



Business Associate Agreement

This **Business Associate Agreement** (“BAA”) is entered into this 10th day of June, 2021 (the “Effective Date”) between **Hand County** (“Covered Entity”/“CE”), and **AAA Collections, Inc.**, (“Business Associate”/“BA”) (collectively the “Parties”).

Recitals

WHEREAS, BA has agreed to provide services or products on behalf of CE, and in connection therewith BA will have access to and/or created Protected Health Information (“PHI”) as defined in 45 C.F.R. § 160.103 on behalf of the CE that is subject to the federal privacy regulations (the “Privacy Rule”) and the federal security regulations (the “Security Rule”) issued pursuant to the Health Insurance Portability and Accountability Act (“HIPPA”) and codified at 45 C.F.R. parts 160 and 164, and the Health Information for Economic and Clinical Health Act and any rules promulgated thereunder (“HITECH ACT”) as may be amended from time to time (collectively the “HIPAA RULES”); and

WHEREAS, both parties desire to set forth the terms and conditions pursuant to which PHI that is created by and/or provided to BA, by or on behalf of CE, will be handled pursuant to the HIPAA Rules and this BAA;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **DEFINITIONS.**

- a. *Catch-all Definition.* The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.
- b. *Specific Definitions.*
 - i. *Business Associate.* “Business Associate” or “BA” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean the BA listed above.

AAA Collections Bad Debt Workflow

AAA Collections Inc., a company of Advanced Asset Alliance, desires to partner with your company to collect on delinquent receivables for bad debt in accordance with the Fair Debt Collection Practices Act and Federal Law.

At AAA Collections Inc., we measure success by account resolution. There are various ways consumer accounts can be resolved including payment in full, settlement of an account, making payment arrangements or instituting hardship measures. Negotiated consumer payments offer consumer-friendly options. When we are able to arrange for the resolution of a debt, it is a success for both the consumer and the client.

It is our standard practice to have all accounts listed within 24 hours of receipt. All accounts will be screened with the National Change of Address database before any notices are sent, substantially reducing returned mail and increasing "first-notice recoveries". In addition, skip tracing is available in the event an account is listed without a current address or if an account needs to be assigned to a special status, such as attorney involvement or bankruptcy.

On the day the account is listed, our process for debt resolution begins. The consumer is sent a validation notice notifying them they have debt listed with our office on the day the account is listed. This validation notice must allow verbiage which articulates the consumer has thirty (30) days to dispute the validity of the debt. An acknowledgment of listings is also sent to the business partner at this time.

After the validation period has been met, a collections counselor will call the consumer to confirm receipt of the notice and inquire if the consumer has any questions regarding the notice. If the counselor is unable to reach the consumer, they will place additional calls every six (6) days.

Each time we attempt to contact the consumer, our collections counselors skip trace to update additional phone numbers, new addresses and possible places of employment.

If the consumer still does not respond to phone calls and correspondence, and the account meets the strict criteria we require to pursue legal action, AAA Collections will escalate the account to advanced collections and attempt to procure a judgment on the account contingent on the approval from our client.

Operationally, our computer system and oversight from our collection management staff ensures a seamless workflow so every account is worked efficiently through every step of the collections process.

Secure electronic processes and state of the art technology gives AAA Collections the best tools available to serve clients efficiently and effectively. Your employees are able to do and see the following through our secure client access website:

- * List accounts
- * Receive acknowledgements and reports
- * Manage listed collection accounts
- * Confidential, real-time chat with AAA representative
- * Report payments or account updates
- * Monthly remittance statement
- * Deposit monthly remittance funds
- * Connect securely through VPN
- * Accessibility for consumers to make secure payments with no processing fees

The technology employed by AAA Collections provides convenience to both clients and internal staff. During collections activity, a consumer may pose a question regarding an account. Our staff may request clarification from your staff on the account to assist our employees in effectively communicating with the consumer. Other correspondence may include verification of the balance, confirmation of documentation or signature for advanced collections work as needed or allowed.

System Utilized

AAA Collections uses proprietary software to accomplish daily collection tasks as well as having the capability of using specialized reporting specific to our clients' needs. We have an in-house director of software development to assist in meeting these specific requests.

Bankruptcy & Deceased Identification Process

Bankruptcy Process:

We receive notifications a bankruptcy has been filed by a consumer through the bankruptcy noticing center, clients and attorneys. We encourage our clients to forward all bankruptcy documents in regards to collection balances to our office as we prefer to err on the side of caution. The Electronic Bankruptcy Noticing (EBN) website is logged into on a daily basis to check for new notices and updates.

Once we receive notification of bankruptcy, the consumer's account is moved into a bankruptcy status which puts a cease on our communication with the consumer but allows our client service staff to follow the account through the bankruptcy process. The status of the consumer's account will show on our secure client access website as "bankruptcy" with the consumer's bankruptcy case number, file date and chapter filed notice.

If we have a married couple where only one spouse filed bankruptcy, then all the outstanding balances included in the bankruptcy will move under the spouse who didn't file bankruptcy. When it comes to consumers who are minors, if one parent filed bankruptcy then we will move all outstanding balances for the minor consumer to the parent who did not file bankruptcy.

Our client service staff will verify all balances that are to be included in the bankruptcy and will scan all documents received to our document management software. We keep all balances open until the bankruptcy has been closed by the courts. The reason for keeping them open is in case we receive notice to file a proof of claim. If we receive a notice stating we can file a proof of claim, AAA Collections will take care of filing this for all balances owing which are included in the bankruptcy. A second reason we keep balances open is in case we receive notification the courts have issued a dismissal of the bankruptcy and we are able to resume collection activity.

Once the bankruptcy has been closed, we will return all balances included in the bankruptcy to the client's office with the return code of "Bankruptcy, Chapter 7" or whichever chapter the consumer filed under.

Once all the balances included in the bankruptcy are returned to the clients, we will resume collections on the balances that fell after the bankruptcy file date. The client service staff will send validation letters to the consumer and resume collection calls.

Deceased Process

When we receive notification from a client or consumer's relative the consumer is deceased, the account moves into a "special attention" which can be seen on our secure client access website.

If we haven't received a death certificate in regards to the consumer, then we will verify the date of deceased. Once we have verified the date of deceased, we will contact the clerk of courts from the county the consumer resided in to verify if there is an estate.

If there is an estate, we will file a claim on the probate. If the estate is closed, this happens about a year after the date of deceased, then we will search for a spouse. If there is a surviving spouse, then we will move the outstanding balance to the spouse's name. If there is no surviving spouse, then we will return the balances to the client stating "deceased no estate".

Cell Phone Confirmation & Skip Tracing Process

Before the consumer is contacted, collection staff will confirm with the client whether cellphone authorization has been given. Whenever confirmation of authorization has not taken place, our collection staff will verify with the consumer. Each time a collections counselor talks to the consumer, they verify cell phone authorization and additional personal information on the account.

The collections counselors skip trace on every account they call to ensure accurate information and/or send additional written correspondence to the consumer.

Payment Plan Options Provided to Consumers

The collection staff has a matrix in which payment arrangements are to be made. If the consumer is unable to work within the standard matrix, our collection counselor needs authorization from a supervisor to authorize anything outside of our standard matrix.

Statuses Utilized

Pre-collections Account-Active-	In 30 or 45 day letter writing campaign Have good information and worked by the collection dept
Hold Account-	Consumer requested a cease on collections for review
Need info From Client-	Consumer requested or legal dept requested information on a balance owing
Special Attention-	Consumer is in jail, has an attorney, deceased
Bankruptcy-	Consumer filed bankruptcy
Estate/Probate-	Consumer is deceased and has open estate
Debtor is incarcerated-	Consumer is in jail
Skip Tracing-	Staff is working to find up to date information
Advanced Skip Tracing-	Our legal staff has a judgment and is searching for assets
Active Military-	Consumer is active military for US
Active Legal-	Our legal staff has obtained a judgment against consumer
Legal Action-	Our legal staff is pursuing a garnishment or execution against the consumer
Statue of Limitation-	Balance is past the state allowed statue for advanced collection efforts
Paid In Full-	Consumer's balance is at zero due to a payment made by the consumer to our office or the client's office

What Sets AAA Apart From Other Agencies?

As the debt collection arm of Advanced Asset Alliance, AAA Collections, Inc., is dedicated to providing our clients with competently trained employees and state of the art collection techniques and technology. AAA Collections supports 58 full time employees with resources, systems and training to meet the highest professional standards. Started by Loretta Nelson 57 years ago and is now in its third generation with Kade Nelson, Loretta's grandson as president.

We understand services must be cost effective while delivering measured results and profitable services. We understand the diverse compliance issues affecting our industry and our client. Performance combined with compliance form the cornerstone of our success. Since its inception, AAA Collections has remained true to its foundational beliefs with enduring emphasis on compliance. We understand our actions not only reflect our reputation, but can also reflect on our business partner. Not once in our history has there been a successful lawsuit against AAA Collections.

AAA Collections is proud of the long-standing relationships with various industries including healthcare facilities, municipalities, counties, public utilities, financial institutions and universities across the region. We have the knowledge and expertise to assist in meeting your collection objectives with a strong focus on compliance, compassion and customer service.

The process of accounts receivable recovery requires persuasiveness, compassion, understanding and perseverance. A delicate balance of good public relations and assertiveness is needed. AAA Collections is dedicated to a high level of professionalism. We focus on the client and the care of our clients' consumers. We have a high self-imposed adherence to compliance standards. It is our goal to change the public perception of collection agencies by virtue of our actions. We are, as a whole, "Peace of Mind Payment Solutions Provider" for our clients. The high level of professional services and experience we offer to every client is just AAA Collections' standard. Customizable programs and reports, flat rate pricing, transparent remittance processes, advancements in technology, and an in-house General Counsel set us apart from our competition.

Call or email with any questions:

Lisa Schultz

Advanced Asset Alliance

Sales & Marketing Specialist

lschultz@aaa-coll.com 605-978-9698

COLLECTION SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 21st day of June, 2021, by and between **HAND COUNTY** in Miller, South Dakota hereinafter referred to as "Assignor", and **AAA COLLECTIONS, INC.**, a South Dakota corporation, with its principal place of business in Sioux Falls, South Dakota, hereinafter referred to as "Assignee." This Agreement revokes and supersedes all prior agreements between the parties.

WHEREAS, Assignee conducts a recovery service in regard to delinquent accounts and is duly licensed, where appropriate, for such purpose; and

WHEREAS, Assignor desires to utilize the services offered by Assignee in order to receive payments on its accounts.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, it is agreed as follows:

1) **TERM OF THE AGREEMENT.** The term of this agreement is for one (1) year, beginning from date of signature on this Agreement. It shall automatically renew, on the same conditions set forth herein, for one (1) year increments unless either party notifies the other in writing, by certified mail, of its intent to cancel or modify the Agreement at least thirty (30) days before the end of the applicable term.

2) **RESPONSIBILITIES OF THE PARTIES.** Assignor agrees to use the services of Assignee to refer past due accounts to Assignee at the appropriate point in the aging process.

Assignee agrees to use its best efforts to recover such accounts listed with Assignee and to render such other services as are reasonably necessary to recover payments on said accounts.

In the event that a consumer has moved to a municipality or state where Assignee does not currently possess licensing and is thus unable to effect collections efforts on a listing and/or account, Assignee may engage an American Collectors Association accredited attorney or debt collection service to collect on said listing and/or account. Assignee shall obligate any attorney or debt collection service to which it places a listing and/or account to likewise follow and perform the duties and obligations to Assignor by Assignee.

Assignor agrees to cease any and all first party collection efforts on all listings and/or accounts assigned to Assignee for collection for the duration of the agreement or until said listings and/or accounts are returned to Assignor, unless Assignor is utilizing pre-collection services provided by Assignee, in which case Assignor agrees to cease any and all first party collection efforts on all listings and/or accounts assigned to Assignee at the conclusion of the agreed upon pre-collection period.

3) **CONSIDERATION.** In consideration of Assignee's performance pursuant to this Agreement, Assignor agrees to pay Assignee in the following manner:

NON-LEGAL	25 % (of recovered dollars)
LEGAL	25 % (of recovered dollars)
INTEREST	100 % (of recovered dollars)

Any payments made directly to Assignor on any accounts listed with Assignee shall be included in the amount recovered by Assignee and notice of the payment shall be given to Assignee immediately upon receipt of such payment. Assignee will be entitled to its percentage of these payments as listed above, the same as if Assignee had collected the payments on behalf of Assignor. Assignor shall remit amounts due to Assignee from payments received directly by Assignor within fifteen (15) days after the end of the month in which the payments are received.

STANDARD PAYMENT PROCESSING _____ (Net / Gross Election) please initial

If Assignor elects net proceed standard payment processing, Assignee shall remit all payments to Assignor less its fees, including fees owed on payments made directly to Assignor, together with a statement containing a summary of the accounts to include amounts collected and/or account cancellations within fifteen (15) days after the end of each month.

If Assignor elects gross proceed standard payment processing, Assignee shall remit all sums due together with a statement containing a summary of the accounts to include amounts collected and/or account cancellations within fifteen (15) days after the end of each month.

If Assignor does not remit fees owed to Assignee within twenty (20) days after the date of the statement, Assignor authorizes Assignee to deduct the fees owed to Assignee from the sums due Assignor at the next regular remittance date.

* ACH PAYMENT PROCESSING (optional) _____ (Net / Gross Election) please initial

If Assignor elects net proceed ACH payment processing, Assignee shall credit Assignor's account on the 10th day of each month all payments to Assignor less Assignee's fees, including fees owed on payments made directly to Assignor. A statement containing a summary of the accounts to include amounts collected and/or account cancellations shall be provided by email or available on AAA Collection's FTP site.

If Assignor elects to utilize gross proceed ACH payment processing, Assignee will credit Assignor's account on the 10th day of each month, or the following business day should the remittance date fall on a weekend or holiday. A statement containing a summary of the accounts to include amounts collected and/or account cancellations shall be provided prior to the account credit. Said statement shall be provided by email or available on the AAA Collection's FTP site.

Assignee will debit Assignor's account its fees, including fees owed on payments made directly to Assignor, on the 25th day of each month, or the following business day should the remittance date fall on a weekend or holiday.

4) **LEGAL ACTION.** Assignee agrees to obtain written authorization from Assignor before it initiates legal proceedings on any listed accounts.

Assignee is responsible for and shall pay all court costs and attorney's fees.

5) **INDEPENDENT CONTRACTOR.** The parties expressly understand and agree that Assignee is an independent contractor unrelated to Assignor or any of its Affiliates. Nothing in this Agreement is intended to create a relationship, express or implied, of employee-employer or principal-agent between Assignor and Assignee or between Assignor and any individual employed or provided to work under this Agreement by Assignee.

6) **SUSPENSION OF WORK.** Assignor may withdraw or recall from Assignee, at any time, any referred accounts. However, prior to withdrawal or recall, Assignee shall be paid its percentage of payments received directly by Assignor as set forth in Section 3 – Consideration, including payments Assignor may receive after withdrawal or recall, but that are part of a payment arrangement reached between Assignor and the consumer before withdrawal or recall of said consumer’s account(s). If, prior to the end of the term of this Agreement, as set forth in Section 1 above, Assignor recalls an account after signing a “legal assignment” for said account, there may be a charge associated with the account recall to reimburse Assignee for legal expenses already incurred by the Assignee. “Legal expenses” are those expenses incurred by Assignee in commencing legal proceedings or post-judgment collection actions, such as service fees, filing fees, garnishment fees, and execution fees. Depending upon the stage of litigation, the parties will work together to determine whether the legal action will be terminated or responsibility for prosecution will be transferred to Assignor.

7) **RIGHT TO AUDIT.** Assignee shall make available to Assignor its books, records and accountings pertaining to accounts referred by Assignor for the purpose of financial audits of Assignee’s recovery activities. Assignor shall have the right to examine such books and records during regular business hours and upon reasonable notice given to Assignee. Assignor’s right of inspection shall not apply to Assignee’s trade secrets or other proprietary information properly designated or asserted as such.

8) **INDEMNIFICATION AND INSURANCE.** Assignee agrees to indemnify, defend, and to hold Assignor harmless from any third-party claims, demands, liabilities, judgments, damages, expenses and losses incurred by Assignor, including court costs and reasonable attorneys’ fees to the extent that such claims, demands, liabilities, judgments, damages, expenses and losses arise out of or are based upon Assignee’s performance of its duties under this Agreement. Assignee agrees to notify Assignor within seven (7) days of any claim, demand or lawsuit made against Assignee.

Assignee shall carry, at its sole expense, general liability insurance providing comprehensive coverage.

Assignor, likewise agrees to indemnify, defend and hold Assignee harmless from claims, demands, liabilities, judgments, damages, expenses and losses incurred by Assignee, including court costs and reasonable attorneys’ fees to the extent that such claims, demands, liabilities, judgments, damages, expenses and losses arise out of or are based upon Assignor’s assigned accounts and the performance of its duties under this Agreement. Assignor agrees to notify Assignee within seven (7) days of any claim, demand or lawsuit made against Assignor as it relates to an account(s) listed with Assignee.

9) **CONFIDENTIALITY.** All knowledge and information acquired, directly or indirectly, which is not already in the public domain by Assignee during the term of this Agreement concerning the business affairs, operations, customer bases, and financial data of Assignor is deemed to be confidential and proprietary to Assignor, will be held in trust and confidence by Assignee and Assignee shall use its best efforts to maintain in confidence such knowledge and information and prevent disclosures to others. Accordingly, Assignee agrees to take reasonable steps to guard Assignor’s confidential and proprietary information.

Likewise, all knowledge and information acquired, directly or indirectly, which is not already in the public domain by Assignor during the term of this Agreement concerning the business affairs, operations, customer bases, and financial data of Assignee is deemed to be confidential and proprietary to Assignee, will be held in trust and confidence by Assignor and Assignor shall use its best efforts to maintain in confidence such knowledge and information and prevent disclosure to others. Accordingly, Assignor agrees to take reasonable steps to guard Assignee’s confidential and proprietary information.

10) **TERMINATION.** This Agreement may be terminated by either party upon a material breach thereof that continues for more than thirty (30) days after written notice of the default to the other party by certified mail. Notwithstanding the proceeding, Assignee may terminate this Agreement immediately upon written notice if Assignor files bankruptcy or if Assignee determines the actions or inactions, listings, accounts or itemized detail supporting or failing to support the balances due may cause risk, harm, damage, compliance issues or potential violation of federal or state laws governing Assignee.

11) **GOVERNING LAW.** This Agreement shall be deemed to have been made and accepted in Minnehaha County, and the laws of the State of South Dakota shall govern any interpretations or constructions of this Agreement.

12) **SEVERABILITY.** The invalidity and unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision.

13) **INTEGRATION AND UNDERSTANDING.** There are no understandings between the parties hereto as to the subject matter of this Agreement other than as herein set forth and in the documents specifically incorporated herein. All previous communications concerning the subject matter of this Agreement are hereby superseded and this Agreement shall constitute the entire and integrated Agreement between the parties.

14) **ASSIGNABILITY.** This agreement is not assignable to any other party without prior written approval from either party.

The parties signed below represent that they are duly authorized to sign this agreement on behalf of their respective corporations and to bind their respective parties to the provisions set forth in this agreement.

AAA COLLECTIONS, INC.

HAND COUNTY
(Legal Company Name)

By: _____
(Signature)

By: _____
(Signature)

(Printed Name)

(Printed Name)

Its: _____
(Title)

Its: _____
(Title)

Date: _____

Date: _____

* ACH PAYMENT PROCESSING (optional)

I, _____, as _____, for _____, authorize AAA Collections, Inc. to initiate electronic credit and debit entries for the purpose of payment processing, to include, if necessary, debit entries and adjustments for any credit entries in error to:

Type of Bank Account: Checking account _____ Savings account _____ Business Account _____
_____ (Check this box if the checking or savings account is setup at your bank as a business or commercial account)

Banking Information:

FINANCIAL INSTITUTION NAME (PLEASE PRINT)

ACCOUNT NUMBER AT FINANCIAL INSTITUTION

FINANCIAL INSTITUTION ROUTING NUMBER

FINANCIAL INSTITUTION CITY, STATE and POSTAL CODE

This authority will remain in effect until written cancellation or revocation is provided to AAA Collections, Inc. Said cancellation or revocation must be provided no less than thirty (30) days prior to the effective cancellation or revocation date.

Signature: _____

Date: _____

- ii. Covered Entity. "Covered Entity" or "CE" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean the CE listed above.
- iii. HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR part 160 and part 164.

2. OBLIGATIONS AND ACTIVITIES OF THE BUSINESS ASSOCIATE.

- a. Use or Disclosure. BA agrees that it will not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.
- b. Safeguards. BA agrees that it will use appropriate safeguards, and comply with subpart C of 45 CFR part 164 with respect to electronic PHI, to prevent use or disclosure of PHI other than as provided for by this Agreement.
- c. Reporting to CE. BA agrees that it will report to the CE, within ten (10) days of discovery, any use or disclosure of PHI not provided for by this Agreement of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR 164.410, and any security incident of which it becomes aware.
- d. Breach Notification Obligations. Within thirty (30) days of discovery of a breach of unsecured PHI provided to or created by BA pursuant to this Agreement, BA shall, on behalf of CE, notify: (a) the patients whose PHI is involved in the breach, as if it were CE, pursuant to the provisions of 45 CFR 164.404; (b) the media, as if it were CE, pursuant to the provisions of 45 CFR 164.406; and (c) the Secretary, as if it were CE, pursuant to the provisions of 45 CFR 164.408. BA shall bear all costs of such notifications, and in the event that BA does not timely make the required notifications, and CE is required to make the notifications, BA shall indemnify and hold CE harmless for all costs associated therewith.
- e. Subcontractors. In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, BA will ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of BA agree to the same restrictions, conditions, and requirements that apply to BA with respect to such information. BA will obtain from its subcontractors a business associate agreement substantially in the same form and content as this BAA.
- f. Producing Designated Record Set and Access by Patients to Their PHI. Within ten (10) days of a request from the CE, BA will make available to CE PHI in a designated record set as necessary to satisfy CE's obligations under 45 CFR 164.524. Alternatively, if BA receives a request directly from the patient or his/her authorized representative, BA shall provide the designated record set within the time frames provided in 45 CFR 164.524.
- g. Amending Designated Record Set. At the request of CE, BA shall make any amendment(s) to PHI in a designated record set as directed or agreed to by CE pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy CE's obligations under 45 CFR 164.526. In the event that BA receives a request to amend medical records from the patient or his/her authorized representative, BA shall refer the request for amendment to CE within ten (10) days of receipt.

- h. Documentation and Accounting of Disclosures. BA will maintain and make available to CE the information required to provide an accounting of disclosures to the patient or his/her authorized representative as necessary to satisfy CE's obligations under 45 CFR 164.528. If the request for an accounting comes from CE, BA shall forward the requested information within ten (10) days. If the request for an accounting is made by the patient or his/her authorized representative directly to BA, BA shall provide the disclosures to the patient or his/her authorized representative within the time frames provided by 45 CFR 164.528, and shall provide a copy of the same to CE within the same time frame.
- i. BA Stands in the Shoes of CE. To the extent BA is to carry out one or more of CE's obligations under Subpart E of 45 CFR Part 164, BA shall comply with the requirements of Subpart E that apply to a Covered Entity in the performance of such obligations.
- j. Books and Records Available to Secretary. BA shall make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.
- k. Policies and Procedure. BA will develop and implement administrative, physical, and technical safeguards, and related written policies and procedures, the same as if it were a Covered Entity, on or before the Effective Date.
- l. Mitigation. BA will mitigate, to the extent practicable, any harmful effect that is known to BA of an impermissible use or disclosure of unsecured PHI.

3. PERMITTED USES AND DISCLOSURES BY BA

- a. PHI Received by BA from CE. BA will receive from CE the PHI set forth in Exhibit A and incorporated here by reference.
- b. Limited Use of PHI by BA. BA may only use or disclose PHI as necessary to perform the services set forth on Exhibit A.
- c. De-Identification of PHI by BA. In addition to other permissible purposes, BA is authorized to use PHI to de-identify the information in accordance with 45 CFR 164.514(a)-(c).
- d. Use and Disclosure Allowed by Law. BA may use or disclose PHI as required by law.
- e. Minimum Necessary. BA agrees to make uses, disclosures, and requests for PHI consistent with the minimum necessary to fulfill the tasks to be performed by BA as described on the attached Exhibit A.
- f. Non-permitted Uses and Disclosures. BA may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by CE, except for the specific uses and disclosures set forth below.
- g. Management and Administration. BA may disclose PHI for the proper management and administration of BA or to carry out the legal responsibilities of BA, provided the disclosures are required by law, or BA obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used

or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies BA of any instances of which it is aware in which the confidentiality of the information has been breached.

- h. *Data Aggregation Services.* BA may provide data aggregation services in relation to the health care operations of CE if those services are part of the services to be performed under Exhibit A.

4. PROVISIONS FOR CE TO INFORM BA OF PRIVACY PRACTICES AND RESTRICTIONS

- a. CE shall notify BA of any limitation(s) in CE's notice of privacy practices under CFR 164.520, to the extent that such limitation may affect BA's use or disclosure of PHI.
- b. CE shall notify BA of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect BA's use or disclosure of PHI.
- c. CE shall notify BA of any restriction on the use or disclosure of PHI that CE has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect BA's use or disclosure of PHI.

5. PERMISSIBLE REQUESTS BY CE

CE shall not request BA to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by CE, except to the extent that BA may use or disclose PHI for data aggregation or management, administration, and legal responsibilities of BA.

6. TERM AND TERMINATION.

- a. *Term.* The Term of the Agreement is for one (1) year beginning on the Effective Date specified above unless terminated earlier under paragraphs 6(b) or (c); however, the Agreement will automatically renew for a consecutive term unless either party provides written notice at least thirty (30) days before the end of the term.
- b. *Termination Without Cause.* This Agreement shall terminate without cause by consent of the parties or when the underlying agreements which allow BA access to, or the ability to create PHI on behalf of CE, terminate, whichever is sooner.
- c. *Termination for Cause.* BA authorizes termination of this Agreement by CE, if CE determines BA has violated a material term of the Agreement, and BA has not cured the breach or ended the violation within ten (10) days from written notice to cure transmitted by CE.
- d. *Obligation of BA upon Termination.* Upon termination of this Agreement for any reason, BA, with respect to PHI received from CE, or created, maintained, or received by BA on behalf of CE, shall:

- i. Retain only that PHI which is necessary for BA to continue its proper management and administration or to carry out its legal responsibilities;
 - ii. Return to CE, or destroy, the remaining PHI that BA still maintains in any form;
 - iii. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as BA retains the PHI;
 - iv. Not use or disclose the PHI retained by BA other than for the purposes for which such PHI was retained and subject to the same conditions set out at above under "Permitted Uses and Disclosures By Business Associate," which applied prior to termination.
 - v. Return to CE, or destroy, the PHI retained by BA when it is no longer needed by BA for its proper management and administration or to carry out its legal responsibilities;
 - vi. If requested by CE, BA will transmit the PHI to another BA of CE at termination; and
 - vii. BA will obtain assurances of the return or destruction of PHI created, received, or maintained by its subcontractors.
- e. Survival. The obligations of BA under this Section shall survive the termination of this agreement.

7. **MISCELLANEOUS**

- a. Regulatory References. A reference in this Agreement to a section of the Privacy Rule, Security Rule, HIPAA, or HITECH Act means the section as in effect or as amended.
- b. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.
- c. No Third Party Beneficiaries. Nothing in this Agreement shall confer upon any person other than the Parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- d. Indemnification. BA shall indemnify, hold harmless, and defend CE from and against any and all claims, losses, liabilities, costs, and other expenses incurred as a result of, or arising in connection with, any breach by BA of the terms of this Agreement or the violation of any law involving the use and/or disclosure of PHI.
- e. Right to Audit. BA understands and agrees that its access to PHI stored in databases and information systems at CE is subject to review and audit by CE at any time, that remote audits of such access may occur at any time, that on-site audits of such access will be conducted during regular business hours, and that any review or audit may occur with or without prior notice by CE.

- f. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.
- g. Notice. Any notice or document required or permitted to be given under this Agreement shall be deemed to be given on the date such notice is (i) emailed to an officer or privacy officer of the other party, (ii) deposited in the United States mail, postage prepaid, certified mail, return receipt requested, or (iii) deposited with a commercial overnight delivery service, to the principal business address of the recipient or such other address or addresses as the Parties may designate from time to time by notice satisfactory under this section.
- h. Limitation on Subcontracting. BA understands and agrees that it will not assign, delegate, or subcontract any of its rights or obligations under this Agreement, or under the underlying service agreements listed in Exhibit A without the prior written consent of CE's HIPAA Privacy Officer.
- i. Governing Law; Jurisdiction. This Agreement shall be governed by the laws of the State of South Dakota and venue for any dispute arising out of this Agreement shall be in Minnehaha County, South Dakota.
- j. Application of State Privacy Laws. Where state and federal law are both applicable to the use and/or disclosure of PHI, the BA will be bound by the law that provides the greatest restriction upon the use and/or disclosure of PHI.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed in its name and on its behalf by its duly authorized representative.

HAND COUNTY
Covered Entity

AAA COLLECTIONS, INC.
Business Associate

By: _____
 Authorized Officer

By: _____
 Authorized Officer

 Print Name of Authorized Officer

 Print Name of Authorized Officer

Date: _____

Date: _____