligations and rights and Plan Sponsor's obligations and rights upon termination, cancellation, expiration or other conclusion of Agreement will be those set out in original contract or agreement.

**E. Conflicts.** The terms and conditions of this Addendum will override and control any conflicting term or condition of Agreement. All nonconflicting terms and conditions of Agreement remain in full force and effect.

**F. Interpretation.** Any ambiguity in this Addendum will be resolved in favor of a meaning that permits RESTAT's Plan Sponsors to comply with HIPAA.

**IN WITNESS WHEREOF**, Plan Sponsor and RESTAT execute this Addendum in multiple originals to be effective on the last date written below.

**RESTAT**

**Plan Sponsor**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: PRESIDENT

Title: \_\_\_\_\_

Date: 4/14/2004

Date: \_\_\_\_\_