

# SERVICES AGREEMENT

THIS SERVICES AGREEMENT is entered into between **BANNER HEALTH**, an Arizona nonprofit corporation ("BH") and **COLLECTION SERVICE BUREAU** ("Contractor").

**Recitals:** Contractor is in the business of providing **Debt Collection Services** (the "Services"), and BH desires to engage Contractor to provide such services.

THEREFORE, in consideration of the mutual covenants contained herein it is understood and agreed to by the parties as follows:

## Agreement:

1. **Services and Rates.** BH engages Contractor to perform the Services described in **Exhibit A, Scope of Work**, at the rates and pricing contained therein, attached hereto and incorporated by reference, during days and at times requested by BH. Contractor shall supply all qualified personnel, materials, and equipment necessary to provide the Services, and shall devote its best ability and professional efforts in providing the Services. If applicable, any conflict between the terms of the Contractor's proposal and the terms of this Agreement (excluding Exhibit A), shall be resolved in favor of this Agreement (excluding Exhibit A).
2. **Term and Termination.** This Agreement shall be effective for the period **January 1, 2004 through December 31, 2005**. The term may be extended annually upon mutual written agreement of the parties up to a maximum of three years. This Agreement may be terminated by either party with or without cause with at least 30 days prior written notice to the other party. Either party may terminate this Agreement in the event of a material breach of the terms of this Agreement by providing written notice to the party in breach.
3. **Insurance.** Contractor shall obtain and maintain in force during the term of this Agreement comprehensive general liability, including blanket contractual liability, automobile insurance, and complete operations insurance coverages with minimum limits of One Hundred Thousand Dollars (\$100,000.00) per occurrence and Three Hundred Thousand Dollars (\$300,000.00) annual aggregate. Further, Contractor agrees to provide BH with a certificate of insurance acceptable to BH, which states that the above coverages are in force and will continue in force throughout the term of this Agreement.
4. **Mutual Indemnification.** Each party shall indemnify and save harmless the other for, from and against all actions, liabilities, losses, damages, claims and demands whatsoever, including costs, expenses and attorney's fees resulting from or claimed to have resulted from any intentional or negligent acts or omissions of the indemnifying party or its employees or agents engaged in the work under this Agreement at the time of the event or occurrence upon which such actions, claims or demands are based. Where both BH and Contractor, including their respective employees or agents, 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.
5. **Compliance with Regulations and Policies.** Contractor shall comply with all standards applicable to the services described in this Agreement, including, but not limited to, the standards of (a) the Joint Commission on the Accreditation of Health Care Organizations, (b) federal, state and local government laws, rules and regulations and (c) third party payors. Whenever providing services or goods pursuant to this Agreement on BH premises, Contractor, its employees and agents shall comply with and observe all BH rules and regulations concerning conduct on BH premises. If any of the services or goods provided under this Agreement are services or goods for which BH may, directly or indirectly, obtain compensation or reimbursement from any governmental health program (e.g., Medicare, Medicaid, AHCCCS, CHAMPUS), Contractor will comply with all government reimbursement requirements as specified by BH and shall assist BH in completing necessary documents and records for reimbursement.

6. **Compliance with Federal Employment Law.** Contractor 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, Sections 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.
7. **Compliance with HIPAA.** BH is required to comply with the Standards for Privacy of Individually Identifiable Information under the Health Insurance Portability and Accountability Act of 1996 contained in 45 CFR Parts 160 and 164 (the "HIPAA Privacy Standards") as of the effective date of the HIPAA Privacy Standards on April 14, 2003 or as later determined. If this Agreement must be amended to secure such compliance, the parties will meet in good faith to agree upon such amendments. If the parties cannot agree upon such amendments, then any party may terminate the Agreement upon thirty days written notice to the other party.
8. **Confidentiality.** Contractor, its employees and agents shall keep confidential all knowledge, information and documents entrusted to its care by BH. Neither Contractor, its employees nor agents shall disclose any knowledge, information or documents entrusted to it by BH to any person, firm or corporation other than the person, firm or corporation designated by BH. Knowledge, information and documents entrusted by BH to Contractor may include, but are not limited to, the names of vendors and the terms and conditions (including financial information) with vendors, the names of patients and the terms and conditions (including financial information) of agreements with or for the benefit of patients and all medical records and information.
9. **Conflict of Interest Disclosure.** Contractor represents and warrants that neither Contractor nor any affiliate of Contractor nor any officers, directors, employees, partners, members, owners or shareholders of Contractor or any affiliate of Contractor is related to, affiliated in any way with, or employs (or otherwise has a compensation interest with) any officer, director or employee of BH.
10. **No Federal Exclusion.** Contractor hereby represents and warrants that Contractor and all personnel providing services under this Agreement are not and at no time have been excluded from participation in any federally funded health care program, including Medicare and Medicaid. Contractor hereby agrees to immediately notify BH of any threatened, proposed, or actual sanction or exclusion from any federally funded health care program, including Medicare and Medicaid. Such notice shall contain reasonably sufficient information to allow BH to determine the nature of any sanction. In the event that Contractor or any personnel providing services under this Agreement is excluded from participation in any federally funded health care program during the term of this Agreement, or if at any time after the effective date of this Agreement it is determined that Contractor is in breach of this Section, this Agreement shall, as of the effective date of such exclusion or breach, automatically terminate.
11. **Independent Contractor Status.** Contractor shall at all times be deemed to be an independent contractor. Its employees shall not be regarded as employees or agents of BH for the payment of any employer taxes such as FICA, unemployment, and worker's compensation; BH shall not be responsible for those taxes or any fringe benefits for the Contractor's employees. Further, the employees of Contractor shall not be regarded as employees of BH with respect to any intentional or negligent activity in which they may be involved or for any other purpose.
12. **Change In Law.** If there is a change in any federal or state law, regulation or rule which affects the Agreement or the activities of either party under this Agreement, or any change in the judicial or administrative interpretation of any such law, regulation, or rule and either party reasonably believes in good faith that the change will have a substantial adverse affect on that party's business operations or its rights or obligations under this Agreement, then the party may, upon written notice, require the other party to enter into good faith negotiations to renegotiate the terms of this Agreement. If the parties are unable to reach an agreement concerning the modification of this Agreement within the earlier of 45 days after the date of the notice seeking renegotiation or the effective date of the change, or if the change is effective immediately, then either party may immediately terminate this Agreement by written notice to the other party.

13. **Regulatory Termination.** If, prior to the expiration of the term of this Agreement, any federal, state or local regulatory body, including but not limited to The Centers for Medicare and Medicaid Services (CMS), Department of Health and Human Services (HHS) or the Internal Revenue Service (IRS) determines that this Agreement is illegal or jeopardizes BH' tax exempt status or otherwise materially affects either party's business, then the affected party shall give the other party such notice as is reasonable in the circumstances and shall make available a reasonable period within which to cure. If no cure is implemented by the parties, then BH, in its discretion may terminate this Agreement with such notice as is reasonable under the circumstances.
14. **Non-Exclusive Agreement.** This Agreement is not exclusive. Accordingly, BH shall have the right to enter into one or more agreements relating to the same or similar matters as are covered by this Agreement, and execution by BH of such Agreements shall not constitute a breach of this Agreement.
15. **Alternative Dispute Resolution Process.** If any dispute arising out of this Agreement cannot be resolved in a timely manner through executive-level negotiation, the parties shall try in good faith to settle the dispute through non-binding mediation. A neutral third-party mediator shall be agreed upon by the parties. If, within 14 days after either party makes written request for mediation, the parties have not agreed upon the identity of the mediator and the structure thereof, the mediation shall be in Phoenix and administered by the American Arbitration Association in Phoenix, Arizona, under its Commercial Mediation Rules, and the parties shall share equally the cost thereof. Subject to the approval of all parties, such mediation may be conducted by telephone conference call for the convenience of the parties. A good faith attempt at negotiation and mediation shall be a condition precedent to the commencement of arbitration or litigation, but is not a condition precedent to any court action for injunction or other interim relief pending the outcome of mediation.

If the parties are unable to resolve the dispute in a timely manner (which in any case shall not exceed 30 days from the first notice of mediation), through negotiation or mediation, the dispute shall be settled through binding arbitration before a single arbitrator in Phoenix, Arizona administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. If the parties have previously mediated the dispute, the same person may not serve both as the mediator and the arbitrator.
16. **Retention and Inspection of Records.** All records shall be kept on file by Contractor for a period of three (3) years from the date the record is made. Contractor shall, upon reasonable notice, give BH or its authorized representative the privilege at a reasonable time of inspecting, examining, and auditing, during normal business hours, such of BH' business records which are directly relevant to the financial arrangements. The cost of such inspection, examination, and audit will be at the sole expense of BH and such inspection, examination, and audit shall be conducted where said records are normally maintained.
17. **Access to Records for Government Inspection.** Contractor agrees until the expiration of four (4) years after the furnishing of services to be provided under this Agreement, to make available upon written request, to the Secretary of Health and Human Services or upon request, to the Comptroller General of the United States of America or any of their duly authorized representatives, the contracts, books, documents and records that are necessary to certify the nature and extent of reimbursable costs under the Medicare laws. If Contractor carries out any of the agreements under this contract through a subcontract with a value or cost of ten thousand dollars (\$10,000.00) or more over a twelve (12) month period with a related organization, such subcontract shall contain a requirement identical to that set forth in the preceding paragraph.
18. **Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other party. If consent to an assignment is obtained, this Agreement is binding on the successors and assigns of the parties to this Agreement. Notwithstanding any provision of this Agreement to the contrary, BH shall have the right to assign or otherwise transfer its interest under this Agreement to any "related entity." For the purposes of this section, a related entity shall be deemed to include a parent, subsidiary, any entity that acquires all or substantially all of BH' assets or operations relating to this Agreement, and the surviving entity of any merger or consolidation

involving BH. Any assignment to a related entity shall not require the consent or approval of Contractor in order to be effective.

19. **Corporate Authority.** The individual(s) executing this Agreement on behalf of, or as a representative for a corporation or other person, firm, partnership or entity, represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of the corporation, person, firm, partnership or other entity and that this Agreement is binding upon the entity in accordance with its terms.
20. **Waivers and Amendments.** No waiver of the enforcement or breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of the enforcement of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts. This Agreement may only be amended by a written document signed by all parties hereto.
21. **Severability.** If any provision of this Agreement, or any application thereof to any person, shall be invalid or unenforceable to any extent, the remainder of this Agreement, and the application thereof to other persons or circumstances, shall not be impaired, and shall be enforced to the fullest extent permitted by law.
22. **Force Majeure.** Neither party shall be liable for any delay in performance or any failure in performance hereunder caused in whole or in part by reason of force majeure, which shall be deemed to include the occurrence of any event beyond the control of the parties, war (whether an actual declaration thereof is made or not), sabotage, insurrection, riot and other acts of civil disobedience, action of a public enemy, laws, regulations or acts of any national, state or local government (or any agency, subdivision or instrumentality thereof), judicial action, labor dispute, accident, fire, explosion, flood, storm or other act of God.
23. **Counterparts.** This Agreement may be executed in one or more copies or counterparts, each of which when signed shall be an original, but all of which together shall constitute one instrument.
24. **Governing Law.** This Agreement shall be governed by the internal substantive law of the State of Arizona, without regard for conflicts of laws.
25. **Integration.** This Agreement contains the entire agreement between the parties. All prior negotiations between the parties are merged in this and there are no understandings or agreements other than those incorporated herein. This Agreement may not be modified except by written instrument signed by both parties.
26. **Drug Screening.** Contractor agrees that its employees and contractors providing the Services in BH shall provide "for cause" drug screening in a similar manner and under policies similar to those affecting employees of BH. The results of the drug screening may be disclosed in the event of an Industrial Claim. Prior to any employee providing Services to BH, Contractor agrees to have each employee and contractor providing services hereunder to (a) agree in writing that BH may, at any time, require a "for cause" drug screen; (b) execute a consent for release of the results of the drug screening information to BH; and (c) acknowledge that all privileges will be suspended if "for cause" drug screening is declined or if Services are provided by an individual who has not executed a consent for release.
27. **Replacement of Contractor Personnel.** If BH reasonably requests Contractor to replace an employee providing Services on BH premises under this Agreement, Contractor shall replace said employee immediately.
28. **Notice.** Any notice required to be given under this Agreement shall be in writing, and shall be deemed delivered when personally delivered or three days after the same is sent by certified mail, postage prepaid as follows:

Intended to Contractor: Collection Service Bureau, Inc.  
P.O. Box 310  
Scottsdale, AZ 85252-0310

Intended to BH: Banner Health – Patient Financial Services  
1441 N. 12<sup>th</sup> Street  
Phoenix, AZ 85006

With a copy to: David M. Bixby, Esq.  
Senior Vice President/General Counsel  
BH Health System  
1441 North 12th Street  
Phoenix, Arizona 85006

BANNER HEALTH, an  
Arizona nonprofit corporation

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

Collection Service Bureau, Inc.  
(Contractor)

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

FEIN: \_\_\_\_\_

## EXHIBIT A: SCOPE OF WORK and RATES

### Contractor Duties

1. Initial Contact. The Contractor shall initiate contact with the debtor referred to it by Banner no later than seven (7) business days after the Banner referral date.
2. Follow Up. The Contractor shall engage in follow-up contact with the debtor thereafter in regular and uninterrupted intervals, not to exceed thirty days, until the account is paid, closed upon request by Banner, or due to the termination or inactivation of collection services to be rendered by Contractor as further set forth herein.
3. Contractor Conduct. Contractor 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, Contractor 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 Contractor without the prior written approval by Banner Health System. Approval shall be sought and considered on a case-by-case basis.
5. Charity. In the event a debtor claims economic hardship to the extent he/she may qualify for discounted or charity care from Banner, Contractor shall refer such debtor to Banner for purposes of applying for charity eligibility. If such debtor so qualifies, Banner will contact Contractor to request that Contractor either close and return such account, or a process a reduction of the balance owed.
6. Credit Bureau Reporting. Contractor shall report delinquent accounts placed by Banner to all appropriate Credit Bureaus, unless satisfactory arrangements have been made with Contractor, no earlier than ninety days post placement, and shall be solely responsible for the accuracy and timely updating of the unpaid balance due, and any and all other information regarding the patient account reported, including subsequent activity or correction of any inaccurate or changed information regarding the debtor or creditor identified by either Contractor or Banner. Active or inactive accounts shall remain placed with and reported to the Credit Bureau for as long of a period as permitted under applicable law. Banner reserves the right to designate certain accounts not to be reported to Credit Bureau, or to be closed and returned from the Credit Bureau for any reason. Where applicable or so noted by Banner, Contractor shall report to the Bureau, that any given account was not a delinquent debt owed by the patient.

### Placement Period and Close and Returns

1. Six Month Placement Period. All accounts referred to Contractor shall be placed for a period of six months from the referral date ("Placement Period"). If an account remains unpaid, and is not subject to payment arrangements at the end of the placement period, Contractor shall place the account in an inactive status with regard to collection activity, return the account to Banner as inactive, and provide all appropriate accounting and documentation as further described herein below. As further set forth the in Article II, paragraph 6 above, Contractor shall continue to monitor and maintain all inactive records of all delinquent accounts, and shall notify Banner and any Credit Bureau in writing regarding any subsequent payments or activity regarding any accounts for so long as such accounts are reported to the Credit Bureau.
2. Statutorily Mandated Close and Return. At any time a debtor requests the Contractor 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, Contractor shall close and return the account to Banner, noting the specific reason therefore, or request initiation of legal action, to facilitate continued pursuit of the claim. Contractor shall comply with automatic stay requirements of and state of federal laws, including bankruptcies or receiverships.
3. "Other Payor" Close and Return. Contractor shall close and return to Banner any account where it has learned or has reason to believe the debtor's account may be covered by Medicare, AHCCCS, Medicaid, Champus, managed care insurance, or any type of Worker's Compensation insurance or benefits. Each account closed and returned for an "other payor" reason shall fully document all available billing and insurance information regarding such other

payors, including 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 Banner in pursuing reimbursement from such other payers. In no event shall Contractor knowingly bill a patient for any amounts owed by a managed care payer, Medicare, AHCCCS, Medicaid, Champus, or TriCare. In the event Banner collects based on the information provided by Contractor, Contractor will be entitled to their normal fees.

4. Administrative Close and Return. At any time during the placement period, Banner shall have the right to terminate Contractor's ongoing 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 Contractor in writing and shall be specifically described as "Administrative" returns. Banner agrees to exercise this option in good faith, and shall not administratively close and return accounts solely as a means to deprive the Contractor of a fee it may have otherwise earned.
5. Attorney Involvement. With respect to any receivables incurred by Banner facilities providing care in the State of Arizona, Contractor agrees to immediately notify Banner regarding any account where it has notice that an attorney may be involved in an account. Such notice shall be provided to Banner via facsimile on the form attached hereto and incorporated herewith as Exhibit A, which may be modified from time to time. Once Banner learns of attorney involvement in a file, by any means, Banner may either allow such account to remain at the Contractor 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 "Legal".
6. Medicare Accounts. Contractor shall treat patient liability balances placed with Contractor on accounts where Medicare is the primary payor in the same manner as all other accounts in regards to collection efforts and follow-up. Accounts that remain unpaid, and without payment arrangements, at the end of the placement period shall be placed in an inactive status, with regard to collection activity, and returned to Banner, in the manner described herein below. Contractor shall provide Banner with the specific accounting and reporting documentation required for Medicare, to be defined by Banner.
7. Settlement Authority. Contractor shall have the right to offer settlement discounts of up to 20% of Total Charges without requesting approval from Banner. Settlement offers greater than these amounts must be approved by Banner.

## Compensation

1. Fees. Except as otherwise set forth in this paragraph IV, Banner will pay a flat 18% fee for the total amount collected by Contractor on any one account.
2. Fee Accrual. Contractor shall be entitled to its fee for amounts received by Banner during the initial six month placement period or while in the inactive status for accounts whose placement period has lapsed, provided the account is still actively reported to the Credit Bureau and is being monitored by Contractor. Contractor shall also be entitled to a fee for any amounts received Banner prior to the account being closed and returned for any reason other than the lapse of the six-month placement period.

## Accounting and Reporting

1. Monthly Reporting. During the Placement or "inactive" period of any account placed with Contractor, and at all times during which any account is referred to the Credit Bureau, Contractor and Banner shall furnish weekly accountings to each other detailing all payments received by each in that week. These accountings shall include the debtor name, Banner account number, date(s) of payment(s), amount of payments, current balance owed, and placement date. Contractor must have the capability to submit weekly electronic remittances and EFTs if requested by Banner. Contractor must also have the capability to accept daily updates of account balance information in electronic format. Contractor must also be capable of providing Banner with other reasonable management information and statistics as requested by Banner.
2. Contractor Payments. No later than the tenth day of each month, Contractor shall remit to Banner all amounts collected by the last day of the prior month, and include in such remittance its invoice for the fees earned there from

and Banner shall remit to Contractor its earned fee no later than forty-five (45) days from proper invoicing, unless Banner requests remittance to be net collections (gross collections less contractor collection fees.)

3. *Inactivated, Closed Account Reporting.* When an account is inactivated, or closed, and returned, either through the lapse of the six-month placement period, or due to one of the reasons set forth above, Contractor shall provide, no later than the tenth day of the following month, an accounting for each file closed in the preceding month which states, at a minimum: the debtor's name, Banner account number, date placed, amount placed, 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 six-month placement period, Contractor shall also provide all documentation pertaining to each account, including all debtor contact dates and descriptions, and the "other payor" information as more fully described herein above at paragraph III (3).
4. *Reporting Format.* Contractor and Banner shall provide all account placements, accounting and reporting information and documentation in a manner to be determined by Banner. All data interchange, including funds transfers (EFT), shall be conducted in an electronic format, whenever possible.
5. *Medicare Reporting Requirements.* Contractor shall provide Banner with necessary accounting and reporting documentation to justify and validate Banner claims for Medicare reimbursable bad debt; the format and content of this documentation to be defined by Banner.
6. *Liaison.* Contractor shall identify a liaison and direct phone number for Banner to facilitate operations between the parties. Contractor shall provide without cost, and within five business day, any and all documentation and information it may have on any given referred account, upon request by Banner.
7. *Right to Audit.* Contractor shall provide Banner, or its designated agents, the right to audit Contractor's accounting systems and all financial records relating to Banner's assigned accounts at any time during normal business hours, with or without cause for such audit.



## 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 Collection Service Bureau, Inc., a(n) Arizona corporation d/b/a CSB Systems (the "Associate") (each a "Party" and collectively the "Parties").

The Covered Entity is a healthcare provider and the Associate provides Account Receivable Collection 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 Collection Agency 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 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:

Collection Service Bureau, Inc.  
4335 North Wells Fargo Ave  
Scottsdale, AZ 85251  
Fax: 480-947-2170  
Attn: Chris Becraft, President

COVERED ENTITY:

ASSOCIATE: