

PREAMBLE

Pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996, and its implemented regulations, the Standards for Privacy of Individual Identifiable Health Information, 65 Fed. Reg. 82,462 *et seq.* (Dec. 28, 2000) including but not limited to 45 CFR § 164.504(e), as promulgated by the U.S. Department of Health and Human Services ("DHHS"), and the Health Information Technology for Economic and Clinical Health Act ("HITECH") and the HHS regulations promulgated on January 25, 2013, entitled the "Modifications to the HIPAA Privacy, Security, Enforcement and Breach Notification Rules Under the Health Information Technology for Economic and Clinical Health Act and the Genetic Information Nondiscrimination Act" (hereinafter collectively the "HIPAA Privacy Rules") and as such may be updated or amended from time to time, as it relates to the provision of services to All Groups affiliated with Extended Business Associate using ProCare Pharmacy Benefit Manager, Inc. as its pharmacy benefit manager (individually "**Covered Entity**") by **ProCare Pharmacy Benefit Manager, Inc.** ("**Business Associate**"), both of those parties have entered into an agreement (the "BA Agreement") that addresses the requirements of the HIPAA Privacy Rules with respect to "business associates" as that term is defined in the HIPAA Privacy Rules. Business Associate now wishes to enter into an agreement ("Extended Associate Agreement") with a downstream entity Johnson County Indigent ("Extended Associate") with whom Business Associate wishes to share information belonging to the Covered Entity.

Specifically, the Extended Associate Agreement is intended to ensure that "Extended Associate will establish and implement appropriate safeguards (including certain administrative requirements) for **Protected Health Information and Personally Identifiable Information (together, "PHI")**, of Covered Entity that Business Associate and Extended Associate may create, receive, have access to, use or disclose in connection with certain functions, activities or services (collectively "Services") that are identified in the Client Services Agreement (the "CSA") between the Covered Entity and Business Associate. As set forth in the HIPAA Privacy Rules as same may be amended from time to time, and as used herein, PHI has the meaning set forth in 45 CFR § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity and is defined as individually identifiable health information maintained or transmitted in any form or medium, including, without limitation, all information (including demographic, medical, and financial information), data, documentation, and materials that relate to: (i) the past, present, or future physical, medical or mental health or condition of an Individual; (ii) the provision of medical or pharmacy health care to an Individual; or (iii) the past, present, or future payment for the provision of such health care to an Individual. The parties hereby acknowledge that the definition of PHI includes Genetic Information, as defined at 45 CFR §160.103.

The Parties acknowledge and agree that in connection with the services to be provided, Business Associate and Extended Associate may create, receive, have access to, use or disclose PHI. PHI does not include health information that has been de-identified in accordance with the standards for de-identification provided for in the HIPAA Privacy Rule at 45 CFR § 164.514(a)-(c)

In connection with Business Associate's and Extended Associate's creation, receipt, access to, use or disclosure of PHI, Business Associate and Covered Entity both agree as follows:

I. GENERAL TERMS

1. All capitalized terms of the Extended Associate Agreement shall have the meanings set forth in the HIPAA Privacy Rules as follows:

- 1.1 "**Business Associate**" and "Extended Associate" shall mean any "business associate" as defined in 45 CFR §160.103.
- 1.2 "**Covered Entity**" shall mean any employee health plan as defined in 45 CFR §160.103. For purposes of this Extended Associate Agreement, Covered Entity shall refer to the above named client.
- 1.3 "**Individual**" shall mean "individual" as defined in 45 CFR §164.501 and includes a person who qualifies as a personal representative in accordance with 45 CFR§164.502(g).

- 1.4 “**Required by Law**” shall mean the same as that term is defined in 45 CFR § 164.501.
- 1.5 “**Secretary**” shall mean the Secretary of the Department of Health and Human Services or his or her designee.
- 1.6 “**Designated Records Set**” shall mean a group of records of PHI maintained by or for Covered Entity.
- 1.7 “**Security Incident**” shall mean the same as that term is defined in 45 CFR §164.304 which generally means the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with systems operation in an information system.
- 1.8 “**Unsecured PHI**” shall mean PHI that is not secured through the use of technologies and methodologies that render such PHI unusable, unreadable, or indecipherable to unauthorized individuals, as described by the Secretary in guidance.
- 1.9 “**Secured PHI**” shall mean PHI that is secured through the use of technologies and methodologies that render unusable, unreadable or indecipherable to unauthorized individuals, as described by the Secretary in guidance.
- 1.10 Terms used but not otherwise defined in this Extended Associate Agreement have the same meaning as those terms have in 45 CFR §§ 160.103 and 164.501.

II. SPECIFIC REQUIREMENTS OF EXTENDED ASSOCIATE

1. Extended Associate agrees to not use or further disclose Protected Health Information other than as permitted or required by this Extended Associate Agreement or as required by law, as well as use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of the PHI other than as provided for by this Extended Associate Agreement.
2. Extended Associate agrees to create, receive, have access to, use or disclose PHI only in a manner that is consistent with the Extended Associate Agreement, an Agreement that already may be in force, or the HIPAA Privacy Rules and only in connection with providing directly or indirectly the services or evaluating potential services to Covered Entity. Accordingly, in providing services to or for the Covered Entity, Extended Associate, for example, will have access to and be permitted to use and disclose PHI for “treatment, payment and health care operations” in accordance with the HIPAA Privacy Rules. Additionally, under the HIPAA Privacy Rules, Extended Associate also may use or disclose PHI received by the Extended Associate in its capacity as an Extended Associate:
 - (i) the use relates to: (1) the proper management and administration of the Extended Associate or to carry out legal responsibilities of the Extended Associate, or (2) data aggregation or claims processing services relating to the health care operations of the Covered Entity; or
 - (ii) the disclosure of information received in such capacity will be made in connection with a function, responsibility, or service identified in (i), and such disclosure is required by law or the Extended Associate obtains reasonable written assurances from the third party, including any subcontractor to whom the information is disclosed that it will be held confidential and the such third party or subcontractor agrees to notify the Extended Associate of any Security Incident or breach of confidentiality. Such third party or subcontractor must notify the Extended Associate promptly, without unreasonable delay, following any instance of which such third party or subcontractor is aware that PHI has been used or disclosed for a purpose that is not permitted by the Extended Associate Agreement or the HIPAA requirements. Extended Associate further agrees that any disclosures of PHI made by Extended Associate to any third party, including subcontractors, shall comply with the HIPAA requirements, including but not limited to Security Standards.
3. Extended Associate agrees that in accordance with 45 CFR §§164.502(e)(1)(ii) and 164.308(b)(2), if applicable, it shall ensure that any third party or subcontractors that create, receive, maintain or transmit PHI on behalf of Extended Associate agree to the same restrictions, conditions and requirements that apply to the Extended Associate with respect to such information.

4. Extended Associate agrees to develop and document its policies and procedures to comply with HIPAA Privacy Rules and will implement security awareness and training programs for its employees. Extended Associate also agrees that it shall perform periodic evaluations of its policies and procedures to ensure that they continue to meet the administrative requirements of HIPAA Privacy Rules.
5. Extended Associate will make available to those Individuals who are subjects of PHI, their PHI in Designated Record Sets in accordance with 45 CFR §§ 164.524 and 164.526 of the HIPAA Privacy Rule, by providing the PHI to Covered Entity (who then may share the PHI with an Individual or another business associate) or in the sole discretion of Extended Associate, (i) by forwarding the PHI directly to the Individual, or (ii) by making the PHI available to such Individual at a reasonable time and at a reasonable location. In conducting any electronic transaction that is subject to the Electronic Transaction Rule on behalf of Covered Entity, Extended Associate agrees to comply with all requirements of the Electronic Transaction Rule that would apply to Covered Entity if Covered Entity were conducting the transaction itself.
6. Extended Associate agrees to make its internal practices, books, and records relating to the use and disclosure of Covered Entity's Protected Health Information available to Covered Entity, or at the request of Covered Entity to the Secretary, in a reasonable time and manner designated by Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the HIPAA Rules.
7. Extended Associate shall report any misuse or disclosure of Secured PHI or Unsecured PHI that is not provided for in the Extended Associate Agreement to Covered Entity or Business Associate of which it becomes aware as required at 45 CFR § 164.410, and any Security Incident of which it becomes aware and shall make available the information necessary to provide an accounting of disclosures of PHI as provided for in 45 CFR § 164.528 of the HIPAA Privacy Rule. In the event of such misuse or disclosure, Extended Associate shall notify Covered Entity or Business Associate of the breach without unreasonable delay and in any case within 60 days of discovery, to include an explanation of the breach and the name(s) of the individuals believed to have been compromised and to the extent possible, as much information as is needed for Covered Entity to notify those affected Individuals. Extended Associate shall also demonstrate that all notifications were reasonably made as required, including provision of evidence demonstrating the necessity of any delay, if applicable.
8. To the extent Extended Associate is to carry out one or more of the Covered Entity's obligations under the Privacy Regulations under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligations .
9. Extended Associate will not directly or indirectly receive remuneration in exchange for any PHI subject to the exceptions in the HITECH Act without valid authorization. Extended Associate will not engage in any communication that might be deemed to be "marketing" under the HITECH Act.

III. TERM & TERMINATION

1. Term. This Extended Associate Agreement shall be effective upon the earlier of (1) the disclosure of PHI to Extended Associate by Covered Entity or Business Associate or (2) the date upon which signatures are affixed, and shall terminate when all of the PHI provided by Covered Entity to Extended Associate, or created or received by Extended Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity. In the event that Extended Associate determines that returning or destroying the PHI is infeasible, Extended Associate shall provide to Covered Entity written notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties, Extended Associate shall extend the protections of this Extended Associate Agreement to such PHI and limit further uses and disclosures of such PHI for so long as Extended Associate maintains such PHI.
2. Termination for Cause. Upon Covered Entity's or Business Associate's knowledge of a material breach by Extended Associate, Covered Entity or Business Associate will (1) provide an opportunity for Extended Associate to cure the breach or end the violation. Business Associate may terminate this Extended Associate Agreement if Extended Associate does not cure the breach or end the violation within the time specified by Covered Entity, or (2) immediately terminate this Extended Associate Agreement if Extended Associate or its subcontractor has breached a material term of this Extended Associate Agreement and cure is not possible.

IV. NOTICES

All notices should be sent pursuant to the appropriate notice provision of the CSA.

V. MISCELLANEOUS

- 1. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules shall mean the section as in effect or as amended.
- 2. Amendment. The parties agree to take such action as is necessary to amend this Extended Associate Agreement from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.
- 3. Interpretation. Any ambiguity in this Extended Associate Agreement shall be interpreted to permit compliance with the HIPAA Rules; provided, however, where provisions of the Extended Associate Agreement are different from those mandated by the HIPAA Privacy Rule, but are nonetheless permitted by the Rule, the provisions of the Extended Associate Agreement shall control.
- 4. Survival. The obligations of Extended Associate under this Section shall survive the termination of this Extended Associate Agreement.

In Witness Whereof, each of Extended Associate and Business Associate has executed the Extended Associate Agreement as of the Effective Date noted in Section III.1.

ProCare Pharmacy Benefit Manager, Inc.:

Extended Associate:

By: *Barbara Rubio*
 Title: Chief financial officer
 Date: 10/14/15

By: *[Signature]*
 Title: Johnson County Judge
 Date: 2/9/15