

# AGREEMENT

**WHEREAS**, undersigned Agency seeks to provide general collection services for a portion of the receivables of undersigned health care provider; and

**WHEREAS**, undersigned health care provider desires to have the agency assist it in collecting certain of its outstanding receivables;

**NOW THEREFORE**, in consideration for the mutual covenants and conditions stated herein, Medical Society Business Services, an Arizona Corporation, d.b.a. Bureau of Medial Economics ("Agency") and Samaritan Health System, an Arizona nonprofit Corporation, d.b.a. Good Samaritan Regional Medical Center, Maryvale Samaritan Medical Center, Desert Samaritan Medical Center, Thunderbird Samaritan Medical Center, Samaritan Air Evac, West Valley Emergency Center, Havasu Samaritan Regional Hospital, and Samaritan Health Center Ahwatukee Foothills ("SHS"), each agrees to the following terms and conditions:

## I.

### Term and Termination

This contract shall commence on March 1, 1998, and shall remain in effect for three years, unless otherwise terminated in accordance with the terms hereof. Either party however, may cancel this agreement with or without cause, upon thirty days prior written notice, at which time all referred accounts shall be closed and returned to SHS with the accompanying reporting and accounting documentation as further set forth below. Either party may terminate this Agreement immediately upon written notice in the event of a material breach by the other party.

## II.

### Agency Contact with Debtor

1. Initial Contact. The Agency shall initiate contact in writing or by telephone with the debtor referred to it by SHS no later than seven (7) business days after the SHS referral date.
2. Follow Up. The agency shall engage in follow-up contact with the debtor thereafter in regular intervals. Intervals are not to exceed thirty days.
3. Nature. Agency contact with the debtor may be in writing, by telephone, by facsimile, or through personal meeting. All contact shall be documented, and specify the nature of the contact (i.e., correspondence, phone, meeting) and the date and summary description of such contact. At all times while pursuing reimbursement on an account, Agency representatives shall bear in mind the particularly sensitive nature of medical collections. All contact with a debtor shall be respectful, professional, and in accordance with all controlling local, state and federal laws.
4. Litigation. No legal action may be commenced or threatened by Agency without the prior written approval of SHS. Approval, if given, will be on a case-by-case basis, and only by an SHS Director.

5. Collections. All monies collected by Agency on behalf of SHS shall be deposited in a separate trust account until such time as they are normally remitted to SHS.

### III.

#### Placement Period and Close and Returns

1. Two Year Placement Period. All accounts referred to Agency shall be placed for a period of two years from the referral date (“Placement Period”). If an account is in a current payment arrangement status with Agency at the expiration of the two year placement period, Agency shall retain the account until the payment arrangement is in a default status. If an account remains at the Agency at the expiration of two years, the Agency shall close and return the account to SHS and provide all appropriate accounting and case documentation as further described hereinbelow.

2. Statutorily Mandated Close and Return. At any time a debtor requests the Agency to cease collection efforts in accordance with the requirements of the Federal Fair Debt Collection Practices Act, or any other state or federal regulation, rule, statute or case law, the Agency shall immediately close and return the account to SHS, noting the specific reason therefore. Agency shall also comply with all automatic stay requirements of the United States Bankruptcy code, and shall close and return all accounts subject to a “notice to creditors” given by the United States Bankruptcy Trustee’s office, the debtor, or the debtor’s attorney.

3. “Other Payor” Close and Return.

A. Defined: Agency shall close and return to SHS any account where it has learned or has reason to believe the debtor’s account may be covered by Medicare, AHCCCS, out-of-state Medicaid, Champus, or any *managed care* or *contracted insurance* (“other payors”). “Managed care” or “contracted insurance” accounts shall mean any available non-governmental insurance which is subject to a contract with Samaritan to pay less than 100% of the billed charges on an account.

B. Documenting: Each account closed and returned for this “other payor” reason will be fully documented by Agency including all available billing and insurance information regarding such other payors, including, but not limited to, the policy numbers, effective dates of coverage, insurance or insurer ID numbers, telephone numbers, billing addresses and contact persons, photocopies of insurance cards, and any other information that may also be helpful to SHS in pursuing reimbursement from such other payors.

4. SHS Administrative Close and Return. At any time during the placement period, SHS shall have the right to elect to cease collection efforts against an account for any reason, and to request the account to be closed and returned immediately. Such requests shall be communicated to Agency in writing and shall be specifically described as “Administrative” returns. SHS agrees to exercise this option in good faith, and shall not administratively close and return accounts as a means to deprive the Agency of a fee it may have otherwise earned.

5. Attorney Involvement. Agency agrees to immediately notify SHS regarding any account where it has notice that an attorney may be involved in an account. Such notice shall be provided to SHS via facsimile on the form attached hereto and incorporated herewith as Exhibit A, which may be modified by SHS from time to time. Once SHS learns of attorney involvement in a file, by any means, SHS may either allow such account to remain at the Agency through the placement period, or elect to close and return such accounts. Such requests to close and return these accounts shall be communicated in writing, and be specifically described as “Lien,” “Bankruptcy” or “Probate” accounts.

#### IV. Compensation

1. Fees. Except as otherwise set forth in this paragraph IV, SHS will pay Agency a flat 20% fee or \$10,000, whichever is less, for all amounts recovered from any one account.

2. Fee Accrual. Agency shall only be entitled to its fee for amounts collected or received by SHS or Agency during the two year placement period, *or* prior to the account being closed and returned for any reason other than “Lien” as described in paragraph III (5) above. Agency shall also be entitled to its fee for actual amounts collected or received by SHS for accounts closed and returned where agency believes the account may be covered by Medicare, AHCCCS, out-of-state Medicaid, Champus, or any managed care or contracted insurance as described in paragraph III (3) above and SHS subsequently re-bills and collects SHS’ contracted payment amount. If Agency or SHS receive any payment after the two year placement period, or after a “close and return” by either the Agency or SHS, Agency shall not be entitled to compensation for any such amounts paid out.

3. Fee Accrual After Close and Return. If SHS processes a close and return request describing the reason as “Lien,” SHS shall nonetheless pay the agency its fee for any amounts either Agency or SHS may thereafter collect or receive up through the original two year placement period. If SHS compromises, collects or receives less than the total *lien balance* owed, SHS shall remit to Agency its fee based on the pro-rata amount collected on the balance actually owed at the time of the Agency close and return.

#### V. Mutual Accounting and Reporting

1. Agency Monthly Reporting. For all accounts referred to Agency within two years that have not yet been closed and returned, Agency shall furnish monthly accountings to SHS. These accountings shall include the debtor name, SHS account number, dates of payment received during the previous month, current balance owed, and placement date. These accountings may be in paper or electronic format, at SHS’ discretion.

2. Direct Payment Reporting. Prior to the end of each month, SHS shall report to Agency all payments received by SHS during the month for all accounts that have been placed with Agency and that have not yet been closed and returned. Agency shall include these payments in its monthly reporting and calculation of its fees, as set forth above.

3. Trust Account. All monies collected by Agency on behalf of SHS shall be deposited in a separate trust account until such time as they are normally remitted to SHS.

4. Agency Payments. No later than the tenth day of each month, Agency shall remit to SHS all amounts collected by Agency as of the last day of the prior month, and include in such remittance its invoice for the fees earned therefrom. SHS shall remit to Agency its earned fee no later than forty-five (45) days from receipt of Agency's proper invoicing. Invoice shall include Agency's name, Tax Identification Number, each debtors name and corresponding amounts collected.

5. Non-Sufficient Funds Checks. In the event agency receives notice of a non-sufficient funds check and has previous to the notice remitted payment and been compensated on the amount of the check, Agency shall include the credit on the next remittance and reinstate the amount on the balance of the account. The remittance shall include a description of the non-sufficient funds, a reduction in the amount remitted to SHS and a reduction in the compensation due Agency.

6. Closed Account Reporting. When an account is closed and returned, either through the natural expiration of the two year placement period, or due to one of the reasons set forth in paragraph III above, Agency shall provide an accounting for each file which states: the debtor's name, SHS account number, the date placed, the amount placed, the total amount collected, the reason closed, and the remaining balance owed. If the account is closed for any reason other than the natural expiration of the two year placement period, Agency shall also attach all documentation pertaining to each account, including all debtor contact dates and descriptions, and the "other payor" information as more fully described hereinabove at paragraph III(3).

7. Agency Follow Up Reporting Agency shall also provide monthly reporting as described in paragraph V(1) above on all closed and returned accounts for which monies are received after SHS files are closed. Agency shall promptly remit all amounts paid therefore as above described in V(2). Except as provided paragraph IV(3) above, Agency will not be entitled to fees on any amounts collected on closed accounts.

8. Liaison. Agency shall identify a liaison and direct phone number for SHS to facilitate operations between the parties. Agency shall provide, without cost, any and all documentation and information it may have on any given referred account, upon request by SHS.

9. Interest. Neither SHS nor Agency shall accrue interest on an account unless specifically directed to do so in writing.

## VI. General Provisions

1. Training and Familiarity. Agency warrants that all of its agents, representative or employees who provide services under this contract will be familiar with and sufficiently trained and supported to perform the duties and obligations incumbent herein. Agency further warrants that all persons handling SHS accounts will be adequately trained and familiar with the statutes, rules, regulations, and case law governing their actions and behavior as an agent for a collection agency.

2. SHS and Agency Updating. Both Agency and SHS shall exercise all reasonable and best efforts to ensure the accuracy of account information, and to timely update each other regarding the debtor's account and all related information regarding the identity of the debtor, other potentially responsible payors, the account balance, and any payments and credits due.

3. Credit Bureau Reporting. Agency shall not report any unpaid debts to the Credit Bureau unless specifically authorized to do so in writing by Samaritan by an amendment to this agreement.

4. Legal Compliance. Agency agrees to comply with all governing rules, regulations, statutes and common law governing its activities surrounding this agreement, including but not limited to the Federal Fair Debt Collections Practices Act, and the Federal Fair Credit Reporting Act, and the United States Bankruptcy Code. Agency agrees to indemnify SHS for any amounts SHS may incur, including but not limited to, any fines, penalties, judgments, settlements, attorneys' fees, costs, or interest, in responding to or defending against any asserted claims regarding any such alleged violations. Agency warrants that it is licensed in accordance will applicable law and bonded in an amount acceptable to SHS.

5. Indemnification. Each party shall indemnify and hold harmless the other, its respective appointed boards and commissions, officials, officers, employees, students, agents and subagents, individually and collectively, from all fines, claims, demands, suits or actions of any kind including costs, expenses and attorney's fees resulting from or claimed to have resulted from any acts or omissions of the indemnifying party, intentional or negligent, occurring in the performance of its responsibilities under this Agreement. Where both SHS and Agency, including its appointed boards and commissions, officials, officers, employees, students, agents and subagents participated in the liability causing event, each party shall contribute to the common liability a pro rata share based upon its relative degree of fault as established by compromise, arbitration or litigation.

6. Governing Law and Attorneys' fees. This contract shall be construed in accordance with the laws of the State of Arizona. In the event there is a dispute surrounding the rights and duties created by this agreement, all attorneys' fees, costs, and interests shall be awarded to the prevailing party.

7. Authority. The undersigned each warrant they are duly authorized agents empowered to bind the contracting parties to the terms and conditions stated herein.

8. Non-Assignment Agency may not assign this contract without the prior written consent of SHS.

9. Confidentiality. Agency shall maintain the confidentiality of debtor information supplied by SHS, except for disclosures made by debtors, or to debtors, their representatives, or attorneys which are made by Agency in carrying out the terms of this Agreement, or in providing verifications of debts as required by the Fair Debt Collection Practices Act, or any other state or federal law pertaining to the collection of debts, or disclosures made pursuant to the order of a governmental authority, or a court of competent jurisdiction.

10. *Insurance*. Agency agree to secure and maintain in force during the term of this Agreement the following insurance coverages:

**Workers' Compensation Insurance.** Workers' Compensation insurance to cover obligations imposed by Federal and State statutes having jurisdiction of employees engaged in the work required under the Contract, and Employers' Liability insurance with a minimum limit of one hundred thousand (\$100,000) each accident or disease.

**Commercial General Liability Insurance.** General Liability insurance with a combined single limit of one million dollars (\$1,000,000) each occurrence applicable to all premises and operations and a minimum annual aggregate limit of liability of two million dollars (\$2,000,000). The policy shall include coverage for bodily injury, broad form property damage, personal injury (including but not limited to contractual and employee acts), blanket contractual, and completed operations. Additionally, Agency will maintain in place during the term of this Agreement an employee dishonesty bond(s) in commercially reasonable amounts. Agency agrees to provide SHS with a certificate of insurance acceptable to SHS which states that the above coverages are in force and will continue in force throughout the term of this Agreement except that a thirty (30) day prior written notice of expiration, cancellation or substantial change shall be given to SHS.

11. *Confidentiality*. Agency and its employees shall keep all knowledge, information and documents SHS entrusts to its care confidential. Neither Agency nor its employees shall disclose any knowledge, information or documents entrusted to Agency by SHS to any person, firm or corporation other than the person, firm or corporation designated by SHS. Knowledge, information and documents entrusted to Agency by SHS include, but are not limited to, the names of vendors, the terms and conditions (including financial information) with vendors, the names of patients, and any patient information (including financial information). This confidentiality requirement is part of Agency's employment practice. Breach of this confidentiality requirement by a employee is cause for dismissal by Agency.

12. *EEO*. Agency agrees to comply with all state and federal Equal Employment Opportunity, Immigration, and Affirmative Action requirements including 42 U.S.C. Sec. 2000 (e) *et seq*, The Civil Rights Act of 1964, The Civil Rights Act of 1991, Section 503 and 504 of the Rehabilitation Act of 1973, Section 402 of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, the Immigration Reform act of 1986, the Americans with Disabilities Act and any amendments and applicable regulations pertaining thereto.

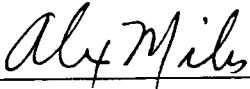
13. *Independent Contractor*. Agency shall at all times be deemed to be an independent Contractor. Its employees shall not be regarded as employees or agents of SHS for the payment of any and all employers taxes such as FICA, unemployment, and worker's compensation, and SHS shall not be responsible for those taxes nor any fringe benefits for the Agency's employees. Further, the employees of the Agency shall not be regarded as employees of SHS in regards to any intentional or negligent activity in which they may be involved or for any other purpose.

14. Audits. Audits of Agency may be performed from time to time by SHS or persons retained by SHS during normal business hours, to include a review of collection effort, adequacy of cash controls, promptness of recording and remitting payments, compliance with this Agreement and any other normal audit procedures and test.

15. Counterparts. This agreement may be executed in two or more counterparts, each of which shall be deemed and original, but all of which shall constitute a single document.

16. Headings. The sectional headings contained in this Agreement are for reference purposes only, and shall not in any way affect the meaning or interpretation of this agreement.

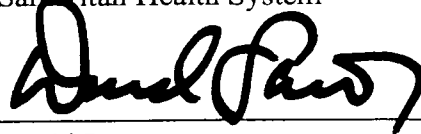
Medical Society Business Services



Alex Miles  
Title: Director

Dated 3/11/98

Sammaritan Health System



David Lantto  
Vice President Finance/  
Chief Financial Officer

Dated 2/24/98





# Collection Agency notice to Samaritan re: ATTORNEY OR "LIABILITY INSURANCE" CONTACT ON AN ACCOUNT

*Fax this document to SHS Legal Department at 640-3609.*

Patient Name	SHS Account Number	Date Placed	Amount Placed	Attorney Contact Date	Attorney Name or Liability Carrier	Attorney or liability insurance : address, phone and fax	Legal Issue: A=Accident Case B=Bankruptcy P=Deceased/Probate O=Other

Collection Agency Name \_\_\_\_\_  
 Collector's Name \_\_\_\_\_  
 Date Samaritan Notified \_\_\_\_\_



Bureau of Medical Economics  
Alex Miles, Director  
326 E. Coronado Road  
Phoenix, Arizona 85004-1576

Dear Mr. Miles:

This letter is intended to modify that certain September 1, 1998 agreement ("Agreement" between Banner Health System, a North Dakota nonprofit corporation d/b/a Banner Health Arizona, as successor in interest by assignment from Samaritan Health System, an Arizona nonprofit corporation ("Banner") and Bureau of Medical Economics ("Contractor"). The Agreement, by its terms, expired February 28, 2002.

By this agreement, Banner and Contractor agree to reinstate the Agreement and extend the term of the Agreement to February 28, 2004. Additionally, the parties agree that the provisions of the Placement Period section of the Agreement shall be interpreted so as to give effect to this letter. Except for the modification set forth in this letter, all of the terms and conditions of the Agreement shall remain in full force and effect.

During the term of the Agreement as extended by this letter, Banner will not place or refer any additional accounts with Contractor; it being the intention of Banner and Contractor that the purpose of the extended term contemplated by this letter is solely to facilitate the "winding up" and resolution of all accounts that have been placed with Contractor as of the date of this letter.

Contractor agrees to diligently pursue and process all accounts in its possession, and to abide by all other terms contained in the Agreement.

Contractor also hereby expressly agrees to comply with any Banner rules, regulations and policies implementing Health Insurance Portability and Accountability Act requirements whether now or hereafter existing.

If the forgoing correctly reflects the intention of ~~Associated Creditors Exchange, Inc.~~ <sup>BUREAU OF MEDICAL ECONOMICS</sup>, please sign the enclosed copy of this letter where indicated and return it to me to evidence your agreement to the modification of the Agreement as evidenced by this letter.

Thank you, in advance, for your attention to this matter.

Sincerely,

Dennis Dahlen  
Senior Vice President/Chief Financial Officer, Banner Health Arizona

The forgoing is accepted and approved this 8 day of July, 2003.

BUREAU OF MEDICAL ECONOMICS

By: Alex Miles

Alex Miles

Title: Director



Banner Health

Patient Financial Services  
P.O. Box 18, Phoenix, AZ 85001-9932  
602-640-3100

Bureau of Medical Economics  
Alex Miles, Director  
326 E. Coronado Road  
Phoenix, Arizona 85004-1576

Dear Mr. Miles:

This letter is intended to modify that certain September 1, 1998 agreement ("Agreement" between Banner Health System, a North Dakota nonprofit corporation d/b/a Banner Health Arizona, as successor in interest by assignment from Samaritan Health System, an Arizona nonprofit corporation ("Banner") and Bureau of Medical Economics ("Contractor"). The Agreement, by its terms, will expired February 28, 2003.

By this agreement, Banner and Contractor agree to reinstate the Agreement and extend the term of the Agreement to February 28, 2005. Additionally, the parties agree that the provisions of the Placement Period section of the Agreement shall be interpreted so as to give effect to this letter. Except for the modification set forth in this letter, all of the terms and conditions of the Agreement shall remain in full force and effect.

During the term of the Agreement as extended by this letter, Banner will not place or refer any additional accounts with Contractor; it being the intention of Banner and Contractor that the purpose of the extended term contemplated by this letter is solely to facilitate the "winding up" and resolution of all accounts that have been placed with Contractor as of the date of this letter.

Contractor agrees to diligently pursue and process all accounts in its possession, and to abide by all other terms contained in the Agreement.

Contractor also hereby expressly agrees to comply with any Banner rules, regulations and policies implementing Health Insurance Portability and Accountability Act requirements whether now or hereafter existing.

If the forgoing correctly reflects the intention of Bureau of Medical Economics., please sign the enclosed copy of this letter where indicated and return it to me to evidence your agreement to the modification of the Agreement as evidenced by this letter.

Thank you, in advance, for your attention to this matter.

Sincerely,

Dennis Dahlen  
Senior Vice President/Chief Financial Officer, Banner Health Arizona

The forgoing is accepted and approved this 26<sup>th</sup> day of FEBRUARY, 2004.

BUREAU OF MEDICAL ECONOMICS

By: Alex Miles

Alex Miles

Title: Director



Banner Health\*

April 7, 2005

Bureau of Medical Economics  
Alex Miles, Director  
326 E. Coronado Road  
Phoenix, Arizona 85004-1576

Dear Mr. Miles:

This letter is intended to modify that certain September 1, 1998 agreement ("Agreement") between Banner Health, a North Dakota nonprofit corporation d/b/a Banner Health, as successor in interest by assignment from Samaritan Health System, an Arizona nonprofit corporation ("Banner") and Bureau of Medical Economics ("Contractor"). The Agreement, by its terms, will expire February 28, 2003.

By this agreement, Banner and Contractor agree to reinstate the Agreement and extend the term of the Agreement to February 28, 2006. Additionally, the parties agree that the provisions of the Placement Period section of the Agreement shall be interpreted so as to give effect to this letter. Except for the modification set forth in this letter, all of the terms and conditions of the Agreement shall remain in full force and effect.

During the term of the Agreement as extended by this letter, Banner will not place or refer any additional accounts with Contractor; it being the intention of Banner and Contractor that the purpose of the extended term contemplated by this letter is solely to facilitate the "winding up" and resolution of all accounts that have been placed with Contractor as of the date of this letter.

Contractor agrees to diligently pursue and process all accounts in its possession, and to abide by all other terms contained in the Agreement.

Contractor also hereby expressly agrees to comply with any Banner rules, regulations and policies implementing Health Insurance Portability and Accountability Act requirements whether now or hereafter existing.

If the forgoing correctly reflects the intention of Bureau of Medical Economics., please sign the enclosed copy of this letter where indicated and return it to me to evidence your agreement to the modification of the Agreement as evidenced by this letter.

Thank you, in advance, for your attention to this matter.

Sincerely,

Dennis Dahlen  
System Vice President of Finance

The forgoing is accepted and approved this 22ND day of APRIL, 2005.

BUREAU OF MEDICAL ECONOMICS

By: al miles  
Alex Miles

Title: Director

## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (" Agreement") effective April 14, 2003 ("Effective Date"), is entered into by and between **Banner Health System**, an Arizona nonprofit corporation (the "Covered Entity") and Medical Society Business Services, Inc, a profit corporation d/b/a Bureau of Medical Economics (the "Associate") (each a "Party" and collectively the "Parties").

The Covered Entity is a healthcare provider and the Associate provides collection agency services. The Parties have a Collection Agency Agreement dated as of even date herewith (the "Collection Agency Agreement") under which the Covered Entity regularly discloses Protected Health Information to the Associates for its use in performance of the Services described below Associate and Covered Entity agree to the terms and conditions of this Agreement in order to comply with the use and handling of Protected Health Information ("PHI") under the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. §§ 160.103, 164.501 et. seq., as amended from time to time ("Privacy Standards") under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Unless otherwise provided, all capitalized terms in this Agreement will have the same meaning as provided under the Privacy Standards. Associate and Covered Entity will comply with the terms of this Agreement for the duration of this Agreement.

1. **Uses and Disclosures of Protected Health Information.** Associate will use and disclose PHI only for those purposes necessary to perform its duties, obligations and functions under the Agreement, or as otherwise expressly permitted in this Attachment or required by other law. Associate will not use or further disclose any PHI in violation of this Section.
2. **Safeguards.** Associate will implement appropriate safeguards to prevent any use or disclosure of PHI not otherwise permitted in this Agreement.
3. **Reports of Impermissible Use of Disclosure.** Associate will report to Covered Entity any use or disclosure of PHI not permitted by this Agreement within five days of Associate's learning of such use or disclosure.
4. **Agents and Subcontractors.** If Associate provides PHI to an agent or subcontractor for a purpose authorized under the Collection Agency Agreement and this Agreement, Associate will first enter into a written contract with the agent or subcontractor that requires the agent or subcontractor to agree to the same restrictions and conditions applicable to Associate's use and disclosure of PHI. Associate will maintain an accounting of any such disclosures to agents or subcontractors as provided in Section 8 of this Agreement.
5. **Obligations Regarding Associate Personnel.** Associate will inform all of its employees, agents, representatives and members of its workforce ("Associate Personnel"), whose services may be used to satisfy Associate's obligations under the Agreement and this Agreement of the terms of this Agreement. Associate represents and warrants that the Associate Personnel are under legal obligation to Associate, by contract or otherwise, sufficient to enable Associate to fully comply with the provisions of this Agreement.
6. **Access to PHI.**
  - a. **Covered Entity Access.** Within five (5) business days of a request by Covered Entity for access to PHI held by Associate, Associate will make requested PHI available to Covered Entity.
  - b. **Patient Access.** If a Patient requests access to PHI directly from Associate, Associate will within five (5) business days forward such request in writing to Covered Entity. Covered Entity will be responsible for making all determinations regarding the grant or denial of a Patient's request for PHI and Associate will make no such determinations. Only Covered Entity will release PHI to the Patient pursuant to such a request. "Patient" shall mean the individual to whom the PHI relates.
7. **Amendment of PHI.** Within five (5) business days of receiving a request from Covered Entity to amend a Patient's PHI, Associate will provide such information to Covered Entity for amendment. If the Covered Entity's request includes specific information to be included in the PHI as an amendment, Associate will incorporate such amendment within five (5) business days of receipt of the Covered Entity request. Within five (5) business days of receipt of a request by Patient to Associate to amend PHI, Associate will forward the request to Covered Entity. **Covered Entity will be responsible for making all determinations regarding amendments to PHI; Associate will make no such determinations.**

**8. Accounting of Disclosures; Requests for Disclosure.**

Associate will maintain all disclosure records under this Section 8 for the term of the Agreement plus six years after the effective date of termination or expiration of the Agreement.

a. **Disclosure Records.** Associate will keep a written record of any disclosure made to its agents, subcontractors or to third parties for any purpose other than:

- (1) Disclosures to other health care providers to assist in the treatment of patients;
- (2) Disclosures to others to assist the Covered Entity in obtaining payment;
- (3) Disclosures to others to assist the Covered Entity in conducting its health care operations, as defined in 45 C.F.R. § 164.501.

b. **Data Regarding Disclosures.** Except for disclosures made for purposes set forth in 8 (a) 1-3, Associate will record and maintain the following information for each disclosure:

- (1) The date of disclosure;
- (2) The name of the entity or person who received the PHI and the address of such entity or person, if known.
- (3) A description of the PHI disclosed; and
- (4) A brief statement of the purpose of the disclosure, including an explanation of the basis for the disclosure.

c. **Patient Request for Disclosure Records.** Within five (5) business days of receipt of a notice from Covered Entity to Associate of a Patient's request for PHI disclosures, Associate will provide Covered Entity with the records of disclosures requested in the notice. Associate will provide the disclosure records for any period that begins on or after April 14, 2003. In no event shall the disclosure period exceed six years before the date on which the accounting was requested by the Patient, as set forth in the notice. In no event shall Associate be required to tender an accounting for any dates prior to April 14, 2003.

d. **Patient Request to Associate.** If a Patient requests an accounting of disclosures directly from Associate, Associate will forward the request to Covered Entity within five (5) business days of Associate's receipt of the request, and will make its records of disclosures available to Covered Entity as otherwise provided in this Section. Covered Entity will be responsible to prepare and deliver the records of disclosure to the Patient. Associate will not provide an accounting of disclosures directly to the Patient.

**9. Associate Use of PHI for Management and Administration.** Associate may use PHI for the necessary management and administration of Associate, or to carry out the legal responsibilities of the Associate and may disclose PHI if:

- a. The disclosure is required by law; or
- b. Associate secures and retains written assurance as set forth in **Exhibit 1** to this Agreement from the receiving party that the receiving party will: (i) hold the PHI confidential; (ii) use or disclose the PHI only as required by law or for the purposes for which it was disclosed to the recipient; and (iii) notify the Associate of any breaches in the confidentiality of the PHI.

**10. Change or Restriction of Use or Disclosure of PHI.**

If Covered Entity advises Associate of any changes in, or restrictions to the permitted use or disclosure of PHI provided to Associate, Associate will restrict use or disclosure of PHI consistent with the Covered Entity's instructions.

## 11. Responsibilities upon Termination.

a. **Return of PHI; Destruction.** Within thirty days of termination or expiration of the Agreement, the Associate will return to Covered Entity all PHI received from Covered Entity or created or received by Associate on behalf of Covered Entity which Associate maintains in any form or format, and Associate will not maintain or keep in any form or format any portion of the PHI.

Alternatively, Associate may, upon request and receipt of Covered Entity's prior written consent, destroy all such PHI and provide written documentation of such destruction to Covered Entity. The requirement to return or destroy such PHI will apply to all agents or subcontractors of Associate. Associate will be responsible for recovering any PHI from such agents or subcontractors.

b. **Alternative Measures.** If Associate believes that returning or destroying PHI at the termination or expiration of the Agreement is not feasible, it will provide written notice to Covered Entity within five (5) business days of the effective date of termination of the Agreement. Such notice will set forth the circumstances that Associate believes makes the return or destruction of PHI not feasible and the alternative measures that Associate recommends for assuring the continued confidentiality and security of the PHI. Covered Entity will promptly notify Associate of whether it agrees that the return or destruction of PHI is not feasible. If the Covered Entity agrees that return or destruction of PHI is not feasible, Associate agrees to extend all protections, limitations and restrictions of this Agreement to Associate's use or disclosure of PHI retained and to limit further uses or disclosures to those purposes that make the return or destruction of the PHI not feasible. Any such extended protections, limitations and restrictions will apply to any agents or subcontractors of Associate for whom return or destruction of PHI is determined by Covered Entity to be not feasible. If Covered Entity does not agree that the return or destruction of PHI from Associate or its agents or subcontractors is infeasible, Covered Entity will provide Associate with written notice of its decision, and Associate, its agents and subcontractors will proceed with the return or destruction of the PHI pursuant to the terms of this Section within fifteen days of the date of Covered Entity's notice.

12. **Termination.** Covered Entity may immediately terminate the Collection Agency Agreement upon written notice to Associate if Covered Entity determines in its discretion that the Associate has breached a material term of this Agreement. Alternatively, Covered Entity may elect to provide Associate with at least ten (10) business days' advance written notice of Associate's breach of any term or condition of this Agreement, and afford Associate the opportunity to cure the breach to the satisfaction of Covered Entity within the ten (10) day period (the "Cure Period"). If Associate fails to timely cure the breach, as determined by Covered Entity, the Agreement will terminate on expiration of the Cure Period unless Covered Entity extends the Cure Period in writing.

## 13. Associate Books and Records.

a. **Covered Entity Access.** Associate will, within five (5) business days' of Covered Entity's written request, make available during normal business hours at Associate's offices, all records, books, agreements, policies and procedures relating to the use or disclosure of PHI for the purpose of allowing Covered Entity to determine Associate's compliance with the Agreement and this Agreement.

b. **Government Access.** Associate will make its internal practices, books and records on the use and disclosure of PHI available to the Secretary of the Department of Health and Human Services to the extent required for determining compliance with the Privacy Standards and any other provisions of HIPAA and HIPAA regulations. Notwithstanding this provision, no attorney-client, accountant-client or other legal privilege will be deemed waived by Associate or Covered Entity as a result of this Section.

14. **Indemnification.** Associate shall indemnify and hold Covered Entity harmless from and shall defend Covered Entity against any claims by a third party against Covered Entity for losses, injuries or damages, including reasonable attorneys' fees, caused by the acts or failures to act of Associate, its agents or subcontractors. This indemnification obligation is not subject to any limitation in any other agreement between Covered Entity and Associate.

Covered Entity shall indemnify and hold Associate harmless from and shall defend Associate against any claims by a third party against Associate for losses, injuries or damages, including reasonable attorneys' fees, caused by the acts or failures to act of Covered Entity, its agents or subcontractors. This indemnification obligation is not subject to any limitation in any other agreement between Covered Entity and Associate.

15. **Notices.** Any notices required under this Agreement will be sent to the parties at the following address by first class mail, fax or hand delivery:

Covered Entity:


Banner Health System  
1441 North 12<sup>th</sup> Street  
Phoenix, Arizona 85006  
Fax: 602-495-4897  
Attn: VP Legal Affairs

Associate:

Bureau of Medical Economics  
326 East Coronado Road, Ste. #203  
Phoenix, Arizona 85004-1576  
Fax: 602-495-8694  
Attn: Alex Miles, Director

COVERED ENTITY:

Banner Health System, an Arizona nonprofit corporation

By   
Its VP Finance

ASSOCIATE:

By   
Its DIRECTOR



**BUSINESS ASSOCIATE ASSURANCE FOR RELEASE OF INFORMATION TO THIRD PARTIES**

1. Bureau of Medical Economics ("Associate") is a business associate of Banner Health System, an Arizona nonprofit corporation ("Covered Entity") pursuant to the agreement between Associate and Covered Entity dated April 14, 2003 ("Agreement"). Pursuant to that Agreement, Associate is required to comply with the requirements for the use and handling of Protected Health Information ("PHI") from Covered Entity as set forth in the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. 164.501 et. seq. as amended from time to time ("Privacy Standards").
2. Associate is permitted to disclose PHI to patients, insurance companies and attorneys ("Recipient") for the necessary management and administration of Associate and to carry out the legal responsibilities of the Associate, provided that Recipient shall and does hereby provide Associate with the assurances for Recipient's use and disclosure of PHI set forth below. Disclosure of PHI is conditioned on Recipient's assurances set forth below.
3. Associate seeks to disclose PHI to Recipient for the following management, administration or legal responsibilities of Associate: Billing and Collection Activity.
4. Recipient expressly represents and agrees that it will:
  - a. Hold the PHI confidential and make no redisclosure to any third party without Associate's express advance written consent;
  - b. Use or disclose the PHI only as required by law or for the purposes set forth above; and
  - c. Notify Associate in writing of any breaches in the confidentiality of the PHI within three days of discovery of any such breach.
5. The disclosure of PHI to Recipient is made in reliance of the Recipient's foregoing agreement.

ASSOCIATE

RECIPIENT

By ALMIL  
Its DIRECTOR  
Date 04/18/03

By \_\_\_\_\_  
Its \_\_\_\_\_  
Date \_\_\_\_\_